Figure 1.1   Per-Capita Gross National Product of the United States, 1960 to 2000 (2000 Dollars)
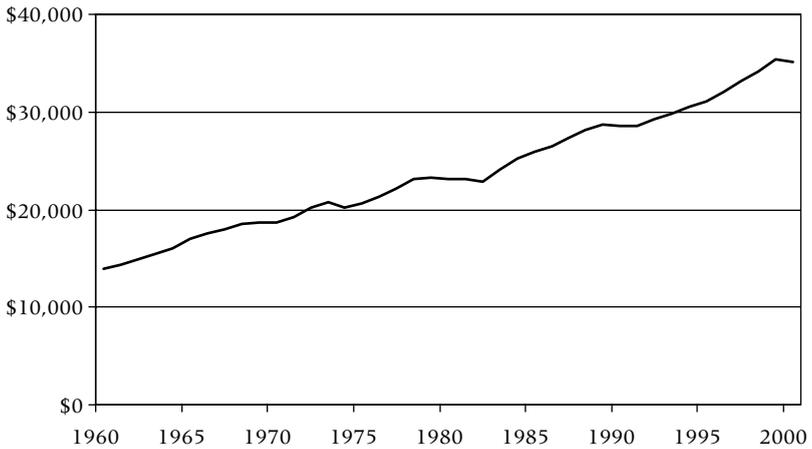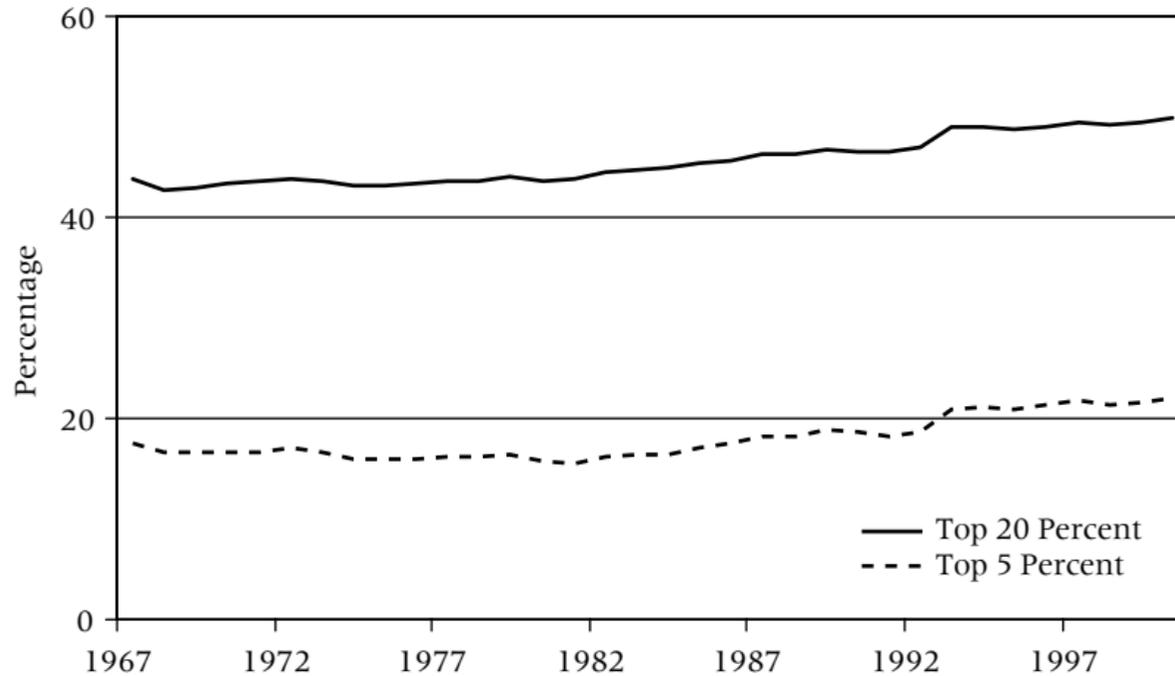
Figure 1.2   U.S. Family Income, 1947 to 2000 (2000 Dollars)
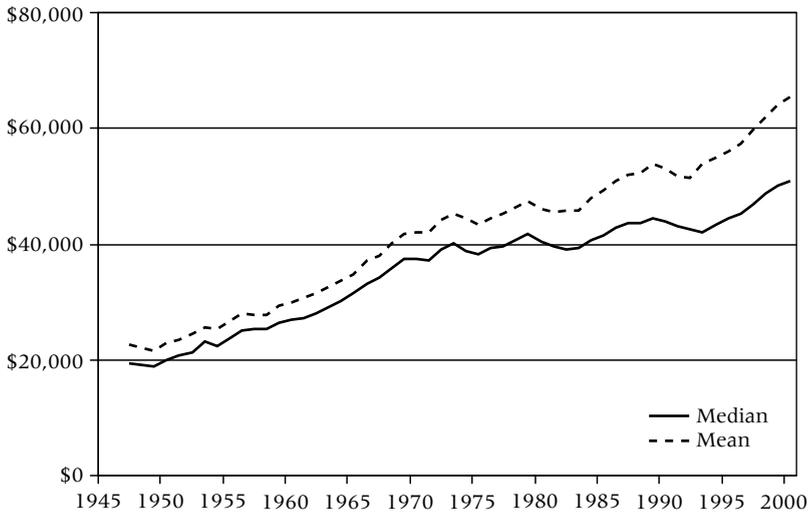
Figure 1.3 Share of Household Income in Top 20 Percent and Top 5 Percent of Income Distribution, 1967 to 2000

Figure 1.4 Poverty Rates for Whites and Nonwhites, 1960 to 2000
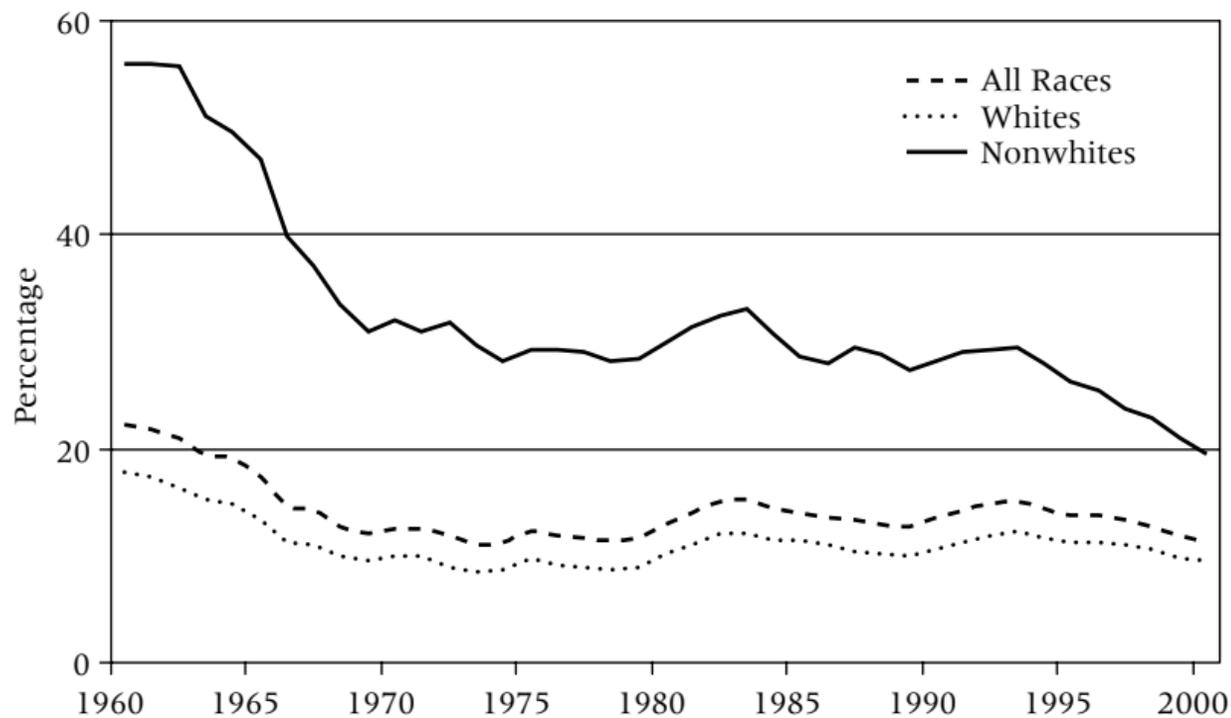
Figure 1.5   School Completion Rates of Adults Age Twenty-Five and Older,
               1962 to 2004
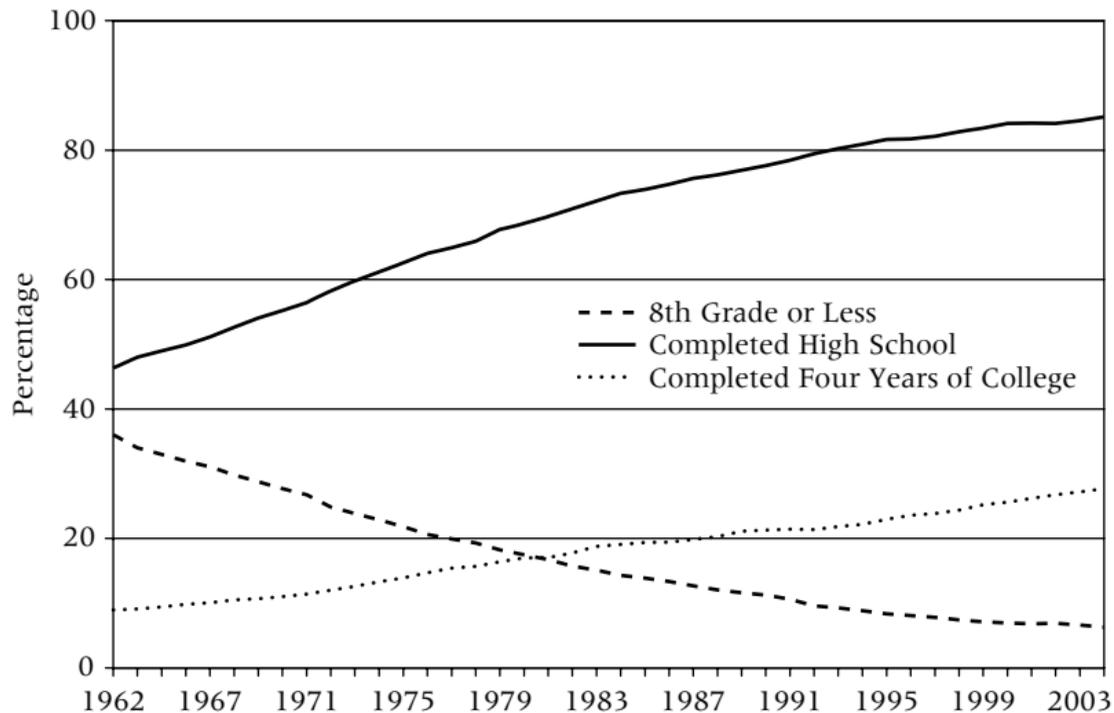
Figure 1.6   Labor-Force Participation of Adults Aged Twenty and Older, by Race and Sex, 1960 to 2000
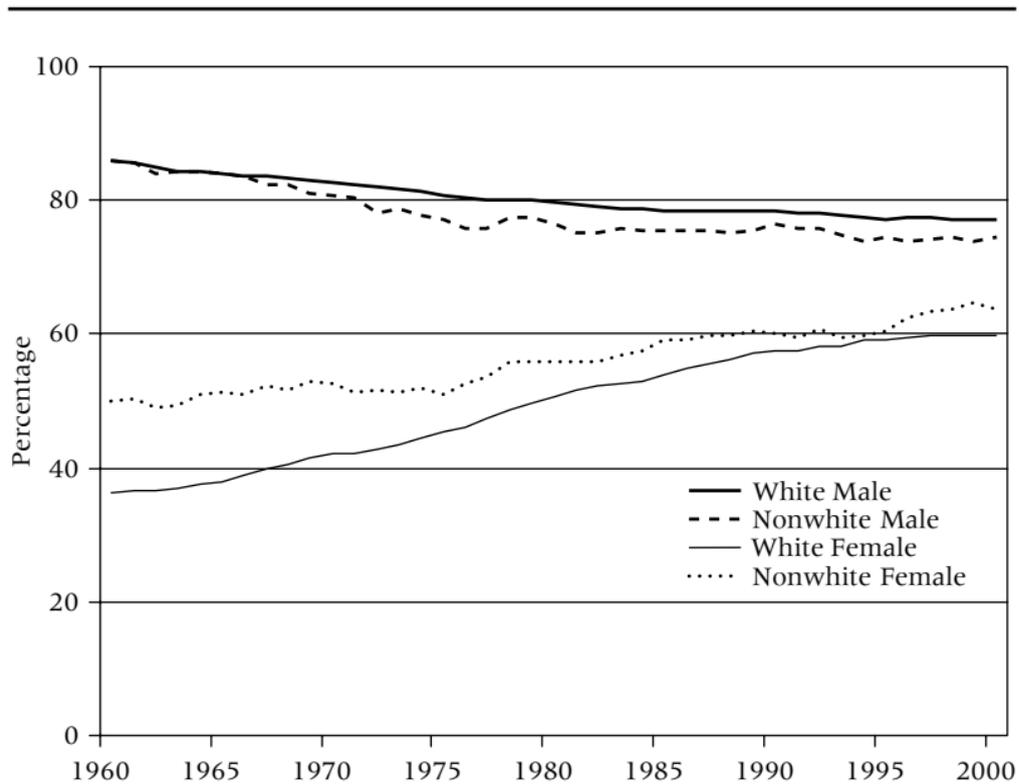
Figure 1.7   Unemployment Rates by Race, 1960 to 2000
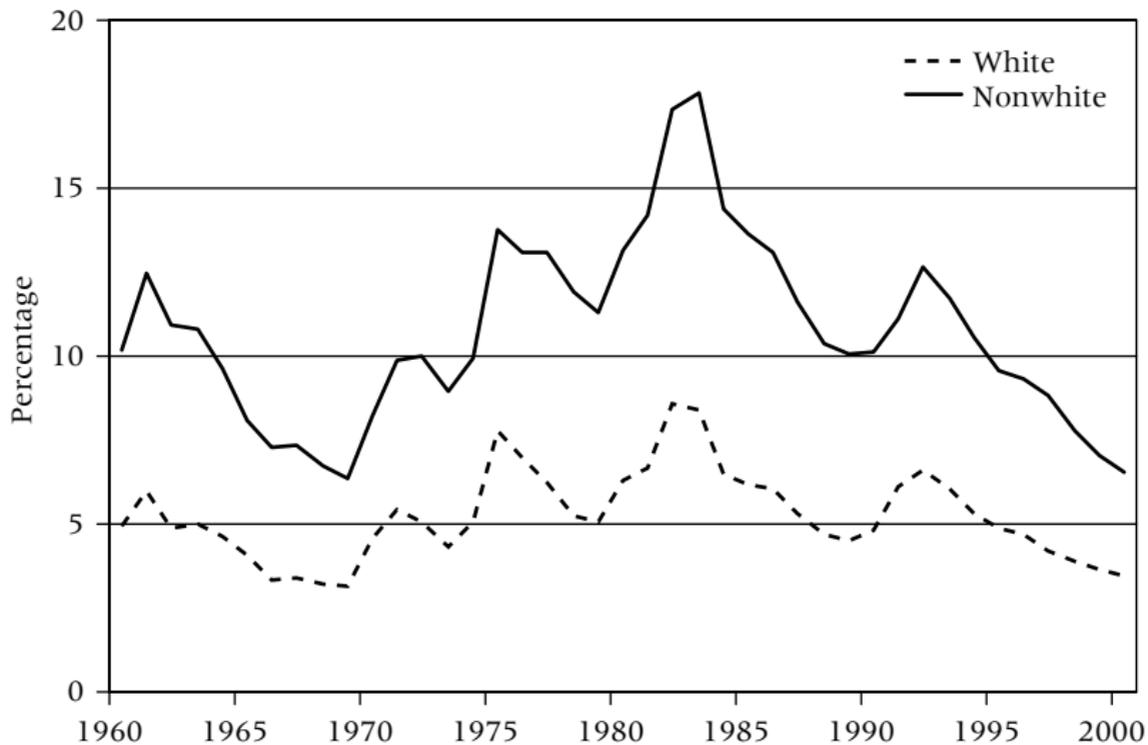
Figure 1.8   Life Expectancy at Birth by Sex, 1960 to 2000
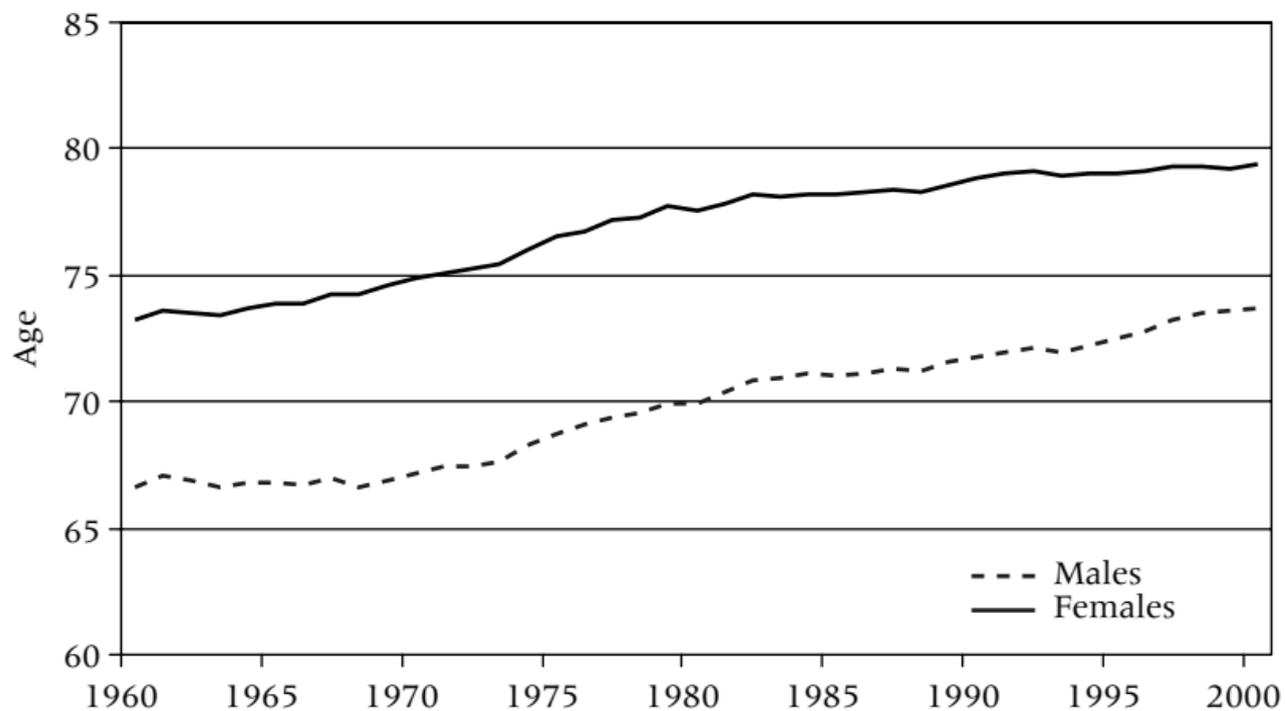
Figure 1.9   Age Distribution of the Female Population, 1960 to 2000
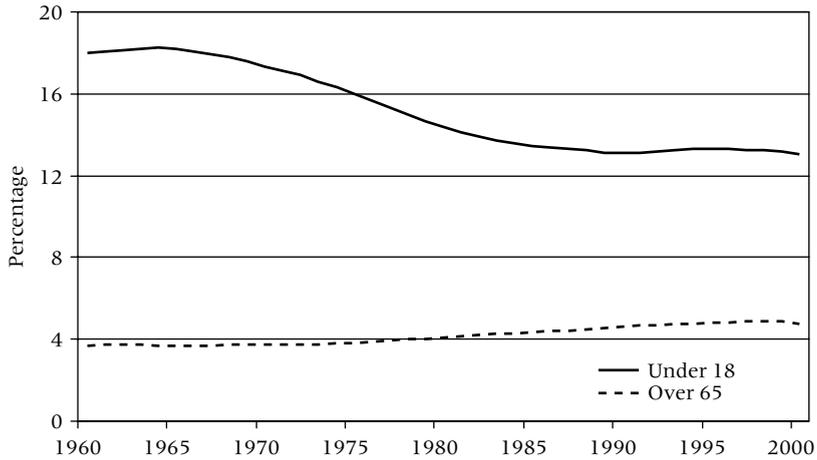
Source: Social Security Administration (2002); calculations by www.mortality.org.

Figure 1.10   Age Distribution of the Male Population, 1960 to 2000
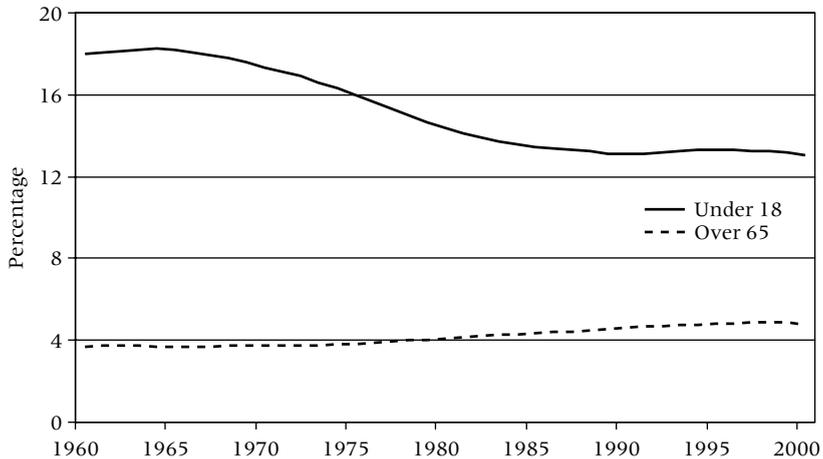
Source: Social Security Administration (2002); calculations by www.mortality.org.

Figure 1.11   Annual Immigration, in Thousands
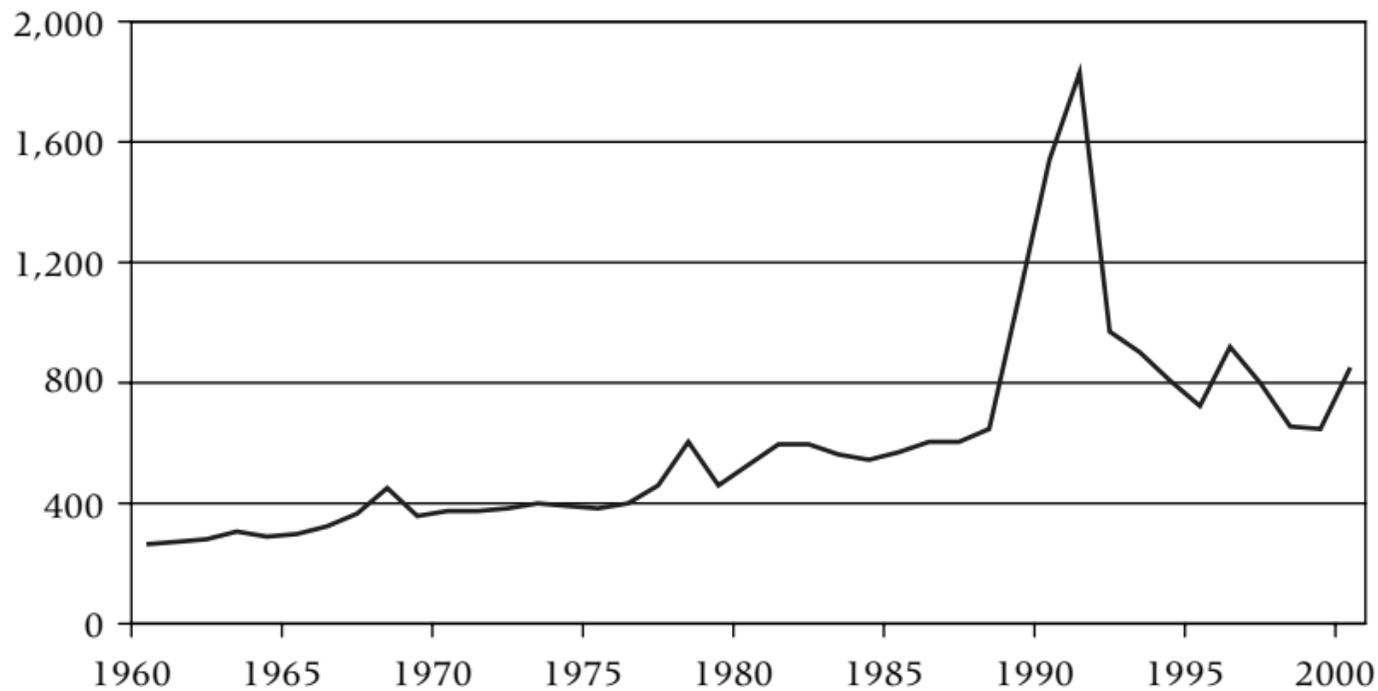
Figure 1.12   Federal Outlays by Category, 1960 to 2004 (Billions of 2000 Dollars)
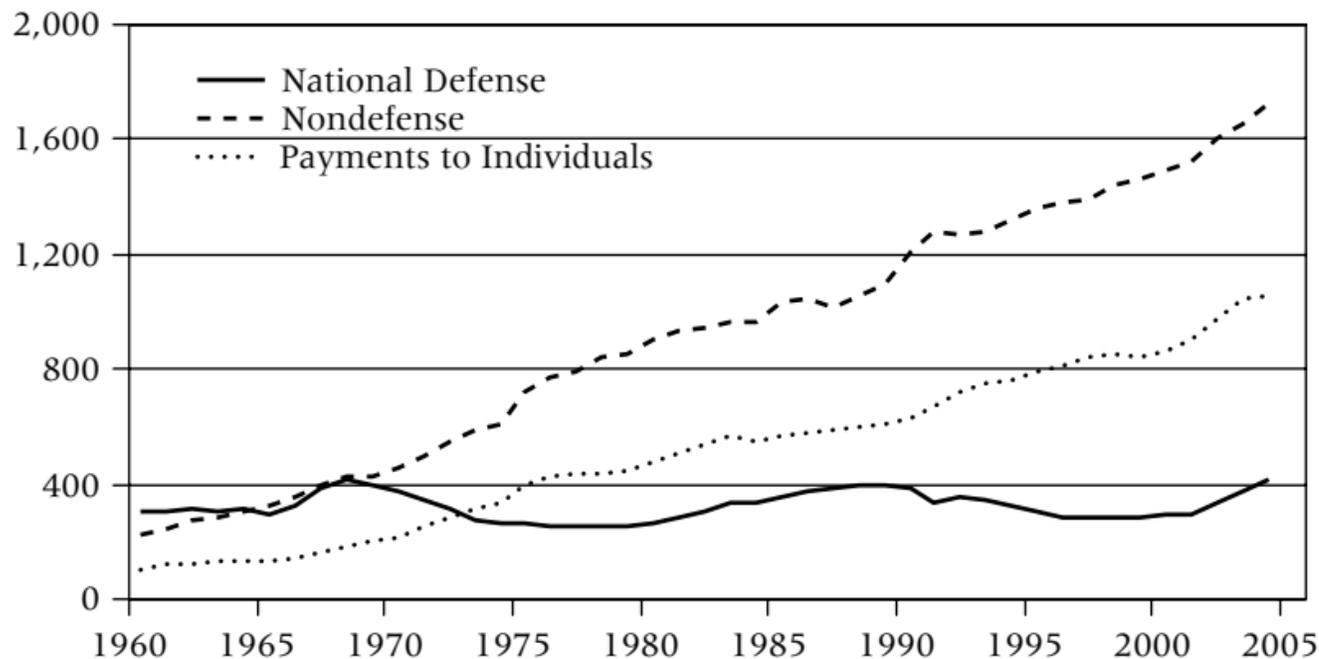
Figure 1.13 Federal Outlays Per Capita by Category, 1960 to 2004 (2000 Dollars)
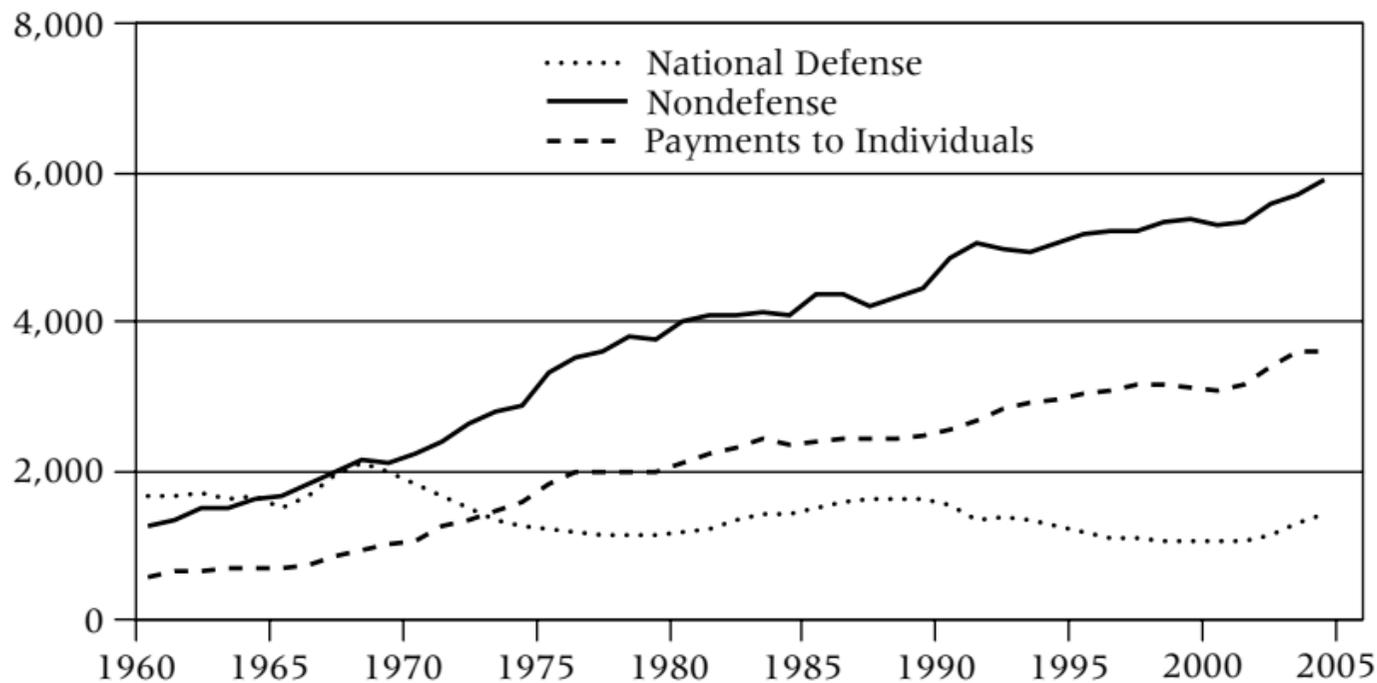
Figure 1.14 Government Payments to Individuals by Major Category (Billions of 2000 Dollars)
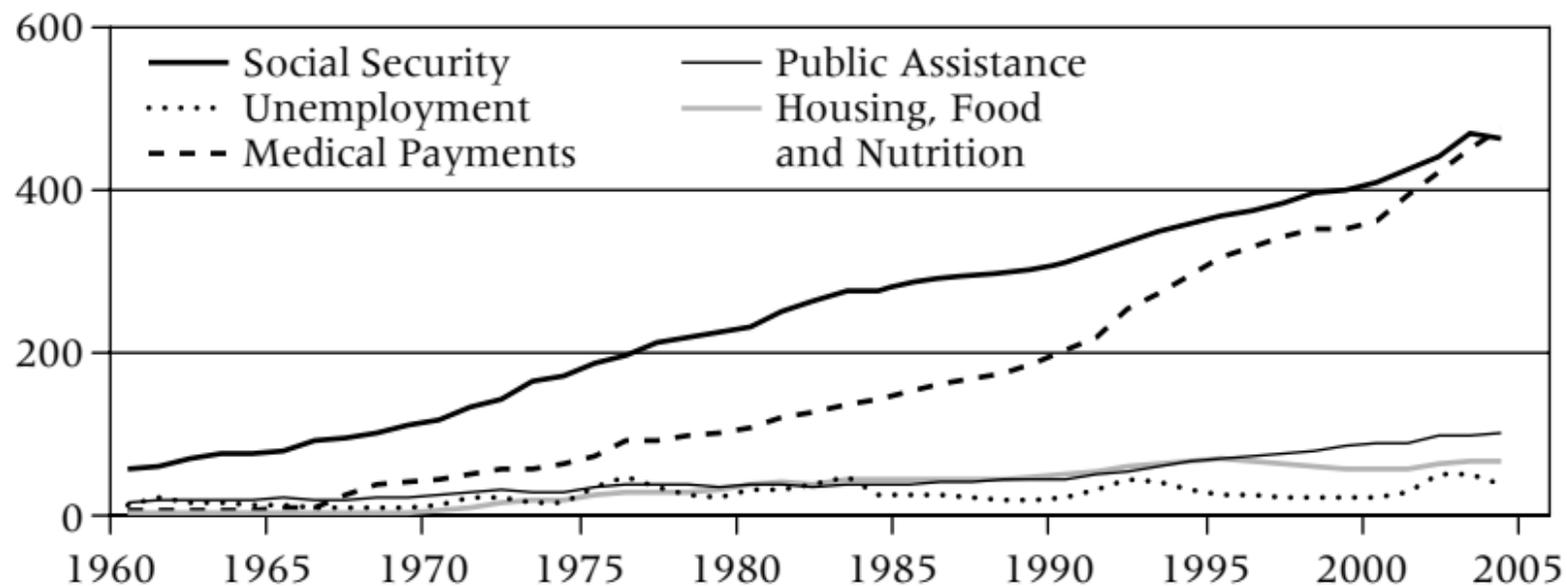
Figure 1.15   Highest Federal Tax Rates on Ordinary Income, 1960 to 2004
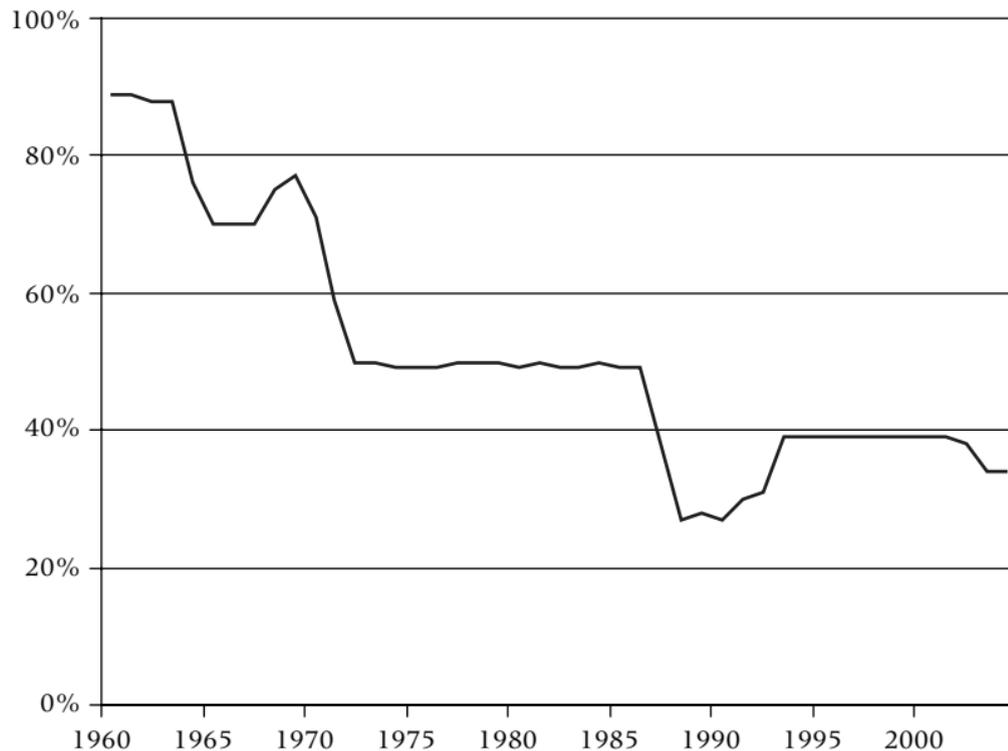
Figure 2.1 Total AFDC and TANF Caseloads
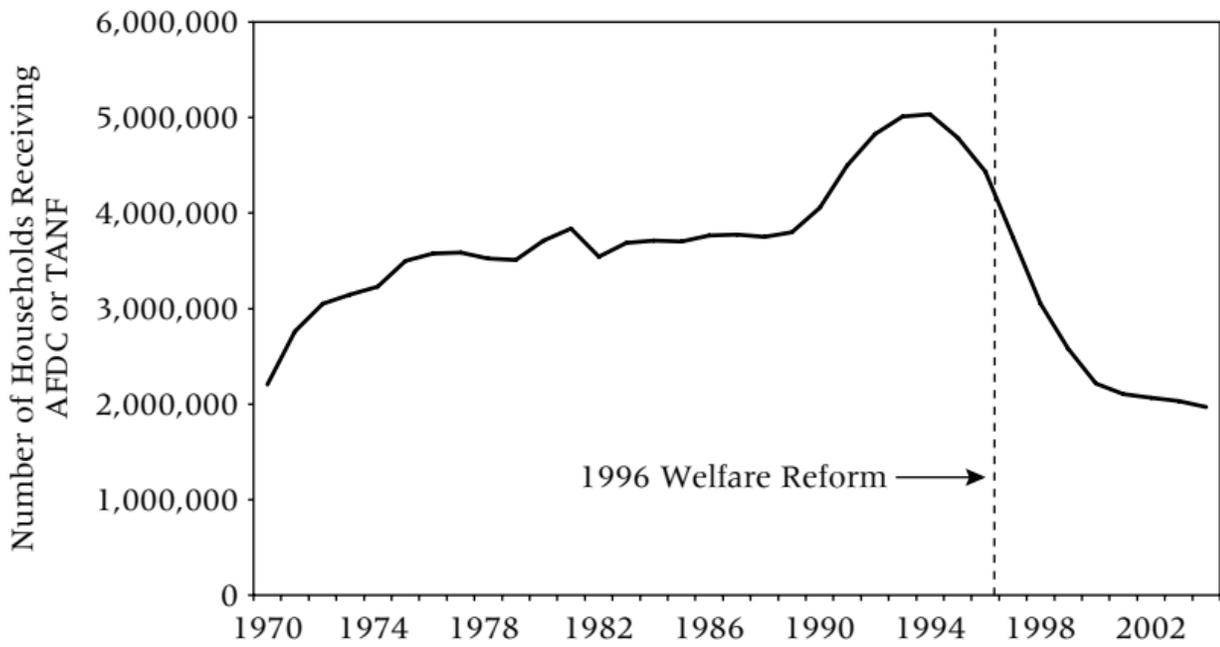
Figure 2.2 Total Caseloads
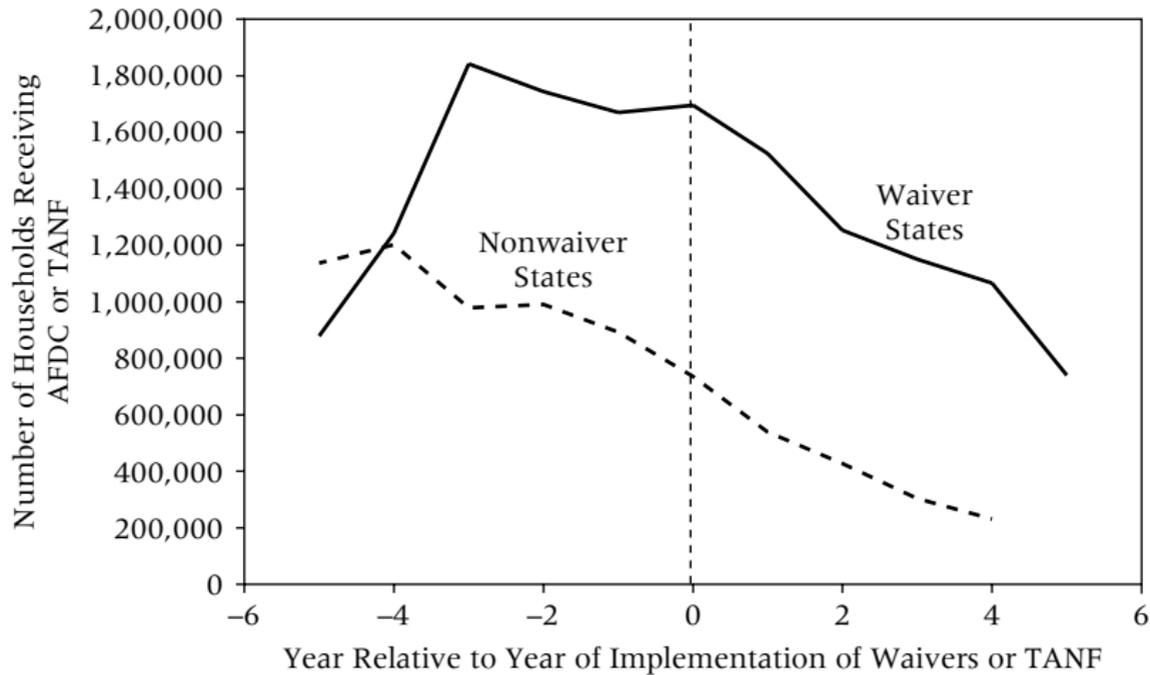
Source: March Current Population Survey. Information on waivers from Council of Economic Advisers (1999, table A1).

