

Post Welfare Reform, the Poorest Children Receive Lower Benefits

Welfare reform in the mid-1990s brought sweeping changes to Federal assistance programs—the “safety net” for poor families. A recent ERS report found that children living in the poorest households experienced declines in total resources after welfare reform.

Analysis of data from the Survey of Income and Program Participation shows that total household resources, including assistance from programs such as Supplemental Security Income and food assistance, declined for children in the poorest households between 1990 and 2004. Between 1990 and 2004, children living in the poorest households (income below 50 percent of the poverty line) saw their average total household resources decline \$208 per month (from \$1,033 to \$825). Children in “less poor” households (income between 50 and 99 percent of the poverty line) saw a smaller decline in total household resources of \$78 per month (from \$1,659 to \$1,581). The data do not capture income from the Earned Income Tax Credit (EITC), but given the low level of earnings in the poorest households (less than \$150 per month in 2004), EITC benefits also are likely to be low.

Children in the poorest households also saw a decline in their household’s participation in the Food Stamp Program (now named



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the Supplemental Nutrition Assistance Program). The share of these children in households receiving food stamps declined from 74 to 61 percent between 1990 and 2004. In contrast, household participation in the program increased from 35 to 39 percent for children in less poor households.

Children in both poverty categories saw increased household participation in free and reduced-price school breakfasts and lunches (school meals) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Despite this increased participation, however, average household food assistance benefits for children in the poorest households declined by \$53 per month in inflation-adjusted dollars to \$320 between 1990 and 2004. Average household benefits from food assistance for

children in less poor households rose \$14 per month to \$219 from 1990 to 2004. Over the same period, children in households with incomes between 100 and 299 percent of the poverty line experienced increases in their household’s participation in the Food Stamp Program, school meals, and WIC. Ψ

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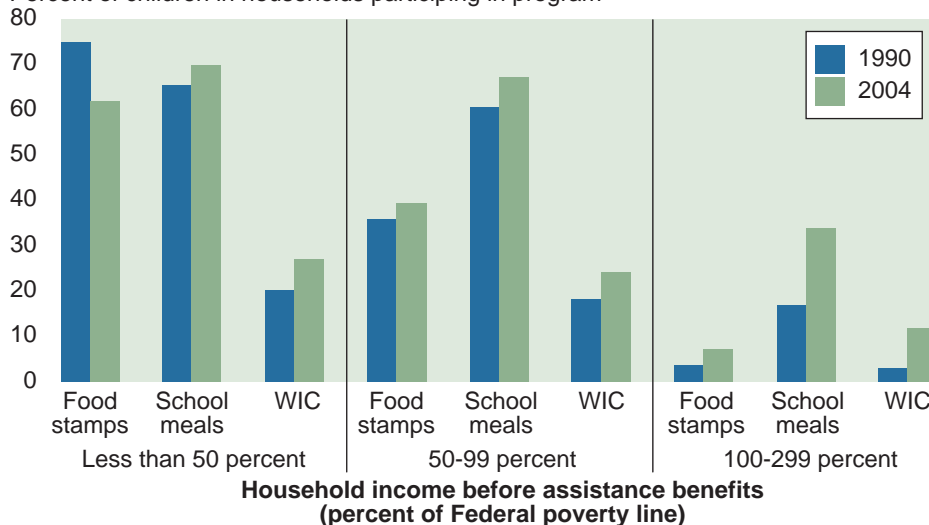
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This finding is drawn from . . .

Changing Participation in Food Assistance Programs Among Low-Income Children After Welfare Reform, by Jessica E. Todd, Constance Newman, and Michele Ver Ploeg, ERR-92, USDA, Economic Research Service, February 2010, available at: www.ers.usda.gov/publications/err92/

Children in poorest households were less likely to benefit from the Food Stamp Program in 2004 than in 1990

Percent of children in households participating in program



Source: USDA, Economic Research Service using data from the Survey of Income and Program Participation.