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Sandra Wexler

*University of Pittsburgh*

Rafael J. Engel

*University of Pittsburgh*

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# Historical Trends in State-Level ADC/AFDC Benefits: Living on Less and Less

SANDRA WEXLER AND RAFAEL J. ENGEL

University of Pittsburgh  
School of Social Work

*This paper, using government statistics, describes state-level variation in ADC/AFDC benefits from 1940–1995. The findings illustrate that the “race to the bottom” began in 1975, especially among higher paying states. The concomitant declines in benefit value relative to the poverty line places TANF-dependent recipients in serious jeopardy. Implications for education and advocacy are discussed.*

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ended the federal entitlement status of Aid to Families with Dependent Children (AFDC) and devolved responsibility for welfare to the states. In the years leading up to the legislation’s enactment, “dependency” issues were the subject of much scholarly research and discourse (Lynn, 1990, 1992, 1996). For example, investigators assessed the influence of welfare benefit amounts on adolescent birth and illegitimacy rates (Ozawa, 1989; Plotnick, 1993); recipient family size and structure (Duncan & Hoffman, 1988); length of time on public assistance (Duncan & Hoffman, 1988; Bane & Ellwood, 1983); employment experiences (Harris, 1996; Moffitt, 1992); and intergenerational welfare usage (Duncan & Hoffman, 1988; Moffitt, 1992).

A steady erosion in the value of welfare benefits (Caputo, 1993; Funicello & Schram, 1991; Jost, 1992; Katz, 1996) has paralleled the debate about whether governmental financial assistance has robbed families of their initiative and self-reliance. Proponents of the PRWORA argued that the legislation’s strict time limits, workfare requirements, and expanded state control of eligibility and participation criteria were needed to foster individual

responsibility and self-sufficiency. However, as Peterson (1995) has cautioned, implementation of the PRWORA may precipitate a "race to the bottom" as states seek to minimize their costs and deter the in-migration of the poor by further reducing grants to needy families.

AFDC benefits have varied widely among the states (Levitan, 1990), and researchers have examined the influences of demographic, sociological, economic, and political factors on state payment levels (Brown, 1995; Ozawa, 1978; Peterson, 1995). Yet the between state variation observed can be traced historically to the initiation of the federal program. The Social Security Act of 1935, which created Aid to Dependent Children (ADC) (subsequently renamed AFDC), gave authority to the states to set their own standard of need and benefit level (Abramovitz, 1996; Gordon, 1994). In contrast to the three other public assistance programs of the Social Security Act (i.e., Old Age Assistance, Aid to the Blind, Aid to the Permanently and Totally Disabled) which were federalized in 1972 through the establishment of Supplemental Security Income (SSI), responsibility for AFDC remained with the states (DiNitto, 1991; Jansson, 1993).

Although there has been some acknowledgment in the literature of the historical variation in state payment levels (DiNitto, 1991; Gordon, 1994; Patterson, 1994), little descriptive data are available that illustrate the extent of benefit differences or their changes over time. This article presents historical state-level benefit information and describes the variation in these payments during the past 55 years. Specifically, it addresses the following questions: What was the range of average state payments when the system began? How have average payments changed between 1940 and 1995? Have there been geographic differences in average payment levels? To what extent has the ability of state maximum payments to raise a family up to the official poverty line changed over time?

The issues identified by these questions are salient even though AFDC has been replaced by the Temporary Assistance to Needy Families (TANF) program. As TANF entrenches authority and discretion for welfare programming more firmly at the state-level, an understanding of the history of each state's financial

response to indigent families gains importance. Such information can provide a basis for future educational and advocacy activities.

## BACKGROUND

Assistance to impoverished families has a long history in the United States—from locally-provided outdoor relief of the colonial period to large institutions of the early and mid-1800s to in-home guidance and aid by private charity workers in the latter half of the 19th century (Katz, 1996; Trattner, 1994). Turn-of-the-century progressive reformers championed the idea that children should not be removed from their homes solely because of their families' poverty. The 1909 White House Conference on the Care of Dependent Children gave legitimacy to this argument and recommended the provision of financial assistance via mothers' pensions as a way to preserve families (Katz, 1996). Proponents envisioned mothers' pensions as a mechanism to deliver financial support to worthy, typically white, widows with young children and considered the states, rather than the federal level, as the unit of government that should be responsible.

Legislation of mothers' pensions caught on quickly and spread rapidly among the states, from Illinois and Missouri in 1911 to all but South Carolina and Georgia by 1935 (Katz, 1996; Trattner, 1994). Benefit levels and conditions of assistance, including both behavioral and economic criteria, were established by each state's law. Counties were given the authority to decide whether, and how, to implement the state's mothers' pension program. Often, private charities were enlisted to deliver the programs locally, and charity workers had significant discretionary power in determining applicants' suitability and fitness for aid. Yet even for those who qualified, benefits were not sufficient to enable mothers to withdraw completely from the labor force (Skocpol, 1992). Mothers' pension programs were seriously jeopardized by the Great Depression, which created both increased demands for stipends and reduced the state and local monies available to them (Gordon, 1994).