Figure 2.3   Percentage of Single Mothers Reporting Work During the Year

Figure 2.4   Percentage of Single Mothers on Public Assistance in Previous
              Year Who Report Working in March
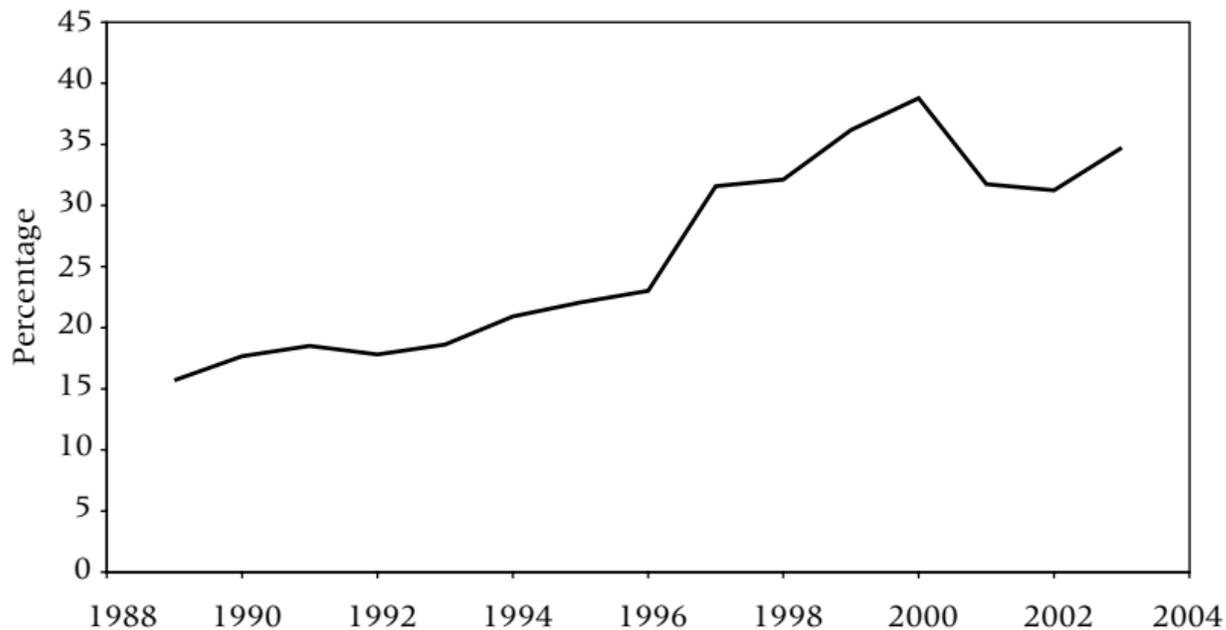
Figure 2.5   Live Births to Unmarried Women per 1,000 Unmarried
              Women, Aged 15 to 44
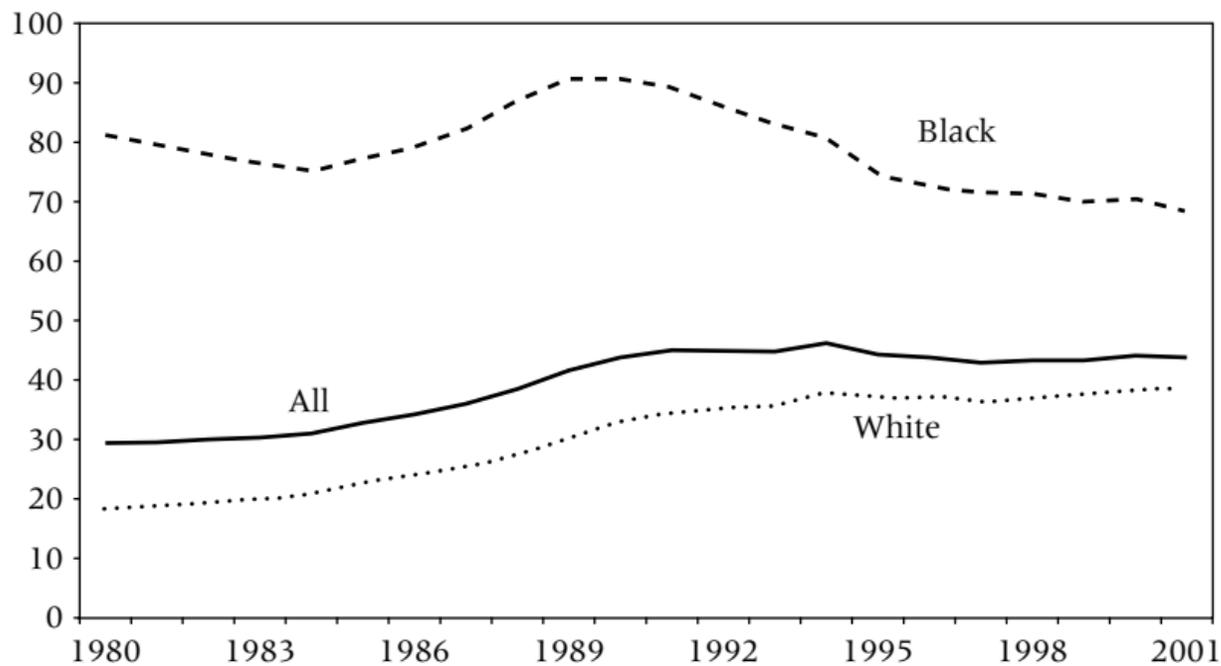
Table 2.1 Composition of Single Mothers' Income

	Total Income (in 2000 Dollars)	Percentage of Total Income			
		Public Assistance	Own Earnings	Other Earnings	Other Income
1985	$20,417	23.82%	49.03%	5.49%	21.66%
1986	19,842	24.96	49.58	5.44	20.02
1987	18,445	23.55	51.94	3.86	20.65
1988	18,301	23.24	52.95	3.98	19.83
1989	19,090	20.72	54.78	3.92	20.58
1990	18,412	22.63	53.32	4.15	19.90
1991	18,442	23.81	53.22	3.37	19.60
1992	17,878	22.79	52.82	3.14	21.25
1993	18,155	22.70	52.07	2.97	22.26
1994	19,222	19.47	54.82	3.52	22.20
1995	20,026	16.46	56.52	3.63	23.39
1996	19,832	14.85	58.09	3.75	23.31
1997	20,593	12.13	61.32	3.68	22.87
1998	21,765	8.63	65.31	4.18	21.89
1999	22,953	7.10	66.21	4.50	22.19
2000	23,654	5.27	68.77	4.19	21.77
2001	23,741	4.71	67.56	4.29	23.45
2002	23,805	4.45	67.18	3.98	24.40

Source: Author's tabulations of the March Current Population Survey.
Note: Total income is the mean dollar value (in 2000 dollars) before taxes. Public assistance is composed primarily of AFDC and TANF benefits. These calculations are pretax and do not include the imputed value of any in-kind benefits.

Table 2.2 Changes in Single Mothers' Income, 1995 to 2002

Part 1	Earnings as a Share of Family Income (1995)	Change from 1995 to 2002	Public Assistance as a Share of Family Income (1995)	Change from 1995 to 2002	Ratio of Column(2) to Column (4)
	(1)	(2)	(3)	(4)	(5)
All by education	.531	.091	.018	−.128	−0.711
No high school diploma	.366	.169	.342	−.213	−0.793
Only high school diploma	.582	.098	.173	−.131	−0.748
More than high school diploma	.648	.069	.084	−.065	−1.062
All by race					
White (non-Hispanic)	.613	.064	.105	−.076	−0.842
Black (non-Hispanic)	.529	.151	.232	−.179	−0.844
Hispanic	.479	.176	.284	−.197	−0.893
All by age of the youngest child					
No preschooler	.605	.075	.100	−.074	−1.014
Preschooler(s) (less than six)	.510	.150	.265	−.187	−.802
Infant(s) (less than two)	.451	.162	.331	−.225	−.720

Table 2.2 Changes in Single Mothers' Income, 1995 to 2002 *(Continued)*

Part 2	Share Working (1995)	Change from 1995 to 2002	Share on Welfare (1995)	Change from 1995 to 2002	Ratio of Column (2) to Column (4)
	(1)	(2)	(3)	(4)	(5)
All by education	.735	.065	.274	−.182	−.357
No high school diploma	.487	.127	.465	−.274	−.464
Only high school diploma	.752	.058	.272	−.183	−.317
More than high school diploma	.854	.032	.173	−.118	−.271
All by race					
White (non-Hispanic)	.818	.024	.197	−.129	−.186
Black (non-Hispanic)	.671	.125	.356	−.249	−.502
Hispanic	.599	.147	.369	−.240	−.613
All by age of the youngest child					
No preschooler	.808	.037	.188	−.126	−.294
Preschooler(s) (less than six)	.646	.110	.381	−.245	−.449
Infant(s) (less than two)	.560	.114	.425	−.245	−.465

	Share Below Poverty Line (1995)	Change from 1995 to 2002	Share Working (1995)	Change from 1995 to 2002	Ratio of Column (2) to Column (4)
Part 3	(1)	(2)	(3)	(4)	(5)
All by education	.402	−.075	.735	.065	−1.154
No high school diploma	.682	−.109	.487	.127	−0.858
Only high school diploma	.413	−.057	.752	.058	−0.983
More than high school diploma	.241	−.051	.854	.032	−1.594
All by race					
White (non-Hispanic)	.291	−.039	.818	.024	−1.625
Black (non-Hispanic)	.510	−.117	.671	.125	−0.936
Hispanic	.566	−.168	.599	.147	−1.143
All by age of the youngest child					
No preschooler	.305	−.052	.808	.037	−1.405
Preschooler(s) (less than six)	.522	−.104	.646	.110	−0.945
Infant(s) (less than two)	.584	−.093	.560	.114	−0.816

Source: Author's tabulation of the March Current Population Survey.

Table 3.1   Take-Up of Means-Tested Programs in the United States

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
Medicaid Established in 1965. Provides health insurance for low-income women and children, the disabled, and the elderly in nursing homes. Eligibility for the program greatly expanded throughout the 1980s and 1990s to women and children who were not on welfare. Income cutoffs depend on child age and state. Projected to serve 34 million people at a federal cost of $159 billion dollars in 2003; state matching cost will be > $100 billion (Centers for Medicare and Medicaid Services 2002).	• As of the early 1980s, children on welfare were automatically eligible and take-up in this group was close to 100 percent. • By 1996, 31 percent of children were eligible, but only 22.6 percent were enrolled, for an average take-up rate of 73 percent (Gruber 2003). • Cutler and Gruber (1996) and Currie and Gruber (1996a; 1996b) estimate that of newly eligible children and women of childbearing age, only 23 percent and 34 percent, respectively, took up coverage, but many of these eligibles were already covered by other insurance.	• Applicants who are not on welfare may be required to show birth certificates or citizenship papers, rent receipts, and utility bills to prove residency, and pay stubs as proof of income. Many states have a time limit on the number of days the applicant can take to provide documentation, and applicants are often required to return for several interviews. Up to a quarter of Medicaid applications are denied because applicants do not fulfill these administrative requirements. They cannot produce the necessary documentation within the required time or they fail	• Currie and Gruber (1996a) find that the take-up was higher among newly eligible women who were likely to have had contact with other welfare programs than among newly eligible women of higher income levels. May reflect slow diffusion of information about coverage among new eligibles. • Currie (2000) found that immigrant children are more likely to be eligible for Medicaid but less likely to participate, if eligible. Probability of participation is higher in larger families, and there is a strong seasonal effect in participation, with peo-

- Over 35 percent of births in the United States are now covered by Medicaid (National Governors' Association 2002).
- No take-up estimates are available for the elderly and disabled, although these groups account for over two-thirds of Medicaid spending.

to attend all of the required interviews (U.S. General Accounting Office 1994).
- Eligibility may need to be reestablished as often as every six months.
- Many physicians do not treat publicly insured patients because of low reimbursement rates.
- Conversely, those who are sick may be able to retroactively obtain Medicaid coverage.
- The newly eligible may not be aware of the benefits they have a right to, particularly if they have not previously used public programs.

ple most likely to take up benefits prior to the start of school each year (when immunizations and check-ups for school are mandated).
- Currie and Grogger (2002) find that loss of welfare leads to loss of Medicaid coverage among pregnant women, although most women leaving welfare remain eligible. They find little impact of state efforts to reduce non-price barriers to Medicaid coverage, such as shortening enrollment forms.
- Aizer (2003a, 2003b) compares the effects of application assistance and advertising on enrollments in California's Medicaid program. She finds that a positive impact of application

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
			assistance is found for children of all ages, but the effect of advertising is limited primarily to infants. • Aizer and Grogger (2003) find that making parents eligible for Medicaid increases child coverage. Effects were largest among black and Hispanic children. • Card and Shore-Sheppard (2004) find that the expansion of eligibility to all children born after September 30, 1983, in poor families led to about a 10 percentage point rise in Medicaid coverage for children born just after the cutoff date, and a similar rise in overall health insurance coverage.

			Expansions to children under six in families with incomes below 133 percent of the poverty line had relatively small effects.
State Children's Health Insurance Program (SCHIP) A block grant to states begun in 1998, SCHIP provides funds to cover health insurance for children in families with incomes below the state's Medicaid-eligibility threshold but more than 200 percent of poverty. States may either expand Medicaid or develop stand-alone programs. It is not an entitlement program.	• LoSasso and Buchmueller (2002) estimate take-up rates that range from 8.1 to 14 percent of the newly eligible.	• The newly eligible may not be aware of their right to benefits, particularly if they have not previously used public programs.	• LoSasso and Buchmueller (2002), using CPS data from 1996 to 2000, found that SCHIP had a small but statistically significant positive effect on insurance coverage. • Aizer (2001) finds that gains in enrollment were larger in states that contracted out outreach for SCHIP.
Supplemental Security Income Program (SSI) Enacted in 1972, SSI began paying cash benefits in 1974. It provides federal assistance for aged, blind,	• Burkhauser and Daly (2003) calculate that participation among the poor elderly declined from 78.5 percent in 1974 to 53.6 percent in 1982.	• Low enrollment among the elderly could be due to lack of knowledge about the program and eligibility criteria, stigma, or transaction costs.	• Coe (1985) reported that of the persons classified as SSI-eligible who were nonparticipants (48 percent of all eligible individuals), a significant

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
and disabled individuals with low incomes. It has grown to become the largest federal means-tested cash assistance program, serving 6.5 million people in January 2003. Total costs for 2002 were $31.6 billion (Social Security Administration 2003).	Since then, participation rates have fluctuated from year to year, but have remained well below the highs recorded in the early years. • Recipiency rates among poor working-age adults rose from 14.8 percent in 1974 to 20.7 percent in 1998. • Recipiency rates for poor children also increased rapidly during the 1990s, rising from 2.1 percent in 1989 to 6.6 percent in 1998, owing to a change in the definition of disability for children resulting from Sullivan v. Zebley in 1990. • Estimated participation rates among the poor	• Participation among low-income working-age adults and among children is also likely to be affected by the benefits and costs of participation in SSI relative to other programs.	fraction were not aware of the program or did not think they were eligible. Coe also found that benefit levels were positively and significantly related to participation. • Warlick (1982) concluded that lack of program information and difficulty applying were the primary reasons for low participation rates among the eligible elderly. • McGarry (1996) used detailed asset and income information from the U.S. Census Bureau's 1984 Survey of Income and Program Participation (SIPP) to more accurately identify eligibility. She concluded that participa-

elderly range between 45 and 60 percent (Menefee, Edwards, and Schieber 1981; Warlick 1982; Coe 1985; Shiels et al. 1990; and McGarry 1996).

tion is determined primarily by the financial situation of eligible individuals and by their health status and finds little evidence that welfare stigma or informational program costs affect participation.

- Burkhauser and Daly (2003) concluded that the elderly poor are not generally constrained by transaction costs.
- Bound, Kossoudji, and Ricart-Moes (1998) found that two-thirds of new applicants for SSI in Michigan between 1990 and 1991 were people who had been terminated from General Assistance. The fact that these people had not applied for more generous disability payments to begin with suggests that it is onerous to apply.

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
			• Daly and Burkhauser (1998): Two-thirds of children found eligible for SSI in the early 1990s were in families already receiving some type of welfare assistance. • Kubik (1999): A 10 percent increase in SSI benefit increases the probability of SSI participation among families with less-educated heads by 0.39 percentage points. • Benítez-Silva, Buchinsky, and Rust (2004) estimate that 28 percent of SSI or DI applicants who get benefits are not disabled, and that 61 percent of applicants who are denied are disabled.

Earned Income Tax Credit (EITC)

Established in 1975, EITC is now the largest cash antipoverty program. There were three large expansions of the credit in 1986, 1990 and 1993. The EITC grew from $3.9 million in 1975 ($99) to $31.5 billion in 2000. It is estimated that 5 million people were raised out of poverty by the credit in 1999 (National Governors' Association 2002).

- Scholz (1994) calculates that 80 to 86 percent of taxpayers eligible for the EITC received it in 1990.
- The IRS (U.S. Department of the Treasury 2002a) estimated that between 82.2 and 87.2 percent of eligible households filed tax returns and hence claimed the EITC.
- Scholz (1997) reports that roughly 95 percent of EITC claimants are either legally required to file tax

- The marginal cost of obtaining the EITC for someone who is filing is simply the cost of filling out Schedule EITC.
- Claiming the credit becomes more likely in cases where the potential credit is larger and where the filer's familiarity with the program and the U.S. tax system is greater.
- Commercial tax preparation firms can reap substantial profits by targeting

- Garrett and Glied (2000) found that the larger SSI benefits are relative to AFDC, the more likely it is that children switched programs after Sullivan v. Zebley made it easier for them to qualify. There was no effect on adults, who were not affected by Sullivan v. Zebley.

- IRS (U.S. Department of the Treasury 2002b) calculations suggest that the EITC changes between 1990 and 1996 had relatively little net effect on EITC participation.
- Holtzblatt (1991), McCubbin (2000), and others found that a significant fraction of taxpayers receive the EITC when they are not technically eligible. Misreporting a child—a violation of the

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
	returns or would file to recover the over-withheld taxes.	those eligible for EITC and offering "rapid refunds." • The IRS notifies all tax-payers who do not claim the credit but, on the basis of their filing information, appear to be eligible for it.	qualifying child-eligibility criteria—is a major reason. • Hotz, Mullin, and Scholz (2000, 2002) find that the EITC has large positive effects on the employment of adults from welfare families in California. The implied elasticity of labor-force participation with respect to net income ranges from .97 to 1.69. • Similarly, Meyer and Rosenbaum (2001) find that the EITC is responsible for much of the recent rise in labor-force participation among low-income single mothers. • Liebman (2002) matches tax records to CPS data and finds that most over-payments went to families

The Temporary Assistance for Needy Families Program (TANF)

Created in 1996 to replace the Aid to Families with Dependent Children (AFDC) program. To be eligible, one's income must be less than a state-determined needs standard. In contrast to AFDC, the TANF program, which has a block grant financing structure, has strong work requirements, time limits on receipt, options for provision of noncash assistance. Through 2002 the annual federal block grant was

- The number of recipients fell from 11.5 to 7.2 million between 1990 and 1999. In 1990, 12.1 percent of all children were on AFDC, compared to 7.2 percent of all children on TANF in 1999 (House Ways and Means Committee 2000).
- Blank (2001) estimates AFDC take-up rates among families with female heads over time. They range from 80 to 90 percent when she uses administrative data, and from 60 to 70 percent when she uses CPS data

- The cost of being on welfare is raised by many rules that TANF recipients must obey.
- With a few exceptions, the studies show that pre-TANF waivers allowing states to impose work requirements and other requirements on AFDC recipients had a negative effect on participation.

with children and that ineligible families are likely similar to eligible ones.
- Hotz and Scholz (2003) provide an overview of the recent literature.
- Blank and Ruggles (1996) estimated that single mothers used AFDC in 62 to 70 percent of the months in which they are eligible. Women who are eligible but do not participate tend to be older, white, and nondisabled, with fewer children and more education. Higher benefits also encouraged participation. These results suggest that the AFDC was used by those with the greatest long-term need whose alternative earning opportunities were limited.

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
$16.8 billion. States must contribute an additional $10.4 billion to $11.1 billion (see Moffitt 2003a).	for twelve states (two-thirds of the caseload). Blank (2002) summarizes literature investigating whether the decline in the caseload should be attributed to welfare reform or to economic expansion. Welfare reform accounts for between one-third and two-thirds of the decline. • Moffitt (2003b) shows TANF participation rates over time for single mothers and for poor single mothers. Both decrease over time, and are about 40 percent for single mothers and 50 to 55 percent for poor single mothers. Moffitt (2003c) shows that nonfinancial factors		• Hoynes (1996) and Moffitt (1998) estimate participation equations which confirm that participation is positively affected by a guaranteed level of benefits and negatively affected by the marginal tax rate on benefits. Participation is also negatively affected by the hourly wage rate available and by nonprogram, nonlabor income. • Grogger and Michalopoulos (2003), using data from a randomized experiment, the Florida Family Transition Program, found that time limits affect welfare use before they become binding (people save their five years of eligibility for a "rainy day").

had a large effect on entry and exit from TANF.

In the absence of other reforms that increased welfare use, FTP's time limit would have reduced welfare receipt by 16 percent. Grogger (2003) finds that time limits had a much greater effect on women with younger children, since women with older children had no incentive to conserve eligibility for benefits.

Housing programs
  Began in 1937. Programs typically reduce rent to a third of the families' income. Most assistance is reserved for households with incomes less than 50 percent of the local median income. Early programs built public housing. Since 1982, most new assistance has been in the form of voucher programs.

- For the entire system of housing subsidies, the participation rate among eligible households is far below 50 percent for each combination of income and family size (Olsen 2003).
- Reeder (1985) examines the percentage of households in each income and family-size class who participated in any Housing

- Assistance is available to only a fraction of eligible households, and many housing authorities have lengthy waiting lists, or closed waiting lists.
- Participants whose income rises above the thresholds for admission are rarely terminated, and local housing authorities are allowed to admit people with incomes higher than

- Wallace et al. (1981) compare the fraction of eligible households and participants in the Section 8 Existing Housing and New Construction programs. For Section 8 Existing Housing they find that in 1979 the percentage of participants who were elderly was about the same as the percentage of eligibles in this category,

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
In 2000, 5.1 million households were assisted at a cost of $20.3 billion (House Ways and Means Committee 2000).	and Urban Development (HUD) program in 1977. The highest participation rate in any of the 77 classes was less than 25 percent. For unknown reasons, the poorest households of each size have very low participation rates. Within each income class, participation rates are highest for one-person households, reflecting the strong preference received by the elderly in housing programs.	the 50 percent of median income cutoff. So persons of higher income may crowd out persons with lower income.	that minorities were a slightly larger fraction of participants than eligibles, and very-low-income households were a noticeably larger fraction of participants than eligibles. For the Section 8 New Construction Program, elderly, white females and small families were greatly overrepresented in the sense that they were a higher fraction of participants than eligibles. • Olsen and Barton (1983) find that in public housing in New York City in 1965, blacks had a much higher participation rate (about 20 percentage points) than whites with the same characteristics.

