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PAPER No. 6

HOW PUBLIC WELFARE BENEFITS
ARE DISTRIBUTED IN LOW-
INCOME AREAS

BASED ON DATA COLLECTED BY THE
GENERAL ACCOUNTING OFFICE

A STAFF STUDY

PREPARED FOR THE USE OF THE
SUBCOMMITTEE ON FISCAL POLICY

OF THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES



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LETTERS OF TRANSMITTAL

MARCH 22, 1973.

To the Members of the Joint Economic Committee:

Transmitted herewith is a study of public welfare programs entitled "How Public Welfare Benefits Are Distributed in Low-Income Areas," a staff study prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee. The study is based on data collected by the General Accounting Office at the request of the subcommittee. It represents the first attempt to analyze the actual distribution of benefits from 100 public welfare programs in specific localities. Among the programs included were public assistance, social insurance, food, medical and housing assistance, child care, social services, manpower training and education, legal aid, veterans, and agricultural subsidy programs.

The views expressed in this paper are those of the authors and do not necessarily represent the views of the Subcommittee on Fiscal Policy, the Joint Economic Committee, or its staff.

WRIGHT PATMAN,
Chairman, Joint Economic Committee.

MARCH 19, 1973.

HON. WRIGHT PATMAN,
*Chairman, Joint Economic Committee,
U.S. Congress, Washington, D.C.*

DEAR MR. CHAIRMAN: Transmitted herewith is a study entitled "How Public Welfare Benefits Are Distributed in Low-Income Areas," a staff study based on data collected by the General Accounting Office for the Subcommittee on Fiscal Policy of the Joint Economic Committee.

This study was undertaken to further our knowledge of how public welfare benefits and services are distributed in low-income areas of the country. Records of 100 programs, ranging from aid to families with dependent children (AFDC), to the farm subsidies paid by the Department of Agriculture, to service programs offering legal aid, were examined to determine the extent to which a random sample of households in six areas benefited from them.

This study documents the fact that many male-headed households are already receiving benefits of some sort and that their coverage under a reformed, streamlined program would not bring them into contact with public programs for the first time. It also provides information on the number of benefits individual households receive. Many sample households receive benefits from four, five, and more programs, most of which keep separate records and are administered independently of other programs. This administrative setup is certainly wasteful of public funds. Equally important, however, is the burden placed on people in need of assistance to find

out what programs exist and what the eligibility requirements are, to apply for and claim the benefits and services, and to comply with all the disparate rules and regulations involved.

This is the first study to actually document the flow of all of these benefits to specific households. While the traditional sources of this type of information such as the census are very useful, they are not structured to yield the type of detail on such a broad range of programs which is vital in order to evaluate the impact of our social policy.

The tremendous effort of the General Accounting Office is gratefully acknowledged in terms of data collection, study design suggestions, and data tabulations. The services of Ronald F. Lauve, Thomas A. Heck, James G. Bishop, Everett O. Pace, David A. Rogers, and William A. Schmidt should be noted in particular.

Congressman Wayne Hays, chairman of the House Administration Committee, facilitated data processing by the House Information Systems staff which is under that committee's jurisdiction. Frank Ryan, the director, and Charles N. Arrowsmith of the Information Systems staff provided expert assistance in data processing.

The cooperation of many Federal, State, and local program officials made this study possible, and we are very appreciative of their time and effort.

The study was written by James R. Storey, Alair A. Townsend, and Irene Cox of the subcommittee staff. James W. Knowles, former Joint Economic Committee research director, provided much of the initial impetus and groundwork for this study, and his assistance is gratefully acknowledged. Caterina Capobianco and Mary Beth Curry provided research assistance. Valuable comments and suggestions were received from Robert Lerman and Sharon Galm of the subcommittee staff and from former staff member Vivian Lewis.

The views expressed in this paper are those of the authors and do not necessarily represent the views of the Subcommittee on Fiscal Policy, the Joint Economic Committee, individual members thereof, or its staff.

MARTHA W. GRIFFITHS,
Chairman, Subcommittee on Fiscal Policy.

MARCH 19, 1973.

HON. ELMER B. STAATS,
*Comptroller General of the United States,
General Accounting Office,
Washington, D.C.*

DEAR MR. COMPTROLLER: The members of the Subcommittee on Fiscal Policy of the Joint Economic Committee and I personally wish to express our appreciation for your cooperation in conducting this study of the distribution of public welfare benefits.

In my judgment the study is a valuable addition to our understanding of this very complex set of programs, and we are grateful for your assistance.

We would like to mention particularly Ronald F. Lauve, Thomas A. Heck, James G. Bishop, Everett O. Pace, David A. Rogers, and William A. Schmidt. They provided expert advice in the overall study

design and methodology, supervision of the field data collection effort, and assistance in the computer processing needed to make the data useful.

With warm personal regards.

Sincerely yours,

MARTHA W. GRIFFITHS,
Chairman, Subcommittee on Fiscal Policy.

MARCH 19, 1973.

HON. WAYNE L. HAYS,
Chairman, House Administration Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: The members of the Subcommittee on Fiscal Policy of the Joint Economic Committee are very appreciative of the data processing assistance provided to us by the House Information Systems staff of your committee. May I extend my personal gratitude to you for your cooperation in this study of the distribution of public welfare benefits in selected areas of the country.

Tabulation of the data collected by the General Accounting Office was greatly facilitated by the expertise of Frank Ryan, the director, and by Charles N. Arrowsmith of the staff. They and other House Information Systems staff members could not have been more helpful.

In many respects this was an historic partnership. For the first time, a congressional committee undertaking analysis of a significant budgetary item was able to rely on direct congressional facilities for the vital data processing operation. In the past, Congress has had to rely almost exclusively on the executive agencies for legislative staff work including data processing because we have not had sufficient capability for conducting independent analysis of important issues and programs.

We are all aware of the need for Congress to strengthen its analytic and evaluative capability if it is to fulfill its role as an equal branch of Government. In my judgment, the will of Congress to review a \$269 billion Federal budget and to consider alternative program strategies must be matched with efficient and modern methods. Your center is an important resource.

With warm personal regards.

Sincerely yours,

MARTHA W. GRIFFITHS,
Chairman, Subcommittee on Fiscal Policy.

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HOW PUBLIC WELFARE BENEFITS ARE DISTRIBUTED IN LOW-INCOME AREAS*

By JAMES R. STOREY, ALAIR A. TOWNSEND, and IRENE COX

PART I. SUMMARY OF FINDINGS

This staff study presents findings on the actual distribution of public welfare benefits in six low-income areas of the Nation. The analysis is based on information collected from the records of 100 programs by the General Accounting Office (GAO) at the request of the Subcommittee on Fiscal Policy. These 100 programs include public assistance, social security, veterans benefits, unemployment compensation, and the many programs offering aid in the forms of food, health care, housing, child care, and other basic services.

There are several major reasons why this study was undertaken:

(1) This conglomeration of 100 programs will cost the Federal taxpayers \$131 billion next fiscal year, and yet many of the benefits are undercounted or not counted at all in existing surveys of household income, making evaluation of specific programs, or of income redistribution in general, a difficult task at best;

(2) Little is known about the combined incidence of all public welfare programs, although facts on the characteristics of beneficiaries and the amount and type of benefits they receive are essential to intelligent welfare reform; and

(3) Information on welfare recipients is usually based only on the circumstances of household members who are direct recipients of aid and only on a month-by-month basis, while a full understanding of program equity and adequacy would require information on all household members over at least a one-year period.

To attempt to fill these gaps in information which is vital to Congress, this study provides some specific facts for sample populations drawn from six areas, including:

(1) The number and amount of benefits paid by each program;

(2) The number and amount of benefits received by each household;

(3) The nature of the benefit distribution, both by type of aid and characteristics of beneficiaries; and

(4) The relationship between the public benefits received by households and the private income they accrued.

The information in this study, by itself, cannot fill the data vacuum. First, there are limitations on the data collected. Second, it was not possible to collect any data on tax subsidies or programs subsidizing business. Many of these subsidies, of course, go to upper-income

*Based on data collected by the General Accounting Office at the request of the Subcommittee on Fiscal Policy. See supplement A, table 1, for a list of programs included in GAO's review of agency records.

groups. However, this study is a starting point for answering questions which merit more routine and detailed study.

It must be remembered in interpreting the findings that the data pertain to low-income areas, not to the nation as a whole. Thus, the sample proportions receiving public welfare benefits exceed the comparable national figures. The degree of overlap among the programs is probably not overstated to the same extent relative to the national situation, however.

The data were collected by the GAO on a basis of strict confidentiality. The GAO selected households from the six low-income areas completely at random and searched the files of all programs to determine what benefits were received by the members of each household. This report does not reveal the identity of either the areas or the households; areas are identified descriptively rather than by actual place names.

While more complete benefit data have been gathered than would have been yielded by a household survey, even the record-search method has resulted in an undercount of benefits, since there was no way to determine if every member of each sample household had been identified. Also, the difficulty of determining the incomes of persons not receiving benefits means that we do not know why these people received nothing. Some would have had high current incomes while others would have been excluded by other program rules, but the sizes of these two groups are not known. The findings are dramatic nonetheless:

- In every low-income area surveyed, from about one-half to as many as three-fourths of the sample households received benefits from public welfare programs;
- Of households which received benefits, those receiving only one benefit were atypical, since from 60 to 75 percent of beneficiary households received more than one benefit at all sites;
- A significant proportion of households received a large number of benefits, with from 10 to 25 percent of beneficiary households at each site benefiting from five or more different programs;
- A few households were found whose members received eight, nine, 10, and even 11 different benefits;
- The great bulk of benefits are received from programs that scale benefits to current income, so that many households are involved in more than one such program;
- A significant share of benefits were received in a form other than cash, ranging up to 47 percent of all benefits found at one site;
- Cash benefit payment levels for a family of four at that site are less than half the payment levels at two of the other sites;
- Contrary to prevailing opinion about the characteristics of welfare recipients, many households benefiting from need-based benefits are headed by employable males, or have no children, or consist of single, non-aged individuals;
- In contrast to popular notions about public assistance recipients, it also was found that many households with members receiving public assistance—50 percent or more at two sites—also had earned income during some portion of the year;
- It is difficult to place a cash-income value on some noncash benefits, but if these benefits are valued at the cost to the tax-

payer, households receiving five or more benefits on average have total incomes in excess of the Federal poverty standard, and at two sites total income for this group averages more than \$6,500 a year;

- If only cash benefits are counted, households receiving five or more benefits still have total incomes, on average, above the income guarantee of \$2,400 proposed by President Nixon last year for families with children; but
- Nonetheless, all of these benefits have not eliminated poverty, for even among the households receiving five or more benefits, there were those at every site with total incomes below the poverty standard.

It is difficult to generalize about the data in this study, because they flow from such a large and uncoordinated set of statutes and regulations. For almost anything one could want to say for or against welfare programs, a fact can be found which illustrates that point. The following sections apply a structure to the findings which should aid the reader in sorting out the major features of public welfare programs as they work in combination.

Issues Underlying the Study

Lack of good data on key issues in the design of public welfare programs prompted this study. These issues are discussed briefly in the remainder of part I, together with relevant study findings and their policy implications.

ADEQUACY OF INCOME AND THE DISTRIBUTION OF INCOME

How a society distributes income and public benefits is a central feature of its national life. Decisions about who should have what are reflected everywhere: in the minimum wage; in personal income tax rates, deductions, and exemptions; in free public education; in subsidies to industries; and in the \$131 billion package of public welfare programs which directly affect personal standards of living.

The Federal Government regularly measures the distribution of income through the decennial census and the monthly Current Population Surveys which update census information. The Internal Revenue Service also uses income tax records for analysis. Researchers study the redistributive aspects of the tax and public benefit systems to determine whether these mechanisms significantly alter the pretax, pretransfer income distribution.

Yet large gaps remain in analyzing income distribution and redistribution, in part because the values of many benefits and services generally are not allocated to the individuals receiving them. For example, only recently and for only one month were questions asked in the monthly Current Population Survey about household participation in the \$2.1 billion food stamp program. Since this survey provides most of the statistics concerning who is poor, its failure to impute some dollar value to food stamps and to many similar "near cash" food and housing benefits results in an overstatement of the number of persons who are poor and the dollar value of the poverty gap. More complete information on the distribution of noncash benefits which supplement

the consumption of low- and moderate-income people is necessary if we are to know how well or how badly their basic consumption needs are being met.¹

There is a difference between the cost of goods and services and their value to recipients, of course. A child care slot may cost the taxpayers \$1,500 per year, but the value to the recipient may be considerably less, since the alternative to free care might be an inexpensive babysitter if the recipient were to choose and have to pay for the child care herself. Thus, it may not be correct to say that the cost of a noncash benefit is equivalent to income for the recipient or a substitute for income she would otherwise have spent on a similar item.

Nonetheless, such benefits are not cost-free, and they redistribute income from some households to others. Accurate assessments of their worth may not be possible, but they do have some value to the recipients. Leaving them out of the picture implicitly assumes that their worth is zero. Thus, dollar values have been assigned to all benefits in this study, with a few minor exceptions. Food and housing benefits have been valued in terms of their net retail value (retail price less price to the recipient). Other benefits were valued on a cost basis (cost to the Government of performing the service). A distinction is often drawn in the analysis between food and housing assistance, which are more easily measured as cash equivalents, and the other noncash benefits.

The extent to which public welfare programs provide for an adequate level of living has to be the starting point for the analysis of these benefits. This study shows that in judging welfare adequacy:

(1) Programs cannot be viewed in isolation when the typical beneficiary receives aid from more than one source;

(2) The level of cash assistance is a limited indicator of income adequacy when about half the assisted households also had private income and a very high proportion received noncash assistance; and

(3) The assistance unit as defined by most program rules is less useful as an economic unit than the household as defined by the census when we find that from one-tenth to one-third of the sample households at each site contain more than one family.

Taking into account income and benefits from all sources, the study data show that average monthly incomes² for beneficiary households are less than \$300 at two sites but are fairly high at the other four sites (ranging from \$348 to \$451). These amounts represent a doubling or tripling of the private income found for these households.

The more benefits for which a household can qualify, the better off it usually is. For those sample households with five or more benefits (about 20 percent of all beneficiary households and 12 percent of all households in the sample), average monthly incomes are high at all sites, varying from \$306 to \$676. These average figures are higher than

¹ Another aspect of ignoring aid in kind in counting income is that recipients may be denied access to public programs (such as HUD housing subsidies under secs. 235 and 236) which have minimum income requirements for eligibility. In a case now before the courts in Pennsylvania (*Pa. v. HUD*, No. 72-2253, E.D. Pa., filed Nov. 15, 1972), plaintiffs are arguing that they have been unfairly excluded from sec. 236 housing. They allege that the minimum income needed to live in the project has no bearing on ability to pay rent since income from food stamps and medicaid is ignored.

² Unless specified otherwise, "income" will refer not only to private income and cash assistance but to noncash benefits as well.

several benchmark figures widely discussed in past debates over welfare reform:

(1) At two sites, the average monthly incomes for the multibenefit (five or more benefit) households exceed the adequate income of \$542 (\$6,500 a year) advocated by the National Welfare Rights Organization;

(2) At all six sites, the per person average benefits to multibenefit households are greater than the \$83 (\$1,000 a year) per person grant proposed by Senator McGovern last year, varying from \$90 to \$141;

(3) The average incomes for households with five or more benefits exceed the Federal poverty standards at all sites for units with two or more members; and

(4) The average incomes for all beneficiary households exceed the \$200 (\$2,400) family assistance payment for a family of four, as passed by the House of Representatives in 1971 (H.R. 1).

But the point must be stressed that adequacy for some households has not produced decent incomes for all. The average household incomes cited above for all beneficiaries at four sites (\$348 to \$451) are in contrast to only \$247 and \$264 at the other two sites, and many households obviously have incomes below these average amounts. Of the high averages previously mentioned for multibenefit households, only 60 to 70 percent of those amounts are in cash, with the remainder in the form of goods and services, the values of which are likely to be discounted by recipients.

An analysis of the degree to which households with five or more benefits remain poor demonstrates the gaps in these programs. If only cash income is counted (the method now used in census data), from as few as 14 to as many as 67 percent of these households are in poverty. If those benefits most like cash are added in (food and housing benefits), the proportion in poverty is reduced to a range of 8 to 35 percent. If all other noncash benefits are included, there are still households in poverty at every site, with the proportion being as high as 14 percent at two sites.

EQUITY OF BENEFIT DISTRIBUTION

One goal of public policy is that benefits should be distributed equitably. The concept of equity has not been refined sufficiently for policy purposes, however; as a tool for the analyst, it has the sharpness and precision of a stone ax. Nonetheless, general usage prescribes that families of the same size and with the same income should be treated equally and that programs should not generally make recipients better off financially than non-recipients in similar circumstances.

This study provides data bearing on the equity of benefit distribution by region of the country, by type of household (age and sex of household head, and presence or absence of children), and by benefit type (cash versus noncash, and social insurance versus need-based). The major limitation here is that data on private sources of income such as earnings were difficult to obtain. But, while unequivocal statements about equity cannot be made, the data do facilitate exploration of the issues involved. It is not difficult to conclude that there are inequities *among* beneficiaries as well as inequities *between* beneficiaries and nonbeneficiaries.

Critiques of the welfare system commonly note the inequities among beneficiaries because of differences in public assistance payment levels among the States. In measuring the extent to which regional inequities

exist, however, the availability and utilization of noncash benefits must also be considered. Either the food stamp or surplus commodities program exists in nearly every county. The larger program, food stamps, bases benefit amounts on income. Thus, in areas where public assistance benefits are low, the food stamp bonus is higher than in high cash-benefit areas, and inequities in total income are reduced. And this study finds that where assistance levels are higher, the utilization of noncash benefits is lower, even among assistance recipients who are automatically eligible for them. This may indicate a preference for cash, as well as differences in demand based on greater real need when cash benefits are low. But even where cash income is generally lower, many families who would be eligible do not avail themselves of all the benefits to which they are entitled. Household choice may be influenced by lack of knowledge of the availability of benefits, the relative difficulty of making a series of applications for various benefits, local accessibility, the availability of transportation, community and personal attitudes regarding acceptability of the benefits, and the administrative climate.

This variation in access and usage applies to most low-income households, regardless of whether or not they receive public assistance. Thus, for example, two-thirds of the households with children in two of the urban samples benefited from the free or reduced-price school lunch program compared to only one-quarter to one-third of similar households in the rural sample. And in the rural sample, fewer than 1 percent of the households received housing benefits, while more than 20 percent had some type of subsidized housing in two of the urban areas.

Variations in benefits to households with similar characteristics is inevitable in a nonsystem of separately administered programs in which eligibility for each benefit is determined by many factors subject to uncoordinated administrative discretion. There is, in fact, no overall objective of horizontal equity³ in this structure. Many of the noncash programs have never been funded at levels even close to those required to reach all those nominally eligible. Indeed, there has been incremental growth of a multitude of programs rather than a major targeting of funds on selected priority items. There can be no assurance that benefits reach all households with similar characteristics. This is no doubt true of cash benefits as well as noncash benefits, although the incomplete income data and absence of assets data in this survey limit the assessment of equity in the distribution of cash benefits. With respect to the distribution of noncash benefits, few households with similar characteristics received the same benefit package, and some received far more generous packages than could be provided equitably to everyone in similar circumstances.⁴

There may be some objection to including noncash benefits in an examination of equity on the grounds that it is hard to fix a value

³ Horizontal equity requires that persons in similar circumstances be treated equally. Thus, two families, each composed of two adults and two children, having equal earnings should receive similar benefits.

⁴ Elliott L. Richardson, as Secretary of Health, Education, and Welfare, stated that: “* * * the cost of extending the present range of HEW services equitably—to all those who are similarly situated in need—is estimated to be approximately one quarter of a trillion dollars.” (Speech delivered at a press conference on Jan. 18, 1973.)

on such benefits. It is true that when extended to medical, housing, educational, training, child care, and other services, the analysis becomes quite complicated. It does seem possible, however, to construct obvious rules of thumb for determining equivalency of households' income and benefits and, hence, equity.

For example, the disposable incomes of two working mothers, one of whom places her child in a free child care center and the other of whom pays for babysitting for her child, are not equal. Similarly, elderly persons with medicaid coverage have an advantage over elderly persons with equal cash income who do not have such coverage. Likewise, since the demand for Neighborhood Youth Corps jobs generally exceeds the supply, those young people who are able to secure the jobs will have better earning opportunities than many of those unable to secure such jobs. Access to free legal aid may be of significant value if the alternative is purchasing private counsel. Thus, it is important to examine the equity of the distribution of the whole range of benefits and services.

Public assistance recipients in the sample were more likely than others to receive more than one noncash benefit, due partly to program design which provides food and medical care as a part of the assistance package and often confers a presumption of eligibility for other programs such as free school lunches. Sometimes these combined benefits exceed the median earnings in the areas surveyed. Especially when medical care and food benefits are added to cash, a female-headed family on AFDC can fare better than families headed by workingmen and workingwomen never eligible for AFDC. For instance, a sample household comprised of one woman and three children was found to have the following average monthly benefits and other income:

Household A:	
Earnings-----	\$355
AFDC-----	281
Food stamp bonus-----	46
Public health services-----	32
<hr/>	
Total, household A-----	714

In the same city, another four-person family consisting of a man, wife, and two children was found to have the following average monthly income and benefits:

Household B:	
Earnings-----	\$346
Unemployment insurance-----	25
<hr/>	
Total, household B-----	371

Household A is quite a bit better off than B because of the rules governing AFDC and related programs which tend to favor female-headed families. For more examples of such inequities, see p. 91.

But these same programs can serve to reduce unequal treatment under public assistance. The apparent inequity which results largely from the female-headed family's eligibility for AFDC and AFDC-related benefits may be mitigated by food stamps or surplus commodities, locally-funded general assistance, the AFDC-unemployed father program which 23 States operate, subsidized rental programs, unemployment insurance, veterans pensions, and other programs.

Millions of the Nation's male-headed families and many such sample households receive these "welfare" benefits. Thus, male-headed families and nonaged childless couples and single individuals are not the complete losers in terms of public benefits they are widely believed to be. But these groups more often receive benefits in the form of goods and services than on a more flexible cash basis, and the total income and benefit package still may not equal the value of benefits available to public assistance recipients with similar private incomes.

The overall impression that these data yield is that people who appear to be in similar circumstances can receive quite different packages of public benefits. And, household types typically excluded from public assistance often receive benefits of other types. But no firm generalizations about resultant inequities are possible based on these data, mainly due to the lack of complete information on private income.

WORK INCENTIVES

Work disincentives are created by public welfare programs in two ways: (1) by offering recipients incomes high enough to permit them an adequate standard of living without work; and (2) by reducing benefits substantially if recipients do work so that they gain very little from their own efforts. The data presented in this study show that the importance of both factors is greater when programs are considered together rather than individually.

Combined benefit levels can reach relatively high levels. For example, combined cash, food, housing, and other benefits for urban households with children receiving five or more benefits (but having no private income) averaged from \$368 to \$767 per month in the urban samples. These tax-free benefits exceed the median wage levels for full-time workingwomen, which range from \$303 to \$512 monthly in the five urban areas, and either exceed or approximate aftertax wages for men, which vary from \$387 to \$564. Even if only cash, food, and housing benefits are counted, the benefit amounts exceed or approximate median aftertax wages for women in four of the five urban areas. Thus, the sheer dollar magnitude of the benefit packages could deter work by recipients.

That benefits based on need are also being paid to employables is clear from both the characteristics of the household heads and the presence of earners in the household. For example, in all the urban areas surveyed, more than half the male-headed households with children received benefits, with the great bulk of benefits being based on need. And the following figures show that many households benefiting from particular need-based programs also have members with earnings. (It should be remembered that the actual recipient of the benefit may not be the earner and that earnings and benefits were not necessarily received simultaneously.)

- In the Eastern City sample, 27 of the 78 households receiving a food benefit had earnings.
- In the Southern City sample, 47 of the 89 households receiving public assistance had earnings.
- In the Western City sample, 31 of the 83 households receiving subsidized health care had earnings.

These working people thus gain less in total income from working than non-recipients. Therefore, there may be disincentives for them to work more than they do.

The benefit loss or "tax" rate problem⁵—a serious one in some individual programs such as unemployment insurance—becomes more severe when recipients benefit from several need-based programs, each of which reduces its benefits by some fraction of each additional dollar of income.

The data for households with presumptively employable members indicate that if several benefits are received then the combined marginal benefit loss rate is likely to be more than 67 percent. Of course, these tax rates would apply only if the households received the benefits concurrently. But even if this is not the case (that is, even if the benefit periods do not completely overlap), it remains true that households would be subject to higher than normal tax rates for a large part of the year.

PROGRAM EFFECTIVENESS

It is not surprising that programs with such disparate objectives as social security, subsidized child care, and the Neighborhood Youth Corps are administered separately, for no one expects that there will be many households which will benefit from all three. But the data in this report underscore the fact that many households receive benefits from more than one program, that some households receive a large number of different benefits, and that an enormous number of benefit combinations exist. The absence of information on the full range of public benefits flowing to households means that agencies plan in isolation, resulting in an inefficient use of public funds and a badly coordinated set of programs. The Federal cost of administering these programs will top the \$4 billion mark next fiscal year.

Each agency or program administrator typically keeps separate records on its clientele. This means that a given family may turn up in the records of four, five, six, or more programs. If the results of this study are indicative of other low-income areas (as is suggested by the national data on program overlaps compiled in the first paper⁶ issued by the subcommittee) then needless duplication of recordkeeping and checking on income and family circumstances results. This overlap in paperwork is especially wasteful when the benefits are based explicitly on income. A recent report released by the subcommittee, entitled *Welfare—An Administrative Nightmare*,⁷ discusses the difficulties confronting the larger need-based programs, such as AFDC, in verifying income and making frequent changes in grant amounts as income changes. Smaller programs probably perform these tasks even more poorly. This study documents the total number of records which are kept on low-income households.

The administrative structure of these programs posed a major obstacle to GAO's data collection effort. With so many programs,

⁵ Benefit losses resemble "taxes" on income since the loss in benefits as private income increases results in disposable income increasing by less than the full amount of the increase in private income.

⁶ *Public Income Transfer Programs: The Incidence of Multiple Benefits and the Issues Raised by Their Receipt*, prepared by James R. Storey for the Subcommittee on Fiscal Policy and published by the U.S. Government Printing Office, Washington, D.C., Apr. 10, 1972.

⁷ *Issues in Welfare Administration: Welfare—An Administrative Nightmare*, prepared by Sharon Galm for the Subcommittee on Fiscal Policy and published by the U.S. Government Printing Office, Washington, D.C., Dec. 31, 1972.

GAO staff had to visit at least 20 agencies at every site, frequently having to search several beneficiary files within an agency. Filing systems differ by geographic area covered and by methods for identification of beneficiaries. Beneficiaries of some housing programs, for example, could not be identified without first determining the private mortgage company which handled an individual's subsidized loan.

Some agencies use the social security number as an identifier, but this procedure did not always ease data collection problems. In a number of cases, social security numbers were entered incorrectly into agency files. In others, persons either knowingly or accidentally reported the numbers of relatives as their own. And, of course, people can and do possess more than one social security number and may have recorded one number with one agency and a different number with a second agency.

Since there are 100 separate public welfare programs, there are literally billions of different combinations of benefits that it is possible to receive. Among the 1,758 households in this study's sample, the 1,059 households with benefits received them in 144 unique combinations of benefit categories⁸ and even more combinations of individual benefit programs. This finding that small numbers of recipients are spread over so many different benefit combinations means that attempts at piecemeal consolidation of programs and/or administering agencies cannot accomplish major reductions in the administrative burden of the present conglomeration.

The fact that so many households benefit from more than one program also points to another way in which program effectiveness is undermined. Many of these programs have eligibility and benefit rules which are tied to those of other programs. Thus, when a legislative body makes a change in one program, the object of the change may be partially or even totally lost for households with more than one benefit.

The most recent example of program ineffectiveness came in 1972 when the Congress raised social security benefits by 20 percent. Some of the neediest beneficiaries wound up with little or no gain in income, and some were even worse off. This perverse result occurred because many beneficiaries also received old age assistance payments, food stamps, free medical care, housing subsidies, veterans pensions, or other benefits which vary with changes in income. The 20-percent social security rise triggered a decline in these other benefits. Such ineffective consequences for well-intentioned legislation are not uncommon.

⁸ For purposes of analyzing program overlaps, individual programs were grouped into nine benefit categories. The categories are public assistance; social security cash benefits; veterans cash benefits; other cash benefits; food benefits; health care; housing assistance; education and manpower training; and all other noncash assistance. These categorical groupings are shown in pt. 2, table 1.

Organization of the Report

In brief, the study is organized as follows:

Part I (this section) contains a summary of findings;

Part II discusses how and why the study was undertaken and describes the characteristics of the six sites in which the study was conducted; and

Part III discusses the findings of the study in terms of how much was distributed in benefits; what types of programs provided the cash and services; who received the benefits; the extent and consequences of program overlaps; and the extent of beneficiary participation in employment or employment training.

