

Appendix B. Alternative Definition of Dependence Based on Income from AFDC/TANF and Food Stamps

As directed by the Welfare Indicators Act of 1994 (Pub. L. 103-432), this annual report on *Indicators of Welfare Dependence* focuses on dependence on three programs: the Aid to Families with Dependent Children (AFDC) program, now Temporary Assistance to Needy Families (TANF); the Food Stamp Program; and the Supplemental Security Income (SSI) program. The summary measure of dependence proposed by the Advisory Board includes income from all three programs in its definition:

A family is dependent on welfare if more than 50 percent of its total income in a one-year period comes from AFDC, food stamps and/or SSI, and this welfare income is not associated with work activities.

This appendix examines an alternative definition of dependence that considers AFDC and food stamps alone, excluding SSI. One indicator in the report, Indicator 9, measuring long-term dependence, is based on this alternative definition.

As shown in Table B-1, dependency would be only 2.1 percent if based on income from AFDC and food stamps, as opposed to 3.8 percent when counting income from all three programs (AFDC/TANF, food stamps, and SSI). In general, 50 to 60 percent of individuals who are dependent under the standard definition also are dependent under the alternative definition that considers AFDC and food stamps alone.¹ There is significant variation across the age groups, however. The elderly depend more on SSI than on AFDC and food stamps; whereas 2.1 percent of elderly persons are dependent when counting the three major types of means-tested assistance, very few, 0.2 percent, are dependent when the definition is limited to AFDC and food stamps. In contrast, children are primarily dependent on AFDC and food stamps.

¹ In the early - to mid-1990s, 70 to 75 percent of individuals who were dependent under the standard definition were also dependent under the alternative definition; data for 1995 are shown in Appendix D.

Table B-1. Percentage of the Total Population with More than 50 Percent of Income from Various Means-Tested Assistance Programs, by Race and Age: 1998

	AFDC, SSI, & Food Stamps	AFDC & Food Stamps	SSI only
All Persons	3.8	2.1	1.3
Non-Hispanic White	2.1	1.1	0.8
Non-Hispanic Black	10.5	6.3	3.0
Hispanic	6.6	3.9	1.9
Age Categories			
Children Ages 0-5	7.8	5.8	1.2
Children Ages 6-10	6.7	5.0	1.0
Children Ages 11-15	5.7	3.7	1.2
Women Ages 16-64	3.9	2.1	1.3
Men Ages 16-64	2.1	0.8	1.1
Adults Age 65 and over	2.1	0.2	1.8

Note: Income is measured as total family annual income.

Source: March CPS data, analyzed using the TRIM3 microsimulation model. .