- Crew (1995) used data from eleven metropolitan areas in 1987 and found that the poorest households—nonwhites, food stamp and welfare participants, the unemployed, and the elderly—had higher participation rates.
- Currie and Yelowitz (2000) conclude that the participation in housing programs increases with the size and is influenced by the sex composition of the family (owing to program rules). It declines with the age of the head of the family, is much lower for married heads, and is highest among blacks and those with less than high school education.

Food Stamp Program (FSP)
Established in 1961 as a pilot program, it became

- Only 69 percent of households eligible for food stamps participated in

- Possible reasons for non-participation include: lack of knowledge about eligi-

- Three-quarters of nonparticipating households said that they were not aware

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
nationwide in 1975. It serves households with gross incomes less than 130 percent of poverty, without other categorical requirements. FSP provides coupons that can be redeemed for food with few restrictions on the type of foods. The federal cost is $19 billion ($1998); in 1998 the program served 20.8 million persons per month (Currie 2003).	1994. A 40 percent increase in enrollments between 1988 and 1993 was due mainly to a higher participation rate among eligibles rather than to an increase in the number of eligibles (Currie 2003). • Take-up of the Food Stamp Program is high among some subgroups of eligibles, but low among others. In 1994, 86 percent of eligible children participated, but only one-third of eligible elderly persons. Virtually all eligible single-parent households were enrolled compared to only 78 percent of eligible households with children and two or	bility; transaction costs associated with enrolling in the program; and stigma associated with participation. • Transaction costs: The average Food Stamp Program application took nearly five hours of time to complete, including at least two trips to an FSP office. Out-of-pocket application costs averaged about $10.31, or 6 percent of the average monthly benefit (Currie 2003).	that they were eligible. Only 7 percent of nonparticipating eligible households gave stigma as their main reason for nonparticipation, but half answered affirmatively to at least one of the survey questions about stigma (Currie 2003). • Haider, Schoeni, and Jacknowitz (2002) found that many elderly people who are eligible for food stamps say that they do not need benefits, which may indicate that there is stigma associated with using the program unless one is very needy. • Currie and Grogger (2002) show that recertification intervals have a

more adults. Participation rates were higher in some states than in others. Participation rates also tended to fall as income rose (House Ways and Means Committee 1998).

- Blank and Ruggles (1996) found that participation in the Food Stamp Program increased with the size of the benefits. They also estimate take-up rates that range from 54 to 66 percent of all eligibles.

negative effect on participation. The introduction of electronic debit cards instead of coupons, which might have reduced stigma, had little effect.

- Daponte, Sanders, and Taylor (1999) found that informing people about their eligibility increases participation. The larger the benefit that people are eligible for, the greater the effect.
- Yelowitz (2000) estimates that for every ten newly eligible families who took up Medicaid benefits, four also took up food stamps. This fact suggests either that those who applied for Medicaid learned about the program, or that it was more worthwhile to apply for both programs than to apply

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
			for only one (that benefits relative to the cost of applying matter).
National School Lunch Program (NSLP) Established in 1946. It cost 5.8 billion and served 27 million lunches in 1998 (Currie 2003). Lunches are free to those with incomes less than 130 percent of poverty.	• 99 percent of public schools and 83 percent of all (public and private) schools participate. Nationally, 92 percent of students have the program available at their school (Burghardt, Gordon, and Devaney 1995). • In 1996, 57 percent of the children enrolled in participating institutions participated in the NSLP. Eighty-six percent of these participants received free lunches. • 87.2 percent of children aged five to seventeen with incomes less than	• In addition to the usual reasons for nonparticipation, families may not enroll in the program if their children are unlikely to eat the meals.	• Participation in the program is higher among children from the poorest families. • Gleason (1995) found that the characteristics of the meals are important determinants of participation. Glantz et al. (1994) found that if children indicate that they will not eat the meals, then parents do not apply. • Burghardt, Gordon, and Chapman (1993) found that over half of eligible nonparticipants believed they were ineligible, 10 percent thought the

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

WIC began in 1972 as a pilot program and became permanent in 1974. Offers nutrition education, supplemental food, and referrals to health and social services to children under five, pregnant women, and nursing mothers with incomes less than 185 percent of poverty. The federal cost is $4 billion (1998 dollars); it served 7.4 million people per month in 1998 (Currie 2003).

130 percent of poverty participated in 1998 (Currie 2003).

- The USDA estimates that 75 percent of eligible persons participated in the program in 1995. Among infants take-up has been estimated to exceed 100 percent (Rossi 1998).
- Bitler, Currie, and Scholz (2003) include those who were adjunctively eligible through participation in other programs and calculate that 58 percent of all infants in any given month in 1998 were eligible for WIC. The take-up rate among eligible infants was 73.2 percent. Among children 1 to 4, 57 percent were eligible for WIC and 38 percent of eligible children received benefits. Estimates for pregnant

- Possible reasons for nonparticipation include lack of knowledge about eligibility, transaction costs associated with enrolling in the program, and stigma associated with participation.
- In addition, WIC is not an entitlement program, so that funds may not be sufficient to serve all eligibles who present. However, in practice, there have been no waiting lists in recent years (National Research Council 2003).
- Estimates of take-up are complicated by the fact that one must be at nutritional risk to qualify. However, it appears that virtually everyone who

certification process was onerous, and 20 percent cited stigma.

- Brien and Swann (1999) show that administrative barriers such as requiring income documentation discourage people from applying for WIC.
- Chatterji et al. (2002) show that in addition, restrictions on the type of food that can be purchased discourage participation.
- Bitler, Currie, and Scholz (2003) find that requiring more frequent visits to WIC offices also has negative effects on participation.

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
	and post-partum women are less accurate because of lack of information about infant feeding practices: It is estimated that 54 percent of all pregnant and post-partum women are eligible for WIC and that 66.5 percent of these women received benefits.	meets income criteria is likely to meet nutritional risk criterion (National Research Council 2003). • Participants in other programs, including Medicaid, are automatically eligible for WIC. The Department of Agriculture has ignored this linkage, resulting in underestimates of the number of eligibles and overestimates of participation rates.	
Child-care subsidy programs First established in 1954, in 1996, PRWORA consolidated four major programs into the Child Care Development Fund. Provides subsidies to working and training families with	• It is estimated that the Child-Care Subsidy Program serves only 15 percent of eligible children (Administration for Children and Families 1999). There is no systematic information available on	• The enrollment process may be particularly difficult for working parents. • Some child-care providers do not accept state subsidies. • It may be difficult to maintain continuous eligi-	• Meyers and Heintze (1999) examined a sample of current and former welfare recipients in four counties of California in 1995. Sixteen percent of employed mothers received a child-care sub-

income less than 85 percent of the state median income (or lower cutoff). The average per-month number of families served in 1998 was 907,351, at a cost of $5.1 billion (House Ways and Means Committee 2003).

how program funds are allocated among eligible children, though information is available on type of care subsidized.

- No figures are available on the percentage of eligible children served by other subsidy programs.
- Witte (2002), using administrative data and survey data for states that guarantee subsidies for all eligible families, estimates the family-level take-up rate for child-care subsidies to be around 40 percent in early 2000. There are large variations across states.

bility for the subsidy if income is variable.

- It is difficult to get information about the various programs available.
- There is insufficient funding to meet the demand. In addition to the block grants, states reallocated a billion dollars of their TANF block grants to child care in 1998.

sidy, 30 percent of mothers enrolled in education or training programs received a subsidy, and 34 percent of mothers in neither activity received a subsidy. The acceptance rate of mothers who applied for a subsidy was 72 percent.

- Fuller et al. (1999), using data collected in San Francisco, San Jose and Tampa in 1998, estimated a model of the child-care subsidy take-up decisions of mothers enrolled in TANF. Of the women in their sample who used any nonmaternal child care, 37 to 44 percent received a subsidy, depending on the site.

Head Start
   Established in 1964, Head Start is a preschool pro-

- In 2000, about two thirds of poor three- to four-year-old children were

- Most programs are part-day, which means that they do not satisfy all

- Currie and Thomas (1995, 2000; Garces, Thomas, and Currie 2002) investi-

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
gram for mostly poor three- and four-year-old children. In 2000, Head Start served 860,000 children at a cost of $5.3 billion (see Currie and Neidell 2003).	served. It is not known how many of the remaining children were constrained by lack of supply. • Black and Hispanic children participate at higher rates than other children. • Programs are required to identify and take the most disadvantaged applicants.	child-care needs of working families. • The program has never been fully funded and many programs have waiting lists.	gated Head Start participation. Participation falls with income and maternal AFQT test scores, but is higher at all income levels for blacks than for whites. • Currie and Neidell (2003) find little evidence that children in high-spending programs are selected differently than children in low-spending programs.

Source: Author's compilation.

Table 3.2   Take-Up of Non-Means-Tested Programs in the United States

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
Medicare Signed into law in 1965, Medicare provides health coverage for the elderly and disabled. It consists of two parts. Part A, for mandatory hospital coverage, and part B, which provides optional outpatient insurance. Since 1997 part C has provided optional insurance for services not included in the traditional package. In 2001, 40.1 million persons were covered, of whom 34.4 million were elderly and 5.7 million disabled. Expenditures in 2001 totaled $241 billion, or $6,199 per enrollee.	• In 2002, 33,410,000 people were enrolled in part A and 32,000,000 in part B. So the implied take-up of part B is 96 percent. See http://www.ssa.gov/OACT/STATS.	• One reason for high take-up of part B is that everyone is automatically enrolled in part A when they turn 65. Even though part B is not mandatory, take-up is high, because those who have become eligible for part A have to fill out a form to decline part B.	• McGarry (2002) provides an overview of Medicare: part A is financed by a payroll tax instituted for this purpose and accounts for about 60 percent of Medicare spending. Part B is financed from general revenues and a monthly premium paid by beneficiaries. In 2002, the premium was $54 per month, and represented about 25 percent of the cost of the insurance. In addition, enrollees pay deductible and co-payments on most services covered by part B.

Social Security disability insurance (DI)

The largest U.S. income replacement program directed toward nonelderly adults. Established in 1956, it is an insurance program that provides monthly cash benefits to workers who are unable to work because of long-term severe disabilities. In 2001, it provided benefits to 6.7 million individuals at a cost of $55 billion.

- After the 1984 liberalization of the Federal Disability Insurance Program, the number of nonelderly adults receiving DI rose by 60 percent (Autor and Duggan 2003).
- The number of beneficiaries increased from 2.8 million in 1988 to 5.5 million in 2002. The number of applications increased from 1 million to 1.7 million and the number of awards from 409,000 to 750,000 (see http://www.ssa.gov/OACT/STATS/disStat.html). These figures suggest that take-up increased, since it is unlikely that the number of disabled was rising so rapidly.

- Applicants provide detailed medical, income, and asset information to the Social Security Administration office. Individuals currently in the labor force are not normally eligible. It is difficult to estimate the size of the eligible group. Some work suggests that minorities and low-socioeconomic status people are more likely to be disabled (Bound, Schoenbaum, and Waidman 1995, 1996), though self-reports of disability status may be biased (Bound 1991).
- Benítez-Silva, Buchinsky and Rust (2004) provide an overview of the long and complicated application process.
- Yelowitz (1996) concludes that rising health insur-

- Bound and Waidman (1992) find that half of the decline in labor-force participation among men 45 to 54 between 1949 and 1987 could be due to the expansion of programs such as DI.
- Mitchell and Phillips (2002) find that older people initially in poor health and of low economic status are more likely to apply for DI.
- Autor and Duggan (2003) find that DI benefits impact labor supply. State-level reductions in benefits induced large increases in labor-force participation of male and female high school dropouts from 1979 to 1984, followed by large declines during the DI expansion from 1984 to 1998.

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
		ance costs between 1987 and 1993 were an important reason for participation in DI, since DI recipients are automatically eligible for Medicaid.	• Benítez-Silva, Buchinsky, and Rust (2004), assuming that self-reports of disability status are correct, look at the magnitude of classification errors in the award process and find that 28 percent of the SSI or DI applicants who are ultimately awarded benefits are not disabled, while 61 percent of applicants who were denied benefits are disabled. This is consistent with Bound's (1989) earlier finding that less than 50 percent of rejected DI applicants work.
Unemployment insurance (UI) An unemployed worker must (1) not be holding a job in the covered sector	• Blank and Card (1991) estimate a take-up rate of 70.7 percent in 1977, falling to 65.8 in 1987.	• Blank and Card (1991) find that at least half of the decline in take-up rates over the past decade	• Although Blank and Card (1991) find that about one quarter of the decline in take-up is still unex-

and be searching for work, (2) observe a minimum waiting period, and 3) have previously accrued a minimum level of earnings, weeks of work, or hours. Approximately, 97 percent of all wage and salary workers are in jobs that are covered by unemployment insurance. These benefits are typically paid on a weekly basis, and typically replace 50 to 60 percent of lost earnings. Federal law levies a 6.2 percent tax on the first $7,000 in wages per year and the law provides a credit of 5.4 percent to employers that pay state taxes under an approved UI system. In 2002, the UI system paid out $41.6 billion in benefits, and took in $21.4 billion in revenues

They also find that rates vary widely across states. From 1980 to 1982, they find a take-up rate of 83 percent (if microdata are used) and 72 percent (using state data).

- Less than 40 percent of the unemployed received UI in recent years, because many do not meet eligibility requirements (Krueger and Meyer 2002).

is due to a shift in unemployment from high- to low-take-up states. Benefit levels and state unionization rates have a strongly positive effect on take-up, while the disqualification rate reduces take-up. The average number of weeks worked in the last year in the unemployed pool also has a negative impact. In individual-level data, there is little evidence that declining take-up is due to increasing administrative strictness by state programs or changes in eligibility. Instead, demographic variables and household characteristics are significant determinants. Krueger and Meyer (2002) note that individu-

plained, Anderson and Meyer (2003), using administrative data from the late 1970s and early 1980s from the UI system in six states, find that a change in the tax treatment of UI benefits could be totally responsible for the unexplained portion of the decline over the early 1980s. (In 1979 UI became subject to income taxes.)

- Card and Levine (2000) study the effects of changes in the duration of unemployment insurance on the behavior of UI claimants. They find that the New Jersey Extended Benefit Program, under which claimants got thirteen additional weeks for the large majority who

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
(see http://workforce-security.doleta.gov/unem-ploycontents/data_stats).		als who are new entrants or reentrants to the labor force, who have irregular work histories, or who quit or are fired are typically ineligible. Meyer (1995) surveys a series of experiments that paid bonuses to people who left unemployment and concludes that such economic incentives affect the speed with which people leave unemployment insurance. • Lemieux and MacLeod (2000) find that response to a 1971 increase in the generosity of the Canadian UI system increased with an individual's experience of the system, lead-	were initially eligible for twenty-six weeks of benefits, raised the fraction of UI claimants who exhausted their regular benefits by one to three percentage points. Moreover, for individuals who were receiving UI when the extension was passed, the rate of leaving UI fell by about 15 percent. • Anderson and Meyer (2003) estimate that a 10 percent increase in the weekly benefit amount would increase the take-up rate by 2.0 to 2.5 percentage points, while a similar increase in the potential duration of the benefits would increase

Workers' compensation (WC) Each state runs its own program. Employers are required to purchase insurance or self-insure to provide a specific amount of cash benefits, medical care, and in some cases rehabilitation services to workers who are disabled.

In 1985, this program covered 87 percent of the workforce and paid out a total of 22.5 billion in benefits (Krueger 1990).

- Krueger and Meyer (2002) state that about 97 percent of the nonfederal labor force is covered, plus all federal employees. However, many workers ineligible for UI are eligible for WC, since workers are eligible when they begin work. It is difficult to estimate take-up, given the difficulty in accurately identifying the eligible.

ing to long-term increases in unemployment as individuals who became unemployed discovered their new entitlements.

- Benefits are about twice those of UI and are not taxable; hence the actual replacement rate may be near 1 (Krueger and Meyer 2002).

take-up by .5 to 1.0 percentage points. A tax increase that decreased the value of after-tax benefits by 10 percent would lower take-up by 1.0 to 1.5 percentage points. Assuming take-up rates of 40 to 60 percent, they estimate benefit elasticities between .33 to .60.

- Krueger (1990) finds that higher workers' compensation benefits are associated with greater participation in the case of men, and that the waiting period has a substantial negative effect on participation. In particular, a 10 percent increase in temporary total benefits would lead to a 4.6 to 6.7 percent increase in workers' compensation recipiency overall.

Table 3.2 Take-Up of Non-Means-Tested Programs in the United States *(Continued)*

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
			• Card and McCall (1996) ask whether workers' compensation is covering uninsured medical costs. They find that workers without medical coverage are no more likely to report a Monday injury than other workers, and that employers are no more likely to challenge a Monday injury claim, even for workers who lack medical insurance. • Krueger and Meyer (2002) summarize the empirical evidence on WC and say that more generous WC is associated with higher reported injury rates, but that the effect is small.

Source: Author's compilation.

Table 3.3 Take-Up Rates of Programs in the United Kingdom

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
Working Families' Tax Credit A refundable tax credit for low-income families with children and an adult who works sixteen hours a week or more. It began in 1999 as a replacement for the Family Credit (introduced in the late 1980s). It is more generous than Family Credit in terms of maximum benefits, the income level where the phase-out begins, and the phase-out rate. Once granted, entitlement continued for six months, regardless of whether the family's financial circumstances changed. It includes a new nonrefundable Childcare Tax Credit. In	• Clark and McCrae (2001) find that official estimates of take-up of the Family Credit (72 percent) are much higher than what they simulate using the TAXBEN simulation model, 48 percent. Take-up rates vary widely depending on marital status—67 percent of single parents compared to 40 percent of couples. Take-up also increases with the size of the benefit. • Brewer, Clark, and Wakefield (2002) estimate take-up rates over time: 77 percent in 1993 to 1994 and 81 percent in 1998 to 1999 for single parents and 66 percent	• Because the credit operates through the tax system, stigma effects should be minimized (Blundell 2002). • Dorsett and Heady (1991) note the close relationship between the Family Credit and Housing Benefit (see "Housing Benefit," this table). They find that the "Housing Benefit" entitlement is an important determinant of take-up of both Family Credit and Housing Benefit.	• Clark and McCrae (2001) find that 26 percent of people who received the Family Credit benefit were not eligible. This may reflect the fact that the entitlement period is six months regardless of changes in family circumstances.

addition, a nonrefundable Children's Tax Credit provides income support to low-income families with children.

Child benefit
    Begun in 1945, it is a universal transfer program for families with children whereby families receive fifteen pounds a week for the first and ten pounds a week for each subsequent child. Normally paid to the mother. When a child is born, the mother receives the claim package at the hospital.

Income support
    Formerly called Supplemental Benefit, it's a means-tested benefit paid to the household head in workless families, to make

and 58 percent for couples for the two time periods, respectively.

- Brewer (2000): Take-up of the child benefit was almost 100 percent in 2000 to 2001.

- According to Brewer (2000), Income Support take-up is estimated to be around 80 percent.
- Duclos (1995) says that take-up among eligibles in

- Duclos (1995) finds that take-up is higher when the value of the benefit is greater. Less than full take-up reflects transaction costs.

- Brewer and Gregg (2001): There has been little change in the Child Benefit over time.

- Brewer and Gregg (2001): Income Support benefit rates have greatly increased since 1998.

Table 3.3   Take-Up Rates of Programs in the United Kingdom

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
up the difference between income and a minimum guaranteed income level.	1985 was 64 percent, but about 82.8 percent of the value of the benefit was received. About 6 percent of recipients are ineligible.		
Job seeker's allowance Begun in 1995, it replaced income support among the unemployed. Benefits are tied to previous wages. Recipients must be eighteen or older and have savings of less than 8,000 pounds and be working less than seventeen hours per week.		• Recipients must abide by a "job seekers agreement" or risk losing benefits.	
"New Deal" Programs Introduced in 1998, these are means-tested programs for the unemployed. For those eighteen to fifty years of age, it includes personal advisers, a "gate-	• At the end of June 2003, 91,380 youths eighteen to twenty-four were partici-pating (Blundell 2002).	• Participation is compul-sory after six months of unemployment for eigh-teen-to-twenty-four-year-olds and after eighteen months for those twenty-five to fifty. Eligible indi-	

way" period of four months, then either training or education, subsidized work, volunteer work, or public-sector employment. Help with child-care and travel costs. Less intensive services are offered to those over fifty, single parents, and the disabled (Brewer, Clark, and Wakefield 2002).

viduals who refuse to participate lose their entitlement to benefits.

Pension credit
Earlier called Income Support for Pensioners, and then Minimum Income Guarantee, Pension Credit, introduced in 2003, provides the difference between one's weekly income and a minimum benefit level. It is expected that roughly half of the elderly will be eligible for Pension Credit (Hancock et al. 2003).

- Among those pensioners eligible for income support in 2000 to 2001, between 64 percent and 78 percent received the benefit (Department of Social Security, 2001; Department of Work and Pensions 2003).

- Forms are complex, so those eligible for only small amounts may not apply. Also, stigma may be greater for Income Support than other forms of support such as the Council Tax Benefit (Hancock et al. 2003).

- Income Support for pensioners rose considerably from 1997 to 2002—by 31 percent for a single pensioner under seventy-five, and by 25 percent for a pensioner couple where one is aged seventy-five or over (Brewer, Clark, and Wakefield 2002).

Table 3.3   Take-Up Rates of Programs in the United Kingdom

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
Programs for the disabled *Incapacity benefit:* A social insurance program that pays fixed benefits to people unable to work. Requires medical evidence. *Severe disablement Allowance and Disability living allowance:* Noncontributory, non-means-tested programs that also make small fixed payments. Those unable to work may also be eligible for Income Support. *Disability working allowance:* eligibles must be in paid work for more than sixteen hours per week, with an illness or disability that creates a disadvantage in securing employment, have			

savings of 16,000 pounds or less, and be in receipt of a qualifying benefit such as Disability Living Allowance.

Housing programs
Housing benefit: A means-tested payment designed to subsidize the rent of those with low incomes. It is paid by local councils.
Council tax benefit: A means-tested program that pays the local taxes (council "rates") of eligible families. It is the most commonly used means-tested program in Britain.

- Brewer, Clark, and Wakefield (2002) estimate take-up rates for housing benefits in 1999 to 2000 of 89 percent for pensioners, 99 percent for nonpensioners with children, and 92 percent for nonpensioners without children.
- The Department for Work and Pensions (2003) estimates that 7 percent of the elderly who are eligible for Housing Benefit do not receive it, compared to 31 percent of elderly eligible for the Council Tax Benefit.

- Clark, Giles, and Hall (1999) note that the Council Tax Benefit is very complex, which discourages take-up. However, those entitled to Income Support are automatically entitled to Housing Benefit and Council Tax Benefit and forms are issued together, which is likely to increase take-up for Income Support (Hancock et al. 2003).

- Blundell, Fry, and Walker (1988) use the 1984 Family Household Survey and find that there is positive relationship between take-up and the level of entitlement. This supports the view that there may be significant costs (ignorance or stigma) associated with claiming. Household characteristics affect take-up rates. The effect of extra household income is to reduce take-up significantly. Those in rented accommodation owned by local housing authorities are more likely to take up their entitlement than

Table 3.3 Take-Up Rates of Programs in the United Kingdom

Means-Tested Program	Take-Up Estimates	Reasons for Low or High Take-Up	Selected Literature
			those in private rented and rent-free accommodation. Among those either in or seeking employment, part-time workers and unemployed with no record of occupation are more likely to take-up. Those under retirement age are substantially less likely to take-up than those over that age. Both age and education have a negative effect on take-up for the employed and unemployed. The presence of both additional adults and older children in the family increases the probability of take-up, although younger children appear to have no significant impact.

Source: Author's compilation.

Figure 4.1   Total Non-elderly Social Expenditures in Six Groupings of Seventeen Nations, as Percentage of GDP[a]
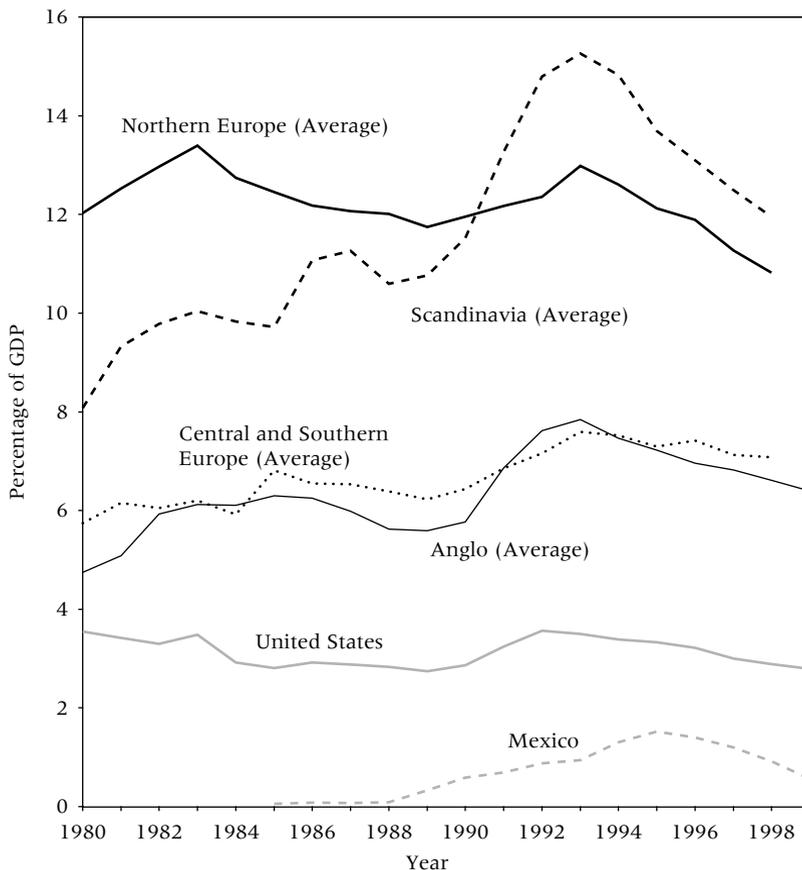
Source: Osberg, Smeeding, Schwabish (2004); Organization for Economic Cooperation and Development (2002).
[a] Includes all cash plus near-cash spending (such as food stamps) and public housing but excludes health care and education spending. Anglos: Australia, U.K., Canada; Scandinavia: Finland, Norway, Sweden; Northern Europe: Belgium, Denmark, Netherlands; Central and Southern Europe: Austria, France, Germany, Italy, Luxembourg, Spain.

Figure 4.2 Relative Poverty Rates and Antipoverty Effects in Eight Nations at the End of the Twentieth Century (Percentage of Persons with Market Income and Disposable Income Less than Half of Adjusted National Disposable Median Income)
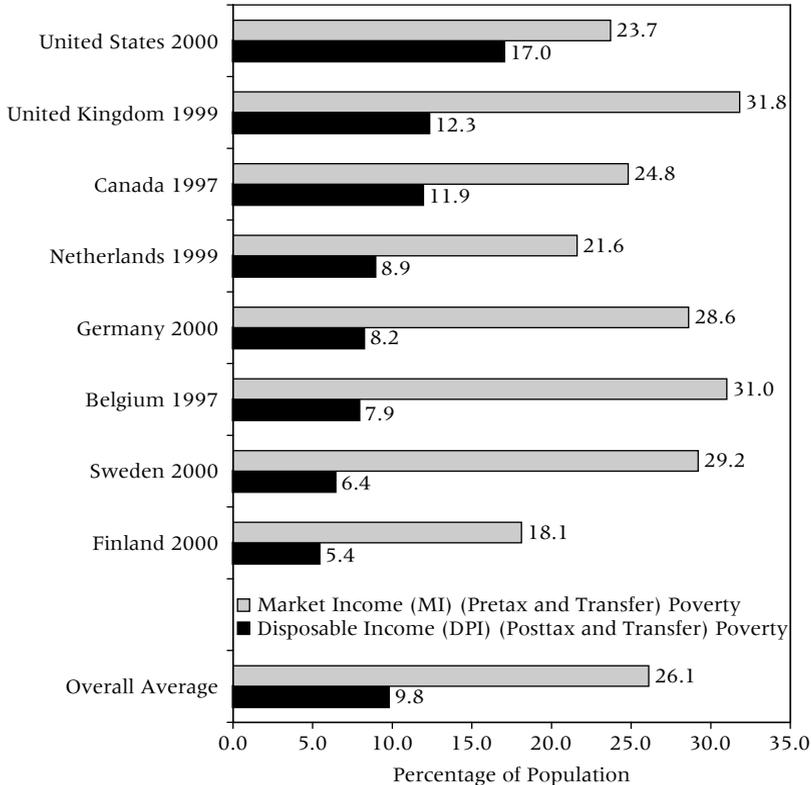
Source: Author's calculations based on Luxembourg Income Study.

Table 4.1 Macroeconomic Comparison

Nation (Year)	Average Standard of Living		OECD Standardized Unemployment Rate	OECD Social Expenditures on Non-Elderly[b]
	GDP per Capita (in 2000 US$)[a]	Index		
United States (2000)	34,106	100	4.0	2.8
Netherlands (1999)	26,517	78	3.2	10.5
Sweden (2000)	25,363	74	5.6	12.6
Germany (2000)	25,329	74	7.8	8.9
Canada (1997)	25,044	73	9.1	6.0
Finland (2000)	24,530	72	9.8	12.1
United Kingdom (1999)	23,723	70	5.9	6.4
Belgium (1997)	23,541	69	9.2	8.9

Source: U.S. Bureau of Labor Statistics (http://www.bls.gov); OECD (http://www.oecd.org); and Organization for Economic Cooperation and Development (2002).
[a]Using 2000 PPPs, price adjusted in each nation to correct year.
[b]Countries with data year 2000 are given the most recent (1999) values available from OECD. Non-elderly social expenditures includes all cash plus near-cash spending (such as food stamps) and public housing but excludes health care and education spending.

Table 4.2 Poverty Rates in Eight Rich Countries, by Age Group, at the End of the Twentieth Century

| Nation (Year) | Poverty Rate[a] | | | | | | Rank of Country | | | | | |
| | | Children and Their Parents[c] | | | | | | Children and Their Parents | | | | |
	Overall[b]	One-Parent	Two-Parent	Elders[d]	Childless[e]	Mixed[f]	Overall	One-Parent	Two-Parent	Elders	Childless	Mixed
United States (2000)	17.0	41.4	13.1	28.4	11.1	14.9	1	1	1	1	2	1
United Kingdom (1999)	12.3	31.3	8.9	24.6	7.7	7.0	2	4	3	2	6	4
Canada (1997)	11.9	38.9	9.5	5.2	12.1	5.9	3	2	2	7	1	6
Netherlands (1999)	8.9	26.8	7.9	3.2	9.5	14.2	4	5	4	8	4	2
Germany (2000)	8.2	31.6	2.8	12.2	9.0	7.5	5	3	6	4	5	3
Belgium (1997)	7.9	12.5	6.6	13.1	7.3	6.3	6	6	5	3	8	5
Sweden (2000)	6.4	11.3	2.1	8.2	9.7	2.4	7	7	8	6	3	7
Finland (2000)	5.4	7.3	2.2	10.1	7.6	2.1	8	8	7	5	7	8
Overall average	9.8	25.1	6.6	13.1	9.3	7.5						

Source: Author's calculations based on Luxembourg Income Survey files.

[a]Poverty is measured at 50 percent median adjusted disposable income (ADPI) for individuals. Incomes are adjusted by E = .5 where ADPI = unadjusted DPI divided by household size (s) to the power E: ADPI = DPI/s^E.

[b]All types of persons regardless of living situation.

[c]Children are under age eighteen. They and the non-elderly adults living with them in the same household are separated into one- and two-parent columns.

[d]Adults aged sixty-five and over living in units with a head aged sixty-five and over.

[e]Childless are couples or singles where the reference person is under age sixty-five.

[f]Mixed households include persons living in multiple generation families.

Table 4.3 Trends in Poverty in Eight Rich Countries, by Age Group: Percentage-Point Change from Initial Year

Nation	Years	Overall	Children	Aged
United States	1979 to 2000	+1.2	+1.5	−2.6
United Kingdom	1979 to 1999	+3.3	+2.9	−0.5
Canada	1981 to 1997	−0.5	+0.9	−16.7
Netherlands	1991 to 1999	+2.3	+1.5	0.0
Germany[a]	1984 to 2000	+1.0	+0.8	−1.1
Belgium	1985 to 1997	+2.5	+3.3	+0.5
Sweden	1981 to 2000	+1.1	−0.7	+0.5
Finland	1987 to 2000	0.0	+0.1	−3.4

Source: Author's calculations using LIS files based on 50 percent of median poverty thresholds. Numbers show actual change in poverty rates at 50 percent of median (in each year) calculated as the change from the initial year. See also http://www.lisproject.org/keyfigures/povertytable.htm.