This staff report is followed by a series of detailed tables (supplement A) and a report from the GAO on the methods employed and problems encountered in collecting this information (supplement B).

PART II. BACKGROUND

What the Study Covers

The decade of the 1960's saw an explosive growth in the number and diversity of public welfare programs.¹ In addition to the expansion of programs offering assistance in the form of cash, food, medical, and housing benefits, new programs offering training, education, legal aid, child care, and other social services sprang up—many national in scope, others particular to certain areas only. This study reviewed 100 separate programs, many of which have their own eligibility criteria and administrative apparatus. More than \$100 billion in Federal revenues is being distributed in fiscal year 1973 under these programs (see table 1).

This proliferation of programs has raised such questions as the following:

(1) Who receives benefits, how much are their total benefit packages worth, and from how many programs are benefits received?

(2) Are the benefits equitably distributed from place to place and among households of various types?

(3) Are the benefits distributed in cash or in goods and services?

(4) To what extent are benefits related to household income?

This study was undertaken to begin to answer such questions. It was designed to go beyond the usual analyses of the distribution of benefits in terms of cash benefits only. Such noncash benefits as food stamps, child care, and subsidized housing programs have value to recipients or costs to nonrecipients or both, and this study is the first to examine them comprehensively in terms of their impact on specific households.

The study also discusses problems in the administration of public welfare programs. Since the primary source of information about sample households was agency records, the data collection effort yielded a general review of the quality and structure of these records.

¹ Throughout this report, the term "public welfare programs" will be used to describe all of the programs providing cash benefits and cash substitutes directly to individuals, even though some of these programs do not explicitly base assistance on the individual's actual need. For a listing of programs covered by this study, see supp. A, table 1. For detailed descriptions of most of these programs, see *Handbook of Public Income Transfer Programs*, prepared by Irene Cox for the Subcommittee on Fiscal Policy and published by the U.S. Government Printing Office, Washington, D.C., Oct. 16, 1972.

TABLE 1.—Federal outlays for selected public welfare programs by fiscal year

[In millions of dollars]

Category and program	Benefits			Administrative costs		
	1972	1973	1974	1972	1973	1974
Total, all programs.....	\$102, 492	\$117, 470	\$126, 454	\$3, 169	\$3, 550	\$4, 254
Total, public assistance.....	5, 706	6, 188	7, 058	379	469	778
Supplemental security income.....	0	0	1, 850	0	0	322
Aid to families with dependent children (AFDC).....	3, 612	3, 920	4, 016			
Old age assistance (OAA).....	1, 169	1, 170	552			
Aid to the blind (AB).....	58	63	31			
Aid to the permanently and totally disabled (APTD).....	709	833	448	376	466	453
Emergency assistance.....	21	36	28			
Cuban refugee assistance.....	100	124	86	2	2	2
Indian assistance.....	37	42	47	1	1	1
Total, social security.....	39, 348	49, 340	54, 788	837	953	986
Old age insurance.....	25, 423	30, 998	34, 540			
Survivors insurance.....	9, 131	11, 325	12, 863	598	663	698
Disability insurance.....	4, 046	5, 242	6, 104	220	240	264
Special age 72 benefits.....	351	337	303	(2)	(2)	(2)
Coal miners benefits.....	397	1, 438	978	19	50	24
Total, veterans cash programs.....	6, 045	6, 440	6, 402	143	163	164
Compensation, veterans.....	2, 802	3, 061	2, 994			
Compensation, survivors.....	700	748	756			
Pension, veterans.....	1, 477	1, 487	1, 480	143	163	164
Pension, survivors.....	1, 066	1, 144	1, 172			

See footnotes at end of table.

TABLE 1.—Federal outlays for selected public welfare programs by fiscal year—Continued

[In millions of dollars]

Category and program	Benefits			Administrative costs		
	1972	1973	1974	1972	1973	1974
Total, other cash programs.....	20, 474	20, 646	20, 551	960	943	981
Railroad retirement.....	2, 108	2, 427	2, 534	19	20	21
Military retirement.....	3, 885	4, 447	5, 106	¹ 10	¹ 10	¹ 10
Civil service retirement.....	3, 555	4, 285	4, 817	9	9	10
Other Federal retirement.....	112	126	136	¹ 1	¹ 1	¹ 1
Unemployment insurance.....	6, 641	5, 732	4, 997	873	857	885
Workmen's compensation.....	190	225	251	8	9	15
Agriculture price support payments.....	3, 983	3, 404	2, 710	40	37	39
Total, food programs.....	3, 422	3, 849	3, 883	29	32	33
Food stamps.....	1, 842	2, 106	2, 108	21	23	24
Food distribution.....	341	270	258	(⁴)	(⁴)	(⁴)
Child nutrition.....	1, 239	1, 473	1, 517	8	9	9
Total, health programs.....	16, 305	17, 132	20, 301	616	747	1, 066
Medicare.....	8, 363	9, 090	11, 410	431	507	693
Medicaid.....	4, 426	4, 090	4, 875	164	212	340
Public health services.....	1, 128	1, 251	1, 371	(³)	(³)	(³)
Veterans medical care.....	2, 229	2, 522	2, 575	21	28	33
Office of Economic Opportunity (OEO) health and nutrition services.....	159	179	70	(³)	(³)	(³)
Total, housing programs.....	1, 140	1, 682	2, 024	17	21	25
Public housing.....	744	1, 110	1, 250	17	21	25
Rent supplements.....	75	117	157			
Interest subsidies for homeowners (Sec. 235).....	235	340	412			
Interest subsidies on rental housing (Sec. 236).....	86	115	205			

Total, education and manpower programs-----	7, 900	8, 906	8, 812	187	221	220
Work incentive program (WIN)-----	131	316	404	8	14	19
Manpower Development and Training Act (MDTA)---	406	341	943	67	71	75
Concentrated employment program (CEP)-----	233	210				
Neighborhood Youth Corps (NYC)-----	501	407				
Job opportunities in the business sector (JOBS)---	195	168				
Emergency employment-----	558	1, 088	573	9	12	7
Veterans educational assistance (GI bill)-----	1, 839	2, 180	2, 409	1 48	1 54	1 54
Office of Education (OE) grants and loans-----	3, 388	3, 545	3, 776	1 55	1 70	1 65
Vocational rehabilitation-----	599	651	707	(³)	(³)	(³)
Total, other service programs-----	2, 152	3, 287	2, 635	1	1	1
Work incentive (WIN) child care-----	32	65	117	(³)	(³)	(³)
Headstart-----	369	393	407	(³)	(³)	(³)
Office of Economic Opportunity (OEO) migrant assist- ance-----	37	36	20	(³)	(³)	(³)
Legal aid-----	66	72	33	(³)	(³)	(³)
Public assistance social services-----	1, 589	2, 655	2, 000	(³)	(³)	(³)
Social services for Indians-----	59	66	58	1 1	1 1	1 1

¹ Estimated.

² Included with OASI administrative costs.

³ Included with benefit costs.

⁴ Included with administrative costs of agricultural price support payments.

NOTE.—This table includes almost all of the 100 programs listed in Supplement A, Table 1. A number of these programs have been aggregated to produce the 51 programs shown above.

Source: *The Budget of the United States Government, Fiscal Year 1974.*

How the Study Was Conducted

The study is based on a random sample of up to 350 households in each of six areas of the Nation. Sites were chosen from among the 59 areas which have been designated by the Census Bureau as low-income areas in order to reduce data collection costs and to take advantage of the Census Bureau's publication series detailing the social and economic characteristics of these areas' residents. Members of the sample households were identified using locally available resources. Then the records of 100 Federal, State, and local programs were examined at each site to determine whether any members of the households participated in them, the amount and nature of the benefits, and other social and economic characteristics of the households. This information was assembled and analyzed in the aggregate. There were no contacts with the households themselves except in special cases. The information has been kept strictly confidential, and no households will be publicly identified. Further, the sites themselves have been given fictitious names in this report, revealing only their general location and whether they are rural or urban areas. The sites are referred to in the following way:

- Eastern City,
- South Atlantic City,
- Southern City,
- Midwestern City,
- Western City, and
- Rural Counties.

The 100 programs searched include all cash benefit programs under Federal, State, or local sponsorship, such as public assistance, veterans pensions and compensation, Government employee retirement and disability plans, workmen's compensation, unemployment insurance, and social security. Also examined were all programs offering subsidies in the form of food, medical, or housing benefits. Finally, service programs such as legal aid, child care, manpower training, and educational assistance were included. A complete list of programs examined at each site may be found in supplement A (table 1). The specifications of how dollar values were assigned to the various benefits are contained in supplement B (table 2).

The choice of methodology for a study of this type was constrained by resources and time. The methodology used by the GAO was determined as follows:

—It was decided that checking agency records was preferable to household interviews in determining the distribution of public benefits, since transfer income, especially public assistance income, is known to be systematically underreported in sample surveys which are based on interviews. People do not always respond to interviews with candor, with complete recall of all income and benefits received, or with pleasure;

—A nationally valid study was ruled infeasible because of the logistical problems involved in checking records in 50 to 100 different geographical areas; and

—In order to focus on subnational areas of the greatest interest in our review of welfare programs, it was decided to select six Census Bureau-designated low-income areas which reflect the full range of all such poverty areas.

The data in this study are based on the benefits available to the total household rather than to selected subgroups of the household. The study methodology did not permit analysis of separate families within households. Thus, if an AFDC mother and her child live with the mother's parents, all benefits flowing into that household were included. The grandparents and the mother and child were not treated as two separate family units. Apart from data collection expedience, the assumption is that the focus on households more truly reflects economic units and shared resources.

The time period examined by the study is also important in determining adequacy of income and benefits. Because some programs (for example, school feeding programs, training programs, unemployment insurance) provide benefits only for part of a year, and because the circumstances of low-income families tend to fluctuate, it was decided to collect benefit information from these programs for a 12-month period. However, a common 12-month period could not always be applied, since the currency and structure of agency records vary across programs.

Further, for some programs the accumulation of a 12-month record of benefits would have involved a detailed record search which was impossible to undertake given the staff resources at hand and the time frame for the study. For example, AFDC benefits often change from month to month as family income changes. But such changes will usually not be systematically summarized in the family's case file. Thus, to record AFDC benefit amounts month by month for a year would require a thorough search of the family's casework file, which is often a voluminous and poorly organized pile of paper if the family has spent more than a few months on welfare. And changes other than income must be watched for as well. Family composition will often change, which may change the family's eligibility status or convert one AFDC case into more than one case (as when a teenage daughter bears a child of her own).

For all of these reasons, the GAO decided to accumulate information on public assistance, food stamps, and other programs that provide continuing assistance, only on a current-month basis. This method results in an underestimate of the number of households actually receiving these benefits over a 12-month period. This procedure also has implications for the measurement of a given household's income, but in the aggregate a monthly sampling of AFDC benefits should adequately reflect statistically all AFDC benefits paid out over the 12 months circumscribing the survey month.

But records for programs dispensing benefits part year (e.g., unemployment insurance) or as needed (e.g., medicare) were searched to discover whether any benefits had been received in the preceding year, and an average monthly benefit was computed from the annual figure. This procedure gives a more accurate picture of a household's economic circumstances than looking only at one month. At one point in time a household may have no earned income and may participate in only three programs. Over the course of a year, however, its members may earn \$3,000 and benefit from six programs. Indeed, the data collected by the GAO indicate, for example, that at least 47 percent of the households currently receiving AFDC also had income earned by adult members at some point in the preceding year.

Several limitations of this methodology and of the data collected should be noted. First, tax subsidies and subsidy programs benefiting business, many of which benefit upper income groups, could not be examined. Such subsidies as the tax deductions for homeowners and the special tax treatment for investors can constitute important additions to income for such households and are costly to taxpayers. Readers interested in this aspect of public policy are referred to the extensive studies of public subsidies published in 1972 by the Joint Economic Committee.

Second, every person living in the sample households could not be identified. To the extent that some persons were not identified, it is likely that the income and benefits they received were not recorded. Therefore, the tabulations of benefits received by households should be treated as conservative figures.

Third, private sources of income have not been identified fully, especially where no household members were found in agency records. The lack of such information, particularly on earnings, makes it impossible to make general comparisons between recipients and non-recipients, or even among the recipients as a group. Census Bureau data on these six areas suggest, however, that households for which no private income was found were largely nonpoor.

Fourth, noncash benefits are difficult to value in terms of household income. Thus, when such benefits are included in data found in this report, the reader must consider carefully the income implications of aid in the form of food, health, or housing assistance or manpower training rather than cash.

Finally, the data here cannot be generalized to represent the distribution of benefits and services for the total U.S. population. However, the findings are suggestive and informative for the six poverty areas and are relevant to all such areas. The combined impact of public programs on poverty areas is important in and of itself, since these areas have a large share of the Nation's low-income population and constitute portions of States or cities over which public programs may have a dominant influence economically and socially.

The GAO staff dealt with a number of problems that derive from the way in which public welfare programs are administered in the process of reviewing administrative files, identifying household members' names, and calculating benefits received. The GAO perspective on these problems is detailed in Supplement B to this report.

The first problem that deserves mention is simply a logistical one. Not only are there a large number of programs, but many of them have no central filing system. This absence of centralized filing applies at all levels of Government. There are wholly Federal programs which cannot track their beneficiaries from Washington, State programs with no master file on beneficiaries in the State capital, and locally-administered programs that are operated on a neighborhood basis. Some programs even involve non-governmental organizations in their beneficiary filing systems, like the mortgage companies handling subsidized housing loans and the private health insurance companies serving as intermediaries for the medicare program. Thus, to check benefits from more than 100 programs required that the GAO staff visit at least 20 agencies in each site, with many agencies having more than one physical location where records had to be inspected.

Having visited all of the offices involved, the GAO staff became well-acquainted with the second major problem in this data collection effort; different agencies are not likely to file records under the name of a common household member. There are many reasons for such variations, some relating to program rules and laws and others simply growing out of administrative practice.

An example where the filing method is based on law may be seen in a program, such as unemployment insurance, where benefit entitlement is based strictly on individual rather than family or household circumstances. Thus, two persons within a household may be eligible for individual benefits, but it may be difficult to identify those two persons as members of the same household if only program records are used.

A good illustration of an approach to filing based on administrative practice is provided by the AFDC program, where it was found that families are sometimes filed by the father's name even though the father may have been absent from the home for some time. Of course, in any program there will be family members with different surnames, and there is little chance that these names will be cross-referenced in the files.

Even if all agencies filed data on beneficiaries uniformly by household, there are other variations in filing systems which would cause problems in identifying benefits going to specific households. The biggest problem here is that beneficiary files may not be based on name or address—they may be based on social security numbers, program identification numbers, dates of contact with agency, and so forth. Another factor complicating file access is that agencies keep files for different geographic units. Thus, finding a name in a national file or even a State file can be much more difficult than in a file covering a smaller geographic area if the central file cannot make distinctions among the smaller areas. The decentralized file, of course, creates boundary problems; for example, a household in one geographic unit may be using a Veterans Administration hospital in another area with the records being kept at the hospital itself.

The use of identifying numbers, such as social security numbers, by related agencies does not necessarily make information access any easier. Social security numbers are not unique identifiers. Some people have no number, others have several numbers, and some people, whether accidentally or deliberately, use numbers belonging to relatives or friends. The GAO field staff encountered all of these problems plus simple inaccuracies in entering social security numbers into agency records (transposing digits, entering digits incorrectly, and so forth).

Determining how to define a program's benefit is easy for cash and for most food assistance programs. But such definition gets progressively more difficult as one moves into other categories of non-cash aid. For programs such as manpower training, child care, and legal aid programs, benefits had to be valued in terms of unit cost, and in some cases program accounting data would not even permit the derivation of a unit cost figure. Thus, in a few instances, benefits were recorded and identified to households, but no dollar values could be assigned to them.

Another problem inherent in the survey approach taken by the GAO is that the accuracy is greatly dependent on the validity of agency

records. For example, there is evidence that many incorrect payments are made to welfare families, in part because of errors and gaps in the data upon which payment calculations were based. In many cases the GAO undoubtedly drew upon this inaccurate supporting data on income and family composition.

Characteristics of the Six Areas Studied

The six sample areas have been designated by the U.S. Bureau of the Census as low-income areas.² Four of the areas are sections of large cities, one includes sections of a medium-sized city, and the last includes several rural counties. The areas range from all white (one area), to two-thirds white (one area), to predominantly black (four areas).

Unemployment rates and family income levels vary considerably among the areas, but Census Bureau statistics provide a grim picture in every case. When the decennial census was taken, unemployment rates for persons 16 years of age and older were all above 7 percent, and ranged above 13 percent in one area. The rates for persons 16 to 21 were especially high—from 1 in 6 to 1 in 3 persons were unemployed. While unemployment of family heads hovered around 5 percent in three areas, it was close to 10 percent in the other three areas.

Even those who did work full time, full year did not always achieve high total earnings. From about one-fifth to over one-half of such workers earned less than \$4,000 a year. At least one-quarter of the families in each area had less than \$4,000 a year in total money income, with a range extending to over 40 percent.

These statistics do not reflect income adequacy relative to family size. Such an analysis reveals that about one in four of the families in all the areas had incomes below the Federal poverty standards, with a low of approximately 20 percent to a high of nearly 30 percent. The situation for unrelated individuals (people living alone, including many elderly persons) is far worse; a low of 30 percent and a high of nearly 50 percent are in poverty.

In short, one would expect people in these areas to be in need of assistance. Of course, the incidence of poverty is not the only predictor of how widespread participation in welfare programs will be. Equally important is the availability and coverage of the programs themselves. There was remarkably little variation among the sites in the range of programs available, with the obvious exceptions of programs such as agricultural subsidies which were available only at the rural site, and certain Office of Economic Opportunity and Model Cities programs which were available only in the urban sites. The important variations were in the levels of public assistance grants, the coverage of families headed by unemployed fathers under the AFDC program, the coverage of other groups under State and locally funded general assistance programs, and the availability of public housing units in the areas sampled. The following array summarizes these features:

² Survey data on low-income areas have been published by the U.S. Bureau of the Census, 1970 Census of Population, *Employment Profiles of Selected Low-Income Areas*, PHC (3), by areas (U.S. Government Printing Office, Washington, D.C. 1971-72).

Program features	Site					
	Eastern City	South Atlantic City	Southern City	Mid-western City	Western City	Rural Counties
Level of public assistance grants ¹ .	High.....	Medium...	Low.....	High.....	Medium...	Low.
Availability of AFDC-unemployed father program.	Yes ²	No.....	No.....	Yes.....	Yes.....	No.
Expenditures for general assistance ³ .	High.....	Medium...	Low.....	High.....	High.....	Medium.
Public housing units in sample ⁴ .	Many.....	Many.....	Many.....	Few.....	Few.....	Few.

¹ Rankings are based on the maximum monthly AFDC payment to a family of 4 (high, greater than \$275; medium, from \$150 to \$275; low, less than \$150).

² Actually the State has no AFDC-UF program, but a State-funded program covers the same population group.

³ Rankings are based on the State's monthly GA expenditures (high, greater than \$1,000,000; medium, from \$250,000 to \$1,000,000; low, less than \$250,000).

⁴ Rankings are based on numbers of sample households living in public housing units (many, more than 25; few, less than 25).

The social characteristics of the sample households are detailed in supplement A, tables 2-7. Table 2 below summarizes the more important of these characteristics for study purposes. The most obvious difference among sites is the concentration of white, male-headed households and elderly household heads in Rural Counties.

TABLE 2.—Selected characteristics of household heads for study samples, for all Census Bureau-designated urban poverty areas, and for the total U.S. population

Household characteristics	Percentage distribution of ¹		Percentage distributions of sample households					
	All households in United States	All households in urban poverty areas	Eastern City	South Atlantic City	Southern City	Midwestern City	Western City	Rural Counties
Sex of head:								
Male.....	79	63	49	56	48	62	58	84
Female.....	21	37	42	44	52	35	36	16
Unknown.....	0	0	8	0	0	2	6	0
Race of head:								
White.....	89	49	6	24	15	22	19	99
Black.....	10	48	38	76	67	53	12	0
Other.....	1	3	14	(2)	0	1	15	0
Unknown.....	0	0	³ 42	0	⁴ 17	⁴ 24	⁴ 54	⁵ 1
Age of head:								
Under 54.....	81	65	42	46	60	39	37	48
55 to 64.....			5	15	17	16	8	21
Over 64.....	19	19	11	25	22	23	18	31
Unknown.....	0	0	⁶ 42	⁶ 15	⁶ 1	⁶ 22	⁶ 37	⁶ 1
Nonnuclear households ⁷	6	(9)	11	26	31	21	12	14
Employment status of head:								
Employed.....	(9)	(9)	26	59	40	32	37	57
Unemployed.....	(9)	(9)	21	9	9	9	3	3
Retired, disabled.....	(9)	(9)	13	29	25	23	19	36
Student.....	(9)	(9)	(2)	1	1	0	(2)	0
Unknown.....	(9)	(9)	39	2	25	35	41	4

¹ Source for data in col. (1) is a publication by the U.S. Bureau of the Census, 1970 Census of Population, *General Social and Economic Characteristics: U.S. Summary*, PC(1)-CI (U.S. Government Printing Office, Washington, D.C., 1972). Source for data in col. (2) is also a U.S. Bureau of the Census publication, 1970 Census of Population, *Employment Profiles of Selected Low-Income Areas: U.S. Summary—Urban Areas*, PHC(3)-1 (U.S. Government Printing Office, Washington, D.C., 1972).

² Less than 0.5 percent.

³ Census data for this area show roughly that $\frac{2}{3}$ are black and $\frac{1}{3}$ are white.

⁴ Based on census data, it may be assumed that these household heads are black.

⁵ Based on census data it may be assumed that this household head is white.

⁶ Based on census data, it may be assumed that virtually all of these household heads are under 65.

⁷ Nonnuclear households are those which contain adults other than the head and spouse.

⁸ Not available.

⁹ Data not available on a basis comparable to GAO sample data.

NOTE.—Detail may not add to 100 percent due to rounding.

PART III. DISCUSSION OF FINDINGS

How Much Is Being Spent?

In fiscal year 1973, more than \$100 billion in Federal funds will be distributed to about one-third of the American population through a variety of public welfare programs. About three-fourths of the total amount will be distributed through social insurance¹ programs (such as social security, medicare, unemployment and workmen's compensation, the public civilian and military retirement systems, and the veterans compensation programs) and the remainder through need-based programs designed to provide cash or in-kind² supplements to persons with low incomes. About half of the need-based benefits will be cash payments under the Federal-State programs of public assistance, the locally funded general assistance programs, and the Federal veterans pension program. The other need-based supplements will consist of goods and services in kind, primarily in the form of food and housing subsidies and medical care services.

A total of \$234,352 per month³ was spent on the 1,758 households in the GAO sample (see table 3). This amounted to a monthly average of \$133 for each sample household, or \$221 for each household receiving benefits. Annualized, these amounts are \$1,596 and \$2,652, respectively.

TABLE 3.—Average monthly amounts spent on sample households

Site	Total benefit amount	Total number of households	Average monthly benefits per household	Total number of beneficiary households	Average monthly benefits per beneficiary household
Eastern City.....	\$48, 083	285	\$169	156	\$308
South Atlantic City.....	42, 476	255	167	187	227
Southern City.....	38, 329	286	134	219	175
Midwestern City.....	34, 612	271	128	149	232
Western City.....	36, 727	311	118	145	253
Rural Counties.....	34, 125	350	98	203	168
Total, all sites....	234, 352	1, 758	133	1, 059	221

¹ In this report the term "social insurance" will be used to refer to programs for which eligibility is not based on current income. This use of the term is broader than its more common restriction to programs such as social security which are funded by special taxes.

² Benefits in kind are in a form other than cash and include food, health, housing, and service programs.

³ This is not strictly an average monthly figure since some benefit data are on an average monthly basis while other benefits were counted as they were received in the survey month itself. This latter group includes public assistance, food benefits, veterans cash assistance, social security, and public housing.

In What Form Are Benefits Distributed?

Of course, not all of these benefits are in the form of cash. But cash payments do constitute the bulk of the benefits distributed to the sample households (67 percent), a proportion which is lower than the 75 percent which cash benefits constitute of all public welfare benefits distributed in the United States. Almost half of the households received cash benefits. In all, nearly one-third of the sample households received social security or other social insurance payments and over one-fifth received a cash payment based on need. When "near cash" food and housing benefits are added in, four-fifths of the benefits are accounted for, with remarkably little variation among the sites (see table 4).

For a complete listing of the amounts spent on individual programs and the number of households participating in each by site, see supplement A, table 8.

TABLE 4.—Aggregate monthly benefit amounts, proportion of benefits, and average monthly benefits per household, by type of benefit and site

Benefit type	Total, all sites	Eastern City	South Atlantic City	Southern City	Midwestern City	Western City	Rural Counties
Aggregate monthly benefits:							
Cash.....	\$156,390	\$32,162	\$27,570	\$20,338	\$24,073	\$24,859	\$27,388
Medical.....	32,950	5,992	6,054	5,235	6,323	5,527	3,819
Food.....	16,070	2,838	3,209	3,131	2,042	2,383	2,467
Housing.....	15,943	3,671	3,998	5,618	1,512	1,051	93
Manpower and child care.....	11,583	3,357	1,626	3,145	548	2,644	263
Other.....	1,416	63	19	862	114	263	95
Total.....	234,352	48,083	42,476	38,329	34,612	36,727	34,125
Percent of aggregate monthly benefits:							
In cash.....	67%	67%	65%	53%	70%	68%	80%
In cash or "near cash" ¹	80	81	82	76	80	77	88
Average monthly benefits per household:							
In cash.....	\$89	\$113	\$108	\$71	\$89	\$80	\$78
In cash or "near cash".....	107	135	136	102	102	91	86
Average monthly benefits per beneficiary household:							
In cash.....	148	206	147	93	162	171	135
In cash or "near cash".....	178	248	186	133	185	195	148

¹ Includes food and housing benefits.

This survey also provides information about the distribution of need-based and social insurance benefits in areas with high concentrations of low-income households. Although social insurance benefits comprise a much lower proportion of total transfers to the study sample than for the general population, the aggregate amounts received are still quite substantial. For all areas combined, 42 percent of *total* benefits and 55 percent of *cash* benefits were derived from social insurance programs (see table 5). Most of this was from social security. Not surprisingly, public assistance and veterans pension programs comprise a far higher proportion of cash benefits distributed in these poverty areas than in the population at large because earnings and social insurance benefits are low. Workers living in low-income areas do not always work in jobs covered by social insurance programs, or work long enough to acquire coverage, or at high enough wages to earn substantial benefits.

Over half of all benefits received were from need-based programs, divided equally between cash and in-kind programs. Almost half the in-kind benefits were in the form of food subsidies (food stamps, free commodities, and school lunches) and housing subsidies (primarily public housing). One-third of in-kind benefits were medical care services.

Benefits derived from participation in manpower training and education programs include cash stipends paid to participants in some programs as well as the estimated value of the services rendered based on the unit cost of providing training.

TABLE 5.—*Monthly income and benefit amounts and number of households, by type of income and benefits and by size*

Income and benefits by type	Totals, all sites		Eastern City		South Atlantic City		Southern City		Midwestern City		Western City		Rural Counties	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Earnings and other private income.....	\$206,794		\$30,959		\$50,135		\$20,120		\$32,981		\$44,352		\$28,247	
Total public benefits.....	234,352	100	48,083	100	42,476	100	38,329	100	34,612	100	36,727	100	34,125	100
Social insurance benefits.....	97,989	42	11,410	24	16,796	40	12,172	32	17,577	51	16,297	44	23,737	70
Cash.....	86,876	37	10,620	22	15,081	36	10,537	28	14,972	43	14,868	40	20,798	61
Medical.....	11,113	5	790	2	1,715	4	1,635	4	2,605	8	1,429	4	2,939	9
Need-based benefits.....	136,363	58	36,673	76	25,680	60	26,157	68	17,035	49	20,430	56	10,388	30
Cash.....	69,514	30	21,542	45	12,489	29	9,801	26	9,101	26	9,991	27	6,590	19
In kind:														
Food.....	16,070	7	2,838	6	3,209	8	3,131	8	2,042	6	2,383	6	2,467	7
Housing.....	15,943	7	3,671	8	3,998	9	5,618	15	1,512	4	1,051	3	93	(1)
Medical.....	21,837	9	5,202	11	4,339	10	3,600	9	3,718	11	4,098	11	880	2
Manpower/child care.....	11,583	5	3,357	7	1,626	4	3,145	8	548	2	2,644	7	263	1
Other.....	1,416	1	63	(1)	19	(1)	862	2	114	(1)	263	1	95	(1)
Households by type of income and benefits received	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total households.....	1,758	100	285	100	255	100	286	100	271	100	311	100	350	100
Households with no income or benefits located.....	549	31	113	40	32	13	65	23	93	34	132	42	114	33
Households with private income only located.....	150	9	16	6	36	14	2	1	29	11	34	11	33	9
Households receiving public benefits.....	1,059	60	156	55	187	73	219	77	149	55	145	47	203	58

¹ Less than 0.5 percent.