Called the "Magna Carta of the American welfare state" (Jansson, 1993, p. 173), the Social Security Act of 1935 established the federal government's role in the provision of social welfare financing and services. Title IV of the Act created the ADC program,

building on many of the concepts and features of the mothers' pension programs (Abramovitz, 1996; Gordon, 1994). ADC was thought by some of its proponents to be a short-term solution that would not be needed in the future as families qualified under the Act's social insurance provisions (DiNitto, 1991). In fact, many widow-headed families soon transferred from the ADC rolls to the Survivors' Insurance program, which was enacted in 1939 (Abramovitz, 1996).

ADC was financed through a combination of federal and state funds, with the federal government matching \$1 for every \$2 of state spending (Patterson, 1994). (The federal match was raised to 50% in 1939.) The legislation set no minimum amount for recipient grants. However, federal contributions afforded maximum grants of \$18 for the first child and \$12 for each additional child (Axinn & Levin, 1997; Leiby, 1978), although states could use their own monies to provide larger awards. No provision was made for providing financial assistance to the mother or adult caretaker.

Responsibility for ADC administration was vested in the states. Operating within broad federal guidelines, each state had to define a need standard that reflected a subsistence budget; establish eligibility criteria; set benefit levels, although these did not have to equal the state's need standard; designate a single agency to be responsible for program administration; and implement the ADC program on a statewide basis (Abramovitz, 1996; Gordon, 1994). Not surprisingly, significant variation occurred among the state programs.

In the 60 years between its creation and dismantling, the federal program changed in ways unforeseen by its original architects. Legislation authorizing the use of federal matching funds for grants to adult caretakers (most often mothers) was enacted in 1950. In contrast to the federal government's expansion of program coverage, many states responded to the steadily rising ADC rolls, the rapidly growing program costs, and the increasing numbers of African American and unwed mother beneficiaries by implementing punitive administrative policies (i.e., residency requirements, "suitable home" criteria, "man-in-the-house" rules) and by reducing their financial commitment (Abramovitz, 1996).

In 1962 ADC was renamed Aid to Families with Dependent Children (AFDC) to signify the program's emphasis on the family

unit (DiNitto, 1991). It became clear during the 1960s that a program designed for deserving, white widows was serving a clientele increasingly composed of never-married mothers and minority group families and that the need for it would not be supplanted by the Social Security Act's social insurance provisions. Moreover, the original argument that public funds should be used to allow mothers to remain at home to raise their children was rapidly losing support as more and more women with young children entered the labor force (Levitan, 1990). The 1967 Social Security Amendments' workfare requirements reflected these shifts in basic assumptions about AFDC and its recipients (Axinn & Levin, 1997; DiNitto, 1991; Patterson, 1994).

In 1969 states were required to adjust their need standards to "reflect fully changes in living costs since such standards were established" (Office of Family Assistance, n.d., p. 16). However, states were not required to modify their benefit levels in light of these revised need standards; nor were they required to make any subsequent adjustments (*Guidice v. Jackson*, 1989). During the 1970s, federal social welfare programs, particularly those involving in-kind benefits were greatly expanded (Peterson, 1995).

By the 1980s, the AFDC program itself, and the dependency it was said to produce among its recipients, had come to be seen as the "problem." Many families were thrust from their "dependency" on welfare by the Omnibus Budget Reconciliation Act of 1981, which restricted AFDC eligibility, tightened work requirements, and capped various work-related deductions (Abramovitz, 1996; Patterson, 1994). Yet despite these changes, criticisms of AFDC continued to mount.

Called the most important revision in welfare policy since the Social Security Act, the Family Support Act of 1988, transformed AFDC "from an income support to a mandatory work and training program" (Stoesz, 1989, p. 133). However, many recipients were exempt from the work requirements and the implementation of work programs was to be slow, impacting only 20% of the AFDC caseload by 1995. Beginning in the late 1980s, states were encouraged by President Bush to apply for federal waivers to implement policies and procedures that did not comply with existing federal rules (DiNitto, 1991). The "devolution revolution" had begun (Nathan as cited in Kamerman,

1996, p. 453), and virtually all of the waivers sought by the states "had a conservative cast" (Peterson, 1995, p. 109).

Vociferous attacks were made on the AFDC system during the early 1990s (Sidel, 1996), even as the states were implementing the Family Support Act's Job Opportunities and Basic Skills Training (JOBS) program, the legislation's centerpiece job training and employment component (Trattner, 1994). Reciprocity, personal responsibility, and a 1990s version of states' rights/welfare localism became rallying cries of numerous welfare critics. Republican Congressmen, arguing for the proposals outlined in their 1994 Contract with America, challenged President Clinton to live up to his 1992 campaign promise to "end welfare as we know it" (Axinn & Levin, 1997, p. 312).

The resulting Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ended the open-ended entitlement status of AFDC and replaced it with the TANF block grant program. Operating under minimal federal requirements, states now have responsibility for and control over the provision of financial assistance to impoverished families. It remains to be seen precisely how these state programs will operate and whether they will achieve their goals, particularly if there is an economic downturn.

## DATA SOURCES AND METHODS

Our primary indicator is the average per recipient ADC/AFDC payment made by each state. We obtained these data for each five year increment from 1940 to 1990 from Social Security Bulletins (see Appendix A for a complete source list). Comparable information for 1995 was acquired directly from the Office of Family Assistance, Administration on Children and Families, Department of Health and Human Services. Tables displaying these data by state are included in Appendix B.