[a]Only West Germany is included here.

Table 4.4 The Antipoverty Effect of Government Spending: Percent of All Poor Persons,[a] by Income Source

Nation (Year)	Market Income[b]	Social Insurance (and Taxes)[c]	Social Assistance[d]	Percentage Reduction of Poverty	
				Social Insurance[e]	Overall[f]
United States (2000)	23.7	19.3	17.0	18.6	28.3
Netherlands (1999)	21.6	10.9	8.9	49.5	58.8
Sweden (2000)	29.2	11.6	6.4	60.3	78.1
Germany (2000)	28.6	9.9	8.2	65.4	71.3
Canada (1997)	24.8	13.8	11.9	44.4	52.0
Finland (2000)	18.1	11.4	5.4	37.0	70.2
United Kingdom (1999)	31.8	22.8	12.3	28.3	61.3
Belgium (1997)	31.0	8.7	7.9	71.9	74.5
Average	26.1	13.6	9.8	46.9	61.8

Source: Author's calculations based on the Luxembourg Income Study.
[a]Poverty rates are for persons living in households with adjusted incomes below 50 percent of median adjusted disposable income.
[b]Market income includes earnings, income from investments, occupations (private- and public-sector) pensions, child support, and other private transfers.
[c]Includes effect of taxes.
[d]Refunds from the Earned Income Tax Credit (U.S.) and the Family Tax Credit (U.K.) are treated as social assistance, as are near-cash food and housing benefits such as food stamps and housing allowances.
[e]Market-income rate minus social insurance rate as a percentage of market-income rate.
[f]Market-income rate minus social assistance rate as a percentage of market-income rate.

Table 4.5 The Antipoverty Effect of Government Spending: Percentage of Poor Elders,[a] by Income Source

A. Elders Living Alone[b]

| Nation (Year) | Market Income[c] | Social Insurance (and Taxes)[d] | Social Assistance[e] | Percentage Reduction of Poverty | |
				Social Insurance[f]	Overall[g]
United States (2000)	67.1	28.9	28.4	56.9	57.7
Netherlands (1999)	63.1	4.1	3.2	93.5	94.9
Sweden (2000)	86.2	21.6	8.2	74.9	90.5
Germany (2000)	82.9	12.3	12.2	85.2	85.3
Canada (1997)	68.5	6.7	5.2	90.2	92.4
Finland (2000)	35.4	13.9	10.1	60.7	71.5
United Kingdom (1999)	76.8	38.2	24.6	50.3	68.0
Belgium (1997)	91.5	14.3	13.1	84.4	85.7
Average	71.4	17.5	13.1	74.5	80.7

B. All Elders[b]

	Disposable-Income Poverty at Specified Percentage of Adjusted Disposable Income		
Nation (Year)	40%	50%	60%
United States (2000)	15.0	24.7	33.3
Netherlands (1999)	0.4	1.6	21.4
Sweden (2000)	2.1	7.7	21.2
Germany (2000)	5.2	11.6	21.2
Canada (1997)	1.4	5.1	17.3
Finland (2000)	1.1	8.5	24.7
United Kingdom (1999)	10.2	20.9	34.9
Belgium (1997)	1.7	8.7	22.7
Average	4.6	11.1	24.6

Source: Luxembourg Income Study, key figures http://www.lisproject.org/keyfigures/povertytable.htm.

[a]Poverty rates are for persons aged 65 and over, living in households with a reference person 65 or over, and with adjusted incomes below 50 percent of median adjusted disposable income.

[b]Poverty rates are percentage of persons 65 and older regardless of household arrangement with adjusted incomes below the specified percentage of median income.

[c]Market income includes earnings, income from investments, occupations (private- and public-sector) pensions, child support, and other private transfers.

[d]Includes effect of taxes.

[e]Refunds from the Earned Income Tax Credit (U.S.) and the Family Tax Credit (U.K.) are treated as social assistance, as are near-cash food and housing benefits such as food stamps and housing allowances. The poverty rates in this column are the same as those in table 4.2.

[f]Market-income rate minus social insurance rate as a percent of market-income rate.

[g]Market-income rate minus social assistance rate as a percent of market-income rate.

Table 4.6 The Antipoverty Effect of Government Spending: Percentage of One- and Two-Parent Households with Poor Children,[a] by Income Source

A. One-Parent Households

Nation (Year)	Market Income[b]	Social Insurance (and Taxes)[c]	Social Assistance[d]	Percentage Reduction of Poverty	
				Social Insurance[e]	Overall[f]
United States (2000)	48.6	48.2	41.4	0.8	14.8
Netherlands (1999)	55.2	44.0	26.8	20.3	51.4
Sweden (2000)	48.3	22.9	11.3	52.6	76.6
Germany (2000)	51.0	40.3	31.6	21.0	38.0
Canada (1997)	53.3	44.8	38.9	15.9	27.0
Finland (2000)	41.2	27.4	7.3	33.5	82.3
United Kingdom (1999)	75.6	71.1	31.3	6.0	58.6
Belgium (1997)	45.1	18.3	12.5	59.4	72.3
Average	52.3	39.6	25.1	26.2	52.6

B. Two-Parent Households

Nation (Year)	Market Income[b]	Social Insurance (and Taxes)[c]	Social Assistance[d]	Percentage Reduction of Poverty	
				Social Insurance[e]	Overall[f]
United States (2000)	13.9	15.2	13.1	(9.4)	5.8
Netherlands (1999)	9.9	8.4	7.9	15.2	20.2
Sweden (2000)	9.6	5.2	2.1	45.8	78.1
Germany (2000)	7.4	4.5	2.8	39.2	62.2
Canada (1997)	15.6	11.1	9.5	28.8	39.1
Finland (2000)	10.7	7.0	2.2	34.6	79.4
United Kingdom (1999)	17.8	16.5	8.9	7.3	50.0
Belgium (1997)	12.6	6.9	6.6	45.2	47.6
Average	12.2	9.4	6.6	25.8	47.8

Source: Author's calculations based on the Luxembourg Income Study.

[a]Poverty rates are for all persons living in households with one or two non-aged parents, with adjusted incomes below 50 percent of median adjusted disposable income.

[b]Market income includes earnings, income from investments, occupations (private- and public-sector) pensions, child support, and other private transfers.

[c]Includes effect of taxes.

[d]Refunds from the Earned Income Tax Credit (U.S.) and the Family Tax Credit (U.K.) are treated as social assistance, as are near-cash food and housing benefits such as food stamps and housing allowances.

[e]Market-income rate minus social insurance rate as a percent of market-income rate.

[f]Market-income rate minus social assistance rate as a percent of market-income rate.

Table 4.7 Pre- and Posttax and Transfer Rates by Education Level: Percentage of Poor[a] Children, by Head or Reference Person, Across Education Levels

A. All Children

Nation (Year)	Market Income[b]	Social Insurance (and Taxes)[c]	Social Assistance[d]	Percentage Reduction of Poverty	
				Social Insurance[e]	Overall[f]
United States (2000)	24.7	25.2	21.9	(2.0)	11.3
Sweden (2000)	18.7	9.4	4.1	49.7	78.1
Germany (2000)	14.2	9.5	6.8	33.1	52.1
Canada (1997)	23.6	17.9	15.6	24.2	33.9
Finland (2000)	16.7	10.6	2.8	36.5	83.2
United Kingdom (1999)	34.1	32.0	15.4	6.2	54.8
Belgium (1997)	17.4	8.5	7.6	51.1	56.3
Average	21.3	16.2	10.6	28.4	52.8

Table 4.7   Pre- and Posttax and Transfer Rates by Education Level: Percentage of Poor[a] Children, by Head or Reference Person, Across Education Levels (*Continued*)

B. Children with Lowest Education Level Parents[g]

Nation (Year)	Market Income[b]	Social Insurance (and Taxes)[c]	Social Assistance[d]	Percentage Reduction of Poverty		Percentage Parents in Lowest Level
				Social Insurance[e]	Overall[f]	
United States (2000)	55.5	56.8	51.3	(2.3)	7.6	15.7
Sweden (2000)	30.7	17.7	5.9	42.3	80.8	17.4
Germany (2000)	17.2	10.7	6.6	37.8	61.6	28.4
Canada (1997)	43.5	34.1	29.8	21.6	31.5	14.4
Finland (2000)	30.6	19.6	6.1	35.9	80.1	20.2
United Kingdom (1999)	46.9	41.9	18.7	10.7	60.1	21.9
Belgium (1997)	47.4	28.9	24.7	39.0	47.9	9.9
Average	38.8	30.0	20.4	26.4	52.8	18.3

C. Children with Other Education Level Parents

Nation (Year)	Market Income[b]	Social Insurance (and Taxes)[c]	Social Assistance[d]	Percentage Reduction of Poverty	
				Social Insurance[e]	Overall[f]
United States (2000)	19.1	19.4	16.5	(1.6)	13.6
Sweden (2000)	16.1	7.6	3.8	52.8	76.4
Germany (2000)	12.9	9.1	6.9	29.5	46.5
Canada (1997)	20.2	15.2	13.2	24.8	34.7
Finland (2000)	13.1	8.3	2.0	36.6	84.7
United Kingdom (1999)	31.3	29.8	14.6	4.8	53.4
Belgium (1997)	14.2	6.3	5.8	55.6	59.2
Average	18.1	13.7	9.0	28.9	52.6

Source: Author's calculations based on the Luxembourg Income Study.

[a]Poverty rates are for persons living in households with adjusted incomes below 50 percent of median adjusted disposable income.

[b]Market income includes earnings, income from investments, occupations (private- and public-sector) pensions, child support, and other private transfers.

[c]Includes effect of taxes.

[d]Refunds from the Earned Income Tax Credit (U.S.) and the Family Tax Credit (U.K.) are treated as social assistance, as are near-cash food and housing benefits such as food stamps and housing allowances.

[e]Market-income rate minus social insurance rate as a percent of market-income rate.

[f]Market-income rate minus social assistance rate as a percent of market-income rate.

[g]Lowest level is less than a high school degree in the United States.

Table 4.8   Mean Number of Annual Work Hours, by Quintile[a]

A. Actual Work Hours

1. All Non-Elderly Adults (Head and Spouse)

Nation (Year)	Lowest	Middle	Highest
United States (2000)	1,645	3,097	3,605
Netherlands (1999)	1,132	2,392	3,097
Germany (2000)	870	2,603	3,228
Canada (1997)	1,081	2,670	3,248
Belgium (1997)	1,114	2,531	3,064
Average	1,168	2,659	3,248

2. Single Parents (Head Only)[b]

Nation (Year)	Lowest	Middle	Highest
United States (2000)	1,104	1,938	2,115
Netherlands (1999)	585	1,158	1,340
Germany (2000)	659	1,859	1,456
Canada (1997)	440	1,648	1,799
Belgium (1997)	455	1,558	826
Average	649	1,632	1,507

B. Hours as Percentage of "Average Middle-Income Household"

1. All Non-Elderly Adults (Head and Spouse)

Nation (Year)	Lowest	Middle	Highest
United States (2000)	61.9	116.5	135.6
Netherlands (1999)	42.6	90.0	116.5
Germany (2000)	32.7	97.9	121.4
Canada (1997)	40.7	100.4	122.2
Belgium (1997)	41.9	95.2	115.2
Average	43.9	100.0	122.2

2. Single Parents (Head Only)[b]

Nation (Year)	Lowest	Middle	Highest
United States (2000)	67.6	118.7	129.6
Netherlands (1999)	35.8	70.9	82.1
Germany (2000)	40.4	113.9	89.2
Canada (1997)	27.0	101.0	110.2
Belgium (1997)	27.9	95.5	50.6
Average	39.7	100.0	92.3

Table 4.8 Mean Number of Annual Work Hours, by Quintile[a] (*Continued*)

3. Two Parents (Head's Hours Only)[c]

Nation (Year)	Lowest	Middle	Highest	Nation (Year)	Lowest	Middle	Highest
United States (2000)	1,708	2,218	2,426	United States (2000)	82.5	107.1	117.2
Netherlands (1999)	1,164	2,024	2,311	Netherlands (1999)	56.2	97.8	111.6
Germany (2000)	1,267	2,133	2,211	Germany (2000)	61.2	103.0	106.8
Canada (1997)	1,258	1,952	2,138	Canada (1997)	60.8	94.3	103.3
Belgium (1997)	1,139	2,023	2,040	Belgium (1997)	55.0	97.7	98.6
Average	1,307	2,070	2,225	Average	63.1	100.0	107.5

Source: Author's tabulations based on the Luxembourg Income Study.

[a]Mean annual hours of work per year in each nation for adults (18 to 64) classified by type of household.

[b]Single parents may have one adult who works and also perhaps an older child in some circumstances, but we only count hours of work for the single parent here.

[c]Two-parent households may have two adults and older children who work, but we only count the hours of the head here.

Table 4.9 Poverty Rate (Percentage Who Are Poor) by Number of Hours Worked and Income Source, for One-Parent Versus Two-Parent Families

A. All Hours Worked

Nation (Year)	All Children			Children in a One-Parent Family			Children in a Two-Parent Family		
	Market Income	Social Insurance	Social Assistance	Market Income	Social Insurance	Social Assistance	Market Income	Social Insurance	Social Assistance
United States (2000)	24.2	25.2	21.9	54.0	53.3	46.2	15.5	16.9	14.7
Netherlands (1999)	13.8	11.4	9.6	56.1	45.8	29.9	9.8	8.2	7.7
Germany (2000)	13.9	9.6	6.8	56.1	44.1	34.5	7.8	4.6	2.8
Canada (1997)	23.6	18.2	15.8	57.0	48.3	42.5	16.5	11.8	10.1
Belgium (1997)	17.3	8.6	7.6	46.3	17.3	11.3	13.8	7.5	7.2
Average	18.6	14.6	12.3	53.9	41.8	32.9	12.7	9.8	8.5

B. Less than 1,000 Hours Worked (Head)

Nation (Year)	All Children			Children in a One-Parent Family			Children in a Two-Parent Family		
	Market Income	Social Insurance	Social Assistance	Market Income	Social Insurance	Social Assistance	Market Income	Social Insurance	Social Assistance
United States (2000)	88.8	84.3	78.8	89.4	86.3	80.9	87.0	78.2	72.6
Netherlands (1999)	85.5	70.9	56.4	88.0	77.3	48.4	83.9	66.7	61.7
Germany (2000)	74.6	43.7	28.1	91.1	77.2	59.5	58.2	43.7	28.1
Canada (1997)	79.7	68.0	59.5	88.0	79.1	71.4	70.6	55.8	46.4
Belgium (1997)	72.1	35.5	30.5	89.3	35.0	22.0	65.4	35.7	33.5
Average	80.1	60.5	50.7	89.2	71.0	56.4	73.0	56.0	48.5

Table 4.9 Poverty Rate (Percentage Who Are Poor) by Number of Hours Worked and Income Source, for One-Parent Versus Two-Parent Families

C. 1,000 Hours or More Worked (Head)

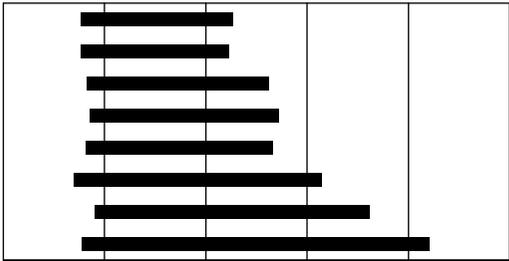| Nation (Year)	All Children			Children in a One-Parent Family			Children in a Two-Parent Family		
	Market Income	Social Insurance	Social Assistance	Market Income	Social Insurance	Social Assistance	Market Income	Social Insurance	Social Assistance
United States (2000)	27.9	29.8	25.1	40.3	40.6	32.9	21.5	24.2	21.0
Netherlands (1999)	5.7	4.2	3.6	26.9	17.0	13.1	3.9	3.2	2.8
Germany (2000)	6.0	2.9	1.9	20.7	10.6	9.2	4.2	2.0	1.0
Canada (1997)	17.9	11.7	9.9	22.4	13.9	10.2	16.7	11.1	9.8
Belgium (1997)	7.8	3.2	3.2	9.7	2.3	2.3	7.5	3.3	3.3
Average	13.1	10.4	8.7	24.0	16.9	13.5	10.8	8.8	7.6

Source: Author's calculations, based on the Luxembourg Income Study.

Table 4.10   Relative and Real Economic Well-Being of All Persons in Eight Rich Countries[a]
(Numbers Given are Percentage of Median in Each Nation and Gini Coefficient)

A. Real Income Relative to Own Median Income

	P10/P50 (Low Income)	Economic Distance[e]	P90/P50 (High Income)	P90/P10 (Decile Ratio)	Gini Coefficient[b]
Sweden (2000)	57		168	2.95	.254
Finland (2000)	57		164	2.90	.247
Germany (2000)	55		173	3.17	.252
Belgium (1997)	53		170	3.19	.250
Netherlands (1999)	53		175	3.27	.253
United Kingdom (1999)	47		214	4.54	.345
Canada (1997)	47		186	3.99	.291
United States (2000)	39		210	5.43	.368
		0 50 100 150 200 250			
Average[c]	51		183	3.68	.283

B. Real Income as Percentage of Overall U.S. 2000 Median-Equivalent Income in PPP Terms[d]

	P10/P50 (Low Income)	Economic Distance[e]	P90/P50 (High Income)	P90/P10 (Decile Ratio)	Real-Income Gap Between Rich and Poor
Sweden (2000)	38		113	2.95	$18,263.17
Finland (2000)	38		111	2.90	$17,774.85
Germany (2000)	41		131	3.17	$21,827.90
Belgium (1997)	43		136	3.19	$22,755.71
Netherlands (1999)	41		133	3.27	$22,511.55
United Kingdom (1999)	35		157	4.54	$29,909.60
Canada (1997)	45		181	3.99	$33,083.68
United States (2000)	39		210	5.43	$41,897.86
		0 50 100 150 200 250			
Average[c]	40		146	3.68	$26,003.04

Source: Luxembourg Income Study and author's calculations.

[a]Figures given are adjusted dollars per equivalent person (child) in own currency as a percent of own overall national median income (P50), weighted for the number of persons in each unit. In panel A, the 10/50 and 90/50 columns are the country's 90th and 10th percentiles relative to the nation's median, and the 90/10 column is the country's 90th percentile relative to the country's 10th percentile. In panel B, the 10/50 and 90/50 columns are the country's 90th and 10th percentiles relative to the U.S. median.

[b]Gini coefficients are based on incomes that are bottom-coded at 1 percent of mean disposable income and top-coded at ten times the median disposable income.

[c]Simple average.

[d]Figures given are adjusted dollars per equivalent person 2000 U.S. dollars, weighted for the number of persons in each unit size, and relative to the overall U.S. median income of $24,416.

[e]Length of bar represents the gap between low- and high-income individuals.

Table 4.11 Relative and Real Economic Well-Being of Elderly Persons in Eight Countries,[a] as Percentage of Median Income in Each Country

A. Real Income Relative to Own Median Income

	P10/P50 (Low Income)	Economic Distance[d]	P90/P50 (High Income)	P90/P10 (Decile Ratio)
Sweden (2000)	52		123	2.39
Finland (2000)	50		120	2.40
Germany (2000)	48		145	3.01
Belgium (1997)	46		132	2.85
Netherlands (1999)	59		159	2.68
United Kingdom (1999)	38		125	3.30
Canada (1997)	54		146	2.71
United States (2000)	33		179	5.42
Average[b]	48	0 50 100 150 200 250	141	3.09

B. Real Income as Percentage of Overall U.S. 2000 Median-Equivalent Income in PPP Terms[c]

	P10/P50 (Low Income)	Economic Distance[d]	P90/P50 (High Income)	P90/P10 (Decile Ratio)	Real-Income Gap Between Rich and Poor
Sweden (2000)	35		83	2.39	$11,744.10
Finland (2000)	34		81	2.40	$11,573.18
Germany (2000)	36		110	3.01	$17,896.93
Belgium (1997)	37		105	2.84	$16,602.88
Netherlands (1999)	45		121	2.68	$18,482.91
United Kingdom (1999)	28		92	3.31	$15,650.66
Canada 1997	52		142	2.71	$21,827.90
United States (2000)	33		179	5.42	$35,696.19
Average[b]	38	0 50 100 150 200 250	114	3.09	$18,684.34

Source: Luxembourg Income Study and author's calculations.

[a]Figures given are adjusted dollars per equivalent person (child) in own currency as a percent of own overall national median income (P50), weighted for the number of elderly persons in each unit.

[b]Simple average.

[c]Figures given are adjusted dollars per equivalent person 2000 U.S. dollars, weighted for the number of persons in each unit size, and relative to the overall U.S. median income of $24,416.

[d]Length of bars represents the gap between low- and high-income individuals.

Table 4.12   Relative and Real Economic Well-Being of Two-Parent Families with Children in Eight Countries,[a] as Percentage of Median Income in Each Country

A. Relative to Own Median Income

	P10/P50 (Low Income)	Economic Distance[d]	P90/P50 (High Income)	P90/P10 (Decile Ratio)
Sweden (2000)	71		163	2.28
Finland (2000)	67		158	2.36
Germany (2000)	67		165	2.47
Belgium (1997)	58		163	2.80
Netherlands (1999)	57		154	2.72
United Kingdom (1999)	51		203	3.94
Canada (1997)	51		169	3.31
United States (2000)	45		197	4.41
Average[b]	58	(0 50 100 150 200 250)	171	3.04

B. Real Income as Percentage of Overall U.S. 2000 Median-Equivalent Income in PPP Terms[c]

	P10/P50 (Low Income)	Economic Distance[d]	P90/P50 (High Income)	P90/P10 (Decile Ratio)	Real-Income Gap Between Rich and Poor
Sweden (2000)	48		109	2.28	$26,686.69
Finland (2000)	45		107	2.36	$14,332.19
Germany (2000)	50		125	2.47	$19,386.30
Belgium (1997)	46		130	2.80	$19,386.30
Netherlands (1999)	43		117	2.72	$17,188.86
United Kingdom (1999)	38		148	3.94	$25,734.46
Canada (1997)	50		164	3.31	$30,788.58
United States (2000)	45		197	4.41	$35,891.52
Average[b]	46	0 50 100 150 200 250	137	3.03	$23,674.36

Source: Luxembourg Income Study and author's calculations.

[a]Figures given are adjusted dollars per equivalent person (child) in own currency as a percentage of own overall national median income (P50), weighted for the number of two parents with children in each unit.
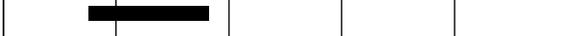
[b]Simple average.

[c]Figures given are adjusted dollars per equivalent person 2000 U.S. dollars, weighted for the number of persons in each unit size, and relative to the overall U.S. median of $24,416.
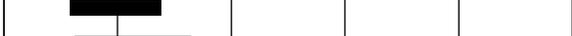
[d]Length of bars represents the gap between high- and low-income individuals.

Table 4.13 Relative and Real Economic Well-Being of Single Parents with Children in Eight Countries,[a] as Percentage of Median Income in Each Country

A. Relative to Own Median Income

	P10/P50 (Low Income)	Economic Distance[d]	P90/P50 (High Income)	P90/P10 (Decile Ratio)
Sweden (2000)	49		100	2.06
Finland (2000)	52		114	2.22
Germany (2000)	26		103	3.97
Belgium (1997)	46		133	2.88
Netherlands (1999)	38		91	2.40
United Kingdom (1999)	42		112	2.70
Canada (1997)	30		118	4.00
United States (2000)	21		131	6.12
Average[b]	38	0 50 100 150 200 250	113	3.29

B. Real Income as Percentage of Overall U.S. 2000 Median-Equivalent Income in PPP Terms[c]

	P10/P50 (Low Income)	Economic Distance	P90/P50 (High Income)	P90/P10 (Decile Ratio)	Real-Income Gap Between Rich and Poor
Sweden (2000)	33		67	2.06	$8,472.35
Finland (2000)	35		77	2.22	$10,376.80
Germany (2000)	20		78	3.95	$14,210.11
Belgium (1997)	37		106	2.88	$16,895.87
Netherlands (1999)	29		69	2.40	$9,864.06
United Kingdom (1999)	31		82	2.69	$12,647.49
Canada (1997)	29		115	3.99	$21,046.59
United States (2000)	21		131	6.12	$26,759.94
Average[b]	29	0 50 100 150 200 250	91	3.29	$15,034.15

Source: Luxembourg Income Study and author's calculations.

[a]Figures given are adjusted dollars per equivalent person (child) in own currency as a percent of own overall national median income (P50), weighted for the number of single parents with children in each unit.

[b]Simple average.

[c]Figures given are adjusted dollars per equivalent person 2000 U.S. dollars, weighted for the number of persons in each unit size, and relative to the overall U.S. median of $24,416.

[d]Length of bars represents the gap between high- and low-income individuals.

Table 4A.1 Macro and Micro Comparisons

Nation (Year)	GDP per Capita (in 2000 US$)[a]	Index	LIS Median DPI (in 2000 US$)[a]	Index
United States (2000)	34,106	100	24,116	100
Netherlands (1999)	26,517	78	18,328	76
Sweden (2000)	25,363	74	16,206	67
Germany (2000)	25,329	74	18,208	76
Canada (1997)	25,044	73	21,005	87
Finland (2000)	24,530	72	16,327	68
United Kingdom (1999)	23,723	70	17,677	73
Belgium (1997)	23,541	69	19,245	80

Source: OECD and Luxembourg Income Study.
[a]Median DPI per equivalent adult in real 2000 PPP dollars, using OECD PPPs, price-adjusted in each nation to correct year.

Table 4A.2   Distribution of Household Types, as Percentage of All Persons

Nation (Year)	Mixed[a]	Elders	Non-Elderly Childless	Non-Elderly Single Parent	Two Parents with Children	Total
United States (2000)	8.4	8.7	29.8	10.6	42.5	100.0
Netherlands (1999)	3.7	10.8	36.0	3.5	45.9	100.0
Sweden (2000)	3.8	15.1	35.1	7.9	38.1	100.0
Germany (2000)	6.2	16.7	38.6	4.0	34.6	100.0
Canada (1997)	8.0	8.7	33.9	7.3	42.1	100.0
Finland (2000)	6.4	11.7	36.4	5.7	39.7	100.0
United Kingdom (1999)	7.0	12.0	34.4	9.0	37.5	100.0
Belgium (1997)	7.5	13.1	34.1	4.3	41.1	100.0
Average	6.4	12.1	34.8	6.5	40.2	100.0

Source: Author's calculations from Luxembourg Income Study.
[a]Mixed are likely to be elder and nonelderly families living together, and include very few elders with children.

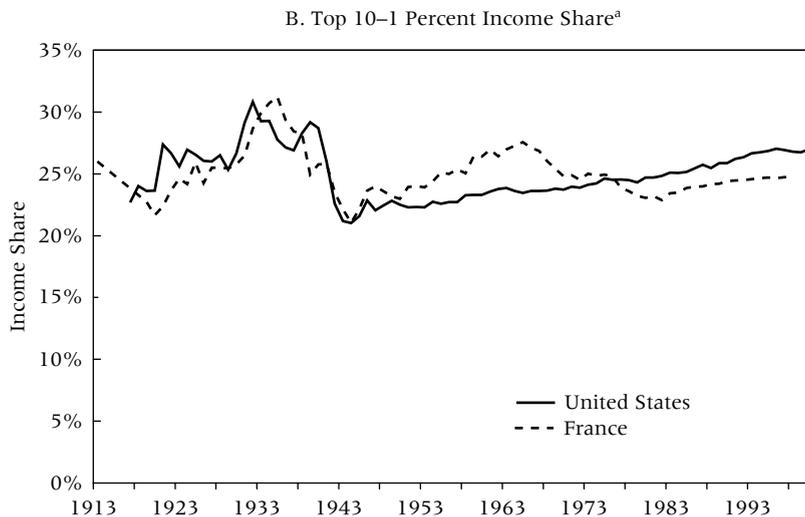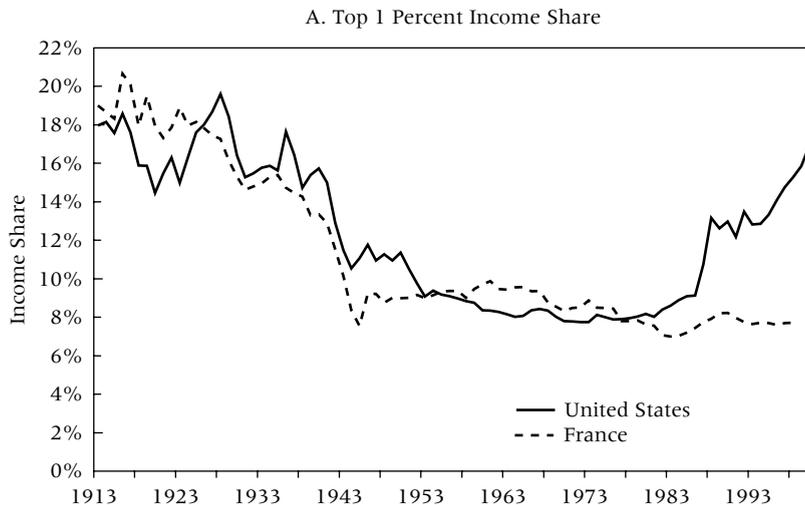*Figure 5.1*   Average Real Incomes in the United States, the United Kingdom, France, and Switzerland, 1913 to 2000[a]
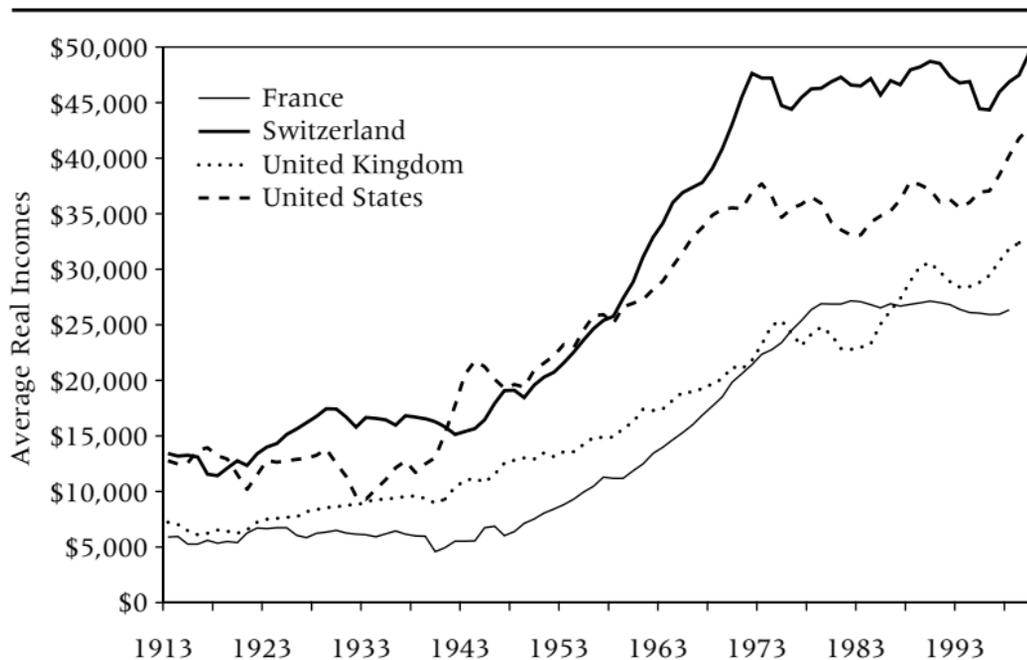
Figure 5.2 Top 1 percent and Top 10–1 Percent Income Shares in the
United States and France, 1913 to 2000

A. Top 1 Percent Income Share

B. Top 10–1 Percent Income Share[a]

Note: The unit is the family.
[a]Top 10–1 percent is the top decile, excluding the top 1%.