Manpower programs and the subsidy value of child care accounted for 5 percent of all benefits and for 17 percent of noncash benefits based on need.

Other benefits recorded, accounting for less than 1 percent of the total, included legal aid, Model City and OEO neighborhood services, camping programs, and homemaker services.

Does the Distribution of Benefits Vary by Site?

There are wide variations among the locations surveyed in how benefits are distributed. The source of benefits, types, and amounts of benefits depend on population characteristics, wage levels, levels of public assistance payments, availability and utilization of benefits in kind, and interrelationships of eligibility among the various programs.

In all, 42 percent of total benefits were of the social insurance type, but this varied from 24 percent in Eastern City to 70 percent in Rural Counties. These populations also represent the extremes in age distribution of household heads. A larger proportion of the population in Rural Counties is eligible to receive social security retirement benefits. The rural area also includes a very low proportion of female-headed families with children which would be eligible to receive AFDC benefits. In contrast, cash public assistance benefit levels are higher and families are larger in Eastern City than in the rural area. Consequently, a high proportion of benefits in Eastern City are in the form of public assistance payments. Average social security benefits are higher in Eastern City reflecting the higher wage levels, but high assistance payment levels there mean that more social security beneficiaries still would be eligible for a supplement. In Eastern City, 28 percent of households with social insurance benefits also received public assistance supplementation, while only 18 percent of such households received these benefits in Rural Counties.

Southern City, which has low wage levels and low assistance payment levels, had the highest proportion of beneficiary households, with 77 percent of the sample receiving one or more benefits. This location also had the highest proportion of households receiving need-based benefits in kind (71 percent) while 31 percent received cash benefits based on need.

Twenty-two percent of all sample households received public assistance, but this figure varied from 13 percent in Rural Counties to 31 percent in Eastern and Southern Cities. In Midwestern and Western Cities, which are relatively high-wage areas, 16 to 19 percent of households received public assistance. Eastern City is also in a high wage area, but differences in population characteristics and program coverage probably account for the higher receipt of public assistance in this location. Only 20 percent of households in Western City included children, while 41 percent in Eastern City had children. In Eastern City 54 percent of households with children were headed by women as compared to 36 percent of such households in Midwestern City.

Availability and utilization of benefits in kind varied among the locations. In-kind programs reach fewer households in Rural Counties than in the cities, particularly Southern and South Atlantic Cities which have low public assistance payment levels. In Southern City, 71 percent of the sample households received in-kind benefits as

compared to only 34 percent in Rural Counties. For example, more than two out of 10 sample households in Southern City received housing subsidies, but less than 1 percent received such subsidies in Rural Counties. Nine percent of households in Southern City had members participating in manpower programs, as compared to only 2 percent in Rural Counties. One out of four families utilized reduced-price or free school lunch programs in Southern City, but only 5 percent had this resource in the rural area.

The proportion of benefits in the form of food subsidies was about the same—6 to 8 percent—in all areas, but the type of program utilized varied considerably. Food stamps or commodities were available in all areas, but utilization varied from 11 percent of households in Southern City to 24 percent in South Atlantic City (see table 6). These areas are comparable in population characteristics and wage levels, but South Atlantic City has a food stamp program while Southern City has a commodity distribution program. Preference for food stamps and accessibility may account for the difference in utilization. Food stamps can be used in most grocery stores, but surplus commodities, which are issued at a few distribution centers, are not as accessible.

Utilization of free school lunch programs also varied, but variations were not closely related to the proportion of households with children. Two-thirds of households with children received school lunches in South Atlantic and Southern Cities, but only one-fourth to one-third of such households received this type of benefit in the other cities. Only 13 percent of households with children received school lunches in the rural area. These differences probably reflect both availability and acceptability of this type of subsidy, as well as the households' perceived need for it.

TABLE 6.—*Percent of households with benefits in kind, by type of benefit and site*

Type of benefit in kind	Eastern City	South Atlantic City	Southern City	Mid-western City	Western City	Rural Counties
Social insurance benefits:						
Medicare.....	3	13	9	13	9	12
Need-based benefits:						
Medicaid.....	22	24	27	20	18	11
Other health care.....	5	31	34	10	10	16
Food stamps or commodities.....	20	24	11	12	16	15
School lunches.....	14	27	27	10	5	5
Housing.....	14	23	22	4	4	1
Manpower training.....	15	16	9	3	6	2
Any benefit in kind.....	45	60	71	44	33	34

Free medical care was financed by the medicaid program for as few as 11 percent of households in Rural Counties to a high of 27 percent in Southern City. In general these variations were consistent with the proportion of households receiving public assistance which confers automatic eligibility for medicaid. Three cities also provided medicaid to the medically needy who do not receive public assistance, but only Midwestern City had more households receiving medicaid than received public assistance.

The bulk of housing subsidies (85 percent) were in the form of residence in public housing projects. Other types of subsidies included rent supplements (6 percent), relocation and rehabilitation subsidies (4 percent each), and agricultural housing subsidies (2 percent). Housing subsidies varied largely according to the availability of public housing in the location surveyed. Almost one-fourth of households were receiving housing subsidies in South Atlantic and Southern Cities, 14 percent in Eastern City, but less than 5 percent in the other locations.

Participation rates in manpower programs are the most difficult to explain. Rates varied from 15 percent of households in Eastern and South Atlantic Cities to less than 5 percent in Midwestern City and Rural Counties. It appears that manpower programs are not generally available in Rural Counties, and types of programs and local availability in the cities also may vary. It may be that the public perception of the value of these programs also varies among sites, influenced by impressions of the value of training in obtaining employment, and by wage levels and employment available in the community without additional training.

Who is Receiving Benefits?

Six out of 10 sample households received one or more benefits for some part of the year. All types of households are included in beneficiary households. Households with aged heads and households with minor children were more likely to receive benefits than households headed by men or households consisting of married couples or single adults with no dependent children. Table 7 compares households with these characteristics to the proportion receiving benefits and the proportionate amount of benefits received. For instance, in Midwestern City, 23 percent of the households are headed by an aged person while 38 percent of beneficiary households have an aged head, and they received 44 percent of the total amount of benefits distributed in that location. In Southern City, 43 percent of all households and 49 percent of beneficiary households include dependent children, and they received 60 percent of the total amount of benefits.

TABLE 7.—*Demographic characteristics of beneficiary households and of all sample households, by characteristic and site*

Characteristic and site	All households in sample			Households receiving at least 1 benefit			
	Total	Number with characteristic ¹	Percent	Total	Number with characteristic ²	Percent	Percent of total benefit amount ⁴
Household head over age 65: ¹							
Eastern City.....	285	43	15	156	31	20	16
South Atlantic City.....	255	63	25	187	63	34	36
Southern City.....	286	63	22	219	59	27	33
Midwestern City.....	271	62	23	149	57	38	44
Western City.....	311	67	22	145	48	33	39
Rural Counties.....	350	108	31	203	96	47	64
Household headed by male: ¹							
Eastern City.....	285	151	53	156	62	40	38
South Atlantic City.....	255	142	56	187	90	48	40
Southern City.....	286	137	48	219	92	42	32
Midwestern City.....	271	174	64	149	83	56	46
Western City.....	311	199	64	145	81	56	53
Rural Counties.....	350	294	84	203	167	82	85
Household includes dependent children:							
Eastern City.....	285	118	41	156	99	63	72
South Atlantic City.....	255	105	41	187	86	46	54
Southern City.....	286	122	43	219	108	49	60
Midwestern City.....	271	97	36	149	68	46	48
Western City.....	311	63	20	145	53	37	50
Rural Counties.....	350	134	38	203	60	30	20

See footnotes at end of table.

TABLE 7.—*Demographic characteristics of beneficiary households and of all sample households, by characteristic and site—Con.*

Characteristic and site	All households in sample			Households receiving at least 1 benefit			
	Total	Number with characteristic ¹	Percent	Total	Number with characteristic ²	Percent	Percent of total benefit amount ⁴
Household includes no minor children, head is married with spouse present:							
Eastern City.....	285	21	7	156	14	9	9
South Atlantic City.....	255	60	24	187	35	19	19
Southern City.....	286	46	16	219	32	15	12
Midwestern City.....	271	49	18	149	20	13	19
Western City.....	311	35	11	145	14	10	8
Rural Counties.....	350	139	40	203	94	46	56
Household includes no minor children, head is single: ²							
Eastern City.....	285	144	51	156	41	26	17
South Atlantic City.....	255	89	35	187	65	35	26
Southern City.....	286	116	41	219	77	35	27
Midwestern City.....	271	122	45	149	60	40	32
Western City.....	311	199	64	145	78	54	42
Rural Counties.....	350	75	21	203	47	23	23

¹ Unknowns were allocated based on distributions from census employment surveys.

² Includes those married with spouse absent, never married, divorced, and widowed.

³ These characteristics are not mutually exclusive. Thus, the numbers in this column add to more than the total number of households.

⁴ These percentages are based on the total dollar amount of all benefits found for a given site. For example, 16 percent of benefit amounts in Eastern City were received by households with heads over age 65.

Married couples with no minor children were included in the beneficiary group in about the same proportion as in the general population in most locations. Childless households headed by single adults received the lowest proportionate share of benefits. In part, this is related to the age distribution of household heads. About two-thirds of the single adults and married household heads without children were under 65 years of age. Almost all households headed by an aged person received benefits and about one-third of childless households headed by persons under age 65 received benefits.

The above information is on a *household* basis and does not include family size considerations. When households are weighted by the number of persons in them, *persons* in households with aged heads received a disproportionate share of total benefits. Such persons accounted for about 15 percent of the total sample population, but they received 37 percent of the total benefits. Persons in households which included minor children accounted for 56 percent of the population and received 53 percent of total benefits.

The following paragraphs present detailed information on beneficiaries based on certain demographic characteristics of households. These characteristics are the age and sex of the household head and whether children are present. The focus will be on whether groups generally thought to be excluded from public assistance—male-headed families with children, and single individuals and childless couples who are not aged, blind, or disabled—receive other compensating benefits.

DO MALE-HEADED HOUSEHOLDS WITH CHILDREN RECEIVE BENEFITS?

Table 8 provides an overview of the number and type of households with children and the extent of their participation in programs. We are accustomed to thinking that public welfare programs primarily benefit female-headed households and that male-headed households are unable to obtain benefits. However, the findings of this study indicate that benefits in kind do provide significant need-based benefits to male-headed households. And, of course, it is well known that these households benefit greatly from social insurance programs.

At four sites nearly every female-headed household with children received some benefit. Exceptions were in Rural Counties and Midwestern City where 73 percent and 83 percent, respectively, received benefits. However, male-headed households were by no means neglected. Only in Rural Counties did more than half of the male-headed households with children fail to receive any benefit. In the other areas from 63 to 80 percent of these households received benefits.

Beneficiary households had more children than nonbeneficiary households, probably because larger households are more likely to be eligible for need-based benefits, and because women are less likely to be employed when they have several children. Thus, a relatively small proportion of children (except in the rural area) were in households which received no benefits. In Rural Counties, 57 percent of the children in male-headed households are in nonbeneficiary households, compared to only 22 percent of such children in the five cities.

TABLE 8.—Households with children, by sex of head, by receipt of benefits, and by site

Site	Total households	Households with children	Per cent of total	Male-headed households with children					Female-headed households with children				
				Total		With benefits			Total		With benefits		
				Number of households	Average number of children	Number of households	Average number of children	Per cent with benefits	Number of households	Average number of children	Number of households	Average number of children	Per cent with benefits
Eastern City	285	118	41	54	3.2	35	3.9	65	64	3.2	64	3.2	100
South Atlantic City	255	105	41	53	2.6	37	3.0	70	52	3.0	49	3.1	94
Southern City	286	122	43	55	2.6	44	2.8	80	67	2.8	64	2.8	96
Midwestern City	271	97	36	62	3.2	39	3.6	63	35	3.0	29	3.1	83
Western City	311	63	20	41	2.6	31	2.7	76	22	2.1	22	2.1	100
Rural Counties	350	134	38	123	2.1	52	2.2	42	11	1.6	8	1.8	73

The great bulk of the benefits accruing to households with children are based on need (see tables 9-14). Social insurance benefits were received largely by male-headed families in the form of social security. Veterans compensation and GI bill educational assistance were also important to male-headed households in Southern City and Rural Counties. About 8 percent of male-headed households with children received agricultural subsidies in the rural area, averaging about \$40 per month. Unemployment insurance and workmen's compensation payments went to a small number of male-headed households in all areas, but were significant only in Midwestern and Western Cities where they accounted for 14 and 22 percent, respectively, of total social insurance benefits.

Average need-based benefits are usually much higher for female-headed households with children than for male-headed households, which is consistent with the greater likelihood that women will be eligible for cash, need-based benefits and will have lower earnings (see table 15). In Rural Counties, male- and female-headed families averaged about the same amount of benefits, but in the cities the average monthly benefits to female-headed families was from \$55 to \$253 greater than for male-headed families.

In all sites, male-headed households received greater amounts of benefits in kind than of cash benefits based on need, because they generally were not eligible to receive cash public assistance. But female-headed households also received a high proportion of their need-based benefits in kind rather than in cash, with proportions of total benefits ranging from 27 percent in Rural Counties to 58 percent in Southern City. In fact, female-headed families were more likely than male-headed families to receive food, housing, and health benefits. From 4 to 44 percent of the male-headed households with children received food stamps or commodities, while 27 to 77 percent of the female-headed households benefited from one or the other of these programs. Similarly, 15 to 66 percent of the male-headed households benefited from school feeding programs, compared to 9 to 73 percent of the female-headed households. Female-headed households were also more likely to be in public housing, with up to 49 percent receiving housing subsidies as compared to no more than 25 percent of male-headed households.

In part, the greater use of in-kind programs by female-headed households reflects their greater eligibility for public assistance. Although the AFDC program provides a large proportion of its benefits to female-headed households, not all of the households headed by women benefited from this program (see table 16). In Rural Counties, only 38 percent of female-headed households benefiting from any program received AFDC, while in the urban areas, 69 to 86 percent of female-headed beneficiary households received AFDC. Among male-headed beneficiary households, about 6 percent received AFDC in Rural Counties and Midwestern City, and 16 to 23 percent in the other urban areas. Some of these male-headed households received AFDC because they contained a subfamily headed by a woman with children.

Thus, not only did female-headed households receive higher in-kind benefits, but the proportion of benefits received in cash was higher as well. For both types of households, however, a high proportion of total benefits were in kind. Thus, a relatively low amount of cash

income from need-based programs was available to households for use at their discretion. For instance, female-headed beneficiary households in South Atlantic City received an average benefit total of \$359 per month (see table 15). Their need-based benefits averaged \$333 per month, but only \$186 was in the form of cash benefits. In Western City, need-based benefits to male-headed beneficiary households averaged \$247, but average cash benefits were only \$83 per month.

Since earnings are undercounted here, especially for male-headed households, it is likely that the average total income of male-headed households with children is equal to or greater than that of female-headed households in both rural and urban areas. It appears that in-kind benefits available to low-income male-headed households supplement their earnings and other income and serve to reduce the advantages which female-headed households receive from AFDC. It must be emphasized, however, that cash public assistance benefits to female-headed households may be a more reliable and predictable source of income than earnings are for male-headed households. Moreover, female-headed households are more likely to receive at least one cash benefit than are those headed by a male, and cash gives the recipient more flexibility and may be of considerably greater value to the recipient than the same number of dollars worth of aid in kind.

TABLE 9.—*Eastern City: Number of benefits received and aggregate amounts of monthly benefits to households with children, by sex of head and type of benefit*

Type of benefit	Male-headed households with children			Female-headed households with children		
	Number of benefits	Monthly benefits		Number of benefits	Monthly benefits	
		Amount	Percent distribution		Amount	Percent distribution
All benefits.....	108	\$10, 394	100	214	\$24, 162	100
Social insurance benefits.....	13	1, 768	17	12	1, 249	5
Unemployment insurance—workmen's compensation.....	11	867	8	6	401	2
Social security.....	2	901	9	6	848	4
Need-based benefits.....	95	8, 626	83	202	22, 913	95
Cash.....	14	3, 033	31	57	15, 665	65
In kind.....	81	5, 593	52	145	7, 248	30
Food stamps/commodities.....	12	673	6	35	1, 314	5
School meals.....	18	329	3	22	364	2
Medicaid.....	13	1, 146	11	43	3, 357	14
Other health care.....	2	19	(*)	9	110	(*)
Housing.....	12	1, 131	11	12	1, 004	4
Education/manpower.....	22	2, 260	21	21	842	4
Child care.....	0	0	0	2	230	1
Other.....	2	35	(*)	1	27	(*)

*Less than 0.5 percent.

TABLE 10.—*South Atlantic City: Number of benefits received and aggregate amounts of monthly benefits to households with children, by sex of head and type of benefit*

Type of benefit	Male-headed households with children			Female-headed households with children		
	Number of benefits	Monthly benefits		Number of benefits	Monthly benefits	
		Amount	Percent distribution ²		Amount	Percent distribution ²
All benefits.....	116	\$5, 495	100.	256	\$17, 599	100
Social insurance benefits.....	14	1, 560	28	16	1, 291	7
Unemployment insurance—workmen's compensation.....	2	67	1	0	0	0
Social security.....	7	1, 014	18	10	1, 016	6
Other retirement.....	1	341	6	1	(1)	0
GI bill.....	2	132	2	0	0	0
Medicare.....	2	6	(*)	5	275	2
Need-based benefits.....	102	3, 935	72	240	16, 308	93
Cash.....	10	1, 233	22	55	9, 106	52
In kind.....	92	2, 702	49	185	7, 202	41
Food stamps/commodities.....	7	344	6	34	1, 578	9
School meals.....	35	404	7	34	525	3
Medicaid.....	7	468	9	38	2, 453	14
Other health care.....	18	196	4	31	387	2
Housing.....	13	966	18	22	1, 395	8
Education/manpower.....	12	324	6	21	845	5
Other.....	0	0	0	5	19	(*)

*Less than 0.5 percent.

¹ Not available.

² Detail may not add to totals due to rounding.

TABLE 11.—*Southern City: Number of benefits received and aggregate amounts of monthly benefits to households with children, by sex of head and type of benefit*

Type of benefit	Male-headed households with children			Female-headed households with children		
	Number of benefits	Monthly benefits		Number of benefits	Monthly benefits	
		Amount	Percent distribution		Amount	Percent distribution
All benefits.....	124	\$6, 120	100	258	\$16, 924	100
Social insurance benefits.....	11	2, 259	37	10	1, 123	7
Unemployment insurance—workmen's compensation.....	1	42	1	0	0	0
Social security.....	4	638	10	8	1, 109	7
Other retirement.....	1	172	3	0	0	0
VA compensation.....	2	576	9	0	0	0
GI bill.....	1	230	4	0	0	0
Medicare.....	2	601	10	2	14	(*)
Need-based benefits.....	113	3, 861	63	248	15, 801	93
Cash.....	15	1, 217	20	50	5, 971	35
In kind.....	98	2, 644	43	198	9, 830	58
Food stamps/commodities.....	2	154	3	18	1, 258	7
School meals.....	28	502	8	49	1, 007	6
Medicaid.....	7	165	3	41	2, 050	12
Other health care.....	25	227	4	17	218	1
Housing.....	6	387	6	33	3, 173	19
Education/manpower.....	9	651	11	13	487	3
Child care.....	5	323	5	13	1, 483	9
Other.....	16	235	4	14	154	1

*Less than 0.5 percent.

TABLE 12.—*Midwestern City: Number of benefits received and aggregate amounts of monthly benefits to households with children, by sex of head and type of benefit*

Type of benefit	Male-headed households with children			Female-headed households with children		
	Monthly benefits			Monthly benefits		
	Number of benefits	Amount	Percent distribution	Number of benefits	Amount	Percent distribution
All benefits.....	66	\$5, 322	100	105	\$11, 272	100
Social insurance benefits.....	16	2, 473	47	2	357	3
Unemployment insurance—workmen's compensa- tion.....	6	351	7	0	0	0
Social security.....	5	1, 714	32	0	0	0
Other retirement.....	0	0	0	2	357	3
VA compensation.....	1	28	1	0	0	0
GI bill.....	2	357	7	0	0	0
Medicare.....	2	23	(*)	0	0	0
Need-based benefits.....	50	2, 849	53	103	10, 915	97
Cash.....	3	835	16	30	6, 760	60
In kind.....	47	2, 014	38	73	4, 155	37
Food stamps/commodities.....	4	161	3	22	991	9
School meals.....	17	496	9	9	277	1
Medicaid.....	12	567	11	23	1, 693	15
Other health care.....	4	279	5	8	154	1
Housing.....	1	82	2	6	807	7
Education/manpower.....	6	228	4	2	62	1
Child care.....	3	201	4	1	57	1
Other.....	0	0	0	2	114	1

*Less than 0.5 percent.

TABLE 13.—*Western City: Number of benefits received and aggregate amounts of monthly benefits to households with children, by sex of head and type of benefit*

Type of benefit	Male-headed households with children			Female-headed households with children		
	Number of benefits	Monthly benefits		Number of benefits	Monthly benefits	
		Amount	Percent distribution		Amount	Percent distribution
All benefits.....	104	\$9, 996	100	96	\$8, 293	100
Social insurance benefits.....	17	2, 329	23	4	283	3
Unemployment insurance—workmen's compensation.....	9	524	5	2	186	2
Social security.....	7	1, 797	18	0	0	0
VA compensation.....	0	0	0	2	97	1
Medicare.....	1	8	(*)	0	0	0
Need-based benefits.....	87	7, 667	77	92	8, 010	97
Cash.....	14	2, 578	26	20	4, 252	52
In kind.....	73	5, 089	51	72	3, 758	45
Food stamps/commodities.....	18	1, 091	11	17	670	8
School meals.....	9	171	2	8	100	1
Medicaid.....	13	2, 284	23	19	702	9
Other health care.....	9	223	2	2	54	1
Housing.....	1	101	1	6	679	8
Education/manpower.....	11	853	9	9	860	10
Child care.....	2	247	2	4	684	8
Other.....	10	119	1	7	9	0

*Less than 0.5 percent.

TABLE 14.—*Rural Counties: Number of benefits received and aggregate amounts of monthly benefits to households with children, by sex of head and type of benefit*

Type of benefit	Male-headed households with children			Female-headed households with children		
	Number of benefits	Monthly benefits		Number of benefits	Monthly benefits	
		Amount	Percent distribution		Amount	Percent distribution
All benefits.....	96	\$5, 956	100	19	\$932	100
Social insurance benefits.....	29	3, 223	54	6	322	35
Unemployment insurance—workmen's compensation.....	4	157	3	3	74	8
Social security.....	7	1, 564	26	1	105	11
VA compensation.....	5	633	11	1	134	14
GI bill.....	2	390	7	0	0	0
Agricultural subsidies.....	10	398	7	1	9	1
Medicare.....	1	81	1	0	0	0
Need-based benefits.....	67	2, 733	46	13	610	65
Cash.....	8	1, 134	19	5	362	39
In kind.....	59	1, 599	27	8	248	27
Food stamps/commodities.....	13	956	16	3	206	22
School meals.....	18	286	5	1	18	2
Medicaid.....	0	0	0	4	24	3
Other health care.....	10	18	(*)	0	0	0
Education/manpower.....	7	247	4	0	0	0
Child care.....	1	16	(*)	0	0	0
Other.....	10	76	1	0	0	0

*Less than 0.5 percent.

As noted above, earnings and other private income probably are underestimated, especially for male-headed households in Southern and Midwestern Cities and in Rural Counties. Also, benefit amounts may reflect amounts currently being received rather than average monthly amounts over a year. Therefore, average total incomes as determined from the record survey do not necessarily reflect actual income of households at any one time, or total income for the year. It must be remembered as well that the dollar amounts referred to here usually include the values assigned to all in-kind benefits including training, legal aid, and the like.

In the two areas which appear to have more complete reporting of private income (Western and South Atlantic Cities), male-headed households with children for which income data are available have higher average monthly incomes than female-headed households. In Western City, male-headed households' income averaged \$622 per month, and female-headed households averaged \$497 (see table 15). In South Atlantic City, male-headed households had income of \$528, and female-headed \$450. Earnings (and cash in general) represented a much higher proportion of total income for male-headed than for female-headed households in both cities.

TO WHAT EXTENT DO CHILDLESS HOUSEHOLDS BENEFIT?

Aggregate benefits are higher to households with children than to childless households in most of the locations. However, high proportions of both childless male- and female-headed households do receive benefits in all areas (see table 17).

The majority of benefits to childless households go to those headed by persons age 65 and over, and their average benefits were consistently much higher than those for households headed by non-aged persons (see tables 18 to 23 for types and amounts of benefits received). This is not surprising, given the presumed higher earning capacity of younger people and their lower incidence of eligibility for both need-based and social insurance programs. But a significant proportion of younger persons with no minor children in the home do receive benefits. From 20 percent (Eastern City and Midwestern City) to 48 percent (Southern City) of childless households headed by men under age 65⁴ received one or more types of benefits. Among non-aged women heading childless households, the proportions receiving benefits range from 22 percent in Western City to 66 percent in South Atlantic City. Benefits accounted for relatively low proportions of total income for households with non-aged male heads in areas for which total income data were relatively complete (see table 24). The somewhat higher proportion of benefits to female-headed households in this age group probably reflects the lower earnings of women and their greater coverage under need-based programs.

Nearly every household headed by an aged person (over 64) receives some benefit, the majority from social insurance programs (see table 24). The largest amounts are from social security programs, but veterans compensation, GI bill educational assistance, unemployment insurance, and, in the rural area, agricultural subsidies are also included. Cash assistance benefits represented less than half the benefit income for all age and sex groups of childless households.

⁴ Persons with age unknown are included in this group since comparisons with census data for these areas establishes the presumption that most such persons are under age 65.

TABLE 15.—Total monthly income reported for households with children, by site and income source

Site and income source	Male-headed					Female-headed				
	Aggregate monthly amounts	Percent distribution	Average amount per household ¹	Average per beneficiary household	Average per beneficiary child	Aggregate monthly amounts	Percent distribution	Average amount per household ¹	Average per beneficiary household	Average per beneficiary child
Eastern City:										
Earnings and other private income.....	\$17, 993	63	\$409	\$377	\$97	\$4, 801	17	\$75	\$75	\$24
Benefits.....	10, 394	37	236	297	76	24, 162	83	378	378	118
Total income.....	28, 387	100	645	674	173	28, 963	100	453	453	142
South Atlantic City:										
Earnings and other private income.....	20, 896	79	418	403	134	5, 830	25	112	113	37
Benefits.....	5, 495	21	110	149	50	17, 599	75	338	359	117
Total income.....	26, 391	100	528	552	184	23, 429	100	450	472	154
Southern City:										
Earnings and other private income.....	4, 367	42	97	85	31	9, 652	36	151	151	53
Benefits.....	6, 120	58	136	139	51	16, 924	64	264	264	94
Total income.....	10, 487	100	233	224	82	26, 576	100	415	415	147
Midwestern City:										
Earnings and other private income.....	13, 579	72	277	189	53	2, 201	15	71	61	20
Benefits.....	5, 322	28	109	136	38	11, 272	85	363	389	127
Total income.....	18, 901	100	386	325	91	13, 473	100	434	450	147
Western City:										
Earnings and other private income.....	11, 762	54	336	286	106	2, 633	24	120	120	56
Benefits.....	9, 996	46	286	322	119	8, 293	76	377	377	176
Total income.....	21, 758	100	622	608	225	10, 926	100	497	497	232
Rural Counties:										
Earnings and other private income.....	17, 098	74	237	174	80	1, 991	68	221	174	100
Benefits.....	5, 956	26	83	115	53	932	32	104	117	67
Total income.....	23, 054	100	320	289	133	2, 923	100	325	291	167

¹ Households with no income or benefits reported were excluded in computing these average amounts.