To assess the relationship of AFDC payments to the official poverty line, data on the maximum benefits paid by each state were acquired from the 1996 U.S. House Committee on Ways and Means' Green Book. Maximum benefits, which are available for 1970 through 1995, represent the largest cash grants paid to families with no countable income. Since the mid-1970s the average AFDC family, according to Cammisa (1998), has consisted of three

persons, typically a mother and two children. The 1996 Social Security Bulletin's Annual Statistical Supplement provided data on the 1970 to 1995 poverty thresholds for three-person nonfarm families.

To convert payments to constant dollars, a formula developed by the American Institute for Economic Research (American Institute for Economic Research, 1997) was used. By expressing ADC/AFDC benefit levels in 1995 dollars, changes over time can be assessed while controlling for the effects of inflation. Thus, it is possible to examine both the within and between state variation in the purchasing power of AFDC grants.

To assess regional differences, we divided the states using the nine census divisions defined by the U. S. Census Bureau. The division of states by region was: (1) New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; (2) Middle Atlantic—New Jersey, New York, and Pennsylvania; (3) East North Central—Illinois, Indiana, Michigan, Ohio, and Wisconsin; (4) West North Central—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; (5) South Atlantic—Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; (6) East South Central—Alabama, Kentucky, Mississippi, and Tennessee; (7) West South Central—Arkansas, Louisiana, Oklahoma, and Texas; (8) Mountain—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and (9) Pacific—California, Oregon, and Washington. For this description, we did not include the District of Columbia (South Atlantic), Alaska (Pacific) and Hawaii (Pacific).

Descriptive statistics—means, medians, standard deviations—were computed for the 48 contiguous states. As Ozawa (1978) has noted, the history, situation, and payment levels of Alaska, Hawaii, and the District of Columbia are sufficiently different from those of the other states to justify excluding them from state-level AFDC analyses.

## FINDINGS

Table 1 displays descriptive statistics based on the average per recipient benefit in actual dollars paid by the 48 contiguous



**Table 1**  
*Descriptive Statistics Based on Average Per Recipient Benefit in Actual Dollars (Contiguous 48 states)*

Year	Mean	Median	Standard Deviation	Range	Minimum	Maximum	25 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile	Interquartile Range
1940	12.09	11.86	4.62	19.74	4.35	24.09	8.61	14.74	6.13
1945	19.65	19.90	8.39	30.57	7.87	38.44	13.04	26.16	13.12
1950	21.40	21.90	8.01	32.83	4.93	37.76	14.26	27.43	13.17
1955	26.26	25.21	8.68	34.49	7.45	41.94	19.28	33.80	14.52
1960	31.82	30.97	10.71	40.36	9.36	49.72	23.39	40.18	16.79
1965	33.76	33.84	10.99	43.26	8.16	51.42	25.55	41.57	16.02
1970	44.49	43.75	16.53	65.80	12.10	77.90	30.81	59.83	29.02
1975	64.81	64.81	22.96	106.70	14.28	120.98	46.43	83.39	36.96
1980	86.64	85.50	28.63	107.29	29.36	136.65	64.22	109.89	45.67
1985	102.23	102.16	34.96	141.10	34.51	175.61	75.14	121.54	46.40
1990	117.84	113.44	42.89	178.36	40.17	218.53	92.08	146.53	54.48
1995	118.82	114.96	40.27	155.60	43.46	199.06	90.43	141.56	51.13

states between 1940 and 1995 (see Appendix B for state-level information). The mean per recipient benefit level rose steadily over this 55 year period, although there was an almost negligible increase between 1990 and 1995. It is interesting to note that the median value was similar to its respective mean for each five year period.

Table 2 presents the descriptive statistics for the average per recipient payment in constant 1995 dollars (see Appendix B for state-level information). The descriptive statistics for the table indicate that the purchasing power of average AFDC grants did not experience a steady increase during the past 55 years. Rather, between 1940 and 1975, the worth of average per recipient benefits rose by about 46%, with a median increase of almost 34%. The value of grants then fell sharply from 1975 through 1995, declining by almost a third. Between 1975 and 1995, the purchasing power of benefits increased in only two states, while between 1990 and 1995 only three states exhibited increases in the real value of benefits. By 1995 the mean per recipient benefit paid was less than it was in 1940, displaying a median decline of about 11%. Finally, the table indicates that the spread of the purchasing power of benefits has been steadily narrowing since the 1970s.

Figure 1 graphically illustrates how the inflation-adjusted average per recipient benefits paid by the 48 contiguous states have changed since 1940. An unusual pattern is observed between 1940 and 1950—a sharp rise between 1940 and 1945 followed by an equally steep decline between 1945 and 1950. The increase in benefits between 1940 and 1945 may have been due to the 1939 amendments increasing the federal share of ADC from one-third to one-half (Cauthen & Amenta, 1996) thereby allowing states to increase their benefit levels at little additional state cost. The subsequent decline in benefits may reflect the beginnings of the post-war backlash against AFDC (Abramovitz, 1996). Moreover, when states began in 1950 to include adults in the AFDC grant they appear to have reduced their per recipient award levels