Figure 5.3   Top .1 Percent Income Share in Anglo-Saxon Countries
Versus Continental Europe, 1913 to 2000

A. Top .1 Percent Income Share in Anglo-Saxon Countries

B. Top .1 Percent Income Share in Continental Europe Countries
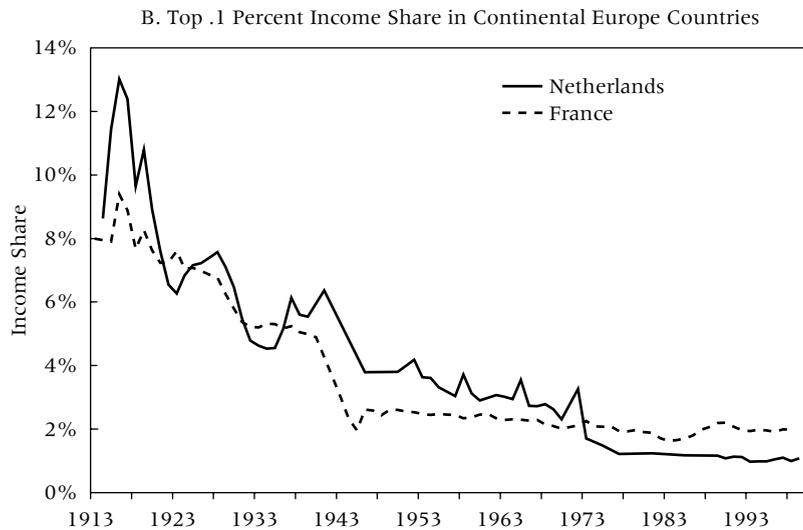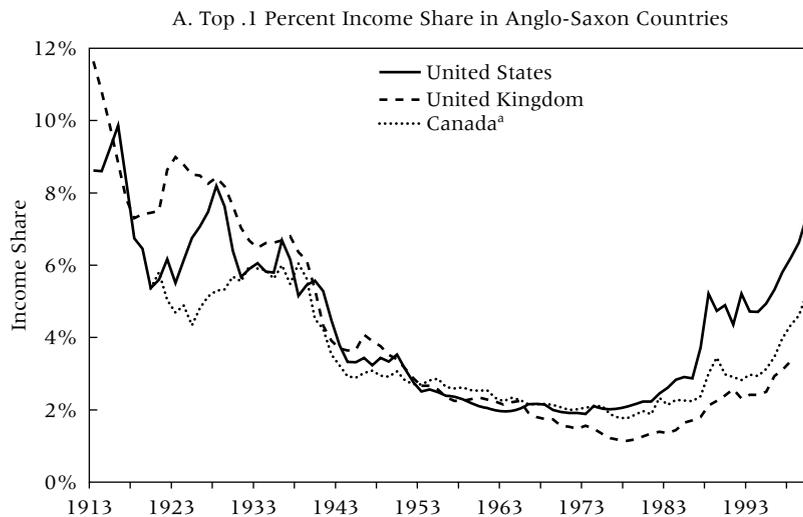
Sources: United States: Piketty and Saez (2003); United Kingdom: Atkinson (2002); Canada: Saez and Veall (2003); France: Piketty (2001); Netherlands: Atkinson and Salverda (2003).
[a]The unit for Canada is the individual adult.

Figure 5.4   Top .1 Percent Income Share and Composition in France and the United States, 1916 to 2000

A. Top .1 Percent Share and Composition in France

B. Top .1 Percent Share and Composition in the United States
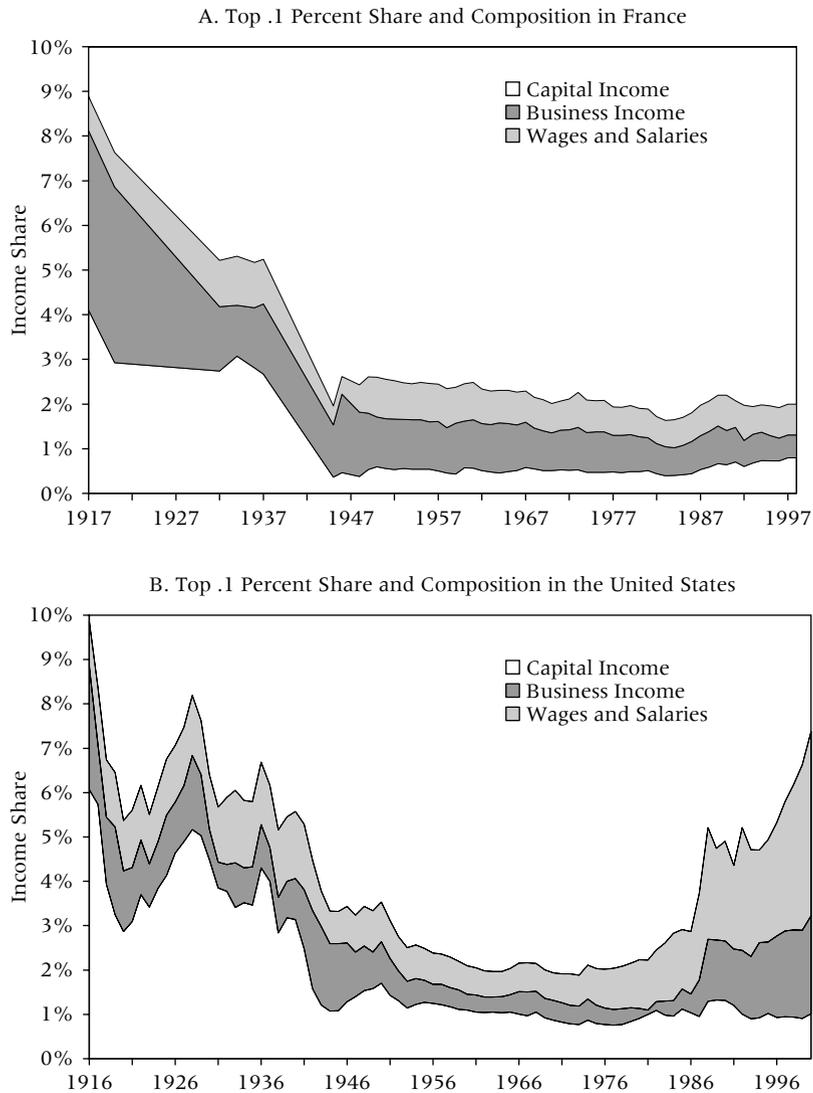
Sources: United States: Piketty and Saez (2003); France: Piketty (2001, table B-18).
Note: Capital income is dividends, interest income, rents, and so on, but excludes capital gains. Business income is self-employment income and profits from unincorporated businesses (and S-corporations in the U.S.). Wages and salaries include also pensions and exercises of stock options.

Figure 5.5   The Top 1 Percent Wealth Share in the United States, the
United Kingdom, and France

Figure 5.6   Comparison of Switzerland and the United States

A. Top 1 Percent Wealth Share, 1915 to 2000

B. Top 1 Percent Income Share, 1933 to 2000
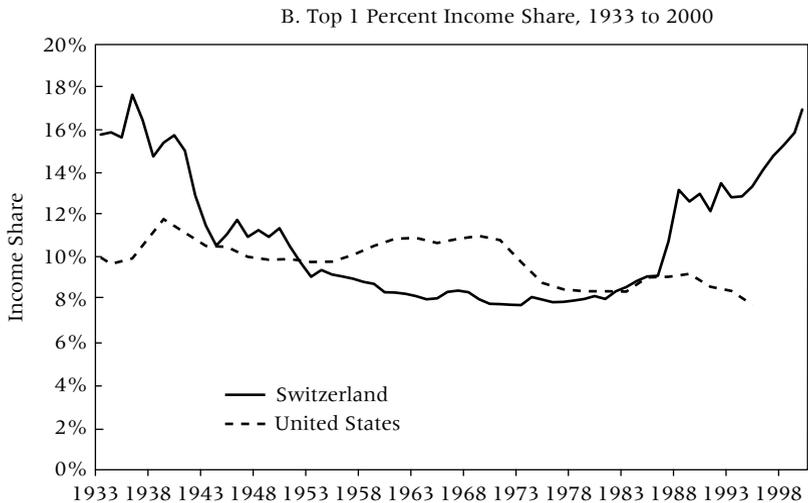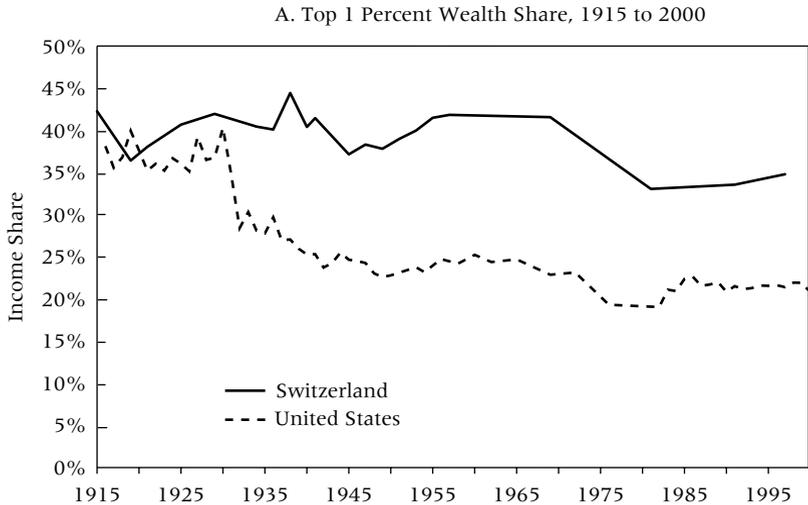
Sources: United States: Piketty and Saez (2003); Switzerland: Dell, Piketty, and Saez (2003).

Figure 5.7   The Pattern of Top Wage-Income Shares

A. Top 1 Percent Wage-Income Share in France
and the United States, 1923 to 2000

B. Top 0.1 Percent Wage Income Share in Canada and the United States

Figure 5.8 Mobility of High Incomes in Canada, 1982 to 2000

A. Top .1 Percent Income Share, Centered Averages over Various Years

B. Probability of Staying in Top .1 Percent Group
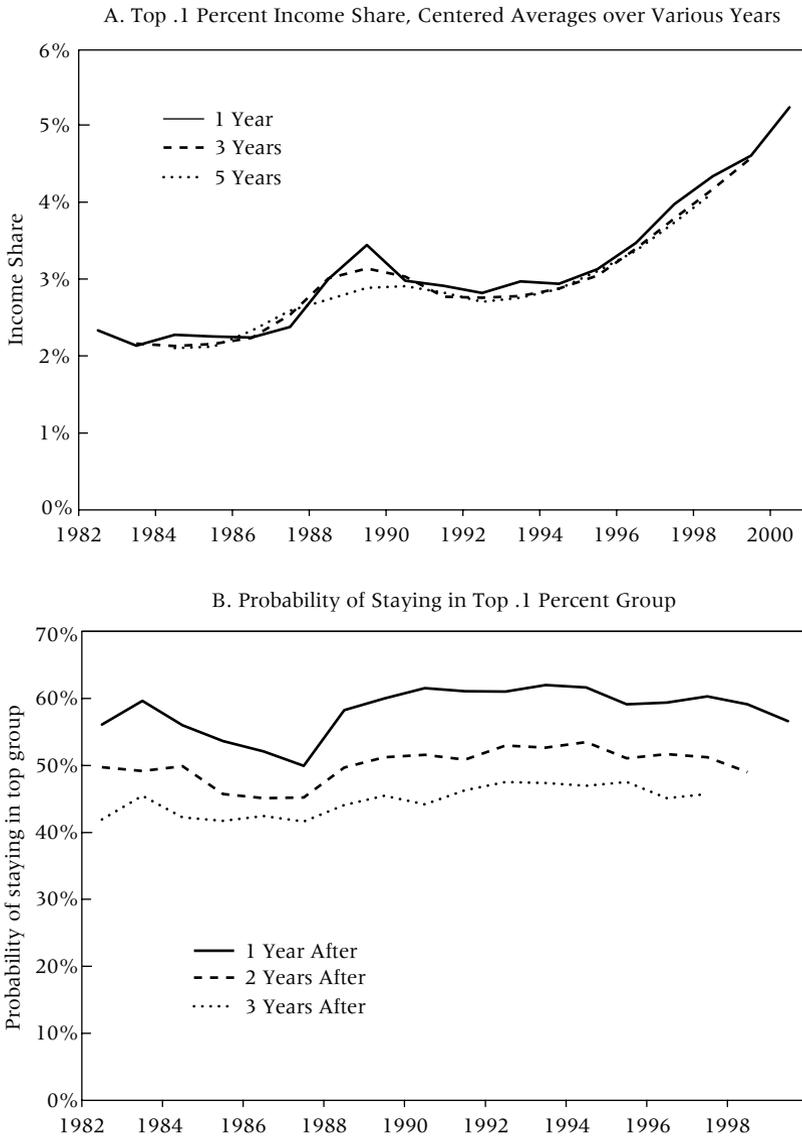
Source: Saez and Veall (2003). Computations based on the Longitudinal Administrative Database of individual Canadian tax returns.
Note: Panel A reports the top .1 percent income share for incomes averaged over one year, three years, and five years. Panel B reports the probability of staying in top .1 percent income group one year, two years, and three years

Figure 5.9   Marginal Tax Rates and Income Share for the Top .1 Percent in the United States and Canada, 1960 to 2000

A. United States (Excluding State Income Taxes)

B. Canada (Including Ontario Provincial Tax)

Figure 6.1   Poverty Rate of Elderly Households and Social Security Expenditures over Time
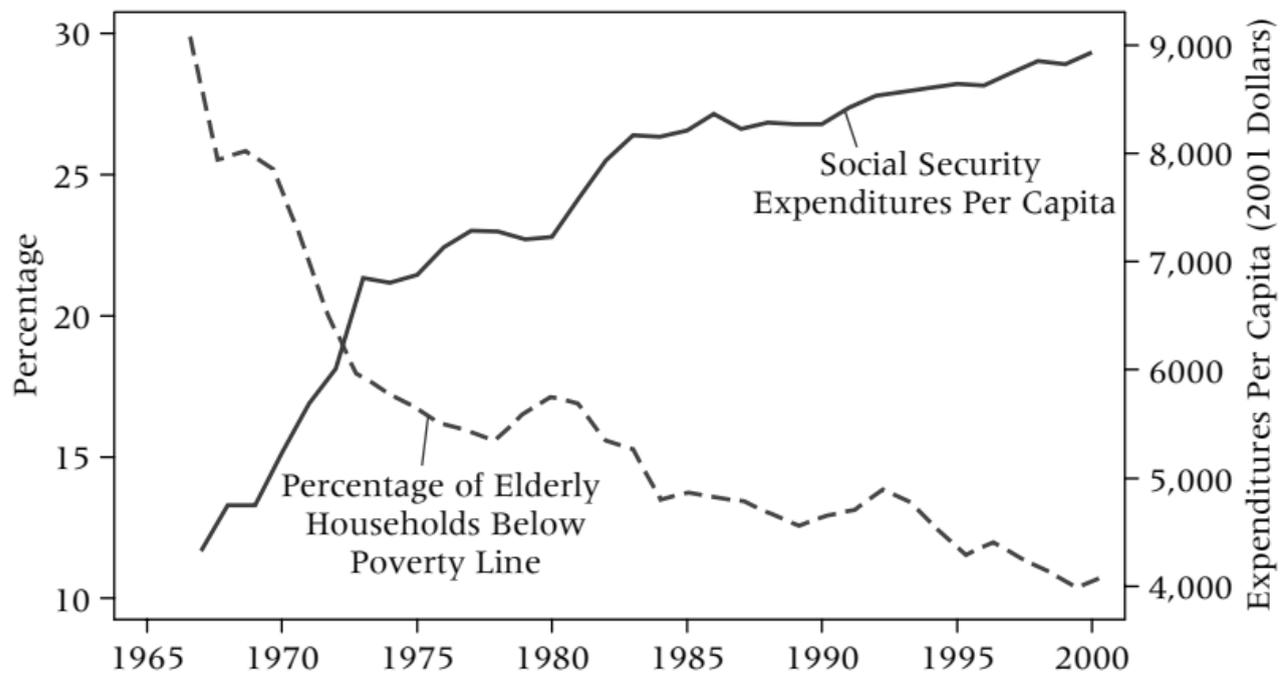
Source: Authors' compilation.

Figure 6.2   Absolute and Relative Social Security Expenditures over Time
as Percentage of Non-Elderly Income
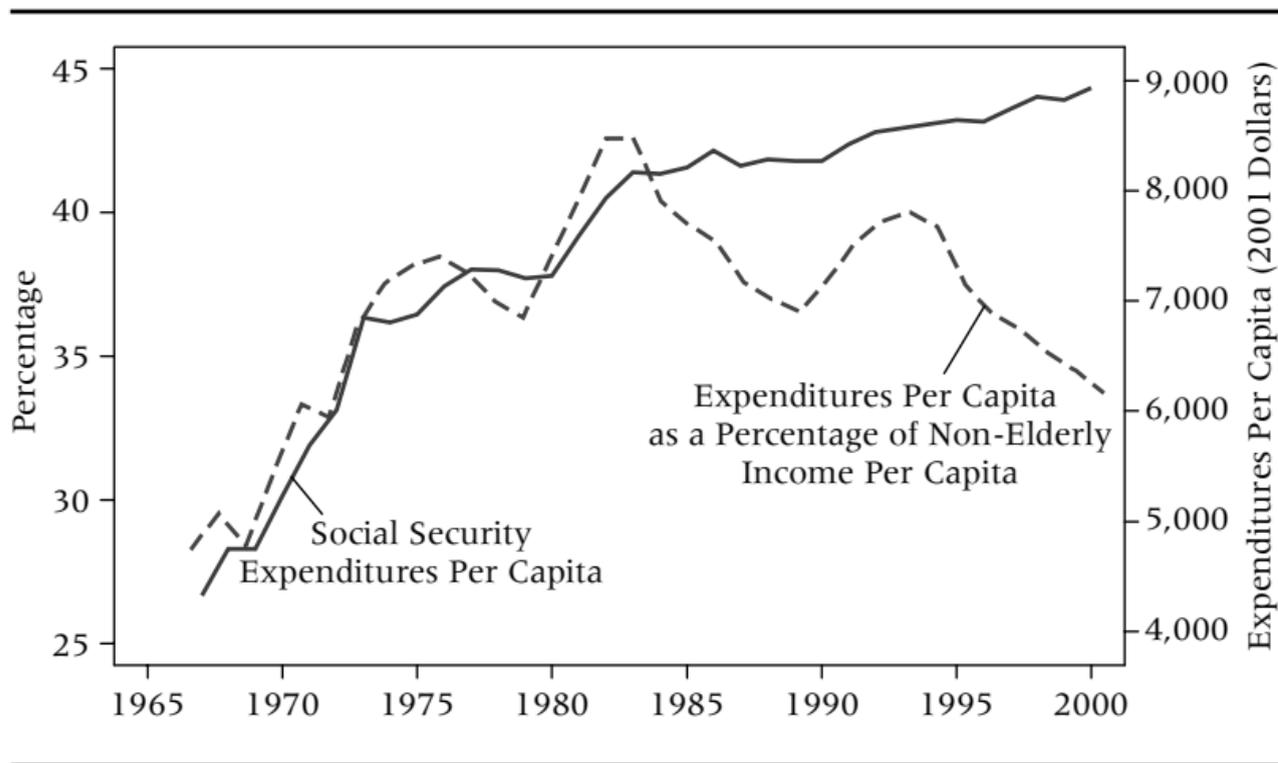
Source: Authors' compilation.

Figure 6.3   Absolute Poverty of Elderly and Non-Elderly Households over Time
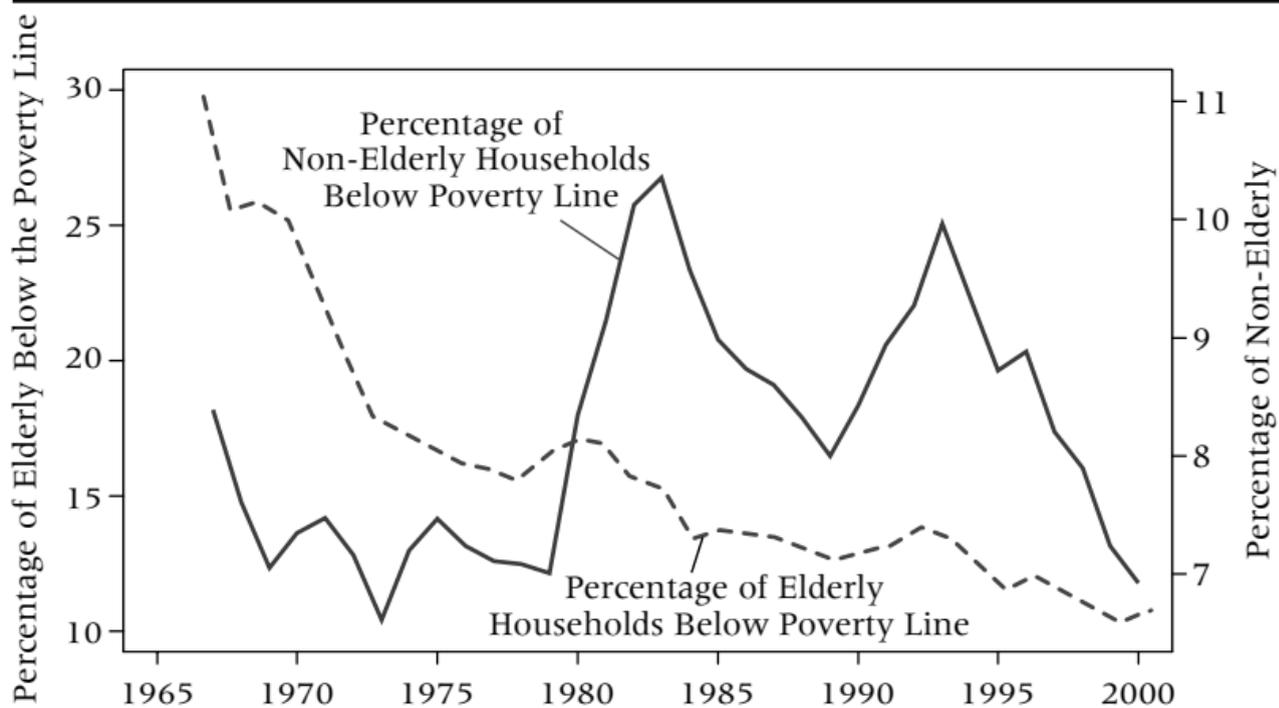
Figure 6.4   Relative Poverty of Elderly and Non-Elderly
Households over Time

Percentage of Elderly

Percentage of Non-Elderly

Percentage of Non-Elderly
with Income below 40 Percent
of Non-Elderly Median

Percentage of Elderly
with Income below 40 Percent
of Non-Elderly Median
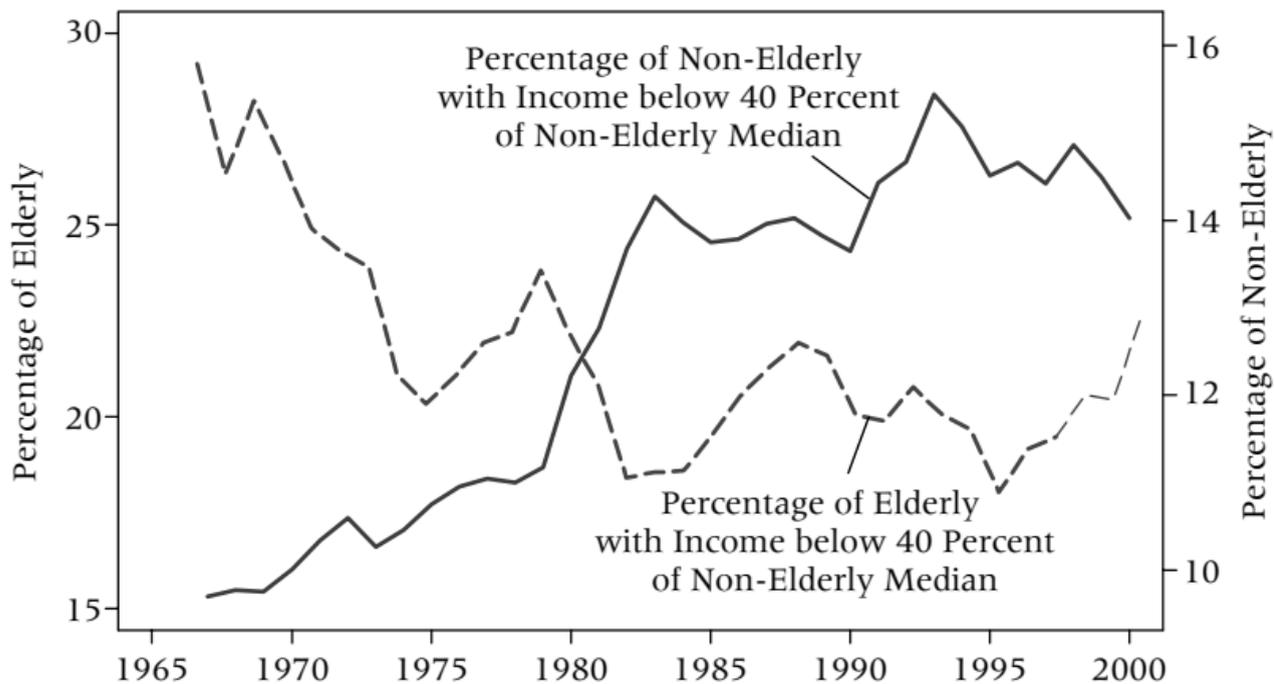
Source: Authors' compilation.

Figure 6.5 Income Inequality of Elderly and Non-Elderly Households over Time
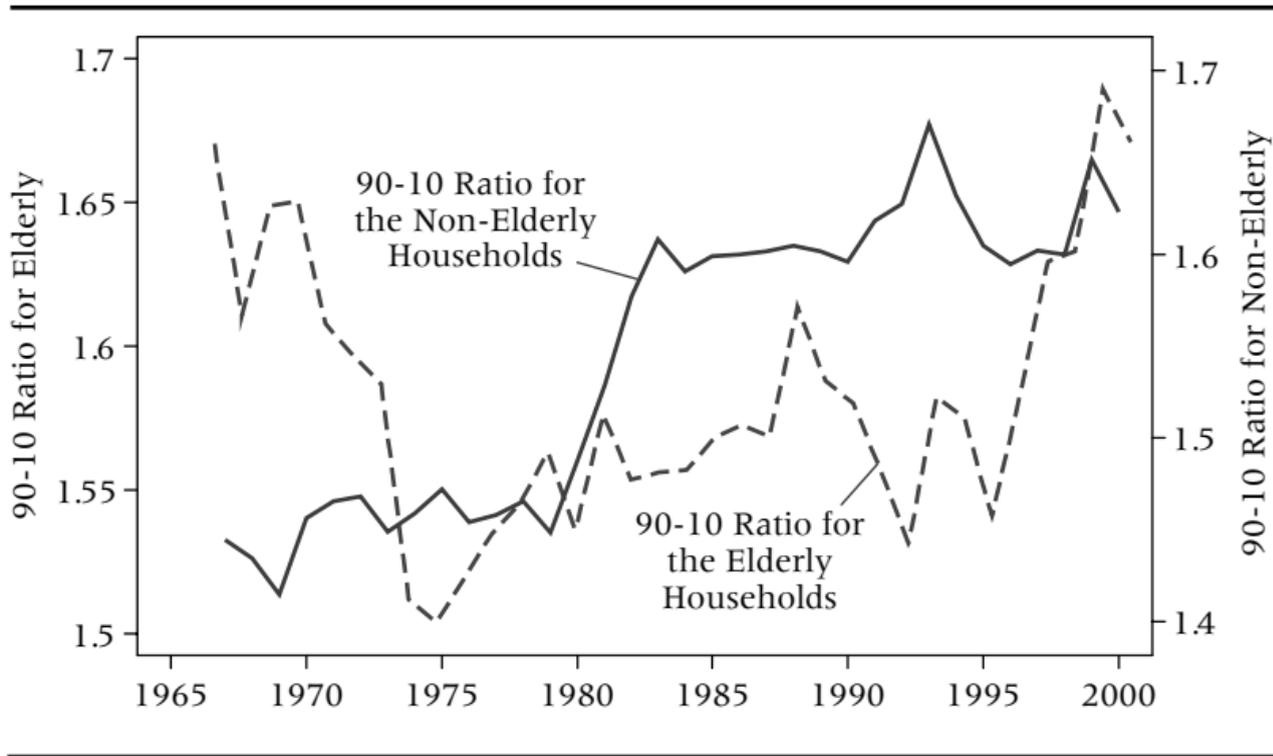
Figure 6.6   Percentage of Elderly in Shared Living Arrangements over Time
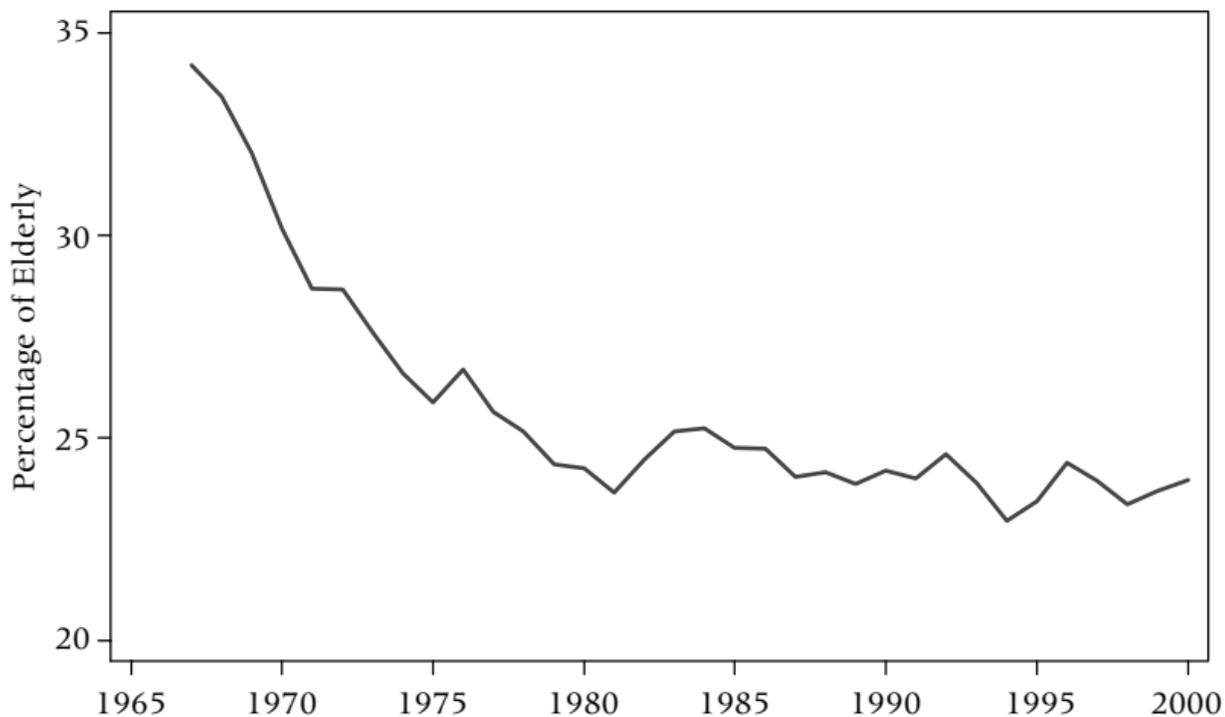
Figure 6.7   Absolute Poverty of Elderly and Non-Elderly Families over Time