TABLE 16.—Households with children receiving cash benefits based on need and average monthly amounts, by program and site

Site	All need-based cash benefits	AFDC		Aid to aged, blind, and disabled		General assistance		Veterans' pensions		Other welfare		
		Male head	Female head	Male head	Female head	Male head	Female head	Male head	Female head	Male head	Female head	
Eastern City:												
Number of households.....	68	8	55	0	0	2	0	0	0	4	2	
Average monthly benefit.....	\$275	\$248	\$280	0	0	\$145	0	0	0	\$190	\$137	
South Atlantic City:												
Number of households.....	47	6	38	1	2	0	0	1	3	2	9	
Average monthly benefit.....	\$220	\$186	\$219	\$49	\$57	0	0	\$44	\$90	\$12	\$17	
Southern City:												
Number of households.....	59	10	44	5	5	0	0	0	1	0	0	
Average monthly benefit.....	\$122	\$96	\$120	\$52	\$97	0	0	0	\$221	0	0	
Midwestern City:												
Number of households.....	27	2	24	1	1	0	0	0	1	0	6	
Average monthly benefit.....	\$281	\$338	\$275	\$158	\$49	0	0	0	\$44	0	\$25	
Western City:												
Number of households.....	33	7	17	6	3	0	0	0	0	1	0	
Average monthly benefit.....	\$207	\$268	\$219	\$116	\$175	0	0	0	0	\$7	0	
Rural Counties:												
Number of households.....	6	3	3	0	0	1	0	3	2	0	0	
Average monthly benefit.....	\$203	\$119	\$66	0	0	\$70	0	\$106	\$83	0	0	

TABLE 17.—Households receiving benefits, by sex and age of head, by presence of children and by site

Age of household head by site	Male head				Female head			
	Number with children	Percent with benefits	Number without children	Percent with benefits	Number with children	Percent with benefits	Number without children	Percent with benefits
Eastern City:								
Total.....	54	65	87	31	64	100	56	54
Under 55.....	40	75	16	63	56	100	10	80
55 to 64.....	0	0	6	83	2	100	5	100
65 and over.....	1	100	12	100	2	100	16	100
Unknown.....	13	31	53	0	4	100	25	4
Under 65 and unknown ¹	53	64	75	20	62	100	40	35
South Atlantic City:								
Total.....	53	70	89	60	52	94	61	80
Under 55.....	41	70	23	39	42	95	12	83
55 to 64.....	5	80	17	65	4	75	11	91
65 and over.....	2	100	29	100	6	100	26	100
Unknown.....	5	40	20	20	0	0	12	25
Under 65 and unknown ¹	51	69	60	40	46	94	35	66
Southern City:								
Total.....	55	80	82	59	67	96	82	76
Under 55.....	45	80	40	45	61	95	24	50
55 to 64.....	5	80	19	58	3	100	23	70
65 and over.....	5	80	21	90	3	100	34	97
Unknown.....	0	0	2	0	0	0	1	100
Under 65 and unknown ¹	50	80	61	48	64	95	48	60
Midwestern City:								
Total.....	62	63	110	40	35	83	59	64
Under 55.....	44	59	18	28	34	82	11	46
55 to 64.....	9	67	23	17	0	0	11	73
65 and over.....	3	100	34	85	1	100	24	100
Unknown.....	6	67	35	17	0	0	13	8
Under 65 and unknown ¹	59	61	76	20	34	82	35	40
Western City:								
Total.....	41	76	139	36	22	100	89	45
Under 55.....	25	68	47	40	21	100	22	41
55 to 64.....	2	100	15	47	1	100	7	57
65 and over.....	2	100	23	83	0	0	31	87
Unknown.....	12	83	54	9	0	0	29	0
Under 65 and unknown ¹	39	74	116	27	22	100	58	22

See footnotes at end of table.

TABLE 17.—*Households receiving benefits, by sex and age of head, by presence of children and by site—Continued*

Age of household head by site	Male head				Female head			
	Number with children	Percent with benefits	Number without children	Percent with benefits	Number with children	Percent with benefits	Number without children	Percent with benefits
Rural Counties:								
Total	123	42	171	68	11	73	45	64
Under 55.....	112	39	40	35	9	67	4	0
55 to 64.....	10	70	52	52	2	100	11	55
65 and over.....	1	100	77	95	0	0	29	76
Unknown.....	0	0	2	50	0	0	1	100
Under 65 and unknown ¹	122	42	94	45	11	73	16	44

¹ The heads whose ages are unknown were presumed to be under 65, based on comparisons with census data.

TABLE 18.—*Number and amount of monthly benefits and amount of private income to childless households in Eastern City, by age and sex of head and type of benefit or income*

Type of benefit or income	Male head of age:				Female head of age:			
	Under 65 or unknown ¹		65 and over		Under 65 or unknown ¹		65 and over	
	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount
All benefits.....	28	\$4, 296	33	\$3, 193	21	\$2, 219	36	\$3, 819
Social insurance benefits.....	15	2, 617	14	2, 098	5	699	21	2, 979
Unemployment insurance-workmen's compensation.....	5	681	0	0	2	253	0	0
Social security.....	6	1, 417	10	1, 971	3	446	17	2, 547
Other retirement.....	1	78	0	0	0	0	0	0
VA compensation.....	1	121	1	33	0	0	1	56
GI bill.....	0	0	0	0	0	0	0	0
Medicare.....	2	320	3	94	0	0	3	376
VA medical care.....	0	0	0	0	0	0	0	0
Need-based benefits.....	13	1, 679	19	1, 095	16	1, 520	15	840
Cash.....	7	1, 048	7	559	8	1, 112	3	125

Welfare.....	6	918	4	337	8	1,112	2	96
VA pension.....	1	130	3	222	0	0	1	29
In kind.....	6	631	12	536	8	408	12	715
Food stamps/commodities.....	1	20	3	50	2	52	3	36
Medicaid.....	2	371	3	128	2	53	0	0
Other health care.....	0	0	2	12	0	0	1	6
Housing.....	3	240	4	346	3	302	7	648
Education and manpower.....	0	0	0	0	0	0	1	25
Other.....	0	0	0	0	1	1	0	0
Earnings and other private income.....		6,097		123		1,347		598
Total income and benefits.....		10,393		3,316		3,566		4,417
Average monthly income.....		520		276		223		276
Average monthly benefits to beneficiary households.....		286		266		156		239

¹ The heads whose ages are unknown were presumed to be under 65, based on comparisons with census data.

TABLE 19.—*Number and amount of monthly benefits and amount of private income to childless households in South Atlantic City, by age and sex of head and type of benefit or income*

Type of benefit or income	Male head of age:				Female head of age:			
	Under 65 or unknown ²		65 and over		Under 65 or unknown ²		65 and over	
	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount
All benefits.....	36	\$3, 754	76	\$7, 300	44	\$2, 786	83	\$5, 297
Social insurance benefits.....	17	2, 680	43	6, 356	15	1, 429	43	3, 480
Unemployment insurance—work- men's compensation.....	0	0	0	0	1	63	0	0
Social security.....	9	1, 033	28	5, 083	12	1, 261	28	2, 589
Other retirement.....	3	651	3	137	1	103	2	190
VA compensation.....	2	585	1	450	0	0	0	0
GI bill.....	2	366	0	0	0	0	0	0
Medicare.....	1	45	11	686	1	2	13	701
VA medical care.....	0	0	0	0	0	0	0	0
Need-based benefits.....	19	1, 074	33	944	29	1, 357	40	1, 817

Cash.....	4	623	5	375	6	467	6	545
Welfare.....	2	299	3	179	6	467	5	384
VA pension.....	2	324	2	196	0	0	1	161
In kind	15	451	28	569	23	890	34	1, 272
Food stamps/commodities.....	2	66	5	82	5	102	7	108
Medicaid.....	1	6	8	412	1	53	7	190
Other health care.....	3	6	12	60	6	16	9	91
Housing.....	6	261	2	6	5	487	11	883
Education and manpower.....	1	112	1	9	4	232	0	0
Other.....	2	(¹)	0	0	2	(¹)	0	0
Earnings and other private income.....		14, 851		2, 697		4, 821		1, 040
Total income and benefits.....		18, 605		9, 997		7, 607		6, 337
Average monthly income.....		477		345		282		244
Average monthly benefits to beneficiary households.....		156		252		121		204

¹ Not available. ² The heads whose ages are unknown were presumed to be under 65, based on comparisons with census data.

TABLE 20.—*Number and amount of monthly benefits and amount of private income to childless households in Southern City, by age and sex of head and type of benefit or income*

Type of benefit or income	Male head of age:				Female head of age:			
	Under 65 or unknown ¹		65 and over		Under 65 or unknown ¹		65 and over	
	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount
All benefits.....	44	\$1, 867	59	\$4, 266	62	\$2, 736	110	\$6, 416
Social insurance benefits.....	7	1, 055	27	3, 295	8	794	40	3, 646
Unemployment insurance—work- men's compensation.....	0	0	1	8	1	33	0	0
Social security.....	1	91	15	2, 662	5	546	26	2, 915
Other retirement.....	0	0	3	316	1	152	0	0
VA compensation.....	1	526	1	28	0	0	2	136
GI bill.....	2	357	0	0	0	0	0	0
Medicare.....	2	61	7	281	1	63	12	595
VA medical care.....	1	20	0	0	0	0	0	0
Need-based benefits.....	37	812	32	971	54	1, 942	70	2, 770

Cash.....	5	408	6	295	9	712	16	1, 198
Welfare.....	5	408	6	295	8	663	13	819
VA pension.....	0	0	0	0	1	49	3	379
In kind.....	32	404	26	676	45	1, 230	54	1, 572
Food stamps/commodities.....	1	14	3	70	3	42	5	84
Medicaid.....	4	52	6	61	8	149	10	97
Other health care.....	16	104	10	133	13	173	15	171
Housing.....	2	114	2	336	6	543	14	1, 065
Education and manpower.....	2	11	0	0	2	137	1	53
Other.....	7	109	5	76	13	186	9	102
Earnings and other private income.....		1, 098		3, 797		701		495
Total income and benefits.....		2, 965		8, 063		3, 437		6, 911
Average monthly income.....		102		425		107		209
Average monthly benefits to beneficiary households.....		64		225		94		194

¹ The heads whose ages are unknown were presumed to be under 65, based on comparisons with census data.

TABLE 21.—*Number and amount of monthly benefits and amount of private income to childless households in Midwestern City, by age and sex of head and type of benefit or income*

Type of benefit or income	Male head of age:				Female head of age:			
	Under 65 or unknown ¹		65 and over		Under 65 or unknown ¹		65 and over	
	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount
All benefits.....	21	\$1, 695	58	\$8, 789	24	\$2, 502	67	\$5, 032
Social insurance benefits.....	15	1, 414	45	8, 542	6	677	37	4, 114
Unemployment insurance—workmen's compensation.....	2	85	2	352	1	4	-----	-----
Social security.....	8	1, 184	26	6, 235	3	493	23	2, 929
Other retirement.....	0	0	0	0	0	0	1	495
VA compensation.....	2	136	1	77	0	0	0	0
GI bill.....	0	0	0	0	1	175	0	0
Medicare.....	3	9	16	1, 878	1	5	13	690
Need-based benefits.....	6	281	13	247	18	1, 825	30	918

Cash.....	2	239	4	123	6	617	9	527
Welfare.....	2	239	4	123	6	617	7	420
VA pension.....	0	0	0	0	0	0	2	107
In kind.....	4	42	9	124	12	1,208	21	391
Food stamps/commodities.....	0	0	1	20	2	37	5	60
Medicaid.....	2	36	5	80	5	638	8	105
Other health care.....	2	6	3	24	2	44	7	92
Housing.....	0	0	0	0	3	489	1	134
Earnings and other private income.....		9,178		3,567		4,265		191
Total income and benefits.....		10,873		12,356		6,767		5,223
Average monthly income.....		418		412		376		218
Average monthly benefits to beneficiary households.....		113		303		179		210

¹ The heads whose ages are unknown were presumed to be under 65, based on comparisons with census data.

TABLE 22.—*Number and amount of monthly benefits and amount of private income to childless households in Western City, by age and sex of head and type of benefit or income*

Type of benefit or income	Male head of age:				Female head of age:			
	Under 65 or unknown ¹		65 and over		Under 65 or unknown ¹		65 and over	
	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount
All benefits.....	53	\$4, 370	42	\$4, 945	18	\$1, 343	91	\$7, 780
Social insurance benefits.....	27	2, 855	30	4, 371	8	569	50	5, 890
Unemployment insurance—work-								
men's compensation.....	11	755	2	293	7	426	4	401
Social security.....	7	1, 282	21	3, 632	1	143	26	4, 130
Other retirement.....	0	0	1	278	0	0	1	72
VA compensation.....	3	172	0	0	0	0	1	53
GI bill.....	3	627	0	0	0	0	0	0
Medicare.....	3	19	6	168	0	0	18	1, 234

Need-based benefits.....	26	1, 515	12	574	10	774	41	1, 890
Cash.....	10	923	4	486	3	376	12	1, 376
Welfare.....	10	923	3	399	3	376	12	1, 376
VA pension.....	0	0	1	87	0	0	0	0
In kind.....	16	592	8	88	7	398	29	514
Food stamps/commodities.....	5	86	2	55	3	109	6	101
Medicaid.....	7	430	2	9	2	118	9	144
Other health care.....	3	44	4	24	0	0	12	66
Housing.....	1	32	0	0	2	171	1	68
Other.....	0	0	0	0	0	0	1	135
Earnings and other private income.....		17, 280		1, 936		8, 330		1, 761
Total income and benefits.....		21, 650		6, 881		9, 673		9, 541
Average monthly income.....		433		344		440		329
Average monthly benefits to beneficiary households.....		141		260		103		288

† The heads whose ages are unknown were presumed to be under 65, based on comparisons with census data.

TABLE 23.—*Number and amount of monthly benefits and amount of private income to childless households in Rural Counties, by age and sex of head and type of benefit or income*

Type of benefit or income	Male head of age:				Female head of age:			
	Under 65 or unknown ^a		65 and over		Under 65 or unknown ^a		65 and over	
	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount	Number of benefits	Amount
All benefits.....	75	\$4, 828	196	\$18, 090	7	\$569	87	\$3, 750
Social insurance benefits.....	46	3, 667	112	14, 138	6	569	24	1, 818
Unemployment insurance—work-								
men's compensation.....	4	136	1	56	0	0	0	0
Social security.....	19	2, 372	70	10, 888	6	569	15	1, 649
Other retirement.....	1	91	1	189	0	0	0	0
VA compensation.....	6	574	1	478	0	0	0	0
Agricultural subsidies.....	11	233	5	99	0	0	0	0
Medicare.....	1	20	31	2, 220	0	0	9	169
VA medical care.....	4	241	3	208	0	0	0	0

Need-based benefits.....	29	1, 161	84	3, 952	1	(1)	63	1, 932
Cash.....	7	744	27	2, 955	0	0	18	1, 395
Welfare.....	5	417	21	2, 039	0	0	15	1, 229
VA pension.....	2	327	6	916	0	0	3	166
In kind.....	22	417	57	997	1	(1)	45	537
Food stamps/commodities.....	9	256	15	470	0	0	11	275
Medicaid.....	3	69	20	296	0	0	13	139
Other health care.....	6	20	22	222	1	(1)	17	92
Housing.....	3	63	0	0	0	0	1	30
Other.....	1	9	0	9	0	0	3	1
Earnings and other private income.....		5, 896		2, 208		1, 051		3
Total income and benefits.....		10, 724		20, 298		1, 620		3, 753
Average monthly income.....		223		278		147		163
Average monthly benefits to beneficiary households.....		115		248		81		171

¹ Not available. ² The heads whose ages are unknown were presumed to be under 65, based on comparisons with census data.

TABLE 24.—Distribution of aggregate monthly benefits and income to childless households, by type of benefit, by site, and by sex and age of head

Site and type of benefit	Male head				Female head			
	Under 65 or unknown ^a		65 and over		Under 65 or unknown ^a		65 and over	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
<i>Eastern City:</i>								
Total benefits.....	\$4, 296	100	\$3, 193	100	\$2, 219	100	\$3, 819	100
Social insurance.....	2, 617	61	2, 098	66	699	32	2, 979	78
Need-based.....	1, 679	39	1, 095	34	1, 520	68	840	22
Cash.....	1, 048	24	559	18	1, 112	50	125	3
In kind.....	631	15	536	16	408	18	715	19
Total income ¹	10, 393		3, 316		3, 566		4, 417	
Benefits as percent of total income.....		41		96		62		86
<i>South Atlantic City:</i>								
Total benefits.....	3, 754	100	7, 300	100	2, 786	100	5, 297	100
Social insurance.....	2, 680	71	6, 356	87	1, 429	51	3, 480	66
Need-based.....	1, 074	29	944	13	1, 357	49	1, 817	34
Cash.....	623	17	375	5	467	17	545	10
In kind.....	451	12	569	8	890	32	1, 272	24
Total income ¹	18, 605		9, 997		7, 608		6, 337	
Benefits as percent of total income.....		20		73		37		84
<i>Southern City:</i>								
Total benefits.....	1, 867	100	4, 266	100	2, 736	100	6, 416	100
Social insurance.....	1, 055	57	3, 295	77	794	29	3, 646	57
Need-based.....	812	43	971	23	1, 942	71	2, 770	43
Cash.....	408	22	295	7	712	26	1, 198	19
In kind.....	404	21	676	16	1, 230	45	1, 572	24

Total income ¹	2, 965		8, 063		3, 437		6, 911	
Benefits as percent of total income	63		53		80		93	
<i>Midwestern City:</i>								
Total benefits	1, 695	100	8, 789	100	2, 502	100	5, 032	100
Social insurance	1, 414	83	8, 542	97	677	27	4, 114	82
Need-based	281	17	247	3	1, 825	73	918	18
Cash	239	14	143	2	617	25	527	11
In kind	42	3	104	1	1, 208	48	391	7
Total income ¹	10, 873		12, 356		6, 767		5, 223	
Benefits as percent of total income	16		71		38		96	
<i>Western City:</i>								
Total benefits	4, 370	100	4, 945	100	1, 343	100	7, 780	100
Social insurance	2, 855	65	4, 371	88	569	42	5, 890	76
Need-based	1, 515	35	574	12	774	58	1, 890	24
Cash	923	21	486	10	376	28	1, 376	18
In kind	592	14	88	2	398	30	514	6
Total income ¹	21, 650		6, 881		9, 673		9, 541	
Benefits as percent of total income	20		72		14		82	
<i>Rural Counties:</i>								
Total benefits	4, 828	100	18, 090	100	569	100	3, 750	100
Social insurance	3, 667	76	14, 138	78	569	100	1, 818	48
Need-based	1, 161	24	3, 952	22			1, 932	52
Cash	744	15	2, 955	16			1, 395	37
In kind	417	9	997	6			537	15
Total income ¹	10, 724		20, 298		1, 620		3, 753	
Benefits as percent of total income	45		89		35		100	

¹ Total income includes public benefits and private income.

² The heads whose ages are unknown were presumed to be under 65, based on comparisons with census data.

Aged men and women heading households differ in the extent to which they rely on public benefits. The high proportion of total income constituted by benefits for households headed by aged females—82 percent to 100 percent—indicates the extent to which these individuals and households must rely on public benefit programs. From 53 percent to 96 percent of total income for households headed by aged males was from benefit programs. Total average income of families headed by men aged 65 and over was consistently higher than for comparable families headed by women, and average benefits were higher except in Western City. This reflects the higher earnings of members of male-headed households as well as the higher average social insurance benefits, such as social security, for men. In part, this difference is also due to the fact that aged women are more likely to live alone than aged men. With more people living in male-headed households, there is greater likelihood that other household members will receive benefits and a greater likelihood that other household members will have earnings and other income (see below).

Site	Households with male head age 65 and over		Households with female head age 65 and over, percent with 2 or more persons
	Percent living with spouse	Percent with 2 or more persons	
Eastern City.....	46	69	17
South Atlantic City.....	71	81	34
Southern City.....	65	81	40
Midwestern City.....	51	56	20
Western City.....	32	40	10
Rural Counties.....	85	87	21

How Do Programs Interact With Each Other?

As the preceding discussion has shown, a great many benefit programs serve the six poverty areas. The degree to which any one program serves these populations varies widely, of course, from medicaid, which paid some portion of medical expenses for 20 percent of the sample households over a 12-month period, to the Cuban refugee assistance program, which aided only one household in the sample checked. But it is only when the impact of the combined flow from all of the 100 programs is examined that an accurate picture emerges of the consequences of this conglomerate public welfare structure.

Because this study is based exclusively on sample populations from poverty areas, the extent of program participation is overstated in the sample compared to the general population. Nevertheless, the degree of overlap among programs found by this study is probably not overstated to the same extent. That is, if a person is eligible for one public welfare program, the chance of his being in other related programs is still high, regardless of the relative affluence of his neighborhood.⁵

⁵ The exceptions to this statement would be programs which are uniquely available in poverty areas; mainly, noncash assistance funded by the Office of Economic Opportunity and the Model Cities program.

In this study, receipt of benefits at any time during the preceding year was recorded for programs which offer aid on a part-year or as-needed basis.⁶ Thus, it must be kept in mind when interpreting the following discussion of program interaction that a household with several benefits may not have received them all concurrently. However, it can safely be assumed for two reasons that the number and amount of benefits shown underestimate public benefits actually received by sample households over a 12-month period. First, there are likely to have been benefits paid to household members who for various reasons could not be identified. Second, some households which were not aided by the continuing maintenance programs in the survey month undoubtedly did receive such aid during earlier months in the year.

HOW MUCH OVERLAP IS THERE?

In the first staff study released in this series,⁷ it was pointed out that there are many income-maintenance beneficiaries who receive checks or the equivalent in goods and services from more than one program. But that study was based on existing survey and program data and was limited thereby, since many programs do not have information on the other sources of income and benefits their beneficiaries receive. The data presented here on six poverty areas, while not national in scope, cover a much broader range of programs than did the earlier paper. Also, by relating all of these programs to a common set of households, the interactions among programs may be seen more clearly and comprehensively than has been possible in the past.

When the cumulative benefits received by each sample household are analyzed, we find that the proportion receiving at least one benefit ranges up to 77 percent in Southern City but is never less than about one-half the sample in any one site. This consistency of widespread program coverage at every site is surprising, given the very different population groups making up the samples and the variations in program availability and generosity from place to place.

But of even greater interest is the fact that a household which receives one and only one benefit is atypical. Of beneficiary households, about 60 to 75 percent received more than one benefit in all six locations (see table 25). In fact, from one-third to one-half of beneficiary households received three or more different benefits and from 10 to 25 percent received five or more. Nineteen sample households actually participated in eight or more different benefit programs over the course of a year.

⁶ Annual benefit amounts for these programs were divided by 12 to get an average monthly amount. For example, if a training stipend of \$100 a month had been received for 3 months, our data would show an average monthly benefit of \$25. Programs for which benefits were recorded only if currently received were the following:

- Public assistance;
- Veterans cash assistance, including GI bill;
- Retirement programs, including social security;
- Food stamps and free commodities;
- Public housing and rent supplements; and
- Child care.

⁷ *Public Income Transfer Programs: The Incidence of Multiple Benefits and the Issues Raised by Their Receipt*, *supra*.

TABLE 25.—*Distribution of sample households by number of different benefits received and by site*

Number of benefits	Eastern City		South Atlantic City		Southern City		Midwestern City		Western City		Rural Counties	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total number of households	285	100	255	100	286	100	271	100	311	100	350	100
With no benefits.....	129	45	68	27	67	23	122	45	166	53	147	42
With at least 1 benefit....	156	55	187	73	219	77	149	55	145	47	203	58
With 2 or more.....	113	40	138	54	147	51	92	34	96	31	119	34
With 3 or more.....	77	27	95	37	108	38	47	17	59	19	69	20
With 4 or more.....	49	17	70	27	77	27	26	10	41	13	42	12
With 5 or more.....	24	8	49	19	51	18	18	7	28	9	29	8
With 6 or more.....	16	6	36	14	32	11	6	2	19	6	15	4
With 7 or more.....	4	1	21	8	15	5	2	1	9	3	2	1
With 8 or more.....	1	(¹)	10	4	4	1	1	(¹)	3	1	0	0
With 9 or more.....	0	0	5	2	2	1	0	0	2	1	0	0
With 10 or more.....	0	0	1	(¹)	1	(¹)	0	0	2	1	0	0
With 11 benefits.....	0	0	0	0	1	(¹)	0	0	0	0	0	0

¹ Less than 0.5 percent.

In order to facilitate analysis of the enormous number of possible benefit combinations,⁸ programs were grouped into nine categories:

- (1) Public assistance benefits;
- (2) Social security cash benefits;
- (3) Veterans cash benefits;
- (4) Other cash benefits;
- (5) Food benefits;
- (6) Health care benefits;
- (7) Housing benefits;
- (8) Education and manpower benefits; and
- (9) **Other benefits in kind.**

The assignment of programs to these categories was shown in Table 1 (see p. 13).

Consolidating benefits by category, of course, reduces the frequency of multiple benefit receipt since many households receive benefits from two or more programs—such as food stamps and school lunches—which were grouped together in the same category (see table 26). Still, the points made above with respect to individual benefit programs apply equally to benefit categories—that is, the typical beneficiary household receives more than one category or type of benefit, and a significant proportion of these households receive benefits from a number of categories.

WHAT ARE THE OVERLAPPING BENEFITS?

A surprising characteristic of these public welfare benefits acting in combination is that only a relatively small number of households receives any one specific combination. That is, the beneficiary households are thinly spread over a large number of different benefit packages with no major concentration of families receiving a particular package. The 1,059 sample households receiving benefits are scattered among 144 unique combinations of benefit categories with the largest concentration being the 130 households receiving only social security cash benefits. The sparse nature of this distribution is much more pronounced when the categories are disaggregated into individual programs.

⁸ Given 100 programs, there are literally billions of unique combinations of benefits that it is possible to receive. The number of potential benefit packages far exceeds the Nation's total population.

TABLE 26.—*Distribution of sample households by number of different categories of benefits received and by site*

Number of benefit categories ¹	Eastern City		South Atlantic City		Southern City		Midwestern City		Western City		Rural Counties	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total number of households_	285	100	255	100	286	100	271	100	311	100	350	100
With no benefits_	129	45	68	27	67	23	122	45	166	53	147	42
With at least 1 benefit_	156	55	187	73	219	77	149	55	145	47	203	58
With benefits from 2 or more categories_	111	39	136	53	144	50	89	33	91	29	116	33
3 or more_	74	26	85	33	95	33	39	14	55	18	56	16
4 or more_	39	14	48	19	57	20	12	4	28	9	22	6
5 or more_	14	5	16	6	27	9	2	1	9	3	2	1
6 or more_	3	1	3	1	6	3	0	0	1	(²)	0	0
7_	0	0	0	0	2	1	0	0	1	(²)	0	0

¹ Individual programs were grouped into nine categories: Cash benefits—public assistance, social security, veterans, other. In-kind benefits—food, health care, housing, education and manpower, other.

² Less than 0.5 percent.

Almost half of the sample households received cash benefits. In all, nearly one-third of households received social security or other social insurance payments and over one-fifth received a need-based cash payment. These figures include 7 percent of households which received both types of cash payments (see table 27). That is, almost one-fourth of households with social insurance payments also received need-based cash payments and one-third of households receiving need-based cash payments also had income from the social insurance programs. This overlap indicates the interrelationship of social insurance and need-based benefits in providing income. Of course, some part of this overlap is due to combined households in which receipt of income by a relative living in the home does not affect eligibility for benefits by other persons in the extended family.⁹

Not only do households sometimes receive two or more cash benefits, but often they receive cash plus in-kind benefits (see table 27). Seventy percent of households receiving cash benefits participated in in-kind programs as well. This happens in part because some cash programs such as public assistance usually confer eligibility for other programs such as medicaid, and in part because cash income remains low enough to qualify for food, housing, and other benefits.

⁹ For example, a young mother receiving AFDC for herself and her child may live with her elderly parents who receive social security retirement benefits.

TABLE 27.—*Percent of households receiving benefits, by type of benefit and site*

Type of benefit	All sample households	Eastern City	South Atlantic City	Southern City	Midwestern City	Western City	Rural Counties
Percent receiving:							
Any benefits.....	60	55	73	77	55	47	58
Cash benefits.....	46	48	54	44	40	40	51
Social insurance.....	24	17	30	13	24	21	39
Need-based.....	15	25	17	22	13	11	3
Both.....	7	6	7	9	3	8	9
In-kind benefits.....	47	45	60	71	44	33	34
Cash and in-kind.....	33	38	42	39	30	26	27
In-kind only.....	14	7	18	32	14	7	7
Cash benefits only.....	13	10	13	6	11	14	24

For beneficiaries in each of the nine benefit categories, a high likelihood of receipt of additional benefits from other categories was found (see tables 28-33). The majority of households receiving public assistance grants received at least two other types of aid as well (from 68 percent in Eastern City to 88 percent in Rural Counties). This characteristic is true to a greater or lesser degree for beneficiaries of other categories, too, such as social security pensioners, residents of subsidized housing units, and trainees enrolled in Government training programs. All of these program categories are thoroughly interwoven in terms of their impact on residents of these low-income areas.

TABLE 28.—Beneficiary households in Eastern City by benefit category and number of other categories of benefits received

Benefit category	Total	Number with earnings	Number of categories aid received in ¹						
			1	2	3	4	5	6	7
Total beneficiary households..	156	53	45	37	35	25	11	3	0
With earned income.....	53	53	15	12	11	10	5	0	0
With cash benefits from:									
Public assistance.....	88	23	7	21	27	21	9	3	0
Social security.....	42	7	17	8	6	6	2	3	0
Veterans programs..	7	0	0	2	2	1	0	2	0
Other programs.....	24	19	10	1	5	7	1	0	0
With aid in kind from:									
Food programs.....	78	27	6	14	24	20	11	3	0
Health care programs.....	73	22	2	11	24	22	11	3	0
Housing programs...	41	18	1	10	8	11	8	3	0
Education and man- power programs...	40	19	2	7	8	11	11	1	0
Other programs.....	4	2	0	0	1	1	2	0	0

¹ This table shows, for the households receiving benefits from programs within a specific category, a distribution of those households by the number of different categories from which benefits were received. For example, 88 households in Eastern City received public assistance benefits. Of those 88, 7 received only public assistance benefits (i.e., received benefits from only 1 category). Reading across the line, 21 received benefits from 1 additional category (2 categories received), 27 from 2 additional categories, and so forth. The table also shows that 23 of the 88 households had earned income during the survey period.