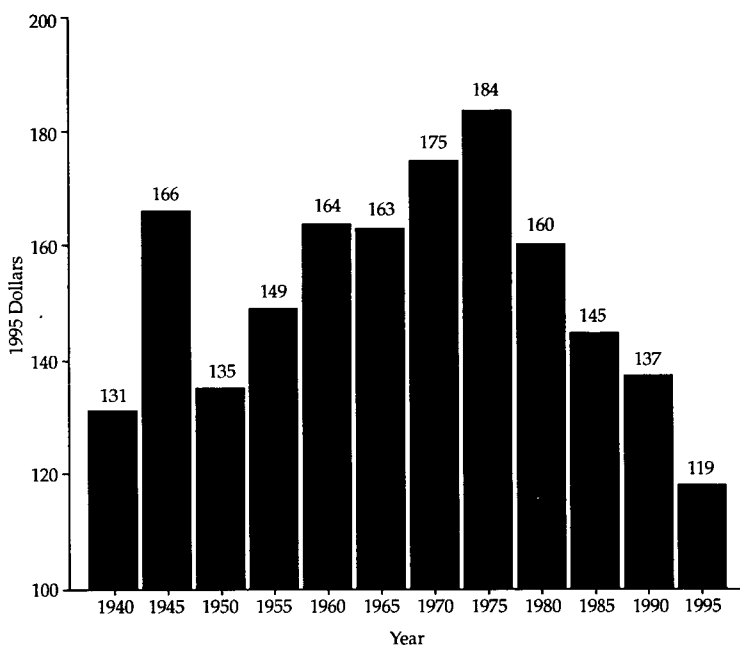
### *Geographic Variation*

The 1940 and 1995 rankings of each of the 48 contiguous states, based on its average per recipient payment, are shown in Figure 2. (The rankings that Alaska, Hawaii, and the District of Columbia

Table 2  
 Descriptive Statistics Based on Average Per Recipient Benefit in 1995 Constant Dollars (48 contiguous states)

Year	Mean	Median	Standard Deviation	Range	Minimum	Maximum	25 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile	Interquartile Range
1940	131.45	128.91	50.30	214.56	47.28	261.84	93.61	160.24	66.63
1945	166.39	168.54	71.05	258.91	66.65	325.56	110.46	221.56	111.10
1950	135.50	138.63	50.74	207.86	31.21	239.08	90.30	173.66	83.36
1955	149.29	143.32	49.33	196.07	42.35	238.43	109.59	192.14	82.55
1960	163.95	159.57	55.17	207.95	48.23	256.18	120.53	207.01	86.48
1965	163.10	163.45	53.08	208.98	39.42	248.39	123.40	200.82	77.42
1970	174.62	171.73	63.97	258.28	47.49	305.77	120.65	234.82	114.17
1975	183.54	183.53	65.01	302.16	40.44	342.60	131.49	236.16	104.67
1980	160.26	158.14	52.96	198.45	54.31	252.76	118.78	203.25	84.47
1985	144.84	144.74	49.53	199.91	48.89	248.81	106.45	172.20	65.75
1990	137.43	132.30	50.02	208.03	46.85	254.88	107.40	170.90	63.50
1995	118.82	114.96	40.23	155.60	43.46	199.06	90.43	141.56	51.13