Percentage of Non-Elderly
Families Below Poverty Line

Percentage of Elderly
Families Below Poverty Line
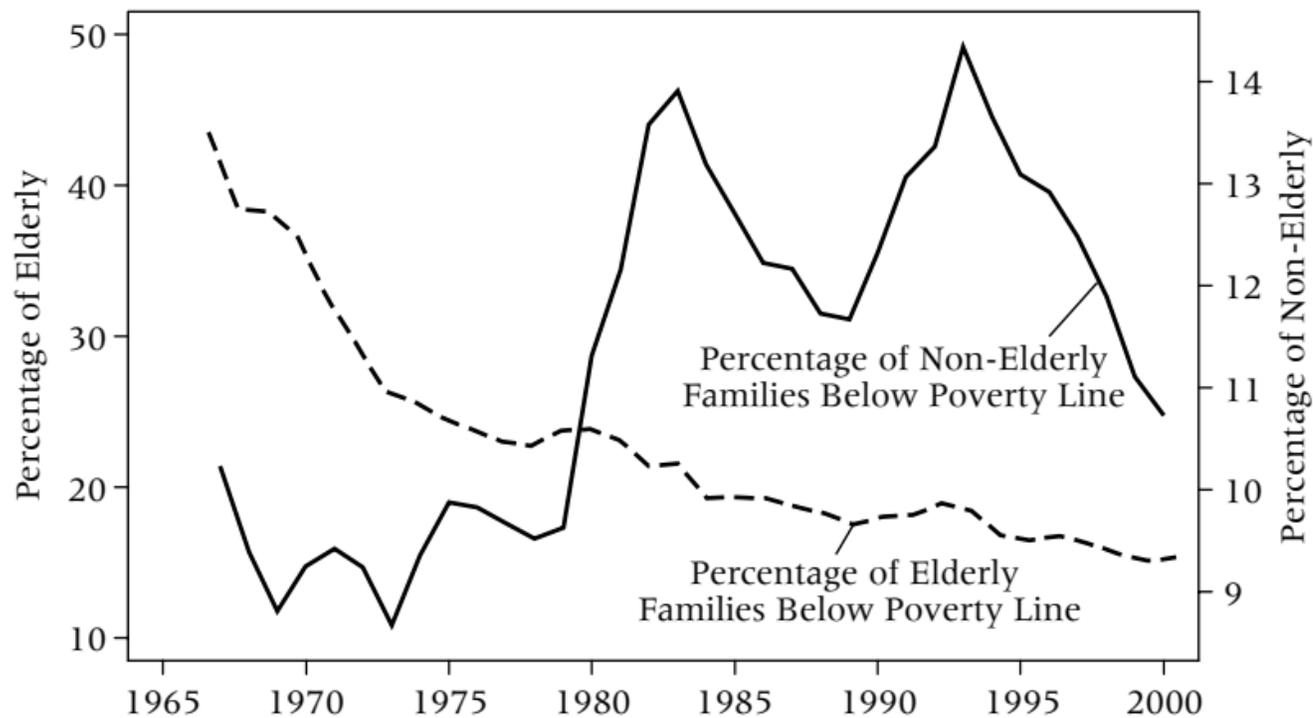
Figure 6.8   Elderly Absolute Poverty by Age Group over Time

Percentage Below Poverty Line

—— Percentage of Elderly Households Aged 65 to 69 Below Poverty Line
- - - Percentage of Elderly Households Aged 70 to 74 Below Poverty Line
······ Percentage of Elderly Households Aged 75 to 79 Below Poverty Line
—— Percentage of Elderly Households Aged 80 and Older Below Poverty Line
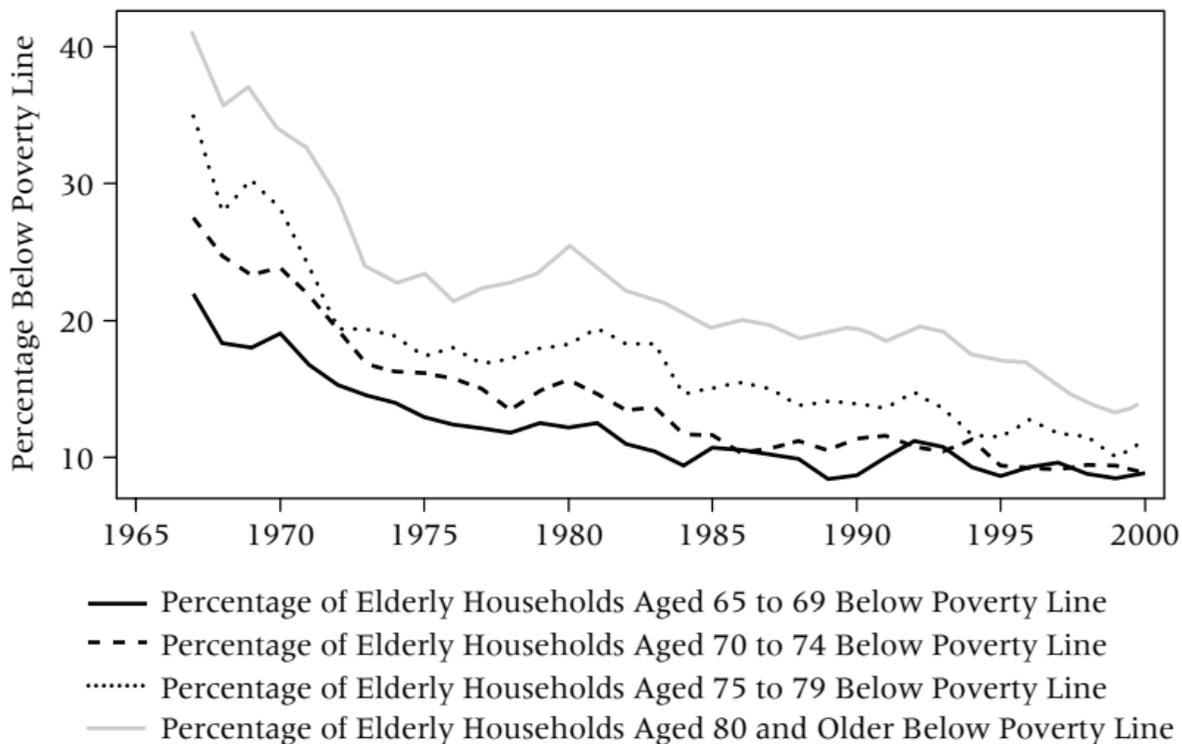
Source: Authors' compilation.

Figure 6.9 Elderly Absolute Poverty by Marital Status over Time

Percentage Below Poverty Line

—— Percentage of Married Elderly Households Below Poverty Line
- - - Percentage of Widowed Elderly Households Below Poverty Line
.... Percentage of Divorced Elderly Households Below Poverty Line
—— Percentage of Never Married Elderly Households Below Poverty Line
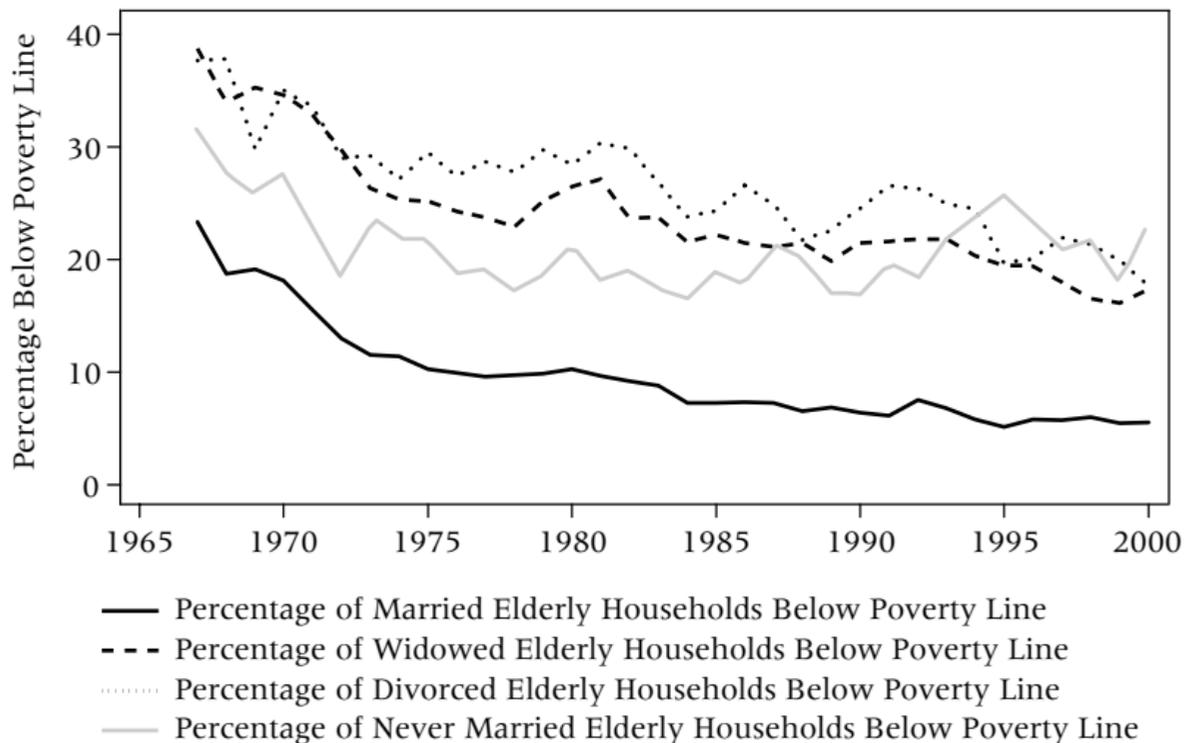
Source: Authors' compilation.

Figure 6.10   Real Actual and Simulated Annual Social Security Benefits, by Year of Birth
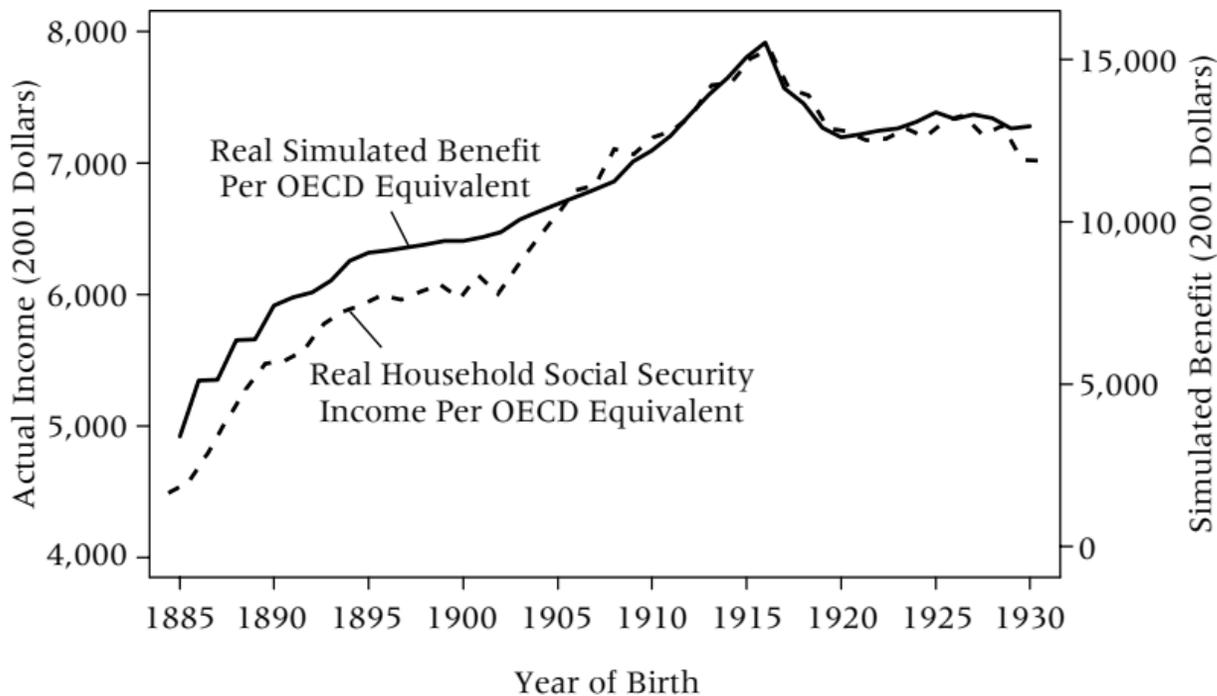
Source: Authors' compilation.

Figure 6.11   Absolute Poverty of Elderly Households Versus Benefits, by
Year of Birth
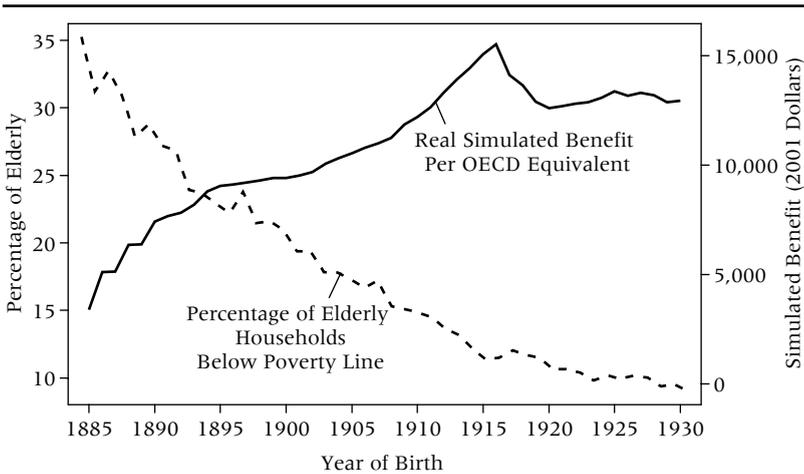
Source: Authors' compilation.

Figure 6.12   Elderly Shared Living Arrangements Versus Benefits, by Year
of Birth
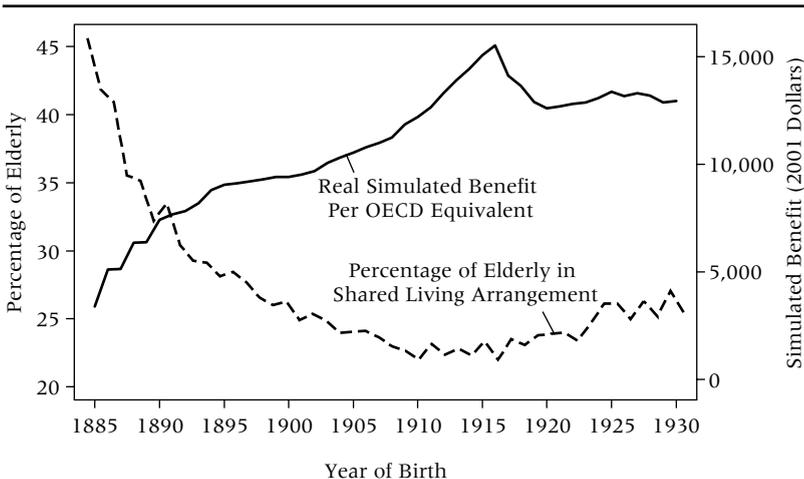
Source: Authors' compilation.

Table 6.1   Sample Means

Variable	(1) Mean	(2) Standard Deviation
Simulated benefit	$10,507	$2,761
Household SS income per equivalent	$6,896	$1,396
Household absolute poverty rate	18.5%	6.9%
Household relative poverty rate	23.7%	6.3%
Household 90-10 ratio	1.56	0.14
Family SS income per equivalent	$7,288	$1,441
Family absolute poverty rate	27.9%	12.7%
Family relative poverty rate	31.4%	10.9%
Family 90-10 ratio	1.54	0.19
Percentage in shared living arrangements	0.28	0.09

Source: Authors' compilation.
Note: Table shows means and standard deviations for selected variables from the CPS data set described in text.

Table 6.2 Estimation Results for Full Sample

	(1) OLS	(2) IV, Without Controls	(3) IV, with Controls	(4) Log IV	(5) Log IV, with Controls
Dependent Variable					
A. Household level					
Absolute poverty	−.028	−.035	−.031	−.752	−.722
	(.002)	(.003)	(.003)	(.146)	(0.165)
Relative poverty	−.028	−.034	−.035	−1.025	−1.155
	(.002)	(.003)	(.004)	(.127)	(.151)
90-10 ratio	−.055	−.083	−.035	−.478	−.221
	(.009)	(.013)	(.016)	(.072)	(.085)
B. Family level					
Absolute poverty	−.055	−.068	−.057	−1.721	−1.383
	(.003)	(.004)	(.004)	(.174)	(.176)
Relative poverty	−.049	−.057	−.052	−1.693	−1.575
	(.003)	(.004)	(.004)	(.163)	(.178)
90-10 ratio	−.049	−.065	−.018	−.286	−.017
	(.011)	(.015)	(.019)	(.104)	(.118)
Shared living	−.036	−.047	−.038	−2.382	−1.787
	(.003)	(.004)	(.004)	(.221)	(0.211)

Source: Authors' compilation.
Notes: N = 950 for all regressions. Table shows coefficients of interest from regressions that also include the full set of age and year dummies. Standard errors are in parentheses. Regressions "with controls" also include controls for the percentage in age or year cell that are female, white, high school graduate, some college, college graduate, advanced degree, married, divorced or separated, widowed. The IV regressions instrument with the simulated Social Security benefit described in the text. First three columns are estimated in levels; remaining columns, in logs.

Table 6.3 Estimation Results When Time Period Restricted to 1906 to 1926

Dependent Variable	(1) IV, with Controls	(2) Log IV, with Controls
A. Household level		
Absolute poverty	−.022	−1.062
	(.004)	(.243)
Relative poverty	−.032	−1.372
	(.005)	(.246)
90-10 ratio	−.016	−.097
	(.022)	(.118)
B. Family level		
Absolute poverty	−.025	−.989
	(.004)	(.206)
Relative poverty	−.030	−1.117
	(.005)	(.189)
90-10 ratio	−.027	−.158
	(.024)	(.137)
Shared living	−.009	−.341
	(.004)	(.174)

Source: Authors' compilation.
Notes: N = 419 for all regressions. Table shows coefficients of interest from regressions that also include the full set of age and year dummies and controls for the percentage in age or year cell that are female, white, high school graduate, some college, college graduate, advanced degree, married, divorced or separated, widowed. Standard errors are in parentheses. The regressions instrument with the simulated Social Security benefit described in the text. First column estimated in levels; the second, in logs.

Table 6.4 Results by Marital Status

Dependent Variable	Married		Widowed		Divorced		Never Married	
	(1) IV, with Controls	(2) Log IV, with Controls	(3) IV, with Controls	(4) Log IV, with Controls	(5) IV, with Controls	(6) Log IV, with Controls	(7) IV, with Controls	(8) Log IV, with Controls
A. Household level								
Absolute poverty	−.033	−2.810	−.032	−.574	−.020	−.183	−.012	−.598
	(.004)	(.518)	(.006)	(.168)	(.014)	(.446)	(.016)	(.496)
Relative poverty	−.044	−2.620	−.039	−1.012	−.023	−.427	−.029	−1.122
	(.004)	(.385)	(.006)	(.156)	(.015)	(.430)	(.016)	(.431)
90-10 ratio	−.038	−.240	−.075	−.370	−.024	.090	.060	.117
	(.021)	(.173)	(.023)	(.096)	(.065)	(.307)	(.078)	(.277)
B. Family level								
Absolute poverty	−.040	−3.506	−.093	−1.644	−.041	−.545	−.034	−.731
	(.004)	(.599)	(.007)	(.163)	(.014)	(.405)	(.015)	(.264)
Relative poverty	−.049	−2.827	−.085	−1.803	−.036	−.557	−.032	−.785
	(.005)	(.451)	(.007)	(.170)	(.014)	(.362)	(.015)	(.273)
90-10 ratio	−.026	−.055	−.008	.220	−.001	.252	.014	.170
	(.023)	(.209)	(.031)	(.160)	(.074)	(.439)	(.075)	(.250)
Shared living	−.017	−2.131	−.093	−2.509	−.050	−1.692	−.061	−1.036
	(.004)	(.496)	(.009)	(.229)	(.016)	(.655)	(.019)	−(.305)

Source: Authors' compilation.
Notes: N = cells for married regressions (first set of two columns), 950 for widowed regressions (second set of two columns), 815 cells for widowed regressions (third set of two columns), and 808 for never married regressions (last set of two columns). Table shows coefficients of interest from regressions that also include the full set of age and year dummies and controls for the percentage in age and year cell that are female, white, high school graduate, some college, college graduate, advanced degree. Standard errors are in parentheses. The regressions instrument with the simulated Social Security benefit described in text. First column in each panel estimated in levels; second, in logs.

Figure 7.1   Medicare Annual Expenditures 1987 to 2001, by Income Decile

Figure 7.2   Home Health Care Expenditures for Medicare Enrollees Aged 80 and Over, 1987 to 2001
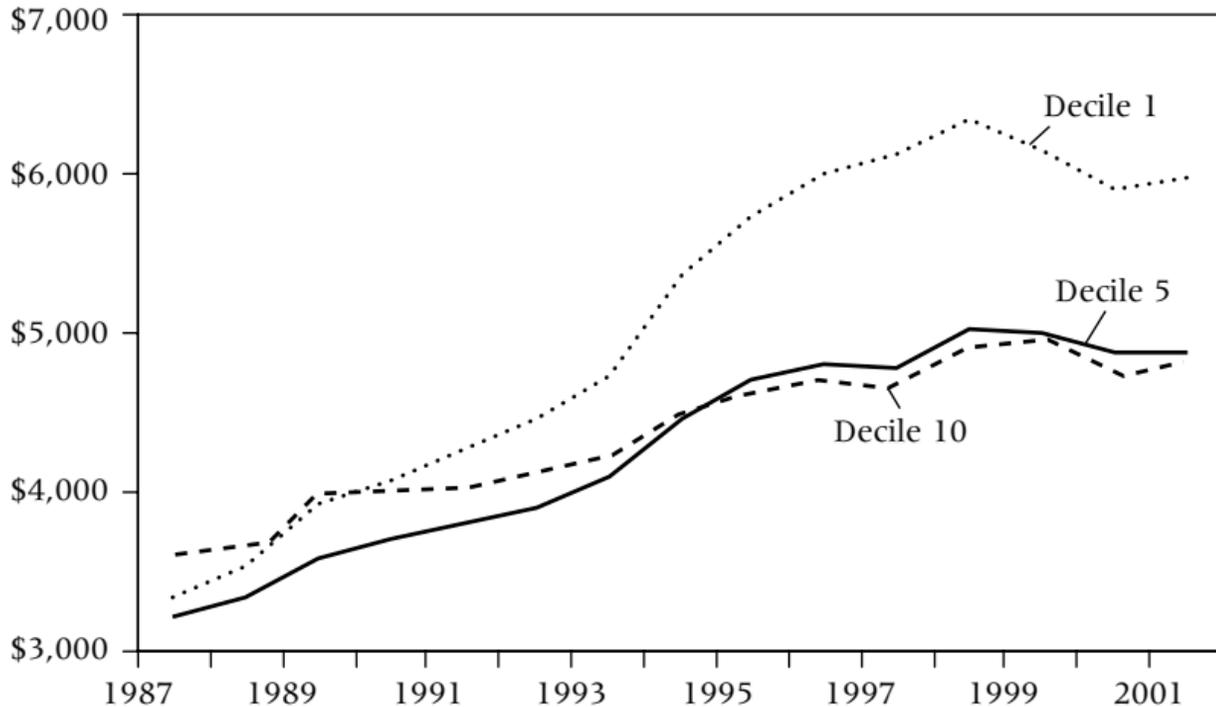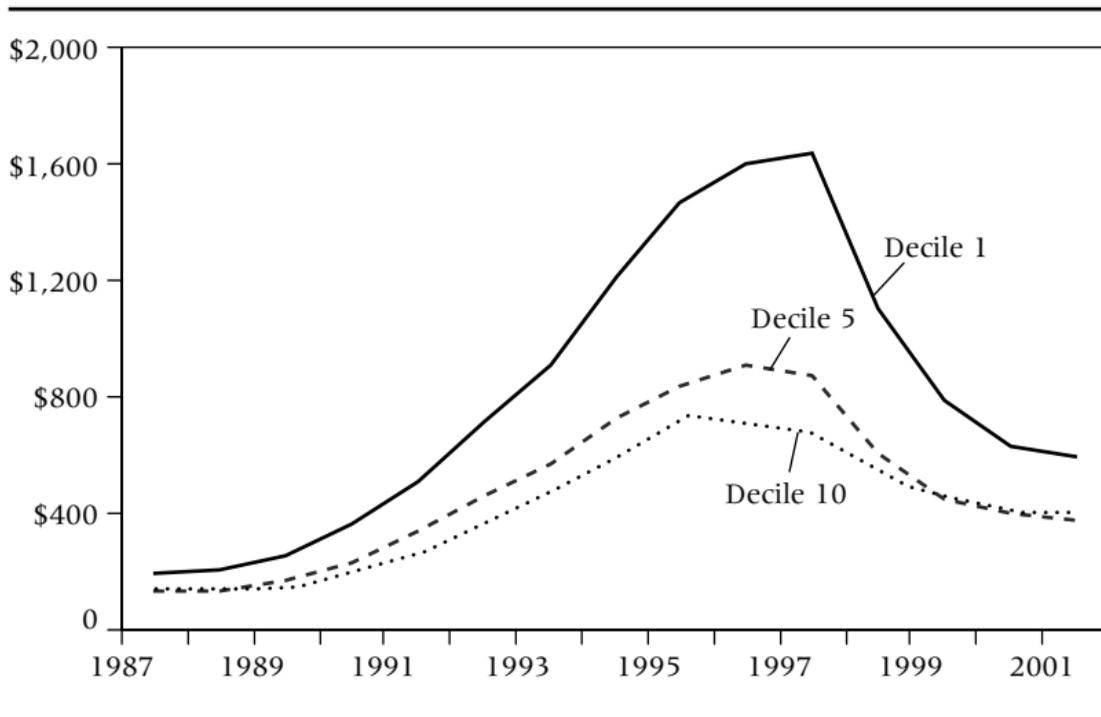
Source: Authors' calculations using the Continuous Medicare History Survey.
Note: These estimates of expenditures adjust for age (two categories: eighty to eighty-four and eighty-five and older) and sex.

Figure 7.3   Ten-Year Survival Rates for Cohorts Aged 65 to 69 from 1982 to 1991 and 1992 to 2001, by Sex
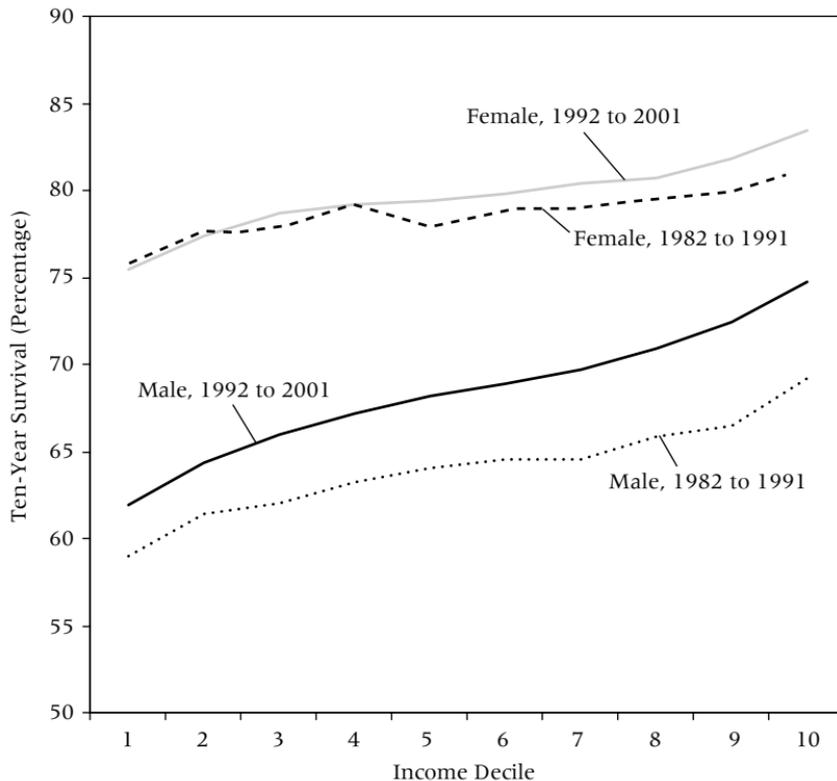
Figure 7.4   Change in Mammography Rates for Females Aged 65 to 69 During 1993 to 2001, by Income Decile
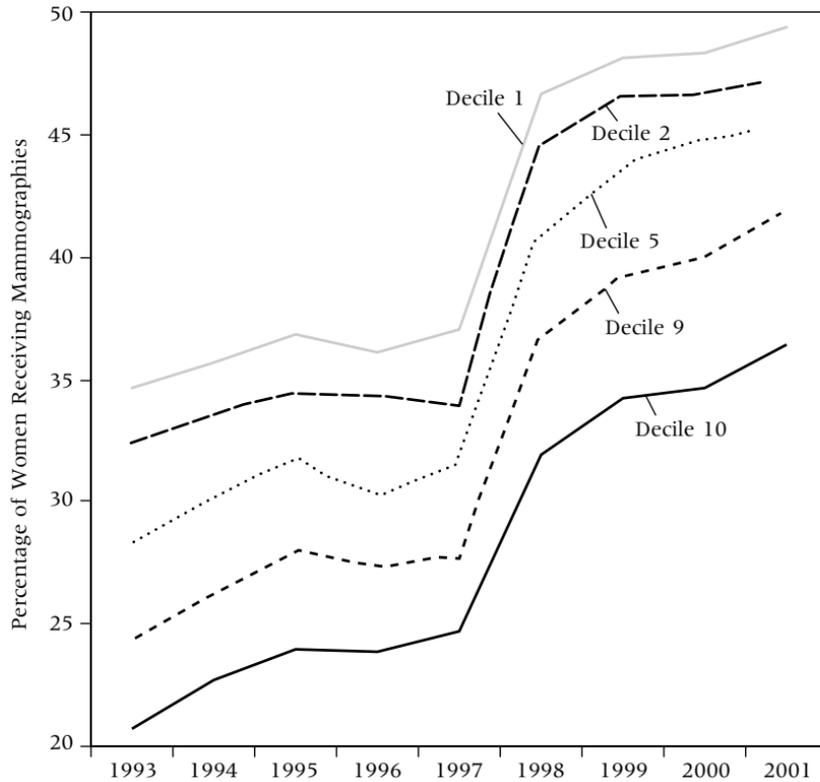
Figure 7.5 Income Gradient for the Use of Beta-Blockers Among Ideal Patients, 1994 and 1995
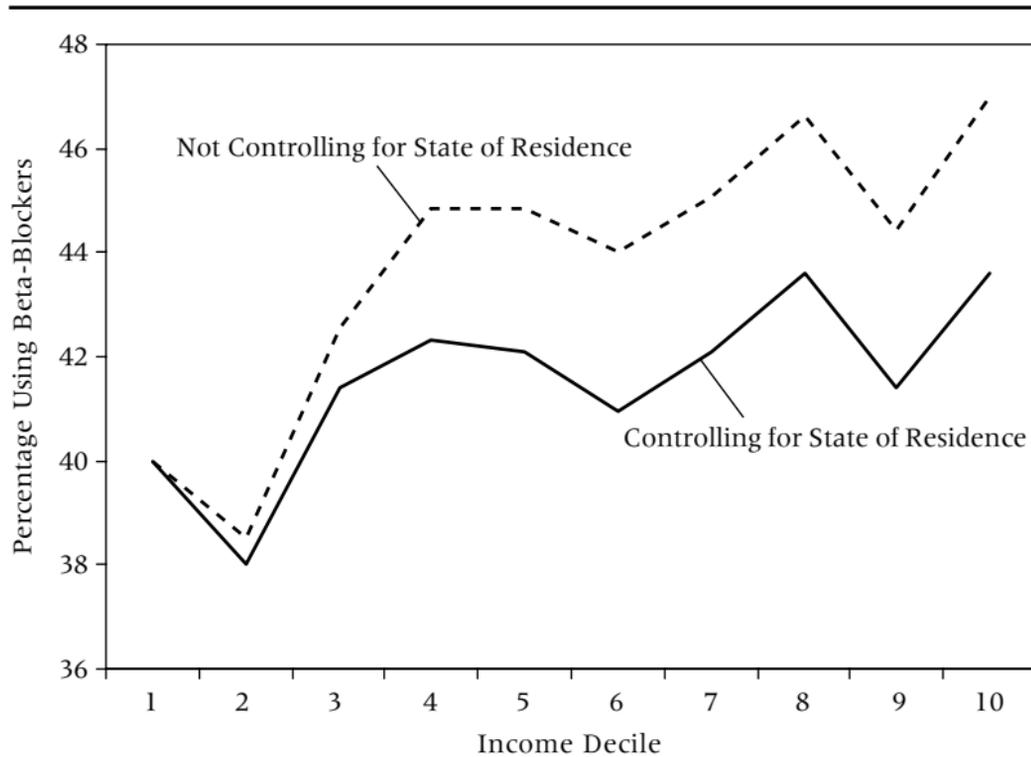
Table 7.1 Medicare Expenditures by Year and Zip-Code-Income Decile, in 2001 Dollars

	Decile 1	Decile 3	Decile 5	Decile 8	Decile 10
1987	3,346	3,159	3,228	3,478	3,588
1988	3,548	3,309	3,343	3,556	3,656
1989	3,926	3,619	3,590	3,817	3,980
1990	4,068	3,637	3,698	3,904	3,970
1991	4,265	3,852	3,811	4,050	4,022
1992	4,457	4,039	3,914	4,119	4,123
1993	4,740	4,140	4,102	4,199	4,219
1994	5,365	4,553	4,465	4,432	4,464
1995	5,743	4,736	4,702	4,605	4,611
1996	5,998	4,931	4,804	4,596	4,675
1997	6,120	5,073	4,778	4,651	4,666
1998	6,337	5,311	5,031	4,804	4,908
1999	6,153	5,299	5,002	4,719	4,946
2000	5,895	5,068	4,885	4,614	4,725
2001	5,970	5,080	4,873	4,574	4,802
Dollar change, 1987 to 2001	2,624	1,921	1,645	1,096	1,214
Percentage change, 1987 to 2001	78.4	60.8	51.0	31.5	33.8

Source: Authors' calculations using the Continuous Medicare History Survey.
Notes: These estimates of expenditures adjust for age and sex. All expenditures are in real 2001 dollars, adjusted using the GDP deflator.