TABLE 29.—Beneficiary households in South Atlantic City by benefit category and number of other categories of benefits received

Benefit category	Total	Number with earnings	Number of categories aid received in ¹						
			1	2	3	4	5	6	7
Total beneficiary households..	187	98	51	51	37	32	13	3	0
With earned income.....	98	98	30	25	19	13	9	2	0
With cash benefits from:									
Public assistance.....	62	31	2	8	15	21	13	3	0
Social security.....	88	29	23	25	16	15	6	3	0
Veterans programs..	12	4	0	4	5	3	0	0	0
Other programs.....	14	5	3	4	4	3	0	0	0
With aid in kind from:									
Food programs.....	87	51	7	15	24	26	12	3	0
Health care programs.....	109	53	5	26	30	32	13	3	0
Housing programs....	55	37	7	12	7	17	10	2	0
Education and man- power programs....	38	30	2	7	8	9	9	3	0
Other programs.....	10	6	2	1	2	2	2	1	0

¹ See footnote to table 28 for explanation of this table.

TABLE 30.—Beneficiary households in Southern City by benefit category and number of other categories of benefits received

Benefit category	Total	Number with earnings	Number of categories aid received in ¹						
			1	2	3	4	5	6	7
Total beneficiary households...	219	70	75	49	38	30	21	4	2
With earned income.....	70	70	10	14	17	15	12	2	0
With cash benefits from:									
Public assistance.....	89	47	0	14	23	26	20	4	2
Social security.....	57	12	10	12	12	8	11	2	2
Veterans programs...	11	1	1	3	2	3	0	0	2
Other programs.....	8	5	1	2	3	0	1	1	0
With aid in kind from:									
Food programs.....	75	31	6	9	16	19	19	4	2
Health care programs.....	149	47	34	34	28	27	21	3	2
Housing programs...	63	37	6	6	12	19	16	3	1
Education and manpower programs...	27	16	4	4	7	4	4	3	1
Other programs.....	71	25	13	14	11	14	13	4	2

¹ See footnote to table 28 for explanation of this table.

TABLE 31.—Beneficiary households in Midwestern City by benefit category and number of other categories of benefits received

Benefit category	Total	Number with earnings	Number of categories aid received in ¹						
			1	2	3	4	5	6	7
Total beneficiary households..	149	38	60	50	27	10	2	0	0
With earned income.....	38	38	20	12	4	1	1	0	0
With cash benefits from:									
Public assistance.....	44	7	3	8	22	9	2	0	0
Social security.....	62	11	21	28	8	5	0	0	0
Veterans programs....	7	2	1	4	1	1	0	0	0
Other programs.....	13	7	6	5	0	1	1	0	0
With aid in kind from:									
Food programs.....	51	10	9	11	20	9	2	0	0
Health care programs.....	87	18	13	37	25	10	2	0	0
Housing programs....	11	5	3	1	2	3	2	0	0
Education and manpower programs.....	10	5	3	5	1	0	1	0	0
Other programs.....	6	0	1	1	2	2	0	0	0

¹ See footnote to table 28 for explanation of this table.

TABLE 32.—Beneficiary households in Western City by benefit category and number of other categories of benefits received

Benefit category	Total	Number with earnings	Number of categories aid received in ¹						
			1	2	3	4	5	6	7
Total beneficiary households..	145	69	54	36	27	19	8	0	1
With earned income.....	69	69	32	12	14	8	3	0	0
With cash benefits from:									
Public assistance.....	59	21	3	13	18	17	7	0	1
Social security.....	61	18	16	20	10	13	1	0	1
Veterans programs..	7	0	1	2	2	1	0	0	1
Other programs.....	31	27	17	4	6	1	2	0	1
With aid in kind from:									
Food programs.....	52	30	6	7	15	15	8	0	1
Health care programs.....	82	31	7	22	25	19	8	0	1
Housing programs...	11	3	1	1	0	3	5	0	1
Education and manpower programs.....	19	10	3	3	4	4	5	0	0
Other programs.....	8	5	0	0	1	3	4	0	0

¹ See footnote to table 28 for explanation of this table.

TABLE 33.—Beneficiary households in Rural Counties by benefit category and number of other categories of benefits received

Benefit category	Total	Number with earnings	Number of categories aid received in ¹						
			1	2	3	4	5	6	7
Total beneficiary households..	203	59	87	60	34	20	2	0	0
With earned income.....	59	59	29	16	12	2	0	0	0
With cash benefits from:									
Public assistance.....	43	7	0	5	17	19	2	0	0
Social security.....	117	30	43	38	15	19	2	0	0
Veterans programs....	29	6	6	11	10	1	1	0	0
Other programs.....	42	19	19	16	7	0	0	0	0
With aid in kind from:									
Food programs.....	60	17	7	11	21	19	2	0	0
Health care programs	83	16	5	33	23	20	2	0	0
Housing programs....	3	0	3	0	0	0	0	0	0
Education and man- power programs....	7	4	2	1	4	0	0	0	0
Other programs.....	15	6	2	5	5	2	1	0	0

¹ See footnote to table 28 for explanation of this table.

The degree to which beneficiaries of one category also benefit from any other given category varies widely by category and site (see tables 34-39). Some tendencies are common to all sites, however. Public assistance recipients are most likely to have health care and food benefits at all six sites (virtually all of these recipients would be eligible for food and medical benefits, but some eligibles did not take advantage of them). In fact, the food and health care benefits are generally the most widely used supplementary benefits by beneficiaries of any other category. They also tend to overlap with each other, with from 52 to 77 percent of food beneficiaries also participating in health care programs.

These tables also show that a high percentage of manpower benefits are going to households receiving public assistance (except for the elderly Rural Counties population). Thus, significant proportions of public assistance households were found to have benefited from manpower programs (ranging up to 31 percent of such families in South Atlantic City).

TABLE 34.—*Overlaps among pairs of benefit categories for beneficiary households in Eastern City*

Benefit category	Households also receiving benefits from—									
	Total number of beneficiary households	Public assistance programs	Social security cash programs	Veterans cash programs	Other cash programs	Food programs	Health care programs	Housing programs	Education and manpower programs	Other aid in kind
Total beneficiary households.....	156	88	42	7	24	78	73	41	40	4
Number receiving cash benefits from:										
Public assistance.....	88	88	9	5	7	55	62	24	24	3
Social security.....	42	9	42	5	2	13	14	14	4	0
Veterans programs.....	7	5	5	7	0	2	2	4	1	0
Other programs.....	24	7	2	0	24	8	10	3	6	0
Number receiving aid in kind from:										
Food programs.....	78	55	13	2	8	78	49	20	30	3
Health care programs.....	73	62	14	2	10	49	73	24	20	3
Housing programs.....	41	24	14	4	3	20	24	41	16	0
Education and manpower programs..	40	24	4	1	6	30	20	16	40	4
Other programs.....	4	3	0	0	0	3	3	0	4	4

TABLE 35.—*Overlaps among pairs of benefit categories for beneficiary households in South Atlantic City*

Benefit category	Households also receiving benefits from—									
	Total number of beneficiary households	Public assistance programs	Social security cash programs	Veterans cash programs	Other cash programs	Food programs	Health care programs	Housing programs	Education and manpower programs	Other aid in kind
Total beneficiary households.....	187	62	88	12	14	87	109	55	38	10
Number receiving cash benefits from:										
Public assistance.....	62	62	18	1	0	49	53	23	19	5
Social security.....	88	18	88	8	7	25	50	22	8	3
Veterans programs.....	12	1	8	12	3	2	6	2	0	1
Other programs.....	14	0	7	3	14	3	5	1	2	0
Number receiving aid in kind from:										
Food programs.....	87	49	25	2	3	87	63	31	26	5
Health care programs.....	109	53	50	6	5	63	109	35	30	7
Housing programs.....	55	23	22	2	1	31	35	55	13	0
Education and manpower programs.....	38	19	8	0	2	26	30	13	38	3
Other programs.....	10	5	3	1	0	5	7	0	3	10

TABLE 36.—*Overlaps among pairs of benefit categories for beneficiary households in Southern City*

Benefit category	Households also receiving benefits from—									
	Total number of beneficiary households	Public assistance programs	Social security cash programs	Veterans cash programs	Other cash programs	Food programs	Health care programs	Housing programs	Education and manpower programs	Other aid in kind
Total beneficiary households.....	219	89	57	11	8	75	149	63	27	71
Number receiving cash benefits from:										
Public assistance.....	89	89	24	3	2	52	79	40	16	34
Social security.....	57	24	57	8	4	17	33	22	2	16
Veterans programs.....	11	3	8	11	1	2	5	4	1	4
Other programs.....	8	2	4	1	8	1	3	2	2	2
Number receiving aid in kind from:										
Food programs.....	75	52	17	2	1	75	58	30	13	33
Health care programs.....	149	79	33	5	3	58	149	45	17	42
Housing programs.....	63	40	22	4	2	30	45	63	7	22
Education and manpower programs.....	27	16	2	1	2	13	17	7	27	9
Other programs.....	71	34	16	4	2	33	42	22	9	71

TABLE 37.—*Overlaps among pairs of benefit categories for beneficiary households in Midwestern City*

Benefit category	Total number of beneficiary households	Households also receiving benefits from—								
		Public assistance programs	Social security cash programs	Veterans cash programs	Other cash programs	Food programs	Health care programs	Housing programs	Education and manpower programs	Other aid in kind
Total beneficiary households.....	149	44	62	7	13	51	87	11	10	6
Number receiving cash benefits from:										
Public assistance.....	44	44	9	1	1	29	37	6	1	3
Social security.....	62	9	62	4	1	6	37	0	2	0
Veterans programs.....	7	1	4	7	1	0	3	0	0	0
Other programs.....	13	1	1	1	13	4	3	1	1	0
Number receiving aid in kind from:										
Food programs.....	51	29	6	0	4	51	32	7	3	5
Health care programs.....	87	37	37	3	3	32	87	7	3	3
Housing programs.....	11	6	0	0	1	7	7	11	1	0
Education and manpower programs.....	10	1	2	0	1	3	3	1	10	0
Other programs.....	6	3	0	0	0	5	3	0	0	6

TABLE 38.—*Overlaps among pairs of benefit categories for beneficiary households in Western City*

Benefit category	Households also receiving benefits from—									
	Total number of beneficiary households	Public assistance programs	Social security cash programs	Veterans cash programs	Other cash programs	Food programs	Health care programs	Housing programs	Education and manpower programs	Other aid in kind
Total beneficiary households.....	145	59	61	7	31	52	82	11	19	8
Number receiving cash benefits from:										
Public assistance.....	59	59	20	4	4	35	45	9	8	6
Social security.....	61	20	61	4	6	11	40	3	3	2
Veterans programs.....	7	4	4	7	1	0	4	1	0	0
Other programs.....	31	4	6	1	31	8	8	1	3	1
Number receiving aid in kind from:										
Food programs.....	52	35	11	0	8	52	38	8	13	6
Health care programs.....	82	45	40	4	8	38	82	9	11	8
Housing programs.....	11	9	3	1	1	8	9	11	5	2
Education and manpower programs.....	19	8	3	0	3	13	11	5	19	2
Other programs.....	8	6	2	0	1	6	8	2	2	8

TABLE 39.—*Overlaps among pairs of benefit categories for beneficiary households in Rural Counties*

Benefit category	Households also receiving benefits from—									
	Total number of beneficiary households	Public assistance programs	Social security cash programs	Veterans cash programs	Other cash programs	Food programs	Health care programs	Housing programs	Education and man-power programs	Other aid in kind
Total beneficiary households.....	203	43	117	29	42	60	83	3	7	15
Number receiving cash benefits from:										
Public assistance.....	43	43	27	2	2	28	41	0	0	4
Social security.....	117	27	117	13	10	28	52	0	0	3
Veterans programs.....	29	2	13	29	2	8	12	0	0	1
Other programs.....	42	2	10	2	42	8	6	0	2	0
Number receiving aid in kind from:										
Food programs.....	60	28	28	8	8	60	31	0	4	11
Health care programs.....	83	41	52	12	6	31	83	0	1	4
Housing programs.....	3	0	0	0	0	0	0	3	0	0
Education and manpower programs.....	7	0	0	0	2	4	1	0	7	2
Other programs.....	15	4	3	1	0	11	4	0	2	15

WHO RECEIVES MULTIPLE BENEFITS?

A glance at the data reveals that a member of any demographic group may be involved in more than one public welfare program. Not only does one find representatives of the primary program target groups—the aged, the disabled, female family heads with children—but one also finds families headed by employed males, couples with no children, and individuals under age 65 among the multi-benefit recipients.

Of course, the households headed by persons over age 65 and those headed by mothers of dependent children account for the bulk of public welfare benefits, but they also make up a large share of the total sample. These two groups, which constitute no more than 74 percent of any one sample, receive from 61 percent of all benefits paid in Western City to 75 percent in Southern City. Thus, significant proportions of the remaining households (those headed by non-aged males or consisting of single non-aged individuals) receive public welfare benefits as well, with their share of total benefits varying from 25 percent to 39 percent.¹⁰

Of particular interest is the makeup of the population receiving benefits from a large number of separate programs. The following discussion analyzes the 199 sample households receiving five or more different benefits. This group constitutes 11 percent of the total sample, but it received 41 percent of the checks mailed and services performed, and 35 percent of the aggregate benefit amount. Thus, this portion of the sample is the most involved in public welfare programs and is the group of greatest interest in analyzing the implications of overlapping programs.

Households receiving large numbers of benefits come in all shapes and sizes:

- An 85-year-old man and his wife in Rural Counties received \$155 monthly in old age assistance and social security checks and also received benefits from four different food and medical programs worth \$405 a month;
- A 17-year-old South Atlantic City mother of two children on AFDC received \$316 worth of assistance in seven other forms from food, health, housing, and manpower programs in addition to her \$226 a month in cash from the welfare agency;
- A Midwestern City mother of 10 had \$616 monthly from AFDC and also participated in four other programs with benefits valued at \$177 a month;
- A household of five adults and four children in Western City among them had \$353 in monthly cash assistance, adding the current month's AFDC payment to the monthly average unemployment insurance benefit, to supplement the household's average private income of \$972 a month and the \$685 of aid in kind derived from eight different programs;

¹⁰ These data are for households, some of which include more than one family unit. Thus, characteristics of actual benefit recipients may be somewhat different than characteristics of heads of beneficiary households. A household headed by a man living with his spouse, for example, may include the couple's daughter who receives AFDC for herself and her daughter.

- A Southern City family of 11 headed by an able-bodied male who, although not eligible for cash assistance, did receive help worth \$131 a month from five noncash assistance programs; and
- An unemployed man and a working wife who support a child and a minor relative in Eastern City with \$104 in monthly AFDC and general assistance benefits and \$281 worth of aid in kind from four other programs in addition to the wife's average monthly wages of \$429.

The household with the largest number of benefit sources (11) is a three-generation family of five in Southern City which received five different forms of cash aid from public assistance, social security, and the Veterans' Administration and participated in six non-cash programs as well. The monthly value of all of these benefits was \$691.

Looking at these families case by case, the reasons for their participation in so many programs are as numerous as the programs themselves. But analyzing them as a group by various characteristics, one can begin to make some generalizations about their makeup.

Looking first at age and sex of household head and family composition, it becomes clear that the multibenefit group in Rural Counties is quite different from that of the urban areas. Of 29 Rural Counties households receiving five or more benefits, all but three have aged heads, two-thirds have male heads, and only two have children in the home. The urban areas, while varying somewhat among themselves, are all at the opposite pole when viewed along these dimensions (see table 40). From one-half to five-sixths of all urban multibenefit household heads are under age 65, less than one-half of such households at each urban site are headed by males, and from 55 to 80 percent of this group have children present. Thus, the predominant though by no means the sole group getting large numbers of benefits in urban areas are female-headed families with children. When compared with the corresponding group of all beneficiary households, the multibenefit households tend to be older, more likely to have female heads at all sites, and more likely to have children present at the urban sites.

Because some programs determine eligibility on an individual basis while others look at the situation of the nuclear family and only a few consider all household circumstances, the households with large numbers of benefits tend to overrepresent non-nuclear families. An example is a family with children which has an elderly or disabled relative living with it. The relative may be entitled as an individual to a certain group of benefits while the family may participate in an altogether different set of programs.

TABLE 40.—Comparison of household characteristics for those receiving five or more benefits with all sample households, by site

Household characteristic and site	All households in sample			Households receiving 5 or more benefits		
	Total	Number with characteristic ²	Percent	Total	Number with characteristic ²	Percent
Household head over age 65: ¹						
Eastern City	285	43	15	24	4	17
South Atlantic City	255	63	25	49	18	37
Southern City	286	63	22	51	17	33
Midwestern City	271	62	23	18	9	50
Western City	311	67	22	28	12	43
Rural Counties	350	108	31	29	26	90
Household headed by male: ¹						
Eastern City	285	151	53	24	11	46
South Atlantic City	255	142	56	49	13	27
Southern City	286	137	48	51	12	24
Midwestern City	271	174	64	18	3	17
Western City	311	199	64	28	10	36
Rural Counties	350	294	84	29	19	66
Household includes dependent children:						
Eastern City	285	118	41	24	19	79
South Atlantic City	255	105	41	49	36	73
Southern City	286	122	43	51	32	63
Midwestern City	271	97	36	18	10	56
Western City	311	63	20	28	17	61
Rural Counties	350	134	38	29	2	7
Household includes 6 or more members:						
Eastern City	285	41	14	24	10	42
South Atlantic City	255	34	13	49	16	33
Southern City	286	31	11	51	15	29
Midwestern City	271	35	13	18	3	17
Western City	311	22	7	28	7	25
Rural Counties	350	13	4	29	1	3
Household includes more than 1 family:						
Eastern City	285	31	11	24	1	4
South Atlantic City	255	67	26	49	20	41
Southern City	286	90	31	51	23	45
Midwestern City	271	58	21	18	2	11
Western City	311	38	12	28	10	36
Rural Counties	350	50	14	29	6	21

¹ Unknowns were allocated based on distributions from Census employment surveys.

² These characteristics are not mutually exclusive. Thus, the numbers in this column add to more than the total number of households.

Households containing more than one family unit account for about 40 percent of households with five or more benefits in Southern, Western, and South Atlantic Cities, for about 20 percent in Rural Counties, but for only 11 percent in Midwestern City and 4 percent in Eastern City. In these latter two sites, such households are underrepresented in the multibenefit group, which is the reverse of the relationship in the other four sites. A possible explanation for this reversal is that in these two cities public assistance levels are relatively generous and make it easier for recipient families to live independently of other relatives.

When one looks at the benefits received by this multibenefit group, two facts consistently hold true for all six sites:

- (1) The bulk of the benefits were received from need-based programs; and
- (2) Almost all of these households received public assistance (see table 41).

The first point is crucial since the more benefits a household receives which decline with increases in other income, the higher the disincentive against acquiring more private income and thereby jeopardizing continued receipt of assistance. The figures below show the average number of total benefits and benefits based on need these households received:

Site	For households receiving 5 or more benefits	
	Average number of benefits	Average number of need-based benefits
Eastern City.....	6	4
South Atlantic City.....	6	5
Southern City.....	6	5
Midwestern City.....	5	4
Western City.....	6	4
Rural Counties.....	6	3

Thus, the average household in this multibenefit group has at least three and as many as five benefits which change as income changes. As an earlier subcommittee paper has demonstrated, three programs such as AFDC, food stamps, and public housing, if received concurrently, can reduce income by as much as 85 cents for a \$1 increase in earnings or by more than \$1 for a \$1 increase in unearned income such as social security benefits or alimony payments.¹¹ Even if all such benefits are not received concurrently, participation in a large number of need-based programs over a year means that the household will either have experienced or been threatened by significant "taxes" (benefit reductions) on private income in virtually every month of the year.

These averages obscure the earnings disincentives some families face, since several programs which are not based on need (for example, social security, unemployment insurance) do reduce benefits as earnings increase. Thus, a household could have eight need-based benefits plus social security, as one household in the South Atlantic City sample did, and thereby face the combined benefit reduction rates from nine programs plus Federal and State income and payroll taxes if the members attempted to increase their earnings.

¹¹ *Income Transfer Programs: How They Tax the Poor*, prepared by Robert Lerman, Leonard Hausman, and Thad Mirer for the Subcommittee on Fiscal Policy and published by the U.S. Government Printing Office, Washington, D.C., December 22, 1972.

IS THE MULTIBENEFIT SOCIETY AFFLUENT?

A first-blush reaction to this question would probably be in the affirmative and certainly, relative to those in similar circumstances who for one reason or another cannot gain access to public welfare programs, this would be correct. But comparing the group which receives many benefits with those receiving only a few reveals that the effects of multibenefit receipt on economic well-being are less dramatic than might be expected. And the data collected show clearly that eligibility for several programs does not guarantee income adequacy for all such households.

TABLE 41.—*Characteristics of benefits received by households with five or more benefits, by site*

Benefit characteristic and site	Total number of households	Number with characteristic	Percent
Household receives public assistance:			
Eastern City.....	24	20	83
South Atlantic City.....	49	39	80
Southern City.....	51	49	96
Midwestern City.....	18	17	94
Western City.....	28	25	89
Rural Counties.....	29	27	93
Value of aid in kind exceeds cash benefits:			
Eastern City.....	24	9	38
South Atlantic City.....	49	19	39
Southern City.....	51	32	63
Midwestern City.....	18	5	28
Western City.....	28	12	43
Rural Counties.....	29	3	10

The first point that should be made is that for households getting five or more benefits, more than one-half of the number of benefits and more than one-third of their dollar value are in the form of food, health care, housing subsidies, training, child care, legal aid, and other noncash assistance (see table 41). In other words, direct increments to cash income are sometimes outweighed by aid in kind, a form of assistance whose income value to beneficiaries varies widely depending on individual circumstances and type and quality of aid.

Thus, a family with a very modest cash income may have large medical benefits (to reimburse essential costs), live in subsidized but low-quality housing, and benefit from a training program designed to make up for formal schooling never attained. This family is not living in the lap of luxury. On the other hand, another family may be in a very good public housing project, have access to good quality child care at no cost, and in addition receive generous cash aid, food stamps, and coverage under a comprehensive and free medical care program. This family's economic status may approach or surpass that of the family headed by a working man or woman who, because of place of residence, family composition, age, or other factors, has no access to any of these programs.

Site	Total monthly benefits			Monthly benefits to households receiving five or more benefits		
	Number	Amount	Average	Number	Amount	Average
Eastern City.....	440	\$48, 083	\$110	141	\$12, 644	\$90
South Atlantic City.....	612	42, 476	69	318	19, 916	63
Southern City.....	657	38, 329	58	310	19, 324	62
Midwestern City.....	341	34, 612	102	99	7, 494	76
Western City.....	404	36, 727	91	175	14, 242	81
Rural Counties.....	481	34, 125	71	164	8, 256	50

As the above figures show, the average value of an individual benefit usually declines as the number of benefits a household receives increases. In every site except Southern City, the average value per benefit for households getting five or more benefits is less than the average value per benefit when all beneficiaries are included.¹² This situation reflects the fact that the added supplementary benefits, which frequently are benefits in kind, are worth less per benefit than the basic cash welfare and social insurance payments. The very low cash welfare payment levels in Southern City probably account for its multibenefit group being the only one to derive higher values per benefit as more benefits are received.

When average total incomes are compared at each site, benefits are greater for the multibenefit group than for all beneficiary households as a group. When these average figures are normalized for variations in household size, the multibenefit group is better off with one exception, but only in three sites is the increment substantial (see table 42).

TABLE 42.—Average monthly incomes by site for all beneficiary households and for households receiving five or more benefits

Household group and site	Amount per household			
	Average monthly benefits ¹	Average monthly private income	Average monthly total income ¹	Average monthly total income ¹ per person
All beneficiary households:				
Eastern City.....	\$308	\$143	\$451	\$120
South Atlantic City.....	227	187	414	125
Southern City.....	175	89	264	80
Midwestern City.....	232	116	348	102
Western City.....	253	182	435	174
Rural Counties.....	168	79	247	99
Households with 5 or more benefits:				
Eastern City.....	527	149	676	144
South Atlantic City.....	406	112	518	115
Southern City.....	379	101	480	114
Midwestern City.....	416	59	475	148
Western City.....	509	144	653	181
Rural Counties.....	285	21	306	153

¹ Includes cash value of aid in kind, with values assigned as noted in Supplement B, table 2.

¹² In discussing income levels in this study, comparisons are usually made within the group of households receiving benefits. The exclusion of nonbeneficiary households is necessary because of the difficulty the GAO experienced in identifying private income amounts for households not participating in any public program.

As table 42 shows, households receiving five or more benefits are generally well off if aid in kind is valued on a par with cash income. In fact, in Eastern and Western Cities the average total income figures exceed the \$6,500 a year adequate income level advocated by the National Welfare Rights Organization, and, on a per person basis, the average income figures exceed the Federal poverty standards at all six sites for households with two or more members.

If the assistance in kind is dropped from the data in table 42 and only cash income is examined, the average income figures are not nearly as high at most sites. For example, the monthly average of \$518 in South Atlantic City is reduced by about 40 percent to \$331 when income is computed solely on a cash basis (see table 43). The averages at other sites also decline by 30 to 40 percent. Of course, the true worth of all of these benefits, both cash and noncash, would probably lie somewhere in between the figures in the two tables if the actual values placed on different forms of aid by recipients could be measured.

TABLE 43.—Average monthly cash incomes by site for households receiving five or more benefits

Site	Amount per household			Average monthly total cash income per person
	Average monthly cash benefit	Average monthly private income	Average monthly total cash income	
Eastern City.....	\$272	\$149	\$421	\$89
South Atlantic City.....	219	112	331	74
Southern City.....	180	101	281	67
Midwestern City.....	272	59	331	103
Western City.....	246	144	390	108
Rural Counties.....	196	21	217	108

It should be noted that the average cash benefits shown in table 43 for multibeneficiary households at five sites exceed the cash guarantee of \$2,400 a year for a family of four supported by President Nixon in 1972. At four sites the total cash income figures exceed the income level for welfare eligibility the President's plan would have established.

However, even though the availability of many different programs has produced relatively high incomes for some families, the fact is that many households receiving five or more benefits still live in abject poverty. Table 44 shows the extent of poverty among households receiving five or more benefits. If only cash income is counted, the proportion of this group still in poverty ranges from 14 to 67 percent (43 percent are still poor if the figures are combined for the six sites). When "near-cash" benefits from food and housing programs are added in, the percentages in poverty are reduced to a range of from 8 to 35 percent. If all benefits are counted as income, there are still multibenefit households with total incomes below the poverty line (from 3 percent in Rural Counties to 14 percent in South Atlantic City).

TABLE 44.—*Extent of poverty¹ among households receiving 5 or more benefits, by definition of income and by site*

Definition of income	Eastern City	South Atlantic City	Southern City	Midwestern City	Western City	Rural Counties
Total number of households receiving 5 or more benefits-----	24	49	51	18	28	29
Number below poverty line:						
Counting cash income only-----	7	26	34	8	7	4
Counting cash, food and housing-----	2	17	16	4	4	4
Counting all income including medical benefits-----	1	7	7	2	2	1

¹ The definition of poverty is that used by the Bureau of the Census for 1970 (see *Consumer Income*, Series P-60, No. 77, May 7, 1971, Bureau of the Census).

ARE OVERLAPPING PROGRAMS INEQUITABLE?

It is well known that many individual programs serve to create inequities among different groups of people. The three primary causes are the systematic exclusion of able-bodied males from public assistance programs; geographic variations in benefit levels and availability; and the exclusion of some persons from programs such as public housing, rent supplements, and manpower training simply because waiting lists exist for these services. But since some programs, such as food stamps, are more open to all population groups with less geographic variation, the fact that a great many people participate in more than one public welfare program raises an interesting question: Do overlapping benefits serve to reduce or to increase the inequities found when programs are viewed separately?

Unfortunately, the data from the six sites do not permit any definitive answers to this complex question. Apart from the statistical problems of sample size and incomplete data on private income, the impact of overlapping benefits on equity issues clearly will vary for different local areas and different population groups.

For instance, in a State which restricts medicaid eligibility to recipients of public assistance, the inequities the latter program creates for excluded categories of people will be reinforced by the tie-in with medicaid. This effect may very well outweigh the "leveling" effect of the food and housing programs with their broader demographic coverage. But in a State with a more comprehensive medicaid program, the combination of medicaid and food and housing programs may mitigate substantially any inequities created by variations in coverage and payment levels under public assistance.¹³

¹³ A forthcoming staff study will examine program eligibility criteria and benefit levels for 10 family types in 100 counties of the United States. While the study will not be based on the actual distribution of benefits in these areas, it will note the extent to which food, health, and housing programs theoretically can reduce inequities arising from the operation of cash benefit programs.