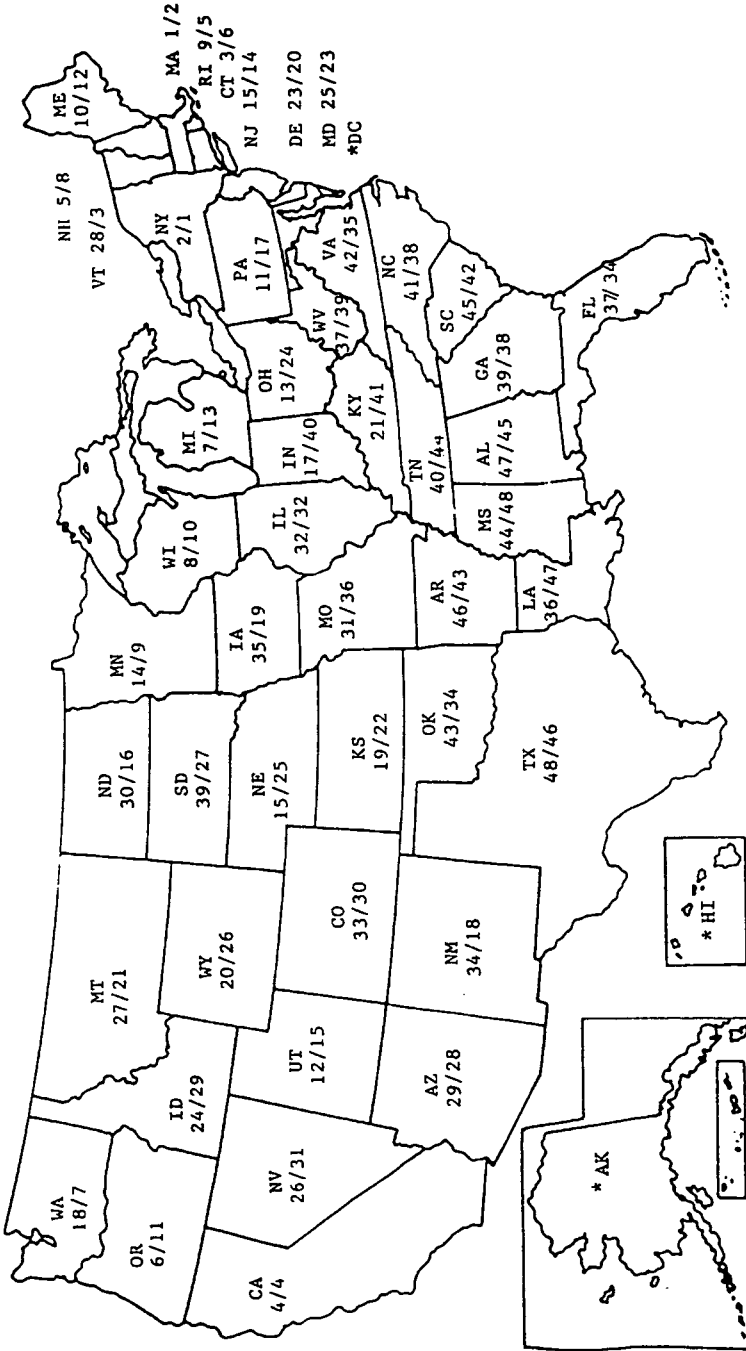
Figure 1

*AFDC average payment per recipient in 1995 Dollars—48 States.*

would have achieved had they been included are presented as footnotes.) For 26 of the states, rankings changed by four or fewer places between 1940 and 1995, suggesting that each pursued a rather consistent course in AFDC benefit levels over time relative to the other states.

Table 3 shows the extent of regional variation over time when average AFDC payments are expressed in constant dollars. Across periods, the highest paying region's average per recipient payment was, on average, three times that of the lowest paying region. From 1940 through 1995, East South Central and West South Central states consistently had the lowest average per recipient payment levels. In contrast, the Pacific and Middle Atlantic states offered among the highest average per recipient benefits.

Figure 2  
48 state rankings of AFDC payments per recipient for 1940/1995.



\*In 1995 Alaska would have been ranked 1, Hawaii 2, and District of Columbia 12.

Table 3  
Regional Differences in Average AFDC Payment Per Recipient in 1995 Dollars

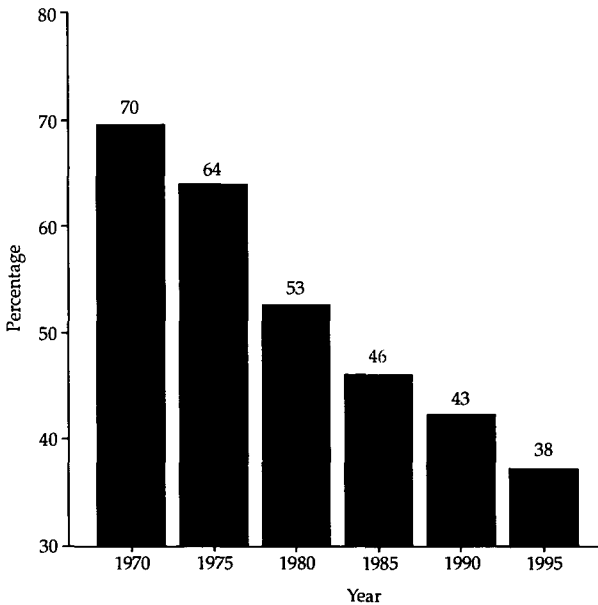
Region (n)	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995
New England (6)	190.77	225.73	168.51	185.74	203.17	199.63	236.66	231.00	201.84	194.53	210.91	176.81
Middle Atlantic (3)	191.04	234.86	177.03	194.99	210.47	218.85	266.39	261.25	200.36	178.21	173.85	153.40
East North Central (5)	156.62	197.00	158.08	180.21	188.37	190.01	201.24	219.73	187.53	164.36	147.02	120.40
West North Central (7)	124.22	156.95	146.81	162.92	182.60	186.33	205.85	207.90	183.40	159.39	140.63	121.60
South Atlantic (8)	93.38	111.00	92.54	104.13	113.00	120.16	126.29	139.62	121.72	116.27	113.84	97.24
East South Central (4)	83.39	82.34	60.92	74.37	79.78	83.97	86.11	95.56	82.29	68.84	67.72	60.93
West South Central (4)	69.29	103.94	84.11	101.13	114.02	113.76	109.22	118.10	101.15	90.49	80.19	68.46
Mountain (8)	129.86	163.85	146.46	160.49	178.34	170.23	161.45	173.27	154.53	137.90	123.19	115.28
Pacific (3)	180.93	300.04	217.15	201.95	231.15	202.07	210.72	242.76	238.29	214.05	200.79	170.50
Total (48)	131.45	166.39	135.50	149.29	163.95	163.10	174.62	183.54	160.26	144.84	137.43	118.82

*Maximum AFDC Payments and the Poverty Line*

Figure 3 displays the mean of the states' maximum AFDC benefits for a three-person family as a percentage of the official poverty line. The figure illustrates the steady and serious deterioration between 1970 and 1995 in the value of AFDC cash grants relative to the national poverty threshold. Whereas the average maximum cash award brought a family of three up to 70% of the poverty line in 1970, it represented a mere 38% of the poverty threshold by 1995. Median values for these data exhibit a similar decline. However, the ratio of median values to the poverty line leveled off at 41% of the poverty line for 1990 and 1995, suggesting that the decrease observed in the proportions involving the means was driven by reductions in the maximum benefit levels of higher paying states, which would have lowered the means but not necessarily the medians.