Table 7.2   Ten-Year Survival Probabilities 1982 to 1991 and 1992 to 2001, by Age and Sex

| | Aged 65 to 69 | | | | Aged 75 to 79 | | | |
| | Male | | Female | | Male | | Female | |
Income Decile	82 to 91	92 to 01	82 to 91	92 to 01	82 to 91	92 to 01	82 to 91	92 to 01
1	59.0	61.9	75.8	75.4	34.6	35.1	51.2	51.8
2	61.5	64.3	77.5	77.4	35.3	36.5	53.3	53.1
3	62.0	66.0	77.8	78.7	35.0	37.6	53.6	54.1
4	63.2	67.2	79.2	79.2	34.8	37.6	53.8	55.0
5	64.1	68.2	77.9	79.4	36.0	39.7	53.9	55.1
6	64.5	68.9	78.8	79.8	36.1	39.8	53.9	54.8
7	64.6	69.7	79.0	80.4	35.4	39.9	53.8	55.7
8	65.8	70.9	79.4	80.7	37.3	41.0	54.1	56.2
9	66.5	72.5	79.8	81.8	38.2	42.9	54.1	56.3
10	69.2	74.8	81.1	83.4	38.7	44.8	54.7	57.1
Sample	188,177	217,272	229,308	263,093	98,053	126,011	152,606	187,554

Source: Authors' calculations using the Continuous Medicare History Survey.

Table 7.3 Mammography Rates of Women Aged 65 to 69, by Year and Zip-Code-Income Decile

	Decile 1	Decile 3	Decile 5	Decile 8	Decile 10
1993	20.7	25.9	28.2	30.6	34.6
1994	22.8	28.3	30.1	32.2	35.7
1995	24.0	30.1	31.7	33.0	36.8
1996	23.8	29.0	30.0	32.4	36.1
1997	24.7	29.3	31.6	33.3	37.1
1998	32.0	39.5	41.0	43.5	46.7
	[34.8]	[42.0]	[43.9]	[45.7]	[48.5]
1999	34.3	41.9	43.6	45.4	48.1
	[36.8]	[44.2]	[45.8]	[47.5]	[49.8]
2000	34.6	42.6	44.7	45.9	48.3
	[36.9]	[44.8]	[46.6]	[47.8]	[49.9]
2001	36.5	44.0	45.3	47.0	49.4
	[38.5]	[45.9]	[47.0]	[48.5]	[50.7]
Change from 1993 to 2001	15.8	18.1	17.0	16.4	14.8
Change from 1997 to 2001	11.7	14.7	13.7	13.7	12.3

Source: Authors' calculations using the Medicare Part B data.
Note: Numbers in brackets use both the Medicare Part B data and the Medicare outpatient data to estimate the frequency of mammograms.

Table 7.4 Rates of Effective Care for Acute Myocardial Infarction in 1994 to 1995, by Income Decile

Zip-Code-Income Decile	Beta-Blocker Use at Discharge[a]	Ace Inhibitor at Discharge[b]	Reperfusion Within 12 Hours	Smoking Advice Given[c]
1	40	57	32	33
2	39	57	32	35
3	43	60	33	34
4	45	59	33	35
5	45	59	34	37
6	44	57	35	34
7	45	59	37	34
8	47	59	37	37
9	45	59	36	35
10	47	59	37	35
Approximate 95 percent confidence interval	±1.4	±2.2	±1.7	±2.3
Sample size	50,156	19,286	32,097	17,151

Source: Authors' calculations using the Cooperative Cardiovascular Project (CCP) dataset.

[a]Universe: appropriate (beta-blocker) or eligible (for reperfusion).

[b]Universe: ideal patients.

[c]Universe: smokers.

Figure 8.1   Comparison of BJS Estimates of the Number of Men in Federal Prison, State Prison, and Local Jails (2001) to Estimates from the 2000 1 Percent Census Public Use Microdata Sample of the Number of Men Institutionalized, by Race and Ethnicity

Figure 8.2   Lifetime Likelihood of Serving a State or Federal Prison Sentence of Males Born in 1974 and 2001, by Race and Ethnicity
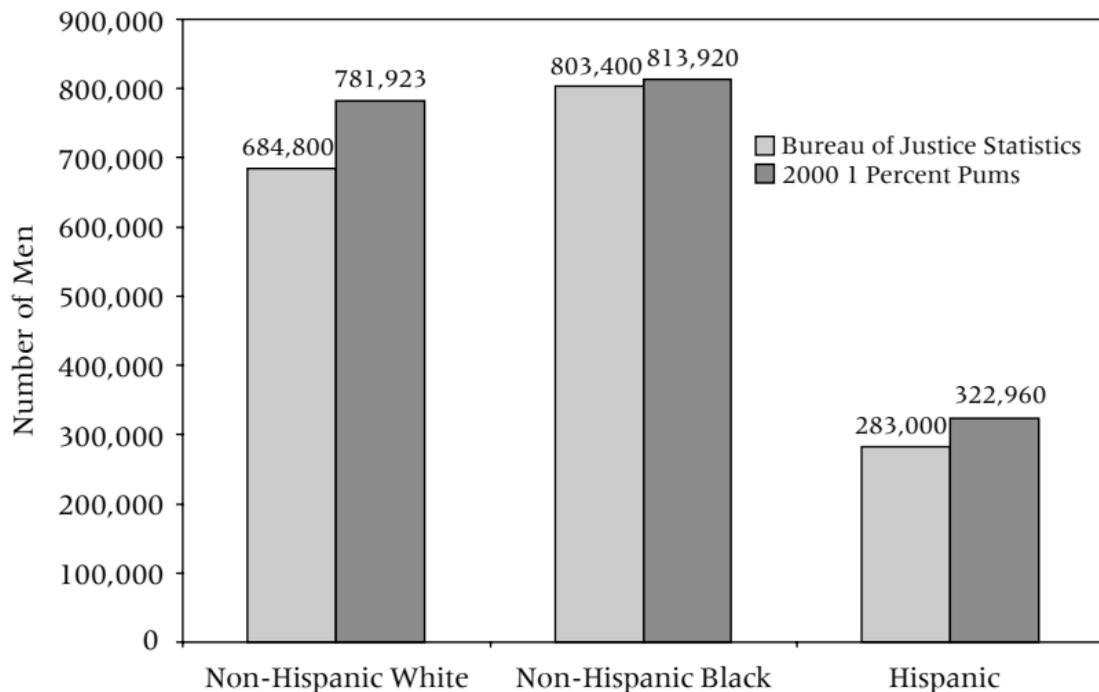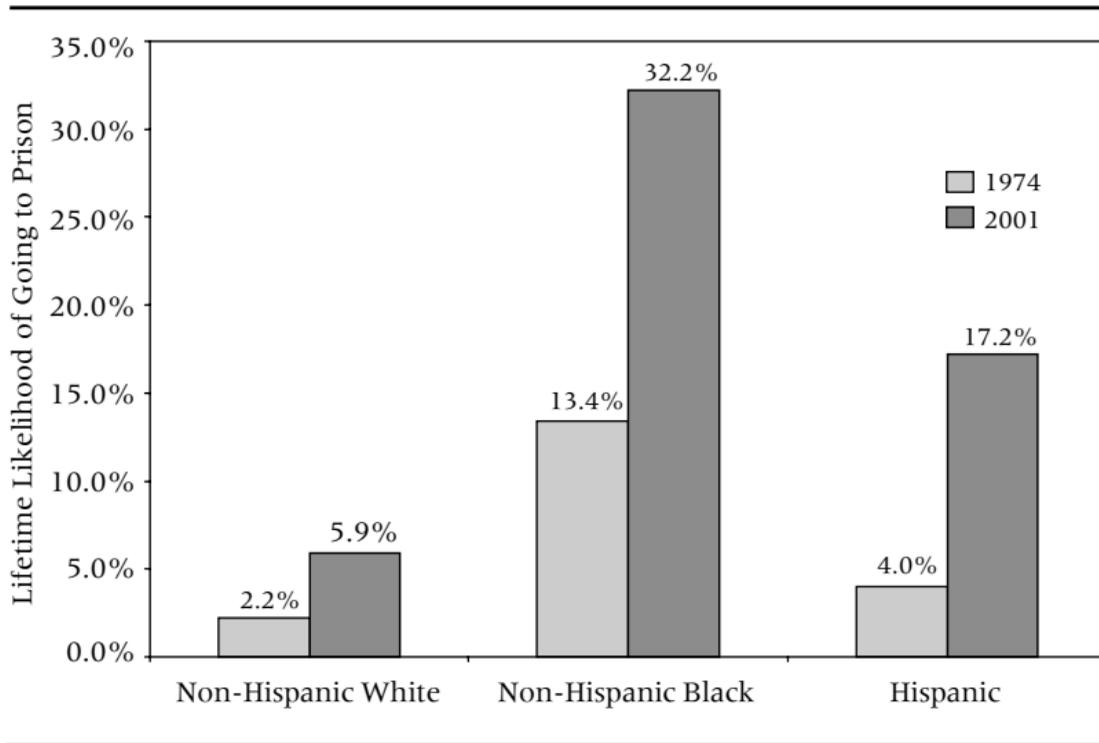
Source: Beck, Karberg, and Harrison (2002).

Figure 8.3   White-Black Employment-Rate Differentials for the Noninstitutionalized, and for the Noninstitutionalized and Institutionalized Combined
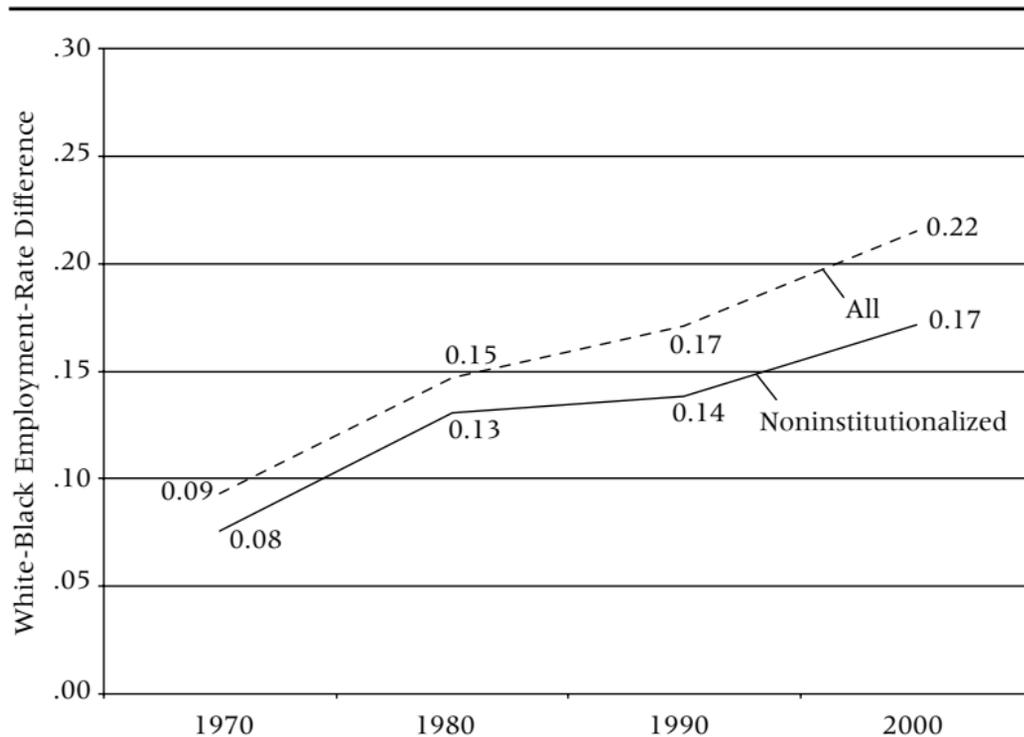
Figure 8.4   The Distribution of Prisoners Eighteen-to-Twenty-Five Years Old Entering the California State Prison System in 1990, by the Number of Terms Served over the Subsequent Decade
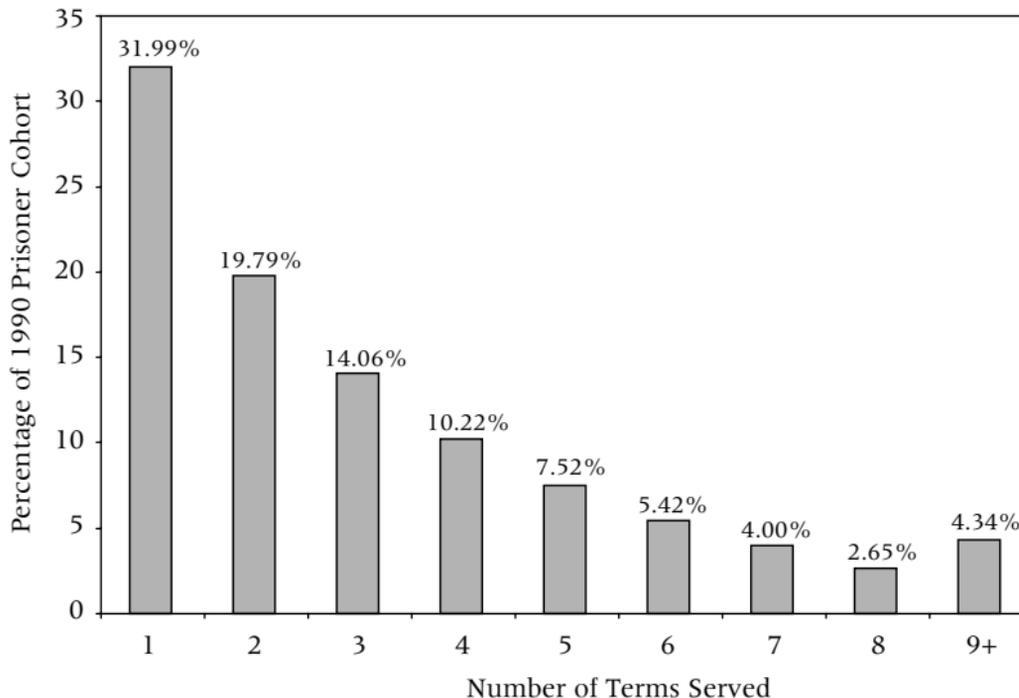
Source: California Department of Corrections Administrative Records, 1990 to 2000.

Figure 8.5 The Distribution of Prisoners Eighteen-to-Twenty-Five Years Old Entering the California State Prison System in 1990 by the Number of Terms Served over the Subsequent Decade, by Race and Ethnicity
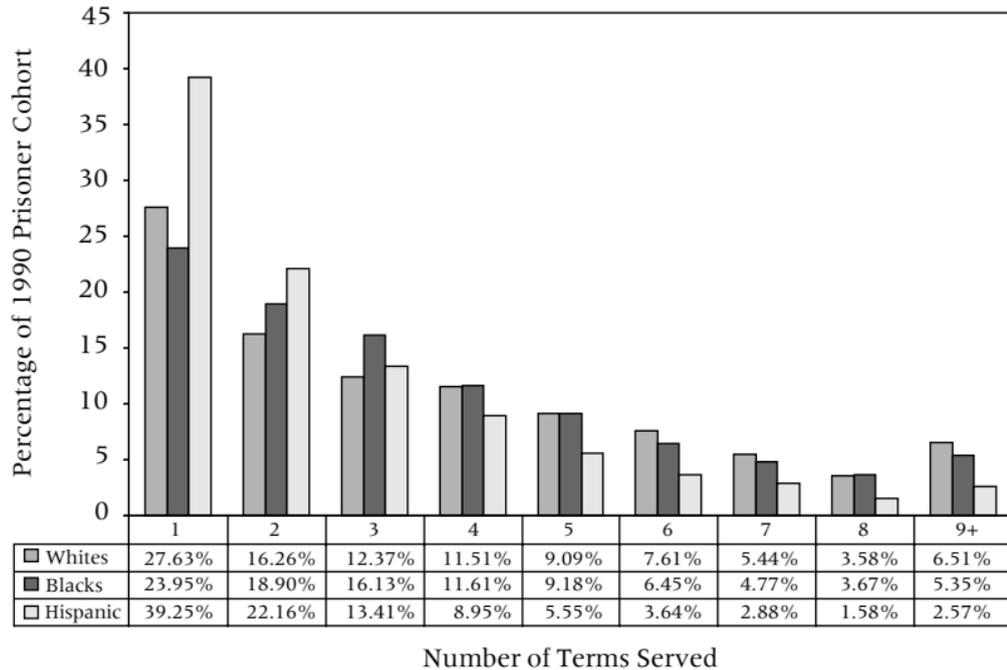
	1	2	3	4	5	6	7	8	9+
Whites	27.63%	16.26%	12.37%	11.51%	9.09%	7.61%	5.44%	3.58%	6.51%
Blacks	23.95%	18.90%	16.13%	11.61%	9.18%	6.45%	4.77%	3.67%	5.35%
Hispanic	39.25%	22.16%	13.41%	8.95%	5.55%	3.64%	2.88%	1.58%	2.57%

Number of Terms Served

Source: California Department of Corrections Administrative Records, 1990 to 2000.

Figure 8.6 Self-Reported Employer Willingness to Hire Applicants from Various Groups from the Establishment Survey of the Multi-City Study of Urban Inequality
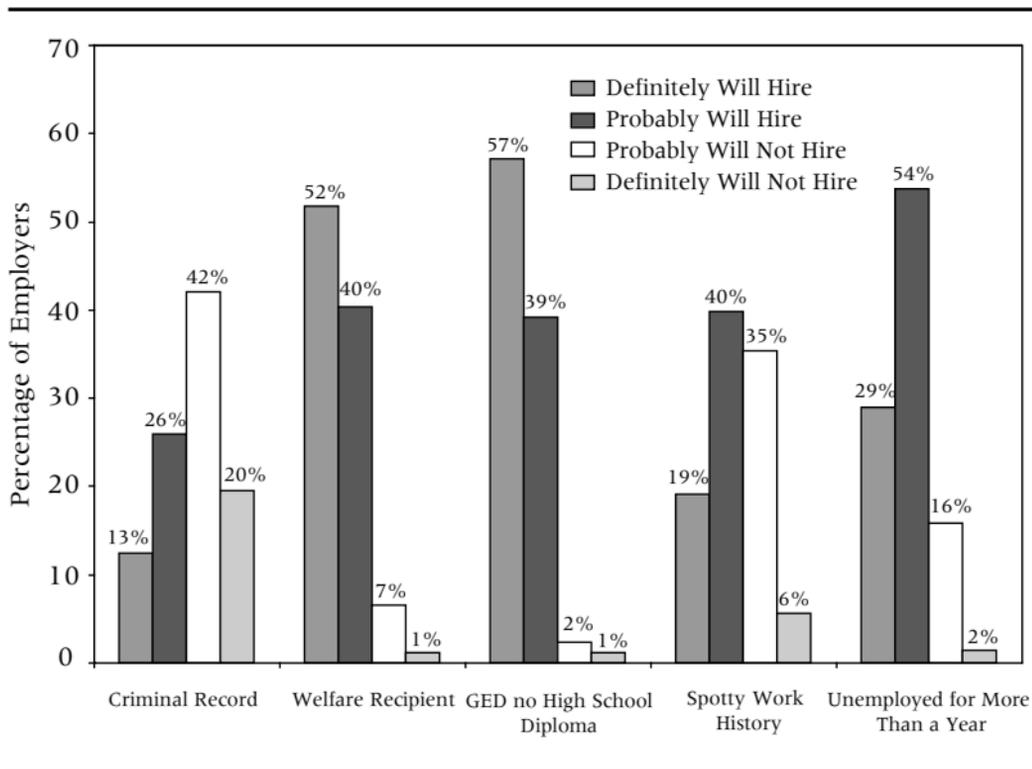
Figure 8.7 Percentage of Applicants Called Back for an Interview by Race and Likelihood the Applicant Was Assigned a Criminal Record
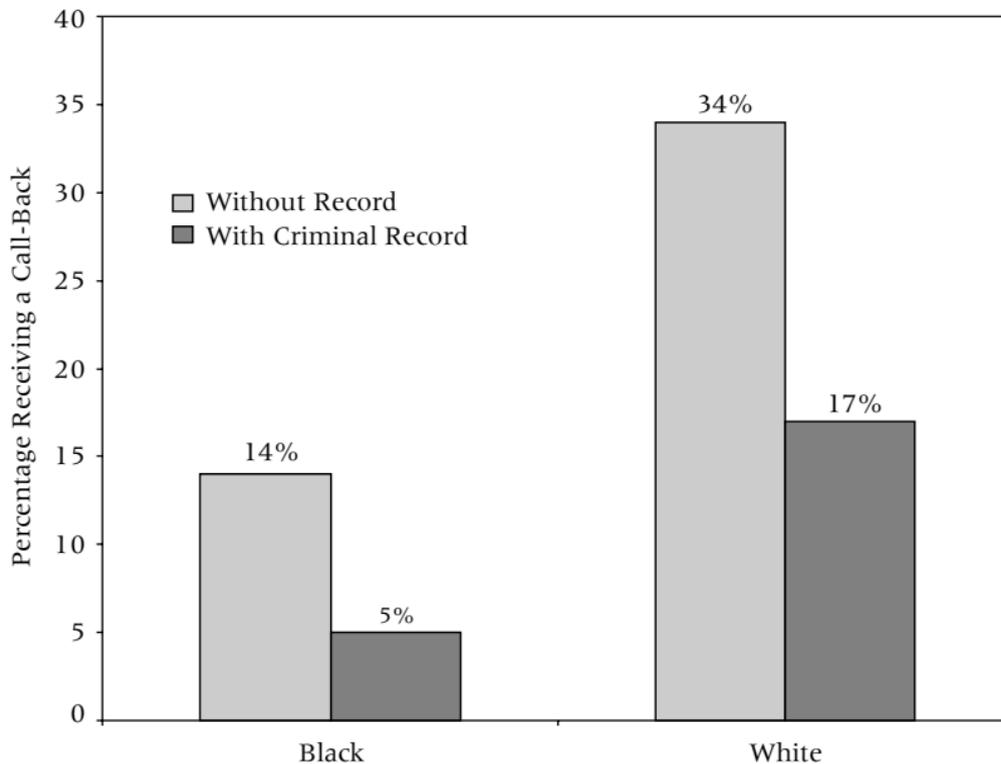
Figure 8.8   White-Black Difference in the Proportion of the
Noninstitutionalized Employed, With and Without Controlling
for the Proportion of the Population Institutionalized
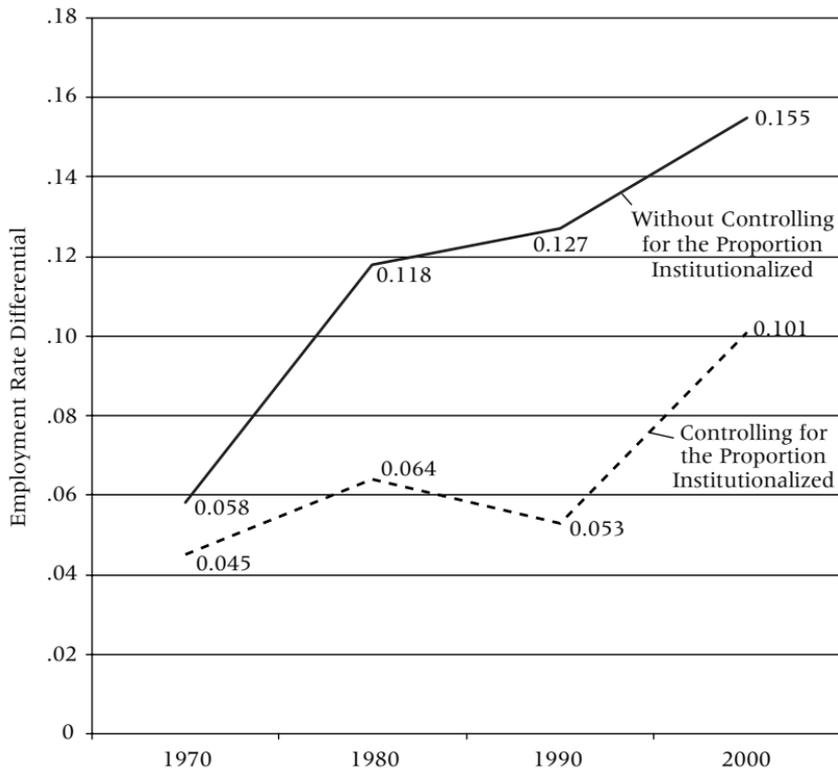
Table 8.1 Employment and Institutionalization Status for Non-Hispanic Black and Non-Hispanic White Males 1970 to 2000, by Educational Attainment

Age	Black Males				White Males			
	1970	1980	1990	2000	1970	1980	1990	2000
All								
Employed	.73	.64	.63	.57	.82	.80	.80	.79
NILF	.20	.29	.30	.33	.13	.17	.17	.18
Armed forces	.04	.04	.03	.02	.04	.02	.02	.01
Institutionalized	.03	.03	.04	.08	.01	.01	.01	.01
Less than high school								
Employed	.71	.57	.46	.34	.80	.69	.63	.59
NILF	.23	.38	.44	.47	.17	.28	.34	.37
Armed forces	.01	.01	.00	.00	.01	.01	.00	.00
Institutionalized	.04	.05	.10	.19	.02	.02	.03	.04
High school graduate								
Employed	.75	.66	.63	.56	.85	.81	.80	.77
NILF	.15	.25	.28	.35	.10	.15	.17	.20
Armed forces	.08	.06	.04	.02	.05	.03	.02	.01
Institutionalized	.02	.03	.05	.08	.01	.01	.01	.02
Some college								
Employed	.71	.69	.68	.66	.77	.81	.81	.80
NILF	.22	.25	.23	.26	.18	.17	.16	.17
Armed forces	.06	.04	.05	.03	.04	.02	.02	.02
Institutionalized	.01	.02	.05	.05	.00	.00	.01	.01
College plus								
Employed	.87	.84	.85	.81	.89	.91	.90	.89
NILF	.09	.13	.11	.16	.07	.07	.08	.10
Armed forces	.04	.02	.03	.01	.04	.02	.02	.01
Institutionalized	.01	.01	.01	.01	.00	.00	.00	.00

Source: PUMS from the U.S. Census of Population and Housing, 1970, 1980, 1990, and 2000.

Table 8.2 Employment and Institutionalization Status for Non-Hispanic Black and Non-Hispanic White Males 1970 to 2000, by Age

Age	Black Males				White Males			
	1970	1980	1990	2000	1970	1980	1990	2000
18 to 25 years								
Employed	.55	.48	.46	.43	.63	.69	.68	.68
NILF	.32	.40	.41	.43	.26	.26	.25	.27
Armed forces	.08	.08	.06	.03	.10	.04	.05	.03
Institutionalized	.05	.04	.07	.11	.01	.01	.01	.02
26 to 30 years								
Employed	.80	.69	.64	.61	.89	.86	.86	.85
NILF	.13	.22	.23	.25	.07	.10	.10	.11
Armed forces	.04	.04	.04	.02	.04	.02	.03	.02
Institutionalized	.04	.05	.09	.12	.01	.01	.01	.02
31 to 40								
Employed	.82	.76	.70	.64	.91	.90	.89	.87
NILF	.11	.18	.21	.23	.05	.07	.08	.10
Armed forces	.04	.03	.03	.02	.03	.02	.02	.01
Institutionalized	.03	.03	.06	.11	.01	.01	.01	.02
41 to 50								
Employed	.83	.77	.74	.65	.92	.90	.90	.86
NILF	.14	.21	.21	.28	.06	.09	.10	.12
Armed forces	.01	.01	.01	.01	.01	.01	.01	.00
Institutionalized	.02	.02	.04	.06	.01	.01	.01	.01
51 to 65								
Employed	.72	.61	.58	.53	.81	.72	.69	.70
NILF	.26	.37	.40	.44	.18	.27	.31	.29
Armed forces	.00	.00	.00	.00	.00	.00	.00	.00
Institutionalized	.02	.01	.02	.03	.01	.01	.01	.01

Source: PUMS from the U.S. Census of Population and Housing, 1970, 1980, 1990, and 2000.

Table 8.3 Employment and Institutionalization Status for Non-Hispanic Black Males 40 and Under with a High School Education or Less, 1970 to 2000

Age	High School Dropouts				High School Graduates			
	1970	1980	1990	2000	1970	1980	1990	2000
18 to 25 years								
Employed	.50	.38	.30	.27	.62	.52	.49	.44
NILF	.38	.51	.55	.50	.23	.32	.36	.44
Armed Forces	.04	.04	.00	.00	.13	.13	.10	.04
Institutionalized	.08	.08	.15	.23	.02	.03	.06	.09
26 to 30 years								
Employed	.76	.58	.40	.30	.83	.70	.64	.58
NILF	.16	.32	.38	.36	.09	.21	.24	.29
Armed Forces	.01	.01	.00	.00	.06	.05	.04	.02
Institutionalized	.06	.10	.22	.34	.02	.04	.08	.12
31 to 40								
Employed	.81	.70	.52	.35	.82	.76	.69	.62
NILF	.13	.25	.34	.37	.08	.17	.24	.27
Armed Forces	.01	.00	.00	.00	.08	.04	.02	.01
Institutionalized	.05	.05	.13	.28	.02	.03	.06	.11

Source: PUMS from the U.S. Census of Population and Housing, 1970, 1980, 1990, and 2000.

Table 8.4   BJS Estimates of the Proportion of the Male Population Ever Having Served Time in a State or Federal Prison by Race-Ethnicity and Age and Estimates of the Proportion Serving Time in a California State Prison During the 1990s, by Race, Age and Educational Attainment

| | BJS Estimates for the Nation[a] | Estimates for California from CDC Administrative Records | | | | |
		All[b]	High School Dropouts[c]	High School Graduates[c]	Some College[c]	College Plus[c]
Non-Hispanic white males						
18 to 24	0.01	0.01	0.03	0.00	0.00	0.00
25 to 34	0.03	0.03	0.31	0.03	0.01	0.00
35 to 44	0.04	0.03	0.30	0.04	0.02	0.01
45 to 54	0.03	0.02	0.17	0.02	0.01	0.01
55 to 65	0.03	0.01	0.04	0.01	0.00	0.00
Non-Hispanic black males						
18 to 24	0.09	0.04	0.19	0.02	0.01	0.00
25 to 34	0.20	0.19	1.14	0.15	0.05	0.03
35 to 44	0.22	0.19	1.23	0.16	0.07	0.04
45 to 54	0.18	0.15	0.90	0.12	0.06	0.05
55 to 65	0.13	0.05	0.18	0.04	0.01	0.02
Hispanic males						
18 to 24	0.04	0.01	0.02	0.00	0.00	0.00
25 to 34	0.09	0.05	0.08	0.03	0.02	0.02
35 to 44	0.10	0.05	0.07	0.04	0.02	0.03
45 to 54	0.10	0.03	0.04	0.03	0.02	0.03
55 to 65	0.07	0.01	0.02	0.02	0.01	0.01

Sources:
[a]Estimates drawn from Bonczar (2003, table 7).
[b]Estimates in this column are calculated as follows: The administrative term records for all terms served in California were sorted by a CDC internal ID number. The first term for each unique ID was selected out to construct a sample of unduplicated prisoners. For each prisoner, we calculated how old the prisoner would be in the year 2000. We then calculated counts of prisoners by age and race for 2000. Using the 2000 1 percent PUMS, we then estimated the California population size for each age-race cell listed in the table. The figures in the table are the ratio of the prisoner counts to the 2000 census population estimate for each cell.
[c]Estimates in this column are calculated as follows: We first calculated the counts of unduplicated prisoners by age and race following the procedures in note b. We then used data from the 1997 Survey of Inmates in State and Federal Corrections Facilities to estimate the educational attainment of prison inmates in the United States by race-ethnicity and age. We used these estimates to allocate the number of unduplicated prisoners within each age-race cell across the four educational groups (the CDC administrative data do not contain information on educational attainment). We then used the 2000 1 percent PUMS to estimate the California population size of each age-race-education cell in the table. The figures in the table are the ratio of the prisoner counts hypothetically allocated across education groups to the 2000 census population estimate for each cell.