Thus, we can conclude in general from this study only that the effects of overlapping benefits on issues of equity are very complex, with great variations from place to place based on the availability and coverage of programs. Specific examples where similar households are treated dissimilarly help to make the point.

The advantage that female-headed families often have over intact families may be seen by comparing the following cases. In Eastern City two households, each comprised of one woman and three children, were found to have the following average monthly benefits and other income:

Household A:	
Earnings	\$355
AFDC	281
Food stamp bonus	46
Public health services	32
Total, household A	714

Household B:	
AFDC	324
Food stamp bonus	34
School lunch	21
Total, household B	379

Two other four-person families consisting of a man, wife, and two children were found to have the following average monthly income and benefits:

Household C:	
Earnings	\$346
Unemployment insurance	25
Total, household C	371

Household D:	
Unemployment insurance	146
Earnings	88
Total, household D	234

Households A and B are better off than C and D, respectively, because of the rules governing AFDC and related programs which tend to favor female-headed families.

Inequities are often created for some workers relative to others by the eligibility linkages among programs. Consider the situation of the working mother of three children in Southern City who gained eligibility for AFDC. She received the following:

Earnings	\$422
AFDC	81
Public housing	59
Surplus commodities ¹	16
Child care ¹	38
School lunch ¹	14
Medicaid ¹	48
Total	678

¹ Eligibility linked to AFDC.

A woman not on AFDC would have to earn more than \$800 to achieve an equivalent net income, because she would have monthly deductions

of about \$50 for social security taxes and \$75 for the Federal income tax.

An example of how program linkages can create inequities may be seen for two aged couples in Rural Counties, one of which receives public assistance:

Couple A:	
Social security	\$259
Medicare	40
Total, Couple A	299
Couple B:	
Social security	184
Old age assistance	65
Surplus commodities ¹	33
Medicare	190
Medicaid ¹	47
Total, Couple B	519

¹ Eligibility linked to old age assistance.

The surplus commodities and the medicaid benefits received by Couple B are linked to receipt of old age assistance. Although the cash income of Couple A is \$10 higher than that of Couple B, Couple B receives \$33 in free food. Couple B appears to have had more illness, but regardless of current health status Couple B has superior medical coverage.

It is quite common for people who appear to be in similar circumstances to receive quite different packages of public benefits. For instance, consider the following elderly individuals living alone in Rural Counties. The variation in monthly public assistance and other income-related benefits received was great, perhaps reflecting differences in personal assets, savings, and other private income as well as differences in personal preferences about program participation.

Aged woman A:	
Old age assistance	\$85
Surplus commodities	22
Medicaid and other health benefits	15
Total, aged woman A	122
Aged man B: Social security	
	98
Aged woman C:	
Social security	87
Old age assistance	85
Surplus commodities	22
Medicare	38
Medicaid and other health benefits	24
Total, aged woman C	256
Aged woman D: Social security	
	129
Aged man E:	
Social security	70
Medicare	60
Medicaid	20
Total, aged man E	150

HOW DO PROGRAM OVERLAPS AFFECT WORK INCENTIVES?

Programs targeted solely on low-income populations necessarily must reduce benefits as income increases to avoid supporting persons in middle- and upper-income brackets. Such benefit reductions resemble "taxes" on income since disposable personal income will not increase dollar for dollar with increases in private income.¹⁴ Of the 100 programs examined by GAO, 60 base benefits on current need and account for over half the benefits found to have been paid in all five urban areas.

The other group, the social insurance programs, do not base benefits on need, but six of them do reduce benefits if earned income exceeds certain levels. These six social insurance programs which reduce benefits for earnings accounted for a large share of the social insurance benefits received by sample households.

Work disincentives may be created by public welfare programs in two ways: (1) by offering recipients incomes high enough to permit them an adequate standard of living without work; and (2) by reducing benefits substantially if recipients earn money so that they gain very little from their own efforts. The data presented in this study suggest that both factors are of increased importance when programs overlap.

It should be pointed out again that the data on program combinations do not necessarily imply that households were in all programs concurrently. In fact, an extreme case of how a household may move into and out of various programs over a year's time is diagrammed for an actual case in figure 1.

The implications of such movement over time have received little attention and deserve more study. For example, these variations in program participation over a 12-month period have an important bearing on the conclusions stated above with respect to work incentives and program combinations.

¹⁴ Under the income tax, if a person's taxable income increases, a portion of that additional income is paid to the Government as a tax. An analogous situation exists for recipients of most public welfare benefits. If a recipient's "countable" income increases, the Government withdraws ("taxes") a portion of the benefits previously received either through reducing a cash payment (such as AFDC), raising the purchase price of a good (like food stamps) or a service (like child care), or simply declaring the recipient ineligible if his countable income exceeds an eligibility level (medicaid generally works this way). Thus, the benefit reduction process has the same effect as taxation, but the actual loss applies to the benefit rather than to private income. Unlike the income tax, benefit loss rates can reach the 100-percent level, which means that all the increase in income is offset by the benefit loss.

Figure 1.—Duration of Income and Benefits Received by Each Member of a Nine-Member Sample Household, July 1971 through June 1972

Household member	Source and duration of income and benefits (receipt indicated by solid line)											
Aged household head	Private Income											
	Public Health Services											
Second adult member	Private Income											
	Unemployment Insurance											
	Aid to Families With Dependent Children											
	Manpower Training (MDTA)											
	Food Stamps											
Four children of second adult	Medicaid											
	Public Health Services											
	Free School Lunches											
	Special Milk Program											
Third adult member	Medicaid											
	Aid under Title I, Elementary and Secondary Education Act											
Fourth adult member	Concentrated Employment Program											
Fifth adult member	Public Health Services											
	Public Health Services											
	1971						1972					
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Month and year											

To the extent that benefits are not received concurrently, the cumulative benefit loss rates would be lower than those suggested by the above discussion. However, this chronological separation of benefit periods still means that the household would have been subject to higher tax rates than just income and social security taxes for a large part of the year.

Looking at the magnitude of benefits first, the figures arrayed below show the monthly benefits available to a subset of the households which received five or more benefits. This subset consists of those households with children (a presumptively employable population) for whom no private income was found. These households should have received the maximum cash assistance and other benefits because of their complete lack of private income. The average monthly benefits were as follows:¹⁵

Site	Average monthly benefits for households with children receiving 5 or more benefits but with no private income			
	Total	Cash	Food and housing	Other
Eastern City.....	\$481	\$339	\$87	\$55
South Atlantic City.....	368	228	50	90
Southern City.....	440	263	76	101
Midwestern City.....	538	301	75	162
Western City.....	767	268	142	357

The sizable average benefits going to these households indicate that many of them are better off now than they would be if they derived all of their income from wages, given the wage levels at which their members would likely find employment and the social security and income taxes that would have to be paid from those wages. In fact, when the above benefit amounts are compared with what men and women could earn in these low-income areas working full time at the median wage rates, the benefits exceed the wage levels for women at all sites and either exceed or approximate after-tax wages for men. Even if the "other" benefits (mostly medicaid) are excluded, the benefit figures still exceed or approximate median after-tax wages for women in four of the five areas. Thus, the sheer dollar magnitude of these benefit packages would seem to be a deterrent to work for many multibenefit households.

It seems very likely that program combinations lessen incentives to earn more because they raise the benefit loss rate. When one considers the marginal benefit loss rates applied to earnings by the basic income maintenance programs (67 percent by AFDC, 50 percent by social security, 100 percent by many unemployment insurance programs), each additional need-based benefit adds either to the marginal loss rate or to the loss in benefits at the "notch" in total income (the point where the entire benefit is lost). It is clear that overlapping programs have pushed "tax" rates to high levels for these recipients.

¹⁵ Rural Counties data are not included here since almost all of the households with five or more benefits have aged heads who are presumptively not employable.

Looking again at the households-with-children subset of the group receiving five or more benefits, the following pattern of potential marginal tax rates emerges:

Site	Number of households ¹ with marginal benefit loss rates of ²				
	Total	Less than 25 percent	25 to 50 percent	50 to 67 percent	Over 67 percent
	(1)	(2)	(3)	(4)	(5)
Eastern City.....	18	0	0	5	13
South Atlantic City.....	34	1	3	2	28
Southern City.....	32	2	1	12	17
Midwestern City.....	10	0	1	0	9
Western City.....	17	2	3	1	11

¹ Includes households with heads under age 65, with children present, and whose members received five or more benefits.

² This table distributes the selected households by the proportions of earned income increases they would lose through tax increases and benefit reductions. A household in no programs but paying social security and income taxes would appear in column (2); a household receiving only food stamps would be in column (3); those in AFDC but no other program would be in column (4); and households receiving AFDC plus other benefits like food stamps would be in column (5). Whether a household actually experiences these loss rates depends on its particular income and expenses and on local administrative practices.

The pattern is striking. Among presumptively employable households receiving five or more benefits, the overwhelming number face marginal benefit loss rates in excess of the AFDC rate of 67 percent. And these data do not reflect the effects of the programs like medicaid or surplus commodities which are generally offered on an all-or-nothing basis rather than withdrawn incrementally. For example, if a State sets medicaid eligibility at an income level of \$4,000 a year, people below that level receive free care but those just above it get no aid in many States. Most of the families in the above array either benefited from medicaid or were at least eligible for such aid during the year-long period surveyed for that program.

In regard to work incentives, a firm conclusion can be drawn: households eligible for multiple benefits based on need potentially face strong disincentives to work in most cases.

HOW DO OVERLAPPING BENEFITS AFFECT PROGRAM EFFICIENCY?

The fact that a majority of beneficiaries in the study sample receive benefits under more than one public welfare program has implications for efficient administration and for the way the programs could best be reformed by Congress.

The GAO experience in taking this survey (see part 2, p. 18, and Supplement B) points up the basic administrative problem with public welfare programs. Many of these separate programs perform the same tasks but by different rules in serving the same people. The administrators define and measure income, set and check other eligibility criteria, mail checks, refer persons for or directly perform services, and so forth. Thus, there is an inordinate investment in administrative resources and a good chance that the high rates of administrative error and fraud associated with welfare programs will be compounded because of the cross-filing of information among agencies and the inconsistencies in agency recordkeeping.

But any attempts at simplifying, consolidating, or otherwise improving program administration must necessarily deal with many more than one program to have any significant impact on the overall administrative burden. For instance, the 1972 social security amendments (H.R. 1, 92d Congress) provide for the elimination or "cashing out" of food stamps and surplus commodities for recipients of a new assistance program for the aged, blind, and disabled to be effective in January 1974. However, these cash recipients who also receive food assistance are less than half the aged, blind, and disabled assistance caseload, and the data from the six poverty areas surveyed indicate that the food benefits received by these recipients are only a small proportion of the cumulative benefits they receive. Thus, this partial cashing out of food stamps and commodities hardly makes a dent in the total administrative problem.

The enormous overlap of programs and the wide dispersal of beneficiaries among many different benefit packages also have important policy implications for improving program efficiency. That is, the effects of changes in law enacted by the Congress, changes in regulations promulgated by the agencies, and funding changes made by both branches of Government cannot be confined to the program or programs in question since beneficiaries of one program tend to be scattered among other programs as well. Thus, many programs and their participants usually will be affected by a change in one, since many public welfare programs have rules which build in automatic benefit and/or eligibility adjustments as other benefits change. A recent case in point is the 20 percent social security increase passed in 1972 which affected benefits received by social security beneficiaries from public assistance, food stamps, public housing, medicaid and a host of other programs.

These interlocking programs present many similar situations where congressional or agency intent may be thwarted:

- Increases in social security benefits make some of the neediest beneficiaries worse off than before because they may lose entitlement to medicaid and food programs;
- Placing limits on rents paid by public housing tenants forced many State and local welfare agencies to change their payment policies so that public assistance recipients in public housing now receive more discretionary income than do equally needy recipients living in private housing;¹⁶
- Penalizing an AFDC recipient for refusing a valid job offer may be partially offset by a public housing authority's lowering the family's rent to reflect the income decrease caused by the penalty; and
- Increasing the social security payroll tax rate increases the income levels at which public assistance eligibility ceases since taxes paid are disregarded in calculating income for eligibility determination.

¹⁶ The 1971 Brooke amendment to the Housing Act required that rents charged by public housing projects could not exceed 25 percent of residents' net income. Many States base public assistance payments on rent as paid, but they were not permitted to lower grants to reflect the rent reductions. Thus, the cash grants to public housing tenants less the rent they pay now exceed the corresponding amounts available to public assistance recipients living in private housing.

This list of program changes affecting other programs could go on and on, but the point is clear. The high degree to which benefits overlap means that all changes in these programs should be coordinated if the desired impact of one change is not to be offset by automatic adjustments in another program.

To What Extent do Beneficiaries Work?

By now it should be obvious that the world of households in low-income areas is not divided into two neat segments labeled "work" and "welfare." Although the private income for these households could not be determined completely, it is clear that many households have both earned income *and* public welfare benefits in the course of a year. This intersection of public and private income sources holds for households receiving public assistance as well as for those participating in food, health, and housing programs.

Its implications for public policy are threefold. First, to the degree to which many beneficiary households are not totally dependent on public sources of income, benefit levels need not be designed to cover 100 percent of basic living needs. Second, the level of basic benefits is of lesser importance to many households with private income than the way in which benefits are related to income (that is, the benefit reduction or "tax" rate). For example, a family earning \$2,500 over the course of a year would be better off under a plan which guaranteed \$2,400 and reduced this amount by 50 cents for each dollar the family earned than under a plan which guaranteed \$2,800 a year and reduced this amount by 67 cents for each dollar of earnings. Further, if families do respond rationally to the way benefits are structured (that is, if they do work more when increases in earnings do not sharply reduce benefits), then the high degree of employment potential indicated in the data should cause greater concern over the level of existing benefit reduction rates than the level of benefit amounts. The more a beneficiary works, the higher the rate of reduction usually is under current programs. The next sections describe in greater detail the intersection of public and private income sources. Third, a neat separation of employables and unemployables into separately administered programs—as the Nixon administration proposed to do in its 1971 welfare reform bill—is not realistic. It is a simple fact that many welfare recipients are regular but intermittent members of the labor force.

DO BENEFICIARY HOUSEHOLDS HAVE EARNINGS?

Tables 28 through 33, presented in the previous section on program overlaps, indicate that large proportions of households receiving some public benefit also had earnings at some time during the year. In South Atlantic City, 50 percent of public assistance households, 59 percent of food beneficiaries, and 67 percent of those getting housing assistance were found to have had earnings over a 12-month period. The corresponding percentages in Western City were 36 percent, 58 percent, and 27 percent, respectively. These figures are all the more striking when allowance is made for the fact that this survey undoubtedly undercounted income from private sources. Also, these figures include aged and disabled recipients who are less likely to work.

Thus, it is erroneous to think of the beneficiary population as a non-working population, for the opposite is as likely to be true. In fact, in South Atlantic City, members of slightly more than half of all beneficiary households were in the labor force at some time during the survey period. These facts mean that in order to design assistance programs which provide adequate levels of living and reasonable work incentives, one must allow for the fact that many recipients will have private income for some portion of the year.

Moreover, beneficiary households having earned income often participate in more than one program. In Eastern City, over half the beneficiary households with earned income received aid in three or more different categories of benefits. In Southern City, 20 percent participated in five or more categories of benefits.

Table 45 shows data on income sources for beneficiary households with children. Since this group includes mostly non-aged households, it is instructive to examine the interaction of public and private income sources for this working-age population. Earnings were reported for 32 to 68 percent of households receiving public welfare benefits. Benefits in kind were reported as the only source of income for a substantial number of households. It can be assumed that most of these households had unlocated cash income, based on census data for these areas. Under this assumption 60 to 80 percent of all households with children receiving benefits had earnings or other private income.

TABLE 45.—*Beneficiary households with children, by source of income and type of benefit, and by site*

Source of income and type of benefit	Percentage distribution in: ¹					
	East- ern City	South Atlan- tic City	South- ern City	Mid- west- ern City	West- ern City	Rural Counties
Beneficiary households with children...	100	100	100	100	100	100
<i>With earnings</i>	38	68	45	32	57	48
In-kind benefits only.....	10	30	7	13	11	18
Cash benefits.....	28	37	39	19	45	30
Social insurance.....	9	6	2	10	13	23
Need-based.....	13	24	35	9	23	2
Both.....	6	7	2	0	9	5
<i>Cash benefits, no earnings</i>	54	29	20	40	34	35
Social insurance.....	5	6	3	9	4	32
Need-based.....	44	19	11	31	23	3
Both.....	5	5	7	0	8	0
<i>In-kind benefits only, no earnings</i> ..	8	4	34	28	9	17
Total number of beneficiary households with children.....	99	86	108	68	53	60

¹ Percentages may not add to 100 due to rounding.

DO AFDC HOUSEHOLDS HAVE EARNINGS?

The beneficiaries of greatest interest are the AFDC recipients. A total of 47 percent of the households receiving AFDC were known to have had some adult earnings, ranging from 23 percent in Midwestern City to 70 percent in Southern City (see table 46). More households had some private income when children's earnings, alimony, child support, and property income were taken into account. In table 46, there is an undercount of the number of AFDC households earning income during some part of the year for two reasons. First, earnings are likely to have been underreported to the welfare agency. Second, receipt of public assistance was recorded only if a household member was currently receiving it. The turnover of AFDC recipients is high, with many coming on and going off the rolls each year. Thus, the number of households with earned income and AFDC benefits over some portion of the year is certainly higher than the number with earnings and AFDC at a given point in time.

TABLE 46.—*Receipt of private income by AFDC recipient households, by number of adult household members, and by site*

Site	Number of AFDC households	Percent of AFDC households		Number of single adult AFDC households	Percent of single adult AFDC households ¹	
		With adult earnings	With private income ²		With adult earnings	With private income ²
Eastern City.....	65	31	46	48	19	38
South Atlantic City.....	45	49	67	26	42	54
Southern City.....	54	70	76	27	70	81
Midwestern City.....	26	23	23	18	22	22
Western City.....	24	58	67	10	50	60
Rural Counties.....	³ 6	50	67	³ 1	100	100
Total.....	220	47	58	130	38	50

¹ Households with only 1 adult, typically female-headed households.

² Includes adult and children's earnings and other private income such as alimony, child support, and property income.

³ Cell size for this site is quite small, so the data should be used with caution.

AFDC benefits are received by many households containing more than one adult. These are husbands, mothers, or fathers of AFDC recipients, or other adults. Of the sample households receiving AFDC, 41 percent contained more than one adult. Multi-adult families were separated out in order to focus on the earnings and other private income of the single-adult AFDC families (mostly mothers and children) to determine whether the high proportion of AFDC households with earnings was largely a function of having several adults in the household. Multi-adult families are more likely to have earnings because the extra adults can work or babysit while the mothers work¹⁷ (see table 46). The percentage with earnings was lower for the

¹⁷ To the extent that resources are shared on a household basis, the existence of so many multi-adult households receiving AFDC and the greater likelihood of their having earnings should be considered in evaluating alternative proposals for reforming AFDC.

single-adult units by widely varying amounts in every site except Rural Counties and Southern City.

Earnings are particularly valuable to AFDC recipients in South Atlantic City, Southern City, Western City, and Rural Counties because of the low benefits paid and because the benefit loss rates are lower in two of the areas.¹⁸ It is instructive to note that these areas have far higher proportions of AFDC households with earnings. However other factors are involved as well, such as unemployment levels and the degree to which work requirements are enforced.

These findings make clear the fact that public welfare programs are not serving an unemployable population. Many beneficiaries, including AFDC recipients, do work, and their earnings can reduce their benefits by significant amounts. Proposals for expanded cash and in-kind programs should be examined carefully in terms of their impact on combined benefit levels and benefit reduction rates.

Who Participates in Education and Manpower Training Programs?

The number of households found to have participated in education or manpower programs varied considerably from site to site (see tables 28-33), ranging from a low of seven in Rural Counties to a high of 40 in Eastern City.

When cash values are assigned to these services, benefits from manpower or education programs accounted for 12 percent of the total benefits in kind to male-headed households in Rural Counties and Midwestern City and up to 25 percent in Southern City. Child care benefits to male-headed households amounted to 1 percent of the total in Rural Counties and up to 12 percent in Southern City, with none reported in South Atlantic City. For female-headed households, 5 to 23 percent of total benefits in kind were from education or manpower programs, and 12 to 18 percent from child care programs.¹⁹

Manpower training and child care in combination accounted for as much as 37 percent of benefits in kind to male-headed households in Southern City and 41 percent of benefits in kind to female-headed households in Western City. These amounts included participation of children in education or training programs. In all, 40 percent of individual education and manpower program benefits were from Neighborhood Youth Corps and Office of Education programs serving children and youth.

Tables 34-39 show that a high percentage of manpower benefits are going to households receiving public assistance (except for the elderly Rural Counties population). The proportions of these households benefiting from manpower programs ranged up to 31 percent in South Atlantic City. Many of these households, of course, receive AFDC. No participants among households receiving public assistance were reported in Rural Counties, and only 2 percent participated in Midwestern City. In other urban areas, 14 to 27 percent of public

¹⁸ While AFDC nominally reduces benefits by 67 cents for each marginal net dollar earned, some States treat earnings more generously over certain income ranges.

¹⁹ Child care was identified as a benefit for children in child care centers but not for children for whom other arrangements were made, even though the cost for the latter alternative may have been offset through the disregard of earnings in the AFDC program.

assistance households had members, including children, participating in education or manpower programs. Table 47 below summarizes participation of AFDC recipients in education or manpower programs.

TABLE 47.—*Participation of AFDC households in manpower and education programs,¹ by site*

Site	Number of AFDC households	Percent participation of AFDC:			Total households
		Households with adult earnings	Households with any private income ²	Households with no private income	
Eastern City.....	65	20	30	29	29
South Atlantic City....	45	36	43	27	38
Southern City.....	54	24	24	8	20
Midwestern City.....	26	0	0	5	4
Western City.....	24	0	12	62	29
Rural Counties.....	6	0	0	0	0

¹ Excludes child care programs.

² Includes both adult and children's earnings, child support, alimony, and property income.

The effectiveness of the training programs for the particular participants included in the GAO sample is unknown. A previous subcommittee study suggests that several of the programs are not effective from the Government's vantage point of producing wage gains which are sufficiently high to recoup the cost of the training.²⁰ Nonetheless, it appears that where such programs exist they are used, again demonstrating low-income households' employability and their apparent desire to enhance their earning opportunities. Of course, many of these programs do offer gains in current income as well, through the payment of incentive allowances.

²⁰ See *The Effectiveness of Manpower Training Programs: A Review of Research on the Impact on the Poor*, prepared by Jon H. Goldstein for the Subcommittee on Fiscal Policy of the Joint Economic Committee (Nov. 20, 1972).

SUPPLEMENT A. SUPPLEMENTARY DATA

TABLE 1.—*Agencies contacted and programs reviewed*

Department/Agency	Program	
<i>Health, Education, and Welfare:</i> Social and Rehabilitation Service.	Aid to families with dependent children (AFDC).	
	Old age assistance (OAA).	
	Aid to the permanently and totally disabled (APTD).	
	Aid to the blind (AB).	
	Emergency welfare assistance.	
	Medical assistance program (Medicaid).	
	Work incentive program (WIN)—child care.	
	Rehabilitation services and facilities—basic support.	
	Refugee assistance—welfare assistance and services (Cuban refugee program).	
	Office of Education-----	Child development—child welfare research and demonstration grants.
Educational opportunity grants.		
Educationally deprived children—local educational agencies (title I, ESEA—Part A).		
Follow-through.		
Office of the Secretary-----	Child development—Headstart.	
	Health Services and Mental Health Administration.	Communicable diseases—venereal disease control.
		Maternal and child health services.
		Family planning project.
		Health care for children and youth (children and youth projects).
		Dental health for children (dental care projects).
		Mental health—staffing of comprehensive alcoholism service.
		Comprehensive public health services—formula grant.
		Communicable diseases—tuberculosis control.
		Social Security Administration.
Health insurance for the aged—supplementary medical insurance (SMI) (medicare).		
Social security—old age insurance (OAI).		
Social security—survivors insurance (SI).		
Social security—disability insurance (DI).		
Social security benefits for persons aged 72 and over.		
Special benefits for disabled coal miners (black lung benefits).		

TABLE 1.—*Agencies contacted and programs reviewed*—Continued

<i>Department/Agency</i>	<i>Program</i>
<i>Agriculture:</i>	
Food and Nutrition Service---	Food stamps. National school lunch program. School breakfast. Food distribution (surplus commodities program). Special milk program for children.
Farmers Home Administration.	Low- to moderate-income housing loans (rural housing loans). Rural rental housing loans. Very low-income housing repair loans (section 504 housing loans).
Agriculture Stabilization and Conservation Service.	Rural environmental assistance program (REAP). Feed grain production stabilization (feed grain direct payments). Wheat production stabilization (wheat direct payments). Shorn wool and unshorn lamb (pulled wool) and mohair payments.
Extension Service-----	Extension programs for improved nutrition.
<i>Labor:</i>	
Manpower Administration----	Work incentive program—training and allowances (WIN). Operation mainstream. Manpower development and training (MDTA)—institutional training. Concentrated employment program (CEP). Neighborhood youth corps (NYC). Emergency employment assistance (EEA). Unemployment insurance (UI)—grants to States. Job corps. Job opportunities in the business sector (JOBS). Job opportunities in the business sector—optional program (JOBS optional).
<i>Housing and Urban Development:</i>	
Housing Production and Mortgage Credit/Federal Housing Administration.	Public housing acquisition (with or without rehabilitation) and construction. Mortgage insurance—rental housing for low- and moderate-income families, market interest rate (221 (d)(3) market rate). Interest subsidy—homes for low-income families (235i). Interest reduction payments—rental and cooperative housing for lower-income families (236). Rent supplement—rental housing for lower-income families (rent supplement program). Public housing—leased (leased housing, (section 23 and section 10(c)).)
Community Development-----	Housing rehabilitation loans and grants. Urban renewal projects.

TABLE 1.—Agencies contacted and programs reviewed—Continued

Department/Agency	Program
<i>Housing and Urban Development—Continued</i>	
Model Cities-----	Homemaker service. Health manpower supplement. Mental health. Child care. Health manpower development. Housing improvement program. Community adjustment services and treatment. Higher education assistance program. Loans and grants program. Comprehensive neighborhood health service program. Family planning. Legal services. Emergency food and medical service. Comprehensive health services (neighborhood health center). Community action.
<i>Office of Economic Opportunity-----</i>	
<i>Interior:</i>	
Bureau of Indian Affairs-----	Indian employment assistance.
<i>Veterans Administration:</i>	
Department of Veterans Benefits.	Compensation for service-connected deaths for veterans' dependents. Pension for nonservice-connected disability for veterans (pension). Pension to veterans' widows and children (widows pension). Veterans compensation for service-connected disability (compensation). Veterans educational assistance (GI bill). Vocational rehabilitation for disabled veterans (vocational rehabilitation). War orphans and widows educational assistance.
Department of Medicine and Surgery.	Veterans hospitalization (VA hospitalization). Veterans outpatient care. Veterans prescription service (medicine for veterans). Veterans prosthetic appliances (prosthetic services).
<i>Railroad Retirement Board-----</i>	Railroad retirement. Railroad unemployment insurance.
<i>Civil Service Commission-----</i>	Federal employment for disadvantaged youths—summer (summer aids). Federal employment for disadvantaged youths—part time (stay-in-school campaign). Federal summer employment (summer jobs in Federal agencies).

TABLE 1.—*Agencies contacted and programs reviewed—Continued*

<i>Department/Agency</i>	<i>Program</i>
<i>State-Operated Programs</i> -----	General assistance (GA). Family planning. Workmen's compensation. Medical assistance under general assistance program. Foster care. Extension service camp for low-income families. Child care center. Payment of medicare premium by State welfare departments.

Description of Sample Households in Eastern City

The Eastern City sample is well over one-half black when census data are used to allocate household heads whose race was unknown to the GAO. Household heads are relatively young when compared to the other sites. Over two-thirds of the sample household heads are younger than 55 years of age, after allocation of unknowns, and less than one-fifth are over 64.

A household in Eastern City tends to be composed of a primary family. That is, there are no members other than the head, spouse, and minor children, if any. Only 11 percent of the households include additional members, whereas the proportion rises to 31 percent in Southern City. Moreover, nearly half the households consisted of single individuals.

Twenty-one percent of the sample household heads were known to be unemployed at the time of the survey, perhaps a function both of their youth and their sex. Nearly half of these heads were found to be women, allocating unknowns. Only Southern City had a larger percentage of female-headed families. At least 49 percent of the women heading families were married but living apart from their spouses or had never married, although the marital status of one-third of the women heading households was unknown.