Figure 3

*AFDC payment as percent of the poverty line for a family of three.*



*Variation in Average AFDC Benefits Over Time*

The five highest and lowest paying states in 1940 were selected to explore more fully how average per recipient AFDC grants changed over time. Examining these two groups of states supports investigation of payment trend patterns. For example, did the average benefits of these two groups exhibit a parallel pattern over time? Or did payment levels converge, as the notion of statistical regression to the mean would suggest? Or has there been a "race to the bottom," as benefits of higher paying states declined to approach those of lower paying states?

Table 4 identifies the states that paid the lowest and highest average per recipient benefits in 1940 and displays their 1940 to 1995 payments in constant dollars. Figure 4 presents the 55 year trends in median AFDC average per recipient payments (in constant dollars) for the high and low paying states. Median values for the other continental states are shown by the middle line. The figure highlights the differences both between these two groups and between them and the other states. It also reveals similar patterns among these state groupings, with median values rising and falling within different ranges over time.

Throughout this 55 year period, average AFDC grants by the initially low paying states were substantially below those of the other continental states, with median values consistently half those of the high paying states. Although the median values for all three groups of states (i.e., high paying, low paying, and other) have declined, the high paying states' median payments started to descend in 1970, five years before either the low paying or the other states. The trend line slopes for the high paying and the other states are more acute than that for the low paying states, perhaps because the average benefit levels of the low paying states have had comparatively little room to fall. The figure suggests that the "bottom" was fairly well established by 1940 and that the "race" to it commenced among the historically more generous states as early as 1970.

## DISCUSSION

From its inception as the Aid to Dependent Children under the 1935 Social Security Act, there was ambivalence about the



Table 4  
*AFDC Average Payment Per Recipient in 1995 Dollars—Highest and Lowest Benefit States*

State	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995
5 Lowest Benefit States—1940												
Alabama	51.08	78.85	60.34	59.75	51.42	57.15	59.66	83.85	71.82	55.06	46.85	58.69
Arkansas	58.91	84.86	78.32	83.74	81.20	82.12	98.13	110.95	93.04	79.00	77.09	66.66
Mississippi	67.06	84.78	31.21	42.35	48.23	39.42	47.49	40.44	54.31	48.89	47.15	43.46
South Carolina	59.35	66.65	57.81	69.64	75.89	77.48	77.33	81.76	72.32	92.02	83.09	69.46
Texas	47.28	80.97	71.55	82.32	91.45	96.47	113.63	92.57	65.98	75.83	66.14	57.98
5 Highest Benefit States—1940												
California	211.51	290.16	219.13	213.47	242.21	219.22	211.76	243.49	252.76	248.81	254.88	189.56
Connecticut	215.42	288.81	209.38	238.43	256.18	237.24	256.32	232.89	229.62	218.06	240.03	179.70
Massachusetts	261.84	289.57	211.28	218.13	250.04	239.36	280.65	342.60	224.92	213.39	233.16	197.76
New Hampshire	196.30	228.84	194.76	203.52	214.70	219.70	240.81	211.46	182.54	170.13	192.35	170.50
New York	259.23	286.27	199.76	224.50	229.85	247.19	305.77	302.56	226.90	215.90	227.08	199.06

Figure 4

Median AFDC payments for high-benefit, low-benefit and other states.



program's goals. On the one hand, the Children's Bureau justified cash assistance arguing that a child was better off having the mother in the home than in the work place (Cauthen & Amenta, 1996). On the other hand, embodying the historical principle of less eligibility, benefits that were too generous were thought to lead to dependency. There was never a consideration that ADC would provide a "sufficient" income, lifting single-parent households out of poverty. Instead, the legislation left it to each state to decide for itself via need standards and benefit levels how to strike a balance between these competing ideas. The historical data reflect these decisions.

During much of this decade, denigrating welfare mothers has been a common rhetorical foil in American political discourse. Moving beyond the earlier image of the "welfare queen," recent characterizations have depicted recipients as leading lives of calculated immorality, laziness, and irresponsibility at the taxpayers expense (Sidel, 1996). Yet, what is striking from these historical data is the degree to which, at least since 1970, the adequacy of benefits relative to the poverty line has declined. Given the criticism that the official poverty line understates the amount of income necessary to meet basic living needs (Garner, Short, Shipp, Nelson, & Paulin, 1998), the inadequacy of AFDC benefits is even starker. Information about one's own state, such as the descriptive state-level data presented in this article, can be used to educate social work students and the community at-large about the realities of living on welfare and can be an especially effective tool in challenging some of the myths that exist.

Another striking finding of this analysis is the degree to which Southern states have persisted in providing very low benefits relative to other states and regions. According to Abramovitz (1996), an early version of the ADC proposal made federal approval of state plans contingent on a plan's provision of benefits at a reasonable subsistence level. Southern states, motivated by racism and labor market differentials, successfully pressured for the deletion of this clause, charging that it infringed on state's rights. Cauthen and Amenta (1996) have suggested that the low level of ADC benefits in the South arose in an environment in which the political system was "undemocratic"—that it actively excluded blacks and low-income individuals. Brown (1995) using AFDC benefit levels from 1976 to 1985, argues that lower benefits have persisted in states in which the two political parties were predominantly distinguished by race.