Table 8.5 Comparisons of the White-Black Employment Rate Differentials, by Year and Level of Education Attainment, Using Alternative Base Populations to Calculate Employment Rates

	1970	1980	1990	2000
High school dropouts				
Noninstitutionalized	.07	.11	.13	.19
Total population	.09	.12	.17	.25
Difference	.02	.01	.04	.06
High school				
Noninstitutionalized	.05	.10	.13	.17
Total population	.06	.11	.16	.21
Difference	.01	.01	.03	.04
Some college				
Noninstitutionalized	.04	.08	.08	.10
Total population	.04	.10	.10	.13
Difference	.00	.02	.02	.03
College graduates				
Noninstitutionalized	.02	.05	.03	.06
Total population	.02	.06	.04	.07
Difference	.02	.01	.01	.01

Source: One percent PUMS files, 1970, 1980, 1990, and 2000.
Note: The figures in the table are the differences between the employment-to-population ratios for white males and black males by education group. In the rows labeled "Noninstitutionalized," the noninstitutionalized population is used as the base for calculating the underlying employment rates. In the rows labeled "Total population," the noninstitutionalized plus the institutionalized are used as the base for calculating the underlying employment rates.

Table 8.6 Median Time Served (Years) in the California State Prison System by Term and by Race-Ethnicity for the 1990 Prisoner Cohort, Eighteen-to-Twenty-Five Years of Age

| | Terms Served | | | | |
	First	Second	Third	Fourth	Fifth or Higher
All Inmates	1.02	0.68	0.62	0.53	0.49
White	0.94	0.62	0.58	0.53	0.48
Black	1.17	0.71	0.65	0.53	0.50
Hispanic	1.01	0.72	0.63	0.55	0.47

Source: California Department of Corrections Administrative Records, 1990 to 2000.
Note: Tabulations are based on all individuals between the ages of eighteen and twenty-five who entered the California state prison system during 1990 to serve the first term of a commitment. The "Terms Served" column refers to the first and subsequent terms served by the 1990 cohort of inmates over the subsequent ten years.

Table 8.7 Quartile Values of the Total Time Served During the 1990s and the Time Between the Date of First Admission and Date of Last Release for the 1990 Prison Cohort Eighteen-to-Twenty-Five Years of Age

	25th Percentile	50th Percentile	75th Percentile
Panel A: Distribution of total time served			
All inmates	1.44	2.79	4.81
White	1.43	3.09	5.12
Black	1.93	3.53	5.45
Hispanic	1.29	2.23	3.97
Panel B: Distribution of time between the date of first admission and the date of last release			
All inmates	1.86	4.99	8.71
White	2.01	6.17	9.11
Black	2.88	6.42	9.16
Hispanic	1.44	3.65	7.62

Source: California Department of Corrections Administrative Records, 1990 to 2000.
Note: Tabulations are based on all individuals between the ages of eighteen and twenty-five who entered the California state prison system during 1990 to serve the first term of a commitment. Tabulation of the percentiles of the two time distributions are based on all terms served over the subsequent ten years.

Table 8.8 Regressions of the Proportion Employed Among the Noninstitutionalized on the Proportion Institutionalized

	(1)	(2)	(3)	(4)	(5)	(6)
Black	−.045	−0.029	−0.073	−.058	−0.038	−0.045
	(.022)	(0.021)	(0.025)	(.013)	(0.010)	(0.015)
Black × 1980	−.073	−0.070	−0.010	−.060	−0.057	−0.019
	(.027)	(0.027)	(0.031)	(.016)	(0.013)	(0.019)
Black × 1990	−.085	−0.056	0.002	−.069	−0.041	−0.008
	(.028)	(0.027)	(0.032)	(.016)	(0.013)	(0.019)
Black × 2000	−.116	−0.064	−0.026	−.097	−0.049	−0.056
	(.027)	(0.027)	(0.030)	(.015)	(0.013)	(0.017)
Asian	−.104	−0.099	−0.109	−.096	−0.090	−0.092
	(.054)	(0.052)	(0.051)	(.031)	(0.025)	(0.025)
Asian × 1980	.027	0.024	0.035	.021	0.017	0.022
	(.064)	(0.061)	(0.060)	(.036)	(0.029)	(0.029)
Asian × 1990	.038	0.035	0.045	.027	0.023	0.025
	(.060)	(0.057)	(0.056)	(.035)	(0.028)	(0.027)
Asian × 2000	.024	0.019	0.029	.010	0.005	0.007
	(.057)	(0.055)	(0.054)	(.033)	(0.027)	(0.025)
Hispanic	−.025	−0.010	−0.048	−.035	−0.017	−0.024
	(.016)	(0.016)	(0.019)	(.009)	(0.008)	(0.012)
Hispanic × 1980	.027	0.008	0.051	.037	0.018	0.023
	(.027)	(0.026)	(0.028)	(.016)	(0.013)	(0.015)

Hispanic × 1990	.037	0.028	0.072	.051	0.039	0.049
	(.024)	(0.023)	(0.026)	(.014)	(0.011)	(0.015)
Hispanic × 2000	−.035	−0.046	−0.007	−.014	−0.035	−0.028
	(.022)	(0.020)	(0.025)	(.013)	(0.014)	(0.014)
Institutionalized	–	−1.007	0.938	–	−1.076	−0.687
		(0.183)	(0.659)		(0.098)	(0.602)
Institutionalized × 1980	–	–	−2.518	–	–	−1.851
			(0.710)			(0.759)
Institutionalized × 1990	–	–	−2.220	–	–	−0.968
			(0.065)			(0.639)
Institutionalized × 2000	–	–	−1.861	–	–	−0.167
			(0.637)			(0.612)
Age-education dummies	Yes	Yes	Yes	Yes	Yes	Yes
Age-education dummies × year	No	No	No	Yes	Yes	Yes
R^2	.887	.898	.903	.971	.981	.983
N	320	320	320	320	320	320

Source: One percent PUMS files, 1970, 1980, 1990, and 2000.
Note: All models include a constant term and year dummy variables. The dependent variable is the proportion of the noninstitutionalized age-race-education-year cell that is employed. The key explanatory variable is the proportion of each cell (including the institutionalized) that is institutionalized.

Figure 9.1   Cross-City Variation in Charity Versus Public-Goods Expenditure
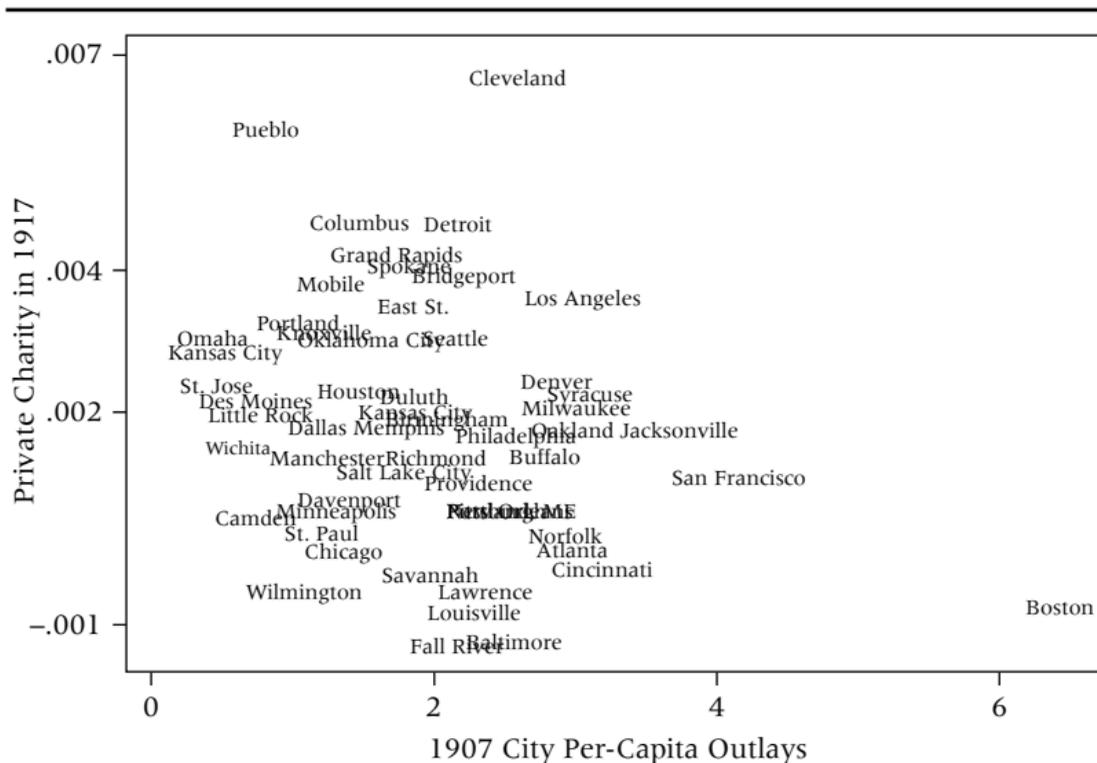
Table 9.1 Determinants of Per-Capita State and City Expenditure Generosity

City and State Characteristics	Log(1913 Combined State and City Expenditures)	Log(1907 City Health, Charities, and Sanitation Expenditures)	Log(1930 City Health Board Expenditures)
Log(population)	0.056	0.223***	0.185*
	(0.035)	(0.047)	(0.094)
Mean age	0.086***	0.047	0.027
	(0.016)	(0.033)	(0.038)
Duncan index	0.029	0.053***	0.002
	(0.020)	(0.020)	(0.025)
Standard deviation of Duncan index	0.070*	−0.087**	−0.042
	(0.041)	(0.036)	(0.046)
Fraction black	1.081*	1.675***	3.849***
	(0.614)	(0.621)	(1.484)
Fraction foreign-born	5.980***	3.838**	2.500***
	(0.701)	(1.666)	(1.098)
State share of Democrats, U.S. House of Representatives	0.047***	1.138***	−0.270
	(0.013)	(0.339)	(0.373)
State share of Democrats, U.S. Senate	−0.009	−0.747***	0.312
	(0.008)	(0.226)	(0.239)
Average years of service of state representatives:			
House	0.047***	0.149**	0.011
	(0.013)	(0.060)	(0.019)
Senate	−0.009	−0.008	0.031*
	(0.008)	(0.144)	(0.015)
R^2	0.895	0.587	0.300
Observations	48	132	116

Source: Authors' compilation; see Data Appendix.
Note: Ordinary least squares regressions are of state and city health-care and sanitation spending on state and city characteristics, including region fixed effects (four regions) and a constant. See equation 9.1 in the text. Robust standard errors (clustered on state in the city regressions) are in parentheses. The symbols *, **, and *** indicate that the coefficient is statistically different from 0 at the 10, 5, and 1 percent level respectively.

Table 9.2   Effect of City Population and City Expenditures on Child
Mortality, 1910 Census Microdata

	OLS		IV	
	White	Black	White	Black
Dummy = 1 if city population is				
More than	0.242***	1.053*	0.286***	0.726
1,500,000	(0.068)	(0.562)	(0.101)	(0.594)
300,000 to	0.264***	0.617*	0.316***	0.526
1,500,000	(0.089)	(0.327)	(0.118)	(0.455)
100,000 to	0.091	−0.176	0.107	−0.287
300,000	(0.075)	(0.375)	(0.079)	(0.416)
Less than				
100,000				
Log(per-capita expenditures on health, sanitation, and charities in city) in 1907	−0.127**	0.351	−0.172*	0.878*
	(0.059)	(0.269)	(0.104)	(0.512)
R²	0.027	0.144	0.026	0.512
Observations	7,061	372	6,693	352
Number of cities	143	67	142	66

Source: Authors' compilation.
Notes: Estimated from the 1910 census integrated public use microdata sets for all
married women whose husbands were present in the household, who had ever had
children, whose marital duration was less than fifteen years, and for whom the num-
ber of children ever born was no greater than marital duration. Health expenditures
are from the 1907 *Statistics of Cities,* U.S. Census Bureau (1910). Mean per-capita
health expenditures in 1907 dollars in cities were $2.69 in the white sample and
$2.50 in the black sample. Ordinary least squares regressions are of the mortality
index on city health expenditures controlling for the logarithm of city population.
Additional control variables include the woman's age, a dummy variable equal to 1 if
the household owned its own home, dummies for the husband's occupational class
(professional, managerial, clerical and sales, crafts, service, operative, laborer, and no
occupation), a dummy equal to 1 if the mother worked, dummies for the mother's
place of birth if white (United States, Canada, Scandinavia, Britain, Ireland, Germany,
Poland or Russia, Italy, other southern Europe, other Eastern Europe, and other),
average July temperature in the state, and nine region dummies. See equation 9.3 in
the text. Instruments in the IV regressions are the fraction of the city population that
is black and the fraction that is foreign-born, the city's average Duncan socioeco-
nomic index, the city's standard deviation in the Duncan socioeconomic index, the
state's share of Democrats in the U.S. Senate, the state's share of Democrats in the
U.S. House, the average number of years of service of the state's representatives in
the U.S. Senate, and the average number of years of service of the state's representa-
tives in the U.S. House. Washington, D.C., is excluded from the IV regression. Robust
standard errors clustered on city in parentheses. The symbols *, **, and *** indicate
that the coefficient is significantly different from 0 at the 10, 5, and 1 percent level.

Table 9.3 Effect of City Health Characteristics on Child Mortality, 1910 Census Microdata

	Number of Regional Dummies	White		Black	
		Coefficient	R^2	Coefficient	R^2
Independent variable is sewer connection					
1. Log(fraction of city with sewer connection)	4	−0.058** (0.029)	0.025	0.048 (0.122)	0.116
2. Log(fraction of city with sewer connection)	9	−0.036 (0.031)	0.026	0.021 (0.107)	0.148
Observations		7,226		372	
Number of cities		157		69	
Independent variable is water filtration					
1. Dummy = 1 if city filtered water by 1905	4	−0.202*** (0.070)	0.028	0.115 (0.402)	0.113
2. Dummy = 1 if city filtered water by 1905	9	−0.196*** (0.079)	0.030	0.234 (0.393)	0.135

Table 9.3 Effect of City Health Characteristics on Child Mortality, 1910 Census Microdata *(Continued)*

	Number of Regional Dummies	White		Black	
		Coefficient	R²	Coefficient	R²
Independent variables are water filtration and interaction					
1. Dummy = 1 if city filtered water by 1905	9	−0.247*** (0.089)	0.030	0.294 (0.409)	0.137
2. City filtered water by 1905 × (dummy = 1 if owned home)		0.154 (0.088)		−0.988 (0.806)	
Observations		6,562		351	
Number of cities		147		59	

Source: Authors' compilation.
Notes: Estimated from the 1910 census integrated public use microdata sets for all married women whose husbands were present in the household, who had ever had children, whose marital duration was less than fifteen years, and for whom the number of children ever born was no greater than marital duration. Information on sewer connections and on water filtration comes from the 1909 and 1916 *Social Statistics of Cities,* respectively, U.S. Census Bureau (various years). The mean percentage of the population with a sewer connection in the city was 81 percent in the white sample and 70 percent in the black sample. The mean percentage of the population in a city that filtered water by 1905 was 33 percent in the white sample and 32 percent in the black sample. Regressions are ordinary least squares regressions of the mortality index on city health characteristics controlling for city size. (Regressions are similar except city health characteristics are substituted for city expenditures.) In examining water filtration the sample is restricted to cities with information on their water supply system. Additional control variables include the woman's age, a dummy variable equal to 1 if the household owned its own home, dummies for the husband's occupational class (professional, managerial, clerical and sales, crafts, service, operative, laborer, and no occupation), a dummy equal to 1 if the mother worked, dummies for the mother's place of birth if white (United States, Canada, Scandinavia, Britain, Ireland, Germany, Poland or Russia, Italy, other southern Europe, other Eastern Europe, and other), and average July temperature in the state. Robust standard errors clustered on city in parentheses. The symbols *, **, and *** indicate that the coefficient is significantly different from 0 at the 10, 5, and 1 percent level.

Table 9.4 Effect of City Population and City Expenditures on Child Mortality, 1940 Census Microdata

	OLS		IV	
	White	Black	White	Black
Dummy = 1 if city population is				
More than 1,500,000	0.010	−0.113	0.013	−0.187
	(0.071)	(0.339)	(0.071)	(0.339)
300,000 to 1,500,000	−0.000	−0.412	0.008	−0.475
	(0.072)	(0.291)	(0.075)	(0.285)
100,000 to 300,000	0.022	−0.086	0.024	−0.133
	(0.080)	(0.334)	(0.080)	(0.319)
Less than 100,000				
Log(per-capita health	0.032	0.085	0.016	0.061
expenditures) in 1930	(0.020)	(0.082)	(0.036)	(0.064)
R^2	0.021	0.138	0.029	0.150
Observations	4,364	289	4,318	281
Number of cities	64	39	63	38

Source: Authors' compilation.
Notes: Estimated from the 1940 census integrated public use microdata sets for all married women whose husbands were present in the household, who had ever had children, whose marital duration was less than 15 years, and for whom the number of children ever born was no greater than marital duration. Health-expenditure information is from *the White House Conference on Child Health and Protection.* Mean per-capita health expenditures (including those on hospitals, medical poor relief, and plumbing) were $1.17 in 1930 dollars in the white sample and $1.13 in 1930 dollars in the black sample. Regressions are ordinary least squares regressions of the mortality index on city health expenditures controlling for the logarithm of city population. Additional control variables include the woman's age, a dummy variable equal to 1 if the household owned its own home, dummies for the husband's occupational class (professional, managerial, clerical and sales, crafts, service, operative, laborer, and no occupation), a dummy equal to 1 if the mother worked, dummies for the mother's place of birth if white (United States, Canada, Scandinavia, Britain, Ireland, Germany, Poland or Russia, Italy, other southern Europe, other eastern Europe, and other), average July temperature in the state, and nine region dummies. See equation 9.3 in the text. Instruments in the IV regressions are the fraction of the city population that is black and the fraction that is foreign-born, the city's average Duncan socioeconomic index, the city's standard deviation in the Duncan socioeconomic index, the state's share of Democrats in the U.S. Senate, the state's share of Democrats in the U.S. House, the average number of years of service of the state's representatives in the U.S. Senate, and the average number of years of service of the state's representatives in the U.S. House. Washington, D.C., is excluded from the IV regression. Robust standard errors clustered on city in parentheses. The symbols *, **, and *** indicate that the coefficient is significantly different from 0 at the 10, 5, and 1 percent level. Population weights are used in all regressions.

Table 9.5 Effect of City Health Characteristics on Child Mortality, 1940 Census Microdata

	White	R²	Black	R²
Log(percentage of children in city who had had health exam by 1930)	−0.169** (0.063)	0.022	0.594** (0.260)	0.136
Log(percentage of children in city who had had diphtheria immunization by 1930)	−0.027 (0.028)	0.021	0.028 (0.116)	0.127
Log(percentage of children in city who had had smallpox vaccination by 1930)	−0.019 (0.031)	0.021	0.151 (0.208)	0.128
Log(percentage of children in city who had had dental exam by 1930)	−0.022 (0.040)	0.021	0.097 (0.157)	0.127
Observations	4,427		307	
Number of cities	67		41	

Source: Authors' compilation.
Notes: Estimated from the 1940 census integrated public use microdata sets for all married women whose husbands were present in the household, who had ever had children, whose marital duration was less than fifteen years, and for whom the number of children ever born was no greater than marital duration. Health information is from the *White House Conference on Child Health and Protection* and is based upon city surveys. The mean percentage of children in the city who had had a health examination by 1930 was 53 percent in the white sample and 50 percent in the black sample. The mean percentage of children who had had a diphtheria immunization by 1930 was 24 percent in the white sample and 21 percent in the black sample. The mean percentage of children who had been vaccinated for smallpox by 1930 was 25 percent in the white sample and 21 percent in the black sample. The mean percentage of children who had had a dental examination by 1930 was 12 percent in both the white and black samples. Ordinary least squares regressions are of the mortality index on city health characteristics. (The regression is a variant of equation 9.3 in the text in which city health characteristics are substituted for city expenditures.) Additional control variables include dummies for city population, the woman's age, a dummy variable equal to 1 if the household owned its own home, dummies for the husband's occupational class (professional, managerial, clerical and sales, crafts, service, operative, laborer, and no occupation), a dummy equal to 1 if the mother worked, dummies for the mother's place of birth if white (United States, Canada, Scandinavia, Britain, Ireland, Germany, Poland or Russia, Italy, other southern Europe, other Eastern Europe, and other), average July temperature in the state, and nine region dummies. Robust standard errors clustered on city in parentheses. The symbols *, **, and *** indicate that the coefficient is significantly different from 0 at the 10, 5, and 1 percent level. Population weights used in all regressions.

Table 9.6 Time Trends in City Case and Death Rates for Reportable Diseases 1912 to 1925, by City Expenditure Class

City Illness Indicator	Time Trend for City Spending, Mean Amount	Time Trend for City Spending, 1 Standard Deviation Above Mean Amount
Diphtheria case rate	−.028	−.030
Diphtheria death rate	−.043	−.044
Measles case rate	−.031	−.044 (10% level)
Measles death rate	−.042	−.053 (10% level)
Polio case rate	−.021	−.014
Polio death rate	−.018	−.014
Smallpox case rate	.010	.011
Smallpox death rate	.020	.016
TB case rate	−.038	−.044 (10% level)
TB death rate	−.052	−.056
Typhoid case rate	−.125	−.119
Typhoid death rate	−.103	−.099
Typhoid case rate (unweighted regression)	−.119	−.126 (5% level)
Typhoid death rate (unweighted regression)	−.102	−.106

Source: Authors' compilation.
Note: The unit of analysis is a city-year. The dependent variable differs by row and is the logarithm of the case or death rate plus 0.01. See equations 9.4 and 9.5 in the text. The control variables are a city fixed effect, time trend, and time trend interacted with city per-capita redistribution expenditure in 1907. All regressions, except where indicated, are weighted by population. The table gives time trends predicted for mean city spending and one standard above mean city spending. One hundred thirty observations from 1912 to 1925, excluding 1918. Statistical significance levels are for the interaction of the logarithm of per-capita health expenditures times the time trend.

Table 9.7   Effect of City Population and City Expenditures on City Infant Mortality, 1910 City-Level Data

	Total		White		Black	
	OLS	IV	OLS	IV	OLS	IV
City size						
Within top 10 percent	.162***	.462***	2.720***	2.954***	4.210***	4.346***
	(.047)	(.156)	(0.422)	(0.494)	(0.693)	(0.868)
Within next 50 to 90 percent	.084*	.162***	1.005***	.989***	1.683***	1.669***
	(.044)	(.062)	(0.349)	(0.376)	(0.547)	(0.598)
Log(city	−.014	−.351**	−0.194	−0.606*	−0.367	−0.621
expenditures)	(.039)	(.167)	(0.212)	(0.307)	(0.392)	(0.694)
R²	0.531	0.162	0.898	0.890	0.709	0.702
Observations	120	119	62	61	60	59

Source: Authors' compilation.
Note: The infant mortality rate is calculated as the total number of deaths divided by the total population below age one. City expenditures include expenditures on health, sanitation, and charities. City size percentiles are calculated within the sample of 120 cities. Additional control variables include mean age, the fraction black, the fraction foreign-born, the fraction illiterate, the Duncan socioeconomic index, and eight regional dummies. See equation 9.6. Instrumental variables are the state's share of Democrats in the U.S. Senate, the state's share of Democrats in the U.S. House, the average number of years of service of the state's representatives in the U.S. Senate, and the average number of years of service of the state's representatives in the U.S. House. Washington, D.C., is excluded from the IV regression. Robust standard errors clustered on the state are in parentheses. The symbols *, **, and *** indicate that the coefficient is significantly different from 0 at the 10, 5, and 1 percent level, respectively.

Table 9.8 Effect of State Expenditures on State Mortality 1910 to 1940, by Cause, by Race, Ordinary Least Squares Regressions

Log(Mortality Rate)	White, Coefficient on			Black, Coefficient on		
	Log (Expenditures)	Time Trend	R^2	Log (Expenditures)	Time Trend	R^2
All causes	0.023	−0.014***	0.490	0.130**	−0.017***	0.326
	(0.045)	(0.001)		(0.060)	(0.002)	
Typhoid fever	−0.396*	−0.088***	0.864	−0.416*	−0.097***	0.757
	(0.212)	(0.006)		(0.212)	(0.007)	
Scarlet fever	0.220**	−0.038***	0.692	0.047	−0.023***	0.479
	(0.101)	(0.005)		(0.098)	(0.004)	
Whooping cough	−0.172	−0.056	0.739	−0.097	−0.054***	0.487
	(0.115)	(0.004)		(0.180)	(0.006)	
Diphtheria	−0.462***	−0.092***	0.851	−0.293**	−0.062***	0.598
	(0.169)	(0.007)		(0.115)	(0.005)	
Dysentery	−0.191	−0.044***	0.753	−0.263*	−0.042***	0.780
	(0.174)	(0.006)		(0.134)	(0.005)	
Tuberculosis	0.256	−0.052***	0.805	0.144	−0.032***	0.491
	(0.169)	(0.005)		(0.189)	(0.010)	

Table 9.8   Effect of State Expenditures on State Mortality 1910 to 1940, by Cause, by Race, Ordinary Least Squares Regressions *(Continued)*

Log(Mortality Rate)	White, Coefficient on			Black, Coefficient on		
	Log (Expenditures)	Time Trend	R^2	Log (Expenditures)	Time Trend	R^2
Bronchitis	−0.045	−0.064***	0.816	0.389	−0.081***	0.703
	(0.116)	(0.004)		(0.180)	(0.007)	
Measles	0.065	−0.054***	0.541	0.169	−0.039***	0.255
	(0.152)	(0.007)		(0.169)	(0.006)	
Pneumonia	−0.855	−0.058***	0.340	−0.571	−0.049***	0.421
	(0.640)	(0.017)		(0.368)	(0.007)	
Diarrhea	−0.286	−0.086***	0.861	−0.086	−0.070***	0.736
	(0.188)	(0.006)		(0.110)	(0.005)	
Hernia	−0.015	−0.011***	0.610	0.371***	−0.008***	0.378
	(0.056)	(0.001)		(0.056)	(0.002)	

Source: Authors' compilation.
Note: Ordinary least squares regressions are of state mortality rates by cause and by race on a time trend and on the logarithm of per-capita expenditures on charities, hospitals, and corrections and recreation, health, and sanitation by state and local governments within a state. Each row reports two regressions, one in which the dependent variable is the logarithm of the mortality rate for whites and one in which the dependent variable is the logarithm of the mortality rate for blacks. These state mortality rates are for the years 1910, 1915, 1920, 1925, 1930, 1935, and 1940 for the death registration states. Per-capita expenditures are for the year 1913. Additional control variables include the age distribution of the population, the Duncan socioeconomic index, and four regional dummies. See equation 9.7. Robust standard errors, clustered on the state, in parentheses. The symbols *, **, and *** indicate significance at the 10, 5, and 1 percent level, respectively. All regressions are weighted by state population.

Table 9.9 Effect of State Expenditures on State Mortality 1910 to 1940, by Cause, by Race, Instrumental-Variables Regressions

	White, Coefficient on			Black, Coefficient on		
Log(Mortality Rate)	Log (Expenditures)	Time Trend	R^2	Log (Expenditures)	Time Trend	R^2
All causes	−0.049	−0.015***	0.483	0.207*	−0.016***	0.138
	(0.104)	(0.002)		(0.108)	(0.002)	
Typhoid fever	−0.941**	−0.098***	0.850	−0.424	−0.097***	0.757
	(0.009)	(0.009)		(0.351)	(0.008)	
Scarlet fever	0.095	−0.040***	0.692	0.070	−0.022***	0.478
	(0.226)	(0.005)		(0.118)	(0.004)	
Whooping cough	−0.154	−0.056***	0.739	−0.087	−0.054***	0.487
	(0.195)	(0.005)		(0.262)	(0.006)	
Diphtheria	−0.613**	−0.095***	0.850	−0.459***	−0.063***	0.591
	(0.252)	(0.006)		(0.177)	(0.005)	
Dysentery	−0.530	−0.051***	0.743	−0.596**	−0.044***	0.761
	(0.341)	(0.009)		(0.290)	(0.006)	
Tuberculosis	−0.114	−0.059***	0.786	0.053	−0.033***	0.488
	(0.292)	(0.007)		(0.263)	(0.010)	
Bronchitis	0.262	−0.059***	0.808	0.106	−0.083	0.431
	(0.241)	(0.005)		(0.326)	(0.006)	

Table 9.9 Effect of State Expenditures on State Mortality 1910 to 1940, by Cause, by Race, Instrumental-Variables Regressions *(Continued)*

	White, Coefficient on			Black, Coefficient on		
Log(Mortality Rate)	Log (Expenditures)	Time Trend	R^2	Log (Expenditures)	Time Trend	R^2
Measles	0.039	−0.054***	0.541	0.197	−0.039***	0.593
	(0.172)	(0.007)		(0.302)	(0.007)	
Pneumonia	−1.316	−0.067***	0.588	−0.455	−0.048***	0.493
	(1.057)	(0.023)		(0.350)	(0.008)	
Diarrhea	−0.276	−0.086***	0.861	−0.289	−0.071***	0.727
	(0.352)	(0.009)		(0.201)	(0.005)	
Hernia	−0.024	−0.011***	0.610	0.381***	−0.008***	0.377
	(0.099)	(0.002)		(0.115)	(0.002)	

Source: Authors' compilation.
Note: Instrumental-variables regressions are of state mortality rates by cause and by race on year and on the logarithm of per-capita expenditures on charities, hospitals, and corrections and recreation, health, and sanitation by state and local governments within a state. Each row reports two regressions, one in which the dependent variable is the logarithm of the mortality rate for whites and one in which the dependent variable is the logarithm of the mortality rate for blacks. These state mortality rates are for the years 1910, 1915, 1920, 1925, 1930, 1935, and 1940 for the death registration states. Per-capita expenditures are for 1913. Additional control variables include the age distribution of the population, the Duncan socioeconomic index, and four regional dummies. See equation 9.7 in the text. Instrumental variables are the share of the state's Democrats in the U.S. House, the share of the state's Democrats in the U.S. Senate, the average number of years of seniority of the state's representatives in the House, and the average number of years of seniority of the state's representatives in the Senate. Robust standard errors, clustered on the state, in parentheses. The symbols *, **, and *** indicate significance at the 10, 5, and 1 percent level, respectively. All regressions are weighted by state population.

Table 9.10 Compensating Differential for Infant Mortality Risk

	Apartments		Nonapartments	
Log(city population in thousands)	0.048***	0.051***	0.015	0.017
	(0.018)	(0.016)	(0.020)	(0.021)
Log(city infant mortality)	−0.198	−0.227**	0.086	0.073
	(0.170)	(0.107)	(0.119)	(0.105)
With four region dummies	Yes	No	Yes	No
Probability dummies are jointly significant, from F-test	0.860		0.456	
R^2	0.519	0.518	0.476	0.472
Observations	3,128	3,128	6,437	6,437
Number of cities	94	94	112	112

Source: Authors' compilation.
Note: Estimated from the 1917 to 1919 Consumer Expenditure Survey. Regressions are of the logarithm of rental value (imputed by homeowners for owned properties) on the logarithm of city infant mortality controlling for city population. Infant mortality is 1919 mortality for the registration cities. Average yearly rent in July 1918 dollars was $190 in the apartment sample and $198 in the nonapartment sample. The mean city infant mortality rate was .123 in both samples. Additional control variables include the number of rooms, the number of windows, the number of windows squared, whether the dwelling had a bathroom, whether the dwelling had a WC inside, whether the dwelling had a sewer connection, whether the dwelling had a pantry, whether the dwelling had an attic, whether the dwelling had a cellar, and whether the dwelling contained stationary laundry tubs. See equation 9.8 in the text. Robust standard errors in parentheses. The symbols *, **, and *** indicate significance at the 10, 5, and 1 percent level, respectively.