TABLE 2.—*Characteristics of households by sex and age of household heads: Eastern City sample*

[In percent]

Characteristics	Total households		Sex of household head			Age of household head				
	Number	Percent	Male	Female	Unknown	Under 22	22 to 54	55 to 64	Over 64	Unknown
Sex of head:										
Male.....	141	49	-----	-----	-----	25	47	46	42	55
Female.....	120	42	-----	-----	-----	75	53	54	58	24
Unknown.....	24	8	-----	-----	-----	0	0	0	0	20
Total number of households¹.....										
	285	100	-----	-----	-----	100	100	100	100	100
Age of head:										
Under 22.....	4	1	1	3	0	-----	-----	-----	-----	-----
22 to 54.....	118	41	39	53	0	-----	-----	-----	-----	-----
55 to 64.....	13	5	4	6	0	-----	-----	-----	-----	-----
Over 64.....	31	11	9	15	0	-----	-----	-----	-----	-----
Unknown.....	119	42	47	24	100	-----	-----	-----	-----	-----
Total number of households¹.....										
	285	100	100	100	100	-----	-----	-----	-----	-----
Race of head:										
White.....	16	6	5	8	0	25	3	8	29	2
Black.....	109	38	33	52	0	50	67	77	42	4
Spanish-speaking.....	40	14	15	13	13	25	15	8	6	15
Oriental.....	0	0	0	0	0	0	0	0	0	0
Other.....	0	0	0	0	0	0	0	0	0	0
Unknown.....	120	42	47	28	88	0	15	8	23	79
Total number of households¹.....										
	285	100	100	100	100	100	100	100	100	100

See footnotes at end of table.

TABLE 2.—*Characteristics of households by sex and age of household heads: Eastern City sample—Continued*

[In percent]

Characteristics	Total households		Sex of household head			Age of household head				
	Number	Percent	Male	Female	Unknown	Under 22	22 to 64	55 to 64	Over 64	Unknown
Education of head:										
0 to 8 years	32	11	10	15	0	0	19	15	23	0
9 to 11 years	29	10	10	13	0	25	21	15	3	0
12 years	16	6	7	5	0	25	13	0	0	0
Over 12 years	9	3	2	5	0	0	6	0	10	0
Unknown	199	70	71	63	100	50	42	69	65	100
<hr/>										
Total number of households ¹ ..	285	100	100	100	100	100	100	100	100	100
<hr/>										
Marital status of head:										
Married with spouse present	68	24	48	1	0	25	34	31	23	13
Married with spouse absent	42	15	4	31	0	25	31	8	3	3
Never married	29	10	6	18	0	50	18	8	10	2
Widowed	23	8	2	17	0	0	7	23	35	1
Divorced	4	1	1	2	0	0	3	0	0	0
Unknown	119	42	40	32	100	0	8	31	29	82
<hr/>										
Total number of households ¹ ..	285	100	100	100	100	100	100	100	100	100
<hr/>										
Employment status of head:										
Employed	74	26	40	14	0	0	47	38	3	11

Unemployed.....	61	21	8	42	0	75	45	23	0	2
Retired.....	28	10	9	13	0	0	1	0	84	1
Disabled.....	9	3	4	2	0	0	3	38	0	0
Student.....	1	(*)	0	1	0	0	1	0	0	0
Unknown.....	112	39	39	27	100	25	3	0	13	87
Total number of households¹.....	285	100	100	100	100	100	100	100	100	100
Size of household:										
1.....	132	46	43	40	100	0	13	46	61	77
2.....	47	16	20	16	0	75	15	38	32	9
3.....	23	8	6	12	0	25	16	0	0	3
4.....	24	8	8	11	0	0	13	15	0	6
5.....	18	6	9	4	0	0	13	0	0	3
6.....	17	6	5	8	0	0	12	0	6	1
7.....	13	5	5	5	0	0	9	0	0	2
8 or more.....	11	4	5	3	0	0	9	0	0	0
Total number of households¹.....	285	100	100	100	100	100	100	100	100	100
Number of children:										
None.....	167	59	62	47	100	25	21	85	90	86
1.....	28	10	10	12	0	75	17	8	3	3
2.....	24	8	6	13	0	0	14	8	0	5
3.....	24	8	9	10	0	0	14	0	3	5
4.....	11	4	4	2	0	0	8	0	3	0
5.....	15	5	5	7	0	0	12	0	0	1
6 or more.....	16	6	5	8	0	0	13	0	0	1
Total number of households¹.....	285	100	100	100	100	100	100	100	100	100

See footnotes at end of table.

TABLE 2.—*Characteristics of households by sex and age of household heads: Eastern City sample—Continued*

[In percent]

Characteristics	Total households		Sex of household head			Age of household head				
	Number	Percent	Male	Female	Unknown	Under 22	22 to 64	65 to 64	Over 64	Unknown
Total number of adults:										
None-----	0	0	0	0	0	0	0	0	0	0
1-----	190	67	45	85	100	75	54	46	65	82
2-----	77	27	45	11	0	0	34	46	32	17
3 or more-----	18	6	9	4	0	25	12	8	3	1
Total number of households¹-----										
	285	100	100	100	100	100	100	100	100	100
Number of adults over 65 years:										
None-----	251	88	89	84	100	100	100	85	0	99
1-----	30	11	9	15	0	0	0	15	87	1
2-----	4	1	2	1	0	0	0	0	13	0
3 or more-----	0	0	0	0	0	0	0	0	0	0
Total number of households¹-----										
	285	100	100	100	100	100	100	100	100	100

¹ Totals may not add due to rounding.

² Less than 0.5 percent.

Description of Sample Households in South Atlantic City

A total of 255 households out of an initial sample of 300 households were included in the data for this medium-sized city. Most of the sample attrition resulted from urban renewal demolition or transformation of the residential units sampled to nonresidential uses.

Of the final 255 households in the South Atlantic City sample, 56 percent were headed by men and 44 percent by women (see table 3). Three-quarters of the household heads were black. Roughly 60 percent of the household heads appear to be nonaged when census survey data are used to allocate persons whose age could not be determined by the GAO. This concentration of families in the childbearing years is reflected in the fact that 41 percent of the households contained at least one child, with an average of 2.8 children per household having children. Roughly one-third of the households headed by persons aged 22 to 54 had four or more children.

The South Atlantic City sample contains a sizable proportion—over one-quarter—of households which contained more than one family unit. Seventeen percent—43 households—had three or more adults. In part, this pattern of family structure reflects the relatively low proportion of households (43 percent) headed by married couples.

One-quarter of all households contained only one person. Many of these were elderly widows.

While the education of 57 percent of the household heads was not known, 33 percent of the total had less than a high school education and 22 percent finished only 8 years of school or less.

The bulk of the prime age household heads was employed at least part of the year, but a large percentage were unemployed. Three-quarters of the household heads aged 22–54 were employed at the time of the survey, 15 percent were unemployed, and 8 percent were retired or disabled.

TABLE 3.—*Characteristics of households by sex and age of household heads: South Atlantic City sample*

[In percent]

Characteristics	Total households		Sex of household head		Age of household head				
	Number	Percent	Male	Female	Under 22	22 to 54	55 to 64	Over 64	Unknown
Sex of head:									
Male	142	56	-----	-----	0	57	59	49	68
Female	113	44	-----	-----	100	43	41	51	32
Total number of households ¹	255	100	-----	-----	100	100	100	100	100
Age of head:									
Under 22	5	2	0	4	-----	-----	-----	-----	-----
22 to 54	113	44	45	43	-----	-----	-----	-----	-----
55 to 64	37	15	15	13	-----	-----	-----	-----	-----
Over 64	63	25	22	28	-----	-----	-----	-----	-----
Unknown	37	15	18	11	-----	-----	-----	-----	-----
Total number of households ¹	255	100	100	100	-----	-----	-----	-----	-----
Race of head:									
White	61	24	27	19	0	13	16	41	38
Black	193	76	72	81	100	87	81	59	62
Spanish-speaking	0	0	0	0	0	0	0	0	0
Oriental	0	0	0	0	0	0	0	0	0
Other	1	(²)	1	0	0	0	3	0	0
Total number of households ¹	255	100	100	100	100	100	100	100	100
Education of head:									
0 to 8 years	56	22	18	27	0	24	30	29	0
9 to 11 years	28	11	5	19	100	14	5	8	0
12 years	15	6	3	10	0	12	3	2	0
Over 12 years	11	4	4	4	0	6	0	5	3
Unknown	145	57	70	40	0	44	62	57	97

Total number of households ¹	255	100	100	100	100	100	100	100	100
Marital status of head:									
Married with spouse present.....	109	43	77	0	0	49	51	35	35
Married with spouse absent.....	28	11	3	21	0	22	3	3	0
Never married.....	26	10	4	18	80	11	14	2	11
Widowed.....	49	19	3	40	0	5	24	46	14
Divorced.....	17	7	1	13	20	7	5	5	8
Unknown.....	26	10	12	8	0	6	3	10	32
Total number of households ¹	255	100	100	100	100	100	100	100	100
Employment status of head:									
Employed.....	150	59	72	42	40	75	68	10	86
Unemployed.....	24	9	1	19	40	15	5	5	0
Retired.....	66	26	20	33	0	4	16	86	5
Disabled.....	8	3	4	3	0	4	8	0	0
Student.....	2	1	0	2	20	0	0	0	3
Unknown.....	5	2	3	1	0	2	3	0	5
Total number of households ¹	255	100	100	100	100	100	100	100	100
Size of household:									
1.....	65	25	13	41	0	13	22	43	41
2.....	78	31	37	23	80	23	41	33	32
3.....	41	16	19	12	20	12	27	17	14
4.....	14	5	8	3	0	7	3	2	11
5.....	23	9	8	10	0	18	3	3	0
6.....	16	6	7	5	0	12	5	0	0
7.....	11	4	6	3	0	9	0	0	3
8 or more.....	7	3	2	4	0	5	0	2	0
Total number of households ¹	255	100	100	100	100	100	100	100	100

See footnotes at end of table.

TABLE 3.—*Characteristics of households by sex and age of household heads: South Atlantic City sample—Continued*

[In percent]

Characteristics	Total households		Sex of household head		Age of household head				
	Number	Percent	Male	Female	Under 22	22 to 54	55 to 64	Over 64	Unknown
Number of children:									
None.....	150	59	63	54	0	31	76	87	86
1.....	36	14	11	19	80	17	14	8	8
2.....	19	7	8	6	20	11	8	3	3
3.....	11	4	6	2	0	9	3	0	0
4.....	22	9	7	11	0	19	0	0	0
5.....	9	4	4	4	0	7	0	0	3
6 or more.....	8	3	1	5	0	6	0	2	0
Total number of households¹.....	255	100	100	100	100	100	100	100	100
Total number of adults:									
None.....	0	0	0	0	0	0	0	0	0
1.....	102	40	14	73	100	38	30	44	41
2.....	110	43	61	21	0	50	41	38	41
3 or more.....	43	17	25	6	0	12	30	17	19
Total number of households¹.....	255	100	100	100	100	100	100	100	100
Number of adults over 65 years:									
None.....	182	71	75	66	100	97	92	2	86
1.....	54	21	13	31	0	3	8	68	14
2.....	18	7	11	2	0	0	0	29	0
3 or more.....	1	(²)	0	1	0	0	0	2	0
Total number of households¹.....	255	100	100	100	100	100	100	100	100

¹ Totals may not add due to rounding.

² Less than 0.5 percent.

Description of Sample Households in Southern City

Only 82 percent of the Southern City sample could be identified by racial origin—67 percent black and 15 percent white (see table 4). But based on comparisons with aggregate census data for that area, it is likely that the bulk of the group of unknown racial origin was black. Thus, approximately 80 to 84 percent of the household heads in this sample were presumed to be black. As in South Atlantic City, the white household heads tended to be concentrated in the higher age groups. Sixty-one percent of white family heads in Southern City were age 55 or older.

The household heads in this sample, like those in South Atlantic City, were young when compared to Rural Counties. Sixty percent were younger than age 55. Accordingly, a high proportion of households—43 percent—had children, and the number of children per household was also large. The average number of children per household with children was 2.7; for female-headed families, 2.8; and for male-headed families, 2.6.

Slightly over half of all households were headed by women and this pattern held true for all age groups, although the percentage of female household heads was larger for those 65 and over because of the widowed population. Only one-third of the households were headed by a married couple. Almost one-third of the households contained more than one family.

The employment status of one quarter of the household heads was unknown. It is known, however, that unemployment in this area was high: nine percent of all sample household heads were unemployed, and the unemployment rate for household heads under 22 years of age rises to 23 percent.

TABLE 4.—*Characteristics of households by sex and age of household heads: Southern City sample*

[In percent]

Characteristics	Total households		Sex of household head		Age of household head				
	Number	Percent	Male	Female	Under 22	22 to 54	55 to 64	Over 64	Unknown
Sex of head:									
Male.....	137	48	-----	-----	46	50	48	41	67
Female.....	149	52	-----	-----	54	50	52	59	33
Total number of households ¹ ..	286	100	-----	-----	100	100	100	100	100
Age of head:									
Under 22.....	13	5	4	5	-----	-----	-----	-----	-----
22 to 54.....	157	55	58	52	-----	-----	-----	-----	-----
55 to 64.....	50	17	18	17	-----	-----	-----	-----	-----
Over 64.....	63	22	19	25	-----	-----	-----	-----	-----
Unknown.....	3	1	1	1	-----	-----	-----	-----	-----
Total number of households ¹ ..	286	100	100	100	-----	-----	-----	-----	-----
Race of head:									
White.....	44	15	16	15	8	10	16	30	0
Black.....	192	67	61	73	77	75	48	62	67
Spanish-speaking.....	0	0	0	0	0	0	0	0	0
Oriental.....	0	0	0	0	0	0	0	0	0
Other.....	0	0	0	0	0	0	0	0	0
Unknown.....	50	17	23	12	15	15	36	8	33
Total number of households ¹ ..	286	100	100	100	100	100	100	100	100
Education of head ²	-----	-----	-----	-----	-----	-----	-----	-----	-----

Marital status of head:

Married with spouse present...	98	34	69	2	23	38	36	27	0
Married with spouse absent...	40	14	4	23	23	20	8	3	0
Never married.....	25	9	4	13	54	11	0	0	33
Widowed.....	57	20	6	33	0	7	30	49	0
Divorced.....	13	5	2	7	0	7	2	2	0
Unknown.....	53	19	15	22	0	17	24	19	67

Total number of households ¹	286	100	100	100	100	100	100	100	100
---	-----	-----	-----	-----	-----	-----	-----	-----	-----

Employment status of head:

Employed.....	113	40	47	33	46	54	34	8	33
Unemployed.....	26	9	1	17	23	13	6	0	0
Retired.....	52	18	12	23	0	1	10	73	0
Disabled.....	20	7	7	7	0	6	14	5	0
Student.....	3	1	1	1	15	1	0	0	0
Unknown.....	72	25	31	19	15	26	36	14	67

Total number of households ¹	286	100	100	100	100	100	100	100	100
---	-----	-----	-----	-----	-----	-----	-----	-----	-----

Size of household:

1.....	75	26	17	35	23	15	36	43	100
2.....	72	25	31	19	8	22	36	30	0
3.....	48	17	18	15	38	17	14	14	0
4.....	41	14	17	12	15	20	6	6	0
5.....	19	7	6	7	15	8	6	3	0
6.....	10	3	3	4	0	6	2	0	0
7.....	8	3	2	3	0	4	0	3	0
8 or more.....	13	5	6	3	0	8	0	0	0

Total number of households ¹	286	100	100	100	100	100	100	100	100
---	-----	-----	-----	-----	-----	-----	-----	-----	-----

See footnotes at end of table.

TABLE 4.—*Characteristics of households by sex and age of household heads: Southern City sample—Continued*

[In percent]

Characteristics	Total households		Sex of household head		Age of household head				
	Number	Percent	Male	Female	Under 22	22 to 64	55 to 64	Over 64	Unknown
Number of children:									
None.....	164	57	60	55	31	38	84	87	100
1.....	38	13	14	13	23	16	12	6	0
2.....	31	11	12	9	23	15	4	3	0
3.....	25	9	5	12	23	13	0	3	0
4.....	7	2	1	3	0	4	0	0	0
5.....	9	3	3	3	0	6	0	0	0
6 or more.....	12	4	4	4	0	8	0	0	0
Total number of households¹.....	286	100	100	100	100	100	100	100	100
Total number of adults:									
None.....	0	0	0	0	0	0	0	0	0
1.....	113	40	18	60	54	37	36	43	100
2.....	124	43	61	28	38	48	42	36	0
3 or more.....	49	17	22	13	8	15	22	21	0
Total number of households¹.....	286	100	100	100	100	100	100	100	100
Number of adults over 65 years:									
None.....	211	74	77	70	100	96	88	0	100
1.....	59	21	13	28	0	4	12	75	0
2.....	16	6	9	2	0	0	0	25	0
3 or more.....	0	0	0	0	0	0	0	0	0
Total number of households¹.....	286	100	100	100	100	100	100	100	100

¹ Totals may not add due to rounding.

² Data not available.

Description of Sample Households in Midwestern City

The Midwestern City sample most closely resembles the Western City households in the age and sex distribution of household heads (see table 5). When census data were used to allocate household heads whose ages were unknown, most of them fell into the under-55 group, making a total of 59 percent under age 55. Almost two-thirds of the household heads were males, and 75 percent were black when unknowns were allocated.

Slightly more than one-third of the households contained at least one child. The average number of children for households with children was higher than in any other site: 3.2 for male-headed households and 3.0 for female-headed households.

Midwestern City's full-time, full-year workers living in the low-income area had the highest median earnings found in any of the six sites. Similarly, the incidence of family poverty was lower than in all but one site. And male-headed households in the sample outnumbered female-headed households nearly 2 to 1, indicating that Midwestern City families have reasonably high income and stable households when compared with those at other sites.

Although the employment status of many household heads was unknown, 9 percent were found to be unemployed. Many of these unemployed persons were women heading families.

TABLE 5.—*Characteristics of households by sex and age of household heads: Midwestern City sample*

[In percent]

Characteristics	Total households		Sex of household head			Age of household head				
	Number	Percent	Male	Female	Unknown	Under 22	22 to 54	55 to 64	Over 64	Unknown
Sex of head:										
Male.....	172	62	-----	-----	-----	67	58	74	60	69
Female.....	94	35	-----	-----	-----	33	42	26	40	22
Unknown.....	5	2	-----	-----	-----	0	0	0	0	8
Total number of households¹.....	271	100	-----	-----	-----	100	100	100	100	100
Age of head:										
Under 22.....	3	1	1	1	0	-----	-----	-----	-----	-----
22 to 54.....	104	38	35	47	0	-----	-----	-----	-----	-----
55 to 64.....	43	16	19	12	0	-----	-----	-----	-----	-----
Over 64.....	62	23	22	27	0	-----	-----	-----	-----	-----
Unknown.....	59	22	24	14	100	-----	-----	-----	-----	-----
Total number of households¹.....	271	100	100	100	100	-----	-----	-----	-----	-----
Race of head:										
White.....	60	22	20	28	0	0	18	23	45	5
Black.....	144	53	53	56	0	67	72	60	55	12
Spanish-speaking.....	2	1	1	1	0	0	2	0	0	0
Oriental.....	0	0	0	0	0	0	0	0	0	0
Other.....	1	(²)	1	(²)	0	0	0	2	0	0
Unknown.....	64	24	26	15	100	33	8	14	0	83
Total number of households¹.....	271	100	100	100	100	100	100	100	100	100
Education of head³.....	-----									

Marital status of head:										
Married with spouse present.....	104	38	59	2	0	33	50	53	31	15
Married with spouse absent.....	26	10	5	18	0	0	17	14	2	2
Never married.....	27	10	5	20	0	67	14	5	6	7
Widowed.....	37	14	4	32	0	0	1	16	42	5
Divorced.....	10	4	2	6	0	0	5	2	2	5
Unknown.....	67	25	24	21	100	0	12	9	18	66
<hr/>										
Total number of households ¹	271	100	100	100	100	100	100	100	100	100
<hr/>										
Employment status of head:										
Employed.....	86	32	36	26	0	33	44	40	10	27
Unemployed.....	25	9	3	21	0	33	18	9	2	0
Retired.....	55	20	18	26	0	0	0	12	81	0
Disabled.....	9	3	3	3	0	0	4	12	0	0
Student.....	0	0	0	0	0	0	0	0	0	0
Unknown.....	96	35	40	24	100	33	34	28	8	73
<hr/>										
Total number of households ¹	271	100	100	100	100	100	100	100	100	100
<hr/>										
Size of household:										
1.....	104	38	33	46	100	33	12	21	60	75
2.....	64	24	26	21	0	67	17	47	24	15
3.....	27	10	10	11	0	0	10	23	10	2
4.....	19	7	6	9	0	0	15	0	3	2
5.....	22	8	9	6	0	0	17	6	2	2
6.....	8	3	5	1	0	0	6	0	0	3
7.....	9	3	5	3	0	0	7	2	0	2
8 or more.....	18	7	7	3	0	0	15	2	2	0
<hr/>										
Total number of households ¹	271	100	100	100	100	100	100	100	100	100
<hr/>										

See footnotes at end of table.

TABLE 5.—*Characteristics of households by sex and age of household heads: Midwestern City sample—Continued*

[In percent]

Characteristics	Total households		Sex of household head			Age of household head				
	Number	Percent	Male	Female	Unknown	Under 22	22 to 54	55 to 64	Over 64	Unknown
Number of children:										
None-----	174	64	64	63	100	67	26	79	93	90
1-----	25	9	8	13	0	33	14	14	3	2
2-----	17	6	7	5	0	0	12	5	2	2
3-----	23	8	9	7	0	0	19	0	2	3
4-----	10	4	2	6	0	0	10	0	0	0
5-----	10	4	6	0	0	0	7	2	0	3
6 or more-----	12	4	4	5	0	0	12	0	0	0
Total number of households ¹ -----	271	100	100	100	100	100	100	100	100	100
Total number of adults:										
None-----	0	0	0	0	0	0	0	0	0	0
1-----	133	49	35	71	100	67	35	28	61	76
2-----	99	37	47	20	0	33	48	44	26	22
3 or more-----	39	14	18	9	0	0	17	28	13	2
Total number of households ¹ -----	271	100	100	100	100	100	100	100	100	100
Number of adults over 65 years:										
None-----	197	73	74	69	100	100	96	88	0	95
1-----	58	21	19	28	0	0	4	12	74	5
2-----	16	6	7	3	0	0	0	0	26	0
3 or more-----	0	0	0	0	0	0	0	0	0	0
Total number of households ¹ -----	271	100	100	100	100	100	100	100	100	100

¹ Totals may not add due to rounding.

² Less than 0.5 percent.

³ Data not available.

Description of Sample Households in Western City

The Western City sample is the most incompletely described sample in terms of information on basic social and economic characteristics. This resulted from several factors: the difficulty of dealing with foreign names and anglicized versions of them; the inclusion of several commune-type household units in the sample; the inclusion of residential hotels occupied by transients; and an unusually large proportion of single, unrelated individuals in the sample.

Using aggregate census data to supplement the information in table 6, the following picture of household heads emerges:

Sex:	<i>Percent</i>
Male -----	64
Female -----	36
Age:	
Less than 22 -----	11
22-54 -----	52
55-64 -----	15
65 and over -----	22

The other characteristics described in table 6 should be interpreted with caution, since they are likely to be most descriptive of the English-speaking permanent residents of the area.

TABLE 6.—*Characteristics of households by sex and age of household heads: Western City sample*

[In percent]

Characteristics	Total households		Sex of household head			Age of household head				
	Number	Percent	Male	Female	Unknown	Under 22	22 to 64	55 to 64	Over 64	Unknown
Sex of head:										
Male.....	180	58	-----	-----	-----	75	62	68	45	57
Female.....	111	36	-----	-----	-----	25	38	32	55	25
Unknown.....	20	6	-----	-----	-----	0	0	0	0	17
<hr/>										
Total number of households ¹	311	100	-----	-----	-----	100	100	100	100	100
<hr/>										
Age of head:										
Under 22.....	4	1	2	1	0	-----	-----	-----	-----	-----
22 to 64.....	111	36	38	38	0	-----	-----	-----	-----	-----
55 to 64.....	25	8	9	7	0	-----	-----	-----	-----	-----
Over 64.....	56	18	14	28	0	-----	-----	-----	-----	-----
Unknown.....	115	37	37	26	100	-----	-----	-----	-----	-----
<hr/>										
Total number of households ¹	311	100	100	100	100	-----	-----	-----	-----	-----
<hr/>										
Race of head:										
White.....	60	19	16	28	0	0	14	12	71	1
Black.....	36	12	10	16	0	0	23	12	9	3
Spanish-speaking.....	21	7	6	8	5	25	11	8	7	2
Oriental.....	21	7	10	1	10	0	5	4	4	10
Other.....	4	1	2	1	0	0	2	4	2	0
Unknown.....	169	54	56	46	85	75	45	60	7	84
<hr/>										
Total number of households ¹	311	100	100	100	100	100	100	100	100	100
<hr/>										
Education of head:										
0 to 8 years.....	20	6	7	7	0	0	10	8	11	1
9 to 11 years.....	12	4	3	5	0	0	8	0	5	0
12 years.....	12	4	4	5	0	0	6	8	5	0
Over 12 years.....	11	4	2	6	0	0	8	4	2	0
Unknown.....	256	82	84	77	100	100	68	80	77	99

Total number of households ¹	311	100	100	100	100	100	100	100	100	100
Marital status of head:										
Married with spouse present.....	74	24	41	0	0	0	34	12	14	22
Married with spouse absent.....	14	5	2	9	0	0	12	4	0	0
Never married.....	18	6	7	5	0	0	11	0	11	0
Widowed.....	19	6	2	14	0	0	3	8	23	1
Divorced.....	13	4	3	7	0	0	8	4	5	0
Unknown.....	173	56	46	64	100	100	32	72	46	77
Total number of households ¹	311	100	100	100	100	100	100	100	100	100
Employment status of head:										
Employed.....	116	37	41	38	0	50	65	56	12	18
Unemployed.....	10	3	2	6	0	0	9	0	0	0
Retired.....	42	14	11	20	0	0	0	4	64	4
Disabled.....	16	5	6	5	0	0	8	20	4	0
Student.....	1	(²)	0	1	0	0	1	0	0	0
Unknown.....	126	41	41	30	100	50	17	20	20	77
Total number of households ¹	311	100	100	100	100	100	100	100	100	100
Size of household:										
Unknown.....	10	3	0	0	50	0	0	0	0	9
1.....	185	59	52	74	45	75	41	72	77	65
2.....	53	17	22	11	5	25	21	16	14	15
3.....	20	6	7	7	0	0	9	0	7	5
4.....	14	5	6	3	0	0	8	4	0	3
5.....	7	2	3	2	0	0	6	0	0	0
6.....	8	3	4	1	0	0	5	4	0	2
7.....	9	3	3	3	0	0	6	4	0	1
8 or more.....	5	2	3	0	0	0	4	0	2	0
Total number of households ¹	311	100	100	100	100	100	100	100	100	100

See footnotes at end of table.

TABLE 6.—*Characteristics of households by sex and age of household heads: Western City sample—Continued*

[In percent]

Characteristics	Total households		Sex of household head			Age of household head				
	Number	Percent	Male	Female	Unknown	Under 22	22 to 54	55 to 64	Over 64	Unknown
Number of children:										
None-----	248	80	77	80	100	100	58	88	96	90
1-----	21	7	6	9	0	0	12	4	2	5
2-----	16	5	7	3	0	0	11	0	0	3
3-----	14	5	4	6	0	0	9	8	0	2
4-----	6	2	3	1	0	0	4	0	2	0
5-----	3	1	2	0	0	0	3	0	0	0
6 or more-----	3	1	1	1	0	0	3	0	0	0
Total number of households ¹ -----	311	100	100	100	100	100	100	100	100	100
Total number of adults:										
None-----	10	3	0	0	50	0	0	0	0	9
1-----	202	65	54	86	45	75	54	76	77	67
2-----	71	23	33	9	5	25	32	16	16	18
3 or more-----	28	9	13	5	0	0	14	8	7	6
Total number of households ¹ -----	311	100	100	100	100	100	100	100	100	100
Number of adults over 65 years:										
None-----	248	80	82	73	100	100	97	100	2	96
1-----	59	19	17	26	0	0	3	0	91	4
2-----	4	1	2	1	0	0	0	0	7	0
3 or more-----	0	0	0	0	0	0	0	0	0	0
Total number of households ¹ -----	311	100	100	100	100	100	100	100	100	100

¹ Totals may not add due to rounding.

² Less than 0.5 percent.

Description of Sample Households in Rural Counties

The rural sample is unique in that each of the 350 residential units in the initial sample could be located and identified.

The sample population of Rural Counties was older than the urban samples and was entirely white (see table 7). Nearly a third of the household heads were 65 years of age or older; 52 percent were older than 54. Thus, it is not surprising that 32 percent of the household heads were retired and another 4 percent disabled. Household size was low; 86 percent had four or fewer people and 57 percent had only one or two persons.