These historical data also illustrate the declining purchasing power of welfare benefits. The decline in the real values of benefits began in 1970s as the nation entered into a period of high inflation and high unemployment. The downward trend continued through the 1980s as AFDC policy shifted from monetary support to job preparation and workfare. By 1995, the purchasing power of benefits had returned to 1940 levels, regardless of whether

the state historically had been a high-benefit level state or low-benefit level state and the spread among the states had narrowed. Findings such as those reported by Edin and Lein (1997) that all but one of the welfare recipients in their study supplemented their welfare grants by various unreported legal and illegal work activities should be of no surprise as families try to meet their basic needs while receiving fewer and fewer government dollars.

Jencks (1992) suggests that the decline in the value of cash benefits was reflective of the conservative strategy to "make them suffer" (p. 227) in order to reduce the size of the welfare rolls rather than to make work more attractive. Alternatively, Moffitt (1992) and Peterson (1995) suggest that these declines were accompanied, and somewhat offset, by the increased value of food stamps during the 1970s and the availability of Medicaid. As the federal government expanded these and other in-kind benefits expanded, state-determined assistance in the form of cash declined.

Whether the trend continues or not, the consequences to families who are TANF reliant are likely to be severe. In particular, persons exempted from TANF rules are likely to be those least able to seek employment and therefore, most likely to be dependent on income supports. Moreover, if the economy enters a recession, limits on the length of unemployment insurance will ultimately result in some families returning to TANF for income support. Current benefit levels will make it difficult for recipient families to make ends meet and they are likely to face increased hardship.

However, the future need not herald a full retreat from earlier gains in economic and social justice. While continuing work at the federal level, devolution demands that social workers and other advocates for the poor also find ways to increase their influence on state government. State-specific data about current welfare payments, as well as their changes over time, can be useful in helping us to build broad-based support against attempts to further lower cash benefits. At both national and state levels, advocacy for expansions of other types of benefits, such as health, housing, food, and child care, will be of utmost importance to make up for the decline in value that cash benefits have experienced.

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APPENDIX B: STATE BENEFIT LEVELS

Table B

AFDC Average Payment Per Recipient in 1995 Dollars By State

State	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	Change from 1940-75	Change from 1975-95	Change from 1940-95
Alabama	51.08	78.85	60.34	59.75	51.42	57.15	59.66	83.85	71.82	55.06	46.85	58.69	64.14	-30.01	14.89
Alaska		151.09	138.85	165.20	169.31	169.17	280.26	291.66	271.13	311.62	285.18	262.68			
Arizona	122.39	116.96	152.84	132.74	151.38	135.55	125.61	114.97	115.14	105.82	109.05	110.10	-6.06	-4.24	-10.04
Arkansas	58.91	84.86	78.32	83.74	81.20	82.12	98.13	110.95	93.04	79.00	77.09	66.66	88.34	-39.92	13.16
California	211.51	290.16	219.13	213.47	242.21	219.22	211.76	243.49	252.76	248.81	254.88	189.56	15.12	-22.15	-10.38
Colorado	134.45	184.97	156.83	164.47	176.88	187.24	204.70	196.50	159.50	148.78	128.94	108.83	45.15	-44.62	-19.06
Connecticut	215.42	288.81	209.38	238.43	256.18	237.24	256.32	232.89	229.62	218.06	240.03	179.70	8.11	-22.84	-16.58
Delaware	131.08	234.86	116.75	123.82	117.11	138.59	142.29	178.83	151.84	129.63	133.59	122.56	36.43	-31.47	-6.50
District of Columbia	139.56	184.55	117.39	145.88	174.20	160.86	216.87	206.78	168.67	156.03	168.08	142.91			
Florida	94.67	115.69	97.12	86.29	87.23	75.07	93.62	113.45	118.69	108.05	111.82	101.96	19.83	-10.12	7.70
Georgia	91.84	85.37	88.83	117.28	121.34	110.96	111.67	94.56	94.11	99.86	107.17	90.42	2.95	-4.37	-1.55
Hawaii		184.89	147.84	139.22	181.83	219.12	254.94	293.21	231.60	182.70	221.98	219.18			
Idaho	129.23	177.69	192.86	203.69	212.38	189.31	198.61	236.80	176.96	131.58	114.51	109.91	83.24	-53.67	-14.95
Illinois	109.89	222.24	174.12	196.47	204.81	219.02	229.82	226.64	164.01	141.70	131.01	105.00	106.25	-53.67	-4.45
Indiana	150.64	133.22	126.69	147.18	149.99	152.21	141.11	154.42	132.29	109.19	107.64	86.43	2.51	-44.03	-42.63