Thirty-eight percent of the households had at least one child, a percentage similar to all the sites except Western City. The average number of children per household with children, however, is considerably lower than in the cities—2.1 for male-headed families, 1.6 for female-headed families.

Eighty-four percent of the household heads were men. Since three quarters of the women heading households were over 54, and 80 percent of the female-headed households had no children, one would not expect to have a significant AFDC population. Further, 92 percent of the household heads were either married and living with their spouses or were widowed.

Most prime age (22–54) household heads were employed, but the percentage of employed household heads falls rapidly above age 54.

TABLE 7.—*Characteristics of households by sex and age of household heads: Rural Counties sample*

[In percent]

Characteristics	Total households		Sex of household head		Age of household head				
	Number	Percent	Male	Female	Under 22	22 to 54	55 to 64	Over 64	Unknown
Sex of head:									
Male.....	294	84	-----	-----	50	93	83	73	67
Female.....	56	16	-----	-----	50	7	17	27	33
Total number of households ¹	350	100	-----	-----	100	100	100	100	100
Age of head:									
Under 22.....	2	1	(²)	2	-----	-----	-----	-----	-----
22 to 54.....	163	47	51	21	-----	-----	-----	-----	-----
55 to 64.....	75	21	21	23	-----	-----	-----	-----	-----
Over 64.....	107	31	27	52	-----	-----	-----	-----	-----
Unknown.....	3	1	1	2	-----	-----	-----	-----	-----
Total number of households ¹	350	100	100	100	-----	-----	-----	-----	-----
Race of head:									
White.....	348	99	99	100	100	100	100	100	33
Black.....	0	0	0	0	0	0	0	0	0
Spanish-speaking.....	0	0	0	0	0	0	0	0	0
Oriental.....	0	0	0	0	0	0	0	0	0
Other.....	0	0	0	0	0	0	0	0	0
Unknown.....	2	1	1	0	0	0	0	0	67
Total number of households ¹	350	100	100	100	100	100	100	100	100
Education of head:									
0 to 8 years.....	211	60	58	71	0	37	67	91	100
9 to 11 years.....	25	7	7	9	0	10	8	3	0

12 years.....	76	22	23	16	100	36	19	2	0
Over 12 years.....	38	11	12	4	0	17	7	5	0
Total number of households ¹	350	100	100	100	100	100	100	100	100
Marital status of head:									
Married with spouse present.....	261	75	89	0	50	85	73	62	0
Married with spouse absent.....	6	2	2	2	0	2	1	1	0
Never married.....	10	3	2	5	50	2	4	2	0
Widowed.....	59	17	4	82	0	6	19	34	0
Divorced.....	10	3	2	9	0	4	3	2	0
Unknown.....	4	1	1	2	0	1	0	0	100
Total number of households ¹	350	100	100	100	100	100	100	100	100
Employment status of head:									
Employed.....	199	57	64	21	100	90	61	5	0
Unemployed.....	12	3	1	14	0	4	4	2	0
Retired.....	112	32	27	57	0	1	17	92	0
Disabled.....	14	4	4	4	0	3	12	0	0
Student.....	0	0	0	0	0	0	0	0	0
Unknown.....	13	4	4	4	0	2	5	2	100
Total number of households ¹	350	100	100	100	100	100	100	100	100
Size of household:									
1.....	60	17	9	59	0	7	16	31	100
2.....	141	40	43	29	50	18	56	64	0
3.....	56	16	18	5	0	24	16	5	0
4.....	47	13	15	5	50	24	8	1	0
5.....	33	9	11	0	0	19	3	0	0
6.....	8	2	2	2	0	4	1	0	0
7.....	3	1	1	0	0	2	0	0	0
8 or more.....	2	1	1	0	0	1	0	0	0
Total number of households ¹	350	100	100	100	100	100	100	100	100

See footnotes at end of table.

TABLE 7.—*Characteristics of households by sex and age of household heads: Rural Counties sample—Continued*

[In percent]

Characteristics	Total households		Sex of household head		Age of household head				
	Number	Percent	Male	Female	Under 22	22 to 54	55 to 64	Over 64	Unknown
Number of children:									
None.....	216	62	58	80	50	26	84	99	100
1.....	49	14	14	12	0	25	9	1	0
2.....	46	13	15	5	50	26	4	0	0
3.....	27	8	9	0	0	16	1	0	0
4.....	7	2	2	0	0	4	1	0	0
5.....	3	1	1	2	0	1	0	0	0
6 or more.....	2	1	1	0	0	1	0	0	0
Total number of households ¹	350	100	100	100	100	100	100	100	100
Total number of adults:									
None.....	0	0	0	0	0	0	0	0	0
1.....	65	19	10	66	0	10	16	31	100
2.....	254	73	80	34	100	80	69	64	0
3 or more.....	31	9	11	0	0	9	15	5	0
Total number of households ¹	350	100	100	100	100	100	100	100	100
Number of adults over 65 years:									
None.....	232	66	71	43	100	98	89	0	100
1.....	69	20	14	52	0	2	11	54	0
2.....	49	14	16	5	0	0	0	46	0
3 or more.....	0	0	0	0	0	0	0	0	0
Total number of households ¹	350	100	100	100	100	100	100	100	100

¹ Totals may not add due to rounding.

² Less than 0.5 percent.

TABLE 8.—Amounts of household income and number of recipient households, by source of income and by site

Sources of income and benefits	Eastern City		South Atlantic City		Southern City		Midwestern City		Western City		Rural Counties	
	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount
No income or benefits found.....	113	0	32	0	65	0	93	0	132	0	114	0
Earned income.....	69	\$28, 454	144	\$48, 810	73	\$19, 196	67	\$32, 810	104	\$43, 877	90	\$27, 893
Earnings of adults.....	69	28, 454	129	46, 963	70	18, 731	66	32, 798	103	43, 752	89	27, 828
Earnings of children.....	0	0	15	1, 847	3	465	1	12	1	125	1	65
Unearned income, private..	21	2, 505	17	1, 325	21	924	4	171	9	475	6	354
Public assistance benefits...	91	21, 161	78	11, 494	96	9, 152	52	8, 994	62	9, 904	49	4, 698
AFDC ¹	65	17, 784	45	9, 594	54	6, 219	26	7, 288	24	5, 600	6	653
OAA.....	5	211	8	621	24	1, 465	9	505	17	2, 169	34	3, 134
APTD.....	4	535	3	201	16	1, 333	6	774	13	1, 640	7	551
AB.....	0	0	0	0	2	135	0	0	1	83	0	0
General assistance.....	10	1, 378	8	822	0	0	3	206	6	405	1	70
Foster care.....	0	0	1	70	0	0	0	0	0	0	1	290
Assistance to Cuban refugees.....	1	222	0	0	0	0	0	0	0	0	0	0
Other cash welfare aid...	6	1, 031	13	186	0	0	8	221	1	7	0	0
Cash social security benefits.....	44	8, 130	92	11, 996	59	7, 961	65	12, 555	64	11, 170	117	17, 147
Old age insurance.....	27	5, 236	62	8, 671	39	5, 278	47	9, 918	43	7, 674	92	13, 586
Survivors insurance.....	9	1, 229	20	2, 191	8	1, 050	12	1, 492	10	1, 399	10	1, 102
Disability insurance.....	6	1, 387	9	1, 086	12	1, 633	4	1, 029	11	2, 097	15	2, 459
Special age 72 benefits.....	1	58	1	48	0	0	2	116	0	0	0	0
Special coal miners benefits.....	1	220	0	0	0	0	0	0	0	0	0	0

See footnotes at end of table.

TABLE 8.—Amounts of household income and number of recipient households, by source of income and by site—Continued

Sources of income and benefits	Eastern City		South Atlantic City		Southern City		Midwestern City		Western City		Rural Counties	
	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount
Veterans cash benefits.....	8	591	12	2,030	11	1,915	7	843	7	409	29	3,711
Compensation:												
Veterans.....	3	210	3	1,035	4	1,130	5	736	4	195	12	1,685
Survivors.....	0	0	0	0	2	136	0	0	2	127	1	134
Pension:												
Veterans.....	4	352	6	725	1	221	0	0	1	87	10	1,457
Survivors.....	1	29	3	270	4	428	2	107	0	0	6	435
Other cash benefits.....	25	2,280	14	1,552	8	723	13	1,149	35	2,749	16	703
Retirement.....	1	78	11	1,422	5	640	1	342	2	350	2	280
Unemployment in- surance.....	16	1,767	1	60	3	83	10	597	20	1,546	11	406
Workmen's compensa- tion.....	8	435	2	70	0	0	1	195	13	853	3	17
All other.....	0	0	0	0	0	0	1	15	0	0	0	0
Food benefits.....	98	2,840	129	3,209	109	3,131	60	2,042	84	2,403	70	2,467
Food stamps.....	56	2,145	60	2,280	0	0	33	1,249	44	1,738	5	171
Surplus commodities.....	0	0	0	0	32	1,622	0	0	7	374	46	1,992
School breakfast.....	0	0	13	60	17	294	0	0	1	4	1	2
School lunch.....	40	693	56	869	60	1,215	27	793	16	267	18	302
OEO emergency food assistance.....	2	2	0	0	0	0	0	0	0	0	0	0
All other.....	0	0	0	0	0	0	0	0	16	20	0	0

Health benefits-----	85	5, 992	174	6, 054	199	5, 235	116	6, 323	110	5, 527	145	3, 819
Medicare-----	8	790	33	1, 715	26	1, 615	35	2, 605	28	1, 429	42	2, 490
Medicaid-----	63	5, 055	62	3, 582	76	2, 574	55	3, 119	52	3, 687	40	528
Medical assistance, GA-----	0	0	0	0	74	864	1	45	0	0	0	0
Public health services-----	11	129	58	607	0	0	4	85	6	132	20	45
VA medical care-----	0	0	0	0	1	20	0	0	0	0	7	449
OEO emergency health services-----	0	0	0	0	1	12	9	343	9	189	0	0
All other-----	3	18	21	150	21	150	12	126	15	90	36	307
Housing benefits-----	41	3, 671	59	3, 998	63	5, 618	11	1, 512	11	1, 051	3	93
Public housing rental units-----	40	3, 658	47	3, 861	55	5, 009	8	1, 017	10	1, 019	0	0
Rent supplement units-----	1	13	1	83	7	309	1	82	1	32	0	0
Sec. 235 subsidies-----	0	0	0	0	0	0	0	0	0	0	0	0
Sec. 236 subsidies-----	0	0	0	0	0	0	0	0	0	0	0	0
Relocation programs-----	0	0	5	40	0	0	1	121	0	0	0	0
Rehabilitation programs-----	0	0	6	14	1	300	1	292	0	0	0	0
Agricultural housing programs-----	0	0	0	0	0	0	0	0	0	0	3	93
All other-----	0	0	0	0	0	0	0	0	0	0	0	0
Education and manpower benefits-----	44	3, 127	44	2, 020	30	1, 926	11	822	23	2, 340	9	637
WIN-----	1	80	2	36	1	21	0	0	1	10	0	0
MDTA-----	1	125	1	27	2	37	0	0	1	307	1	9
CEP-----	2	95	8	196	1	52	0	0	1	185	0	0
NYC-----	4	224	14	687	6	476	6	155	6	224	1	48
EEA-----	2	1, 260	0	0	2	17	0	0	0	0	0	0
JOBS-----	0	0	0	0	0	0	0	0	1	355	0	0
GI bill-----	0	0	4	498	3	587	3	532	3	627	2	390
OE grants and loans-----	3	249	1	24	1	60	1	100	1	150	0	0
Vocational rehabilitation-----	2	35	12	433	13	659	1	35	1	78	3	182
All other-----	29	1, 059	2	119	1	17	0	0	8	404	2	8

See footnotes at end of table.

TABLE 8.—Amounts of household income and number of recipient households, by source of income and by site—Continued

Sources of income and benefits	Eastern City		South Atlantic City		Southern City		Midwestern City		Western City		Rural Counties	
	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount	Number of households receiving	Total monthly amount
Other benefits.....	4	291	10	123	82	2,668	6	372	8	1,174	43	850
WIN child care.....	2	230	1	104	0	0	0	0	1	385	0	0
Headstart.....	0	0	0	0	5	723	3	201	1	142	1	16
Other child care.....	0	0	0	0	13	1,083	1	57	4	404	0	0
Legal aid.....	2	61	7	(²)	47	854	0	0	0	0	0	0
Agricultural subsidy payments.....	0	0	0	0	0	0	0	0	0	0	27	739
All other.....	0	0	2	19	17	8	2	114	2	243	15	95
Totals, all public welfare benefits....	³ 440	48,083	³ 612	42,476	³ 657	38,329	³ 341	34,612	³ 404	36,727	³ 481	34,125

¹ For explanation of this and other program abbreviations see Table 1.

² Not available.

³ These numbers are the numbers of benefits received. For the numbers of households receiving them, see table 3 in the main body of the report.

SUPPLEMENT B. GAO REPORT TO THE SUBCOMMITTEE ON FISCAL
POLICY

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., February 7, 1973.

HON. MARTHA W. GRIFFITHS,
*Chairman, Subcommittee on Fiscal Policy,
Joint Economic Committee,
Congress of the United States.*

DEAR MADAM CHAIRMAN: Enclosed is a summary of the methodology used in the study that we conducted at your request concerning public welfare benefits received by persons residing in low-income areas of six selected localities.

This summary is in support of, and provides further explanation of tabulations and analyses of the data collected at each of the locations where our study was conducted, which we have already provided to the subcommittee staff.

The summary explains (1) sampling techniques used in selecting households included in the study, and data collection and recording procedures, (2) problems encountered in identifying heads of households and determining whether they, or members of their families or persons residing in their households, were receiving benefits, and (3) qualifications and limitations that should be placed on the use of the tabulations and analyses.

The benefit and earnings data we obtained from records of the Social Security Administration and other public welfare agencies have been handled with strictest confidence. The information we have furnished the subcommittee staff did not identify data with specific individuals.

We understand from the subcommittee staff that the enclosed summary and the tabulations and analyses previously furnished will fulfill our commitment to develop information in support of the subcommittee's broader study of welfare programs.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Enclosure:

*Summary of Methodology Used in Review of Benefits Received From
Public Welfare Programs by Persons Residing in Low-Income Areas*

INTRODUCTION

As requested by the chairman, Subcommittee on Fiscal Policy, Joint Economic Committee, the General Accounting Office obtained information on the extent that public welfare program benefits were

being received by household members residing in "low-income" areas of six localities.

Initially, we made a pilot study in a South Atlantic city to test the feasibility of our sampling and data collection approaches. After the pilot study was completed and minor revisions were made to our approaches, we expanded our fieldwork to other selected locations.

Of the six localities, five are urban and one is a multicounty rural area. They were selected from 51 cities and eight rural areas in which the Bureau of Census has designated certain geographical sections as low-income areas.

The low-income areas selected vary in size ranging in population from slightly less than 100,000 to just over 500,000 persons and should not be considered representative of other regions of the country. The information gathered for each low-income area, therefore, must be analyzed separately. Also, any projections made for each low-income area should be considered in light of the limitations discussed in this enclosure.

SAMPLE METHOD

Sample size selection

During our pilot study, we determined that about one-half of the pilot sample of 100 occupied housing units were at that time receiving or previously had received public assistance or food stamp benefits. On the basis of this finding, it was agreed with the subcommittee staff that our sample size would be 300 occupied housing units at each location since a sample of that size, with a 50-percent rate of occurrence, would yield—at a 95-percent confidence level—a sampling error of approximately ± 5.5 percent. The subcommittee staff considered such a sampling error rate acceptable. However, because some of the units selected might be vacant or demolished, we selected 350 housing units at five of the six locations in order to ultimately obtain about 300 *occupied* units. We retained the sample size of 300 at the South Atlantic city because of technical problems that would have been encountered in expanding the sample size to 350.

The 50-percent rate of occurrence obtained during the pilot study at the South Atlantic city decreased to 42 percent for the expanded study. At the other five locations, the rate of occurrence of households currently or formerly receiving public assistance, or food stamp or commodity benefits ranged from a low of 24 percent at the Midwestern city to a high of 36 percent at the Southern city. The sampling error thus obtained ranged from ± 4.66 percent in the rural counties to ± 6.06 percent at the South Atlantic city.

Bureau of the Census publications were used in selecting the housing units in the urban area. Housing units in the rural area were selected through the use of counties' 1971 personal property tax rolls. Table 1 shows data on sample size, the number of occupied housing units included in the study, the number of units excluded from the study, and the reasons for excluding them.

Urban areas

Bureau of the Census publications PHC (3), *Employment Profiles of Selected Low-Income Areas* were used to determine the boundaries of the low-income areas. Census publications HC (3), *Block Statistics* were used to determine the total number of housing units and

to randomly select a sample of units in each area. Using *Block Statistics*, we were able to identify a housing unit selected as being, for example, the 22d unit in census block 104, tract 30.

Addresses of the sample units were then identified from city planning departments' records and maps.

Rural area

Since Bureau of the Census publications on housing units were not available for the rural area, a different sample approach had to be developed. Several sources were considered before a method was chosen. This method involved selecting the random sample from the counties' 1971 personal property tax rolls. Before proceeding, the method was tested for feasibility and validity by selecting a sample of public assistance recipients and comparing their names to the names on the tax rolls to determine the percentage of recipients selected whose names were also on the tax rolls. Of the welfare recipients' names tested, 84.5 percent were on the counties' personal property tax rolls. This result indicated that a sample could be taken from the tax rolls that would not be unduly biased against the inclusion of the low-income population.

The number of households randomly selected from each county was based on the ratio of households in each county to the total number of households in the entire multicounty rural area.

HOUSEHOLD IDENTIFICATION

Urban areas

After obtaining the addresses of the sample housing units, the names of heads of households were identified from one of the following sources:

- City directory;
- Telephone directory;
- Post office;
- Landlord;
- Records of the public welfare agencies;
- Personal contact.

Regardless of the source used, attempts were made to verify the names by telephone or personal contact.

Rural area

The names of the head of the household were obtained from the counties' 1971 personal property tax rolls when the sample units were selected. Attempts were made to verify the names by telephone or personal contact.

Problems encountered

The most difficult problem encountered was obtaining household occupants' names. The city directory was the main source used to identify household occupants. However, only the head of the household and, in some cases, the spouse's name could be obtained from this source. Also, due to the age of the published data, verification of names was necessary. To verify names, telephone calls or personal contacts were made. We were unable, however, to contact some heads of households and others refused to disclose the information requested. Landlords of the sample units were also contacted, but few would

disclose tenants' names. The Postal Service was helpful in identifying heads of households, but in some cases, was unable to furnish names, or the names obtained were those of occupants instead of heads of households.

In a few cases, we were never able to identify any occupants of housing units selected, and consequently dropped the units from our sample. In some other cases we obtained a name for the head of a household, but were not able to verify the name and found no evidence of public welfare program participation. In these cases, we assumed that the names were correct and that no benefits were being received.

In addition to these problems, the data in the Bureau of the Census publications which were used to identify sample units were not current. For example, due to urban renewal projects, the number of housing units in the block sometimes differed from the number of units listed in *Block Statistics*.

Due to these problems, we cannot be certain that all occupants' names were identified during our fieldwork.

BENEFIT AND INCOME DATA

Agency identification

There is not a central location at any level where all local agencies administering public welfare programs could be identified. In identifying programs operating in each location we referred to the Office of Management and Budget's "Catalog of Federal Domestic Assistance" and the Office of Economic Opportunity's "Report on Federal Outlays." We identified the local agencies administering the programs through the use of telephone directories and discussions with agency officials. The number of agencies contacted at each location ranged from 19 to 27. Although our review was intended to be comprehensive, there is a slight possibility that some programs and agencies were not identified.

Participant identification

Agencies administering public welfare programs had different recordkeeping and filing systems for participants in their programs. Following is a brief discussion of the systems used by some of the agencies and problems we encountered in obtaining information.

In some instances program records were filed under the name of the participants. Since we were not sure that all household members were identified prior to our search of the records, it is possible that some program participants were not identified. This is particularly true for a household having individuals with different surnames.

Records of some programs were filed by the social security number of the recipients. Identification of benefits was limited to the extent that we could identify social security numbers for individuals in our sample.

Survivor benefits in some programs could be identified only if the name of the deceased was known.

Records of programs involving school attendance, such as school lunch, were filed at each school. It was necessary, therefore, to identify the school each child in our sample attended.

Public assistance records were filed under the name of the person who was the head of household at the time the application for assistance was filed. Even though the records are updated when changes occur, the filing system is not changed. It was, therefore, difficult to identify benefits received by widows, divorcees, and wives whose husbands had deserted them. The problem was more difficult if the wife reverted to her maiden name.

Records for low-interest housing loan programs administered by the Department of Housing and Urban Development (HUD) were maintained by the participating mortgage companies and were filed by HUD case numbers. To identify these case numbers, it was necessary first to determine whether the housing units sampled were owner-occupied, and if so, the names of any mortgage companies involved. This information was obtained from city directories and local tax records which were not always current. The mortgage companies were then contacted to obtain the HUD case number and determine the amount of the Federal benefit.

The date of birth was needed to make positive identification of recipients in some programs. We did not find this information for all individuals in our sample.

For some programs, such as educational grants and loans, participants' records are maintained at each school where a service had been received. In one locality, over 60 schools made loans and grants. Due to the number involved, we did not visit all facilities.

We were not always allowed to examine agency records for programs operating under rules of confidentiality. In these cases we relied on agency staffs to identify program participants and determine or estimate the value of the service or benefit. We are not in a position to comment on the adequacy of the record searches made by agency personnel.

Because of these various problems and qualifications, we cannot be assured that all benefits have been identified.

Recording benefit and income data

To calculate the monthly benefit from the data collected from agency records, we determined the value of the benefit received during the most recent month, or we calculated an average monthly benefit based on the most recent 12 months, depending on the program involved.

Some programs, such as aid to families with dependent children, pay benefits on a recurring basis. We recorded the value of these benefits as being the amount of the most recent month's payment. Even though not generally paid 12 months a year, we considered as recurring those benefits received under the veterans educational assistance program (GI bill) and the school lunch and breakfast programs.

Other programs pay benefits on an as-needed basis or during periods of participation in training programs. We calculated the average monthly value of these benefits on the basis of the most recent 12 months.

The benefits from training programs included cash paid to the recipients as well as estimates of the cost of the training.

Earnings data were identified from records of the Social Security Administration (SSA), State employment commissions, and public welfare agencies. Depending on the source of information, the data were recorded on the basis of either the most recent month or an average monthly amount.

Earnings data provided by SSA or the State employment commissions were recorded at an average monthly amount. For the most part, SSA earnings data were based on calendar year 1971 earnings. Earnings in excess of \$7,800—the maximum amount on which social security taxes were withheld—were not identified. Earnings data at the State employment commissions were based on fiscal 1972 earnings.

Earnings data identified in public welfare program records were recorded as shown in the records. Information in program records was our only source for identifying earnings not covered under the Social Security Act.

Table 2 summarizes how benefits and income amounts were calculated.

LIMITATIONS ON USE OF INFORMATION

In analyzing the data accumulated, we believe the following facts should be considered:

Earnings data obtained from SSA were limited to the extent that social security account numbers could be identified. Earnings data obtained from public welfare program records were often not current and possibly inaccurate.

Values assigned to certain training programs were based on estimates, taking into account identifiable costs of operating the programs at a given location and the number of participants. This may result in different benefit values being recorded for the same training program. For example, the monthly benefits recorded for the same program at two different locations were \$25 and \$42, respectively.

Benefits received by certain households might not be recorded due to problems in identifying participants of programs.

In addition to these limitations, the earnings and benefits recorded are not an accurate measure of the resources being received *concurrently*. For example, the most current earned income information available from SSA was for calendar year 1971. On the other hand, benefit data obtained from public welfare agencies generally applied to 1972.

Because the income and benefit data applied to different time periods, the recorded combined family benefits may not represent actual payments received for a specific period of time. Also, due to this overlap, program eligibility cannot be determined from the data recorded.

The following case illustrates some of the circumstances that occurred; however, this case involves an unusual number of factors and is not typical of the sample.

A housing unit selected in our sample was identified as apartment A in a building consisting of two small stores and seven apartments. Our review of records showed that the household consisted of a husband, wife, two adult daughters, four grandchildren, and a boarder. County tax records indicated that the husband and the wife were the owners of this property.

Listed below are the amounts of the benefits received by the various members of this household and an explanation of these benefits:

Source of income/benefit	Average of actual monthly income/benefits received by:					
	Husband	Wife	Child A	Child B	Grand-children	Boarder
Income.....	\$462			\$510		
Benefits:						
Aid to families with dependent children (AFDC).....				320		
Food stamps.....				42		
Manpower development training (MDTA).....				307		
Public health services..	5	\$5	\$7		\$11	
School lunch program.....					18	
Special milk program.....					1	
Medicaid.....				17	25	
Unemployment insurance.....				33		
Educationally deprived children program.....					62	
Concentrated employment program training (CEP).....						\$185

A review of the benefits received by the various members of the household disclosed the following:

1. Earnings shown for the husband and child B were based on their total income for calendar year 1971, divided by 12. All of child B's income, however, was earned during the first 9 months of the year, as her employment was terminated. Also, the husband's earnings do not include any rental income he may be receiving from his property.
2. Child B became unemployed in September 1971, and she began receiving AFDC payments of \$81 per month. In addition to AFDC benefits, she also started receiving unemployment insurance of \$292 per month. When child B enrolled in the MDTA program, her unemployment insurance was discontinued because the program provided her with a training allowance of \$132 per month. However, because the training allowance was less than her unemployment insurance, her AFDC benefits were increased to her current level of \$320.
3. Child B started receiving food stamps in April 1972.
4. Benefits under the MDTA program averaged \$307 per month—\$175 for training and \$132 for allowances.
5. The benefits shown for public health services are estimates of the value of the services provided at a neighborhood health center, which may differ from the actual cost of providing these services.
6. The school lunch program and special milk program benefits were received by two of the grandchildren during the 9-month school year.

7. Medicaid benefits represent the average monthly benefit paid during fiscal 1972.
8. Unemployment benefits of \$65 per week were received by child B for 6 weeks.
9. Benefits received under the educationally deprived children program represent the expenses for additional educational services provided to two of the children. The benefit shown is the average monthly amount reimbursed to the school district by the Federal Government.
10. The CEP benefit represents an average cost per trainee of about \$2,230 for a 16-week training program. Of the cost, \$1,300 is for stipends and \$930 is for training. The benefit shown represents the cost of the program averaged over a 12-month period.

Analysis of the data obtained requires careful consideration regarding the nature of the benefits shown and the time frame during which they were received. It is not possible to develop a comprehensive analysis of the impact of these programs without considering the circumstances described above.

TABLE 1.—*Data on sample units by site and by reasons for exclusion*

Sample unit characteristics	Urban areas					Rural area
	Mid-western	Western	Eastern	Southern	South Atlantic	
Sample size: Housing units.....	350	350	351	350	301	350
Units (included).....	271	¹ 302	285	286	255	350
Units (excluded):						
Vacant units.....	58	14	43	29	17	0
Razed units.....	12	17	12	17	27	0
Commercial buildings..	4	0	11	14	0	0
No permanent residents.....	5	5	0	4	2	0
Households not identified.....	0	19	0	0	0	0
Census blocks not identified.....	0	3	0	0	0	0

¹ Nine households in Western City were located, but no information was found on them. The subcommittee study includes these households in the tabulated data, giving a total sample size of 311 for Western City.

TABLE 2.—*Summary of benefit and income computation methods*

Benefit or income category	Computation method		Time period	Basis of dollar value
	Most current month	Monthly average		
Earned income.....	×	×	Various months 1972, fiscal year 1972 or calendar year 1971.	Actual and estimated.
Unearned income.....	×		Various months 1972.....	Do.
Recurring cash welfare benefits.....	×		do.....	Actual.
Welfare special needs.....		×	Fiscal year 1972 or calendar year 1971.....	Do.
Cash social security benefits.....	×		Various months 1972.....	Do.
Veterans cash benefits.....	×		do.....	Do.
Retirement (all but social security).....	×		do.....	Do.
Unemployment insurance and workmen's compensation.....		×	Fiscal year 1972 or calendar year 1971.....	Do.
Recurring food benefits.....	×		Various months 1972.....	Do.
OEO emergency food assistance.....		×	Fiscal year 1972.....	Estimated.
Health benefits.....		×	Fiscal year 1972 or calendar year 1971.....	Actual and estimated.
Recurring housing benefits.....	×		Various months 1972.....	Estimated.
Relocation and rehabilitation programs.....		×	Fiscal year 1972 or calendar year 1971.....	Actual.
Recurring education and manpower benefits.....	×		Various months 1972.....	Do.
Manpower training benefits.....		×	Fiscal year 1972 or calendar year 1971.....	Actual and estimated.
Child care.....	×	×	Various months 1972 or fiscal year 1972.....	Estimated.
Legal aid.....		×	Fiscal year 1972.....	Do.
Agricultural subsidy payments.....		×	do.....	Actual.

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