State	Change from										Change from				
	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	1940-75	1975-95	1940-95
Iowa	96.30	109.85	143.53	172.20	203.98	201.05	205.29	247.14	207.15	152.35	152.43	122.97	156.63	-50.24	27.20
Kansas	138.91	176.33	147.27	174.98	187.86	192.74	218.83	212.25	191.57	151.10	129.95	119.04	52.80	-43.92	-14.30
Kentucky	135.86	67.59	66.80	100.23	123.04	121.83	120.90	160.43	123.72	101.78	98.30	81.43	18.08	-49.24	-40.06
Louisiana	101.19	128.31	88.39	104.66	120.26	111.54	78.90	100.84	88.82	78.96	65.07	48.45	-0.34	-51.96	-52.12
Maine	167.71	209.11	133.72	139.28	141.12	149.08	158.58	150.43	154.69	164.05	174.60	142.51	-10.30	-5.26	-15.03
Maryland	128.58	112.30	126.00	134.96	154.00	183.95	171.33	167.19	153.63	147.77	155.75	117.35	30.03	-29.81	-8.73
Massachusetts	261.84	239.94	172.28	218.13	250.04	239.36	280.65	342.60	224.92	213.39	233.16	197.76	30.85	-42.28	-24.47
Michigan	182.82	174.38	168.99	172.28	189.37	189.35	173.86	211.18	250.42	230.47	206.06	180.26	36.98	-44.61	-24.13
Minnesota	157.82	174.38	168.99	207.50	239.53	248.39	282.81	258.32	229.67	236.38	198.77	163.80	63.68	-36.59	3.79
Mississippi	67.06	84.78	31.21	42.35	48.23	39.42	47.49	40.44	54.31	48.89	47.15	43.46	-39.70	7.47	-35.19
Missouri	111.19	114.84	97.69	109.32	118.56	117.43	119.72	127.21	136.49	118.43	107.66	90.46	14.41	-28.89	-18.64
Montana	127.39	166.08	148.54	170.43	172.81	175.31	179.97	153.57	150.27	168.19	135.59	119.85	20.56	-21.96	-5.92
Nebraska	153.80	219.53	160.06	153.15	158.44	163.71	163.29	187.53	181.64	155.54	133.91	114.27	21.93	-39.06	-25.70
Nevada	127.82	134.75	63.76	136.61	140.25	152.70	121.09	145.98	139.37	105.92	116.85	105.78	14.21	-27.54	-17.24
New Hampshire	196.30	228.84	194.76	203.52	214.70	219.70	240.81	211.46	182.54	170.13	192.35	170.50	7.72	-19.37	-13.14
New Jersey	150.86	208.09	172.03	203.52	242.68	246.17	245.72	234.23	186.30	161.57	142.49	134.48	55.26	-42.59	-10.86
New Mexico	99.23	118.83	109.28	119.72	170.59	159.70	127.57	123.05	118.38	118.50	106.28	124.16	23.99	91	25.12
New York	259.23	286.27	199.76	224.50	229.85	247.19	305.77	302.56	226.90	215.90	227.08	199.06	16.72	-34.21	-23.21
North Carolina	74.56	85.20	75.09	92.49	102.53	123.13	121.29	155.33	119.05	116.94	107.31	88.99	108.32	-42.71	19.35
North Dakota	121.30	171.00	180.89	183.85	209.60	223.66	241.40	232.24	188.85	172.89	149.86	130.26	91.46	-43.91	7.39
Ohio	159.34	176.16	133.02	138.43	156.99	157.24	172.12	185.57	162.20	135.66	135.38	115.64	16.46	-37.69	-27.43

*Historical Trends in State-Level ADC/AFDC Benefits*

Oklahoma	69.78	121.62	98.20	133.82	163.18	164.92	146.21	168.02	156.78	128.18	112.47	100.76	140.78	-40.03	44.40
Oregon	185.21	284.40	193.24	193.06	207.74	200.14	183.90	240.91	221.78	172.89	159.79	144.98	30.07	-39.82	-21.72
Pennsylvania	163.04	210.21	159.30	156.96	158.90	163.18	247.68	246.97	187.89	157.17	151.97	126.67	51.48	-48.71	-22.31
Rhode Island	177.60	224.52	166.01	184.53	198.88	209.94	242.77	218.48	208.42	200.58	209.82	180.41	23.02	-17.42	1.58
South Carolina	59.35	66.65	57.81	69.64	75.89	77.48	77.33	81.76	72.32	92.02	83.09	69.46	37.76	-15.04	17.04
South Dakota	90.21	132.72	129.23	139.45	160.24	157.29	209.61	190.67	148.45	129.00	111.82	110.41	111.36	-42.09	22.39
Tennessee	79.56	98.16	85.35	95.17	96.45	117.48	116.38	97.53	79.30	69.61	78.61	60.14	22.58	-38.34	-24.41
Texas	47.28	80.97	71.55	82.32	91.45	96.47	113.63	92.57	65.98	75.83	66.14	57.98	95.80	-37.37	22.63
Utah	160.54	232.74	166.20	182.60	202.49	177.82	168.19	238.22	186.24	159.95	139.17	130.64	48.39	-45.16	-18.62
Vermont	125.75	113.57	95.92	130.53	158.07	142.46	240.81	230.15	210.84	200.95	215.53	189.95	83.01	-17.47	51.05
Virginia	73.37	94.18	84.02	96.19	120.10	124.20	186.25	181.50	145.96	132.84	115.21	100.65	147.38	-44.54	37.19
Washington	146.08	325.56	239.08	199.31	243.50	186.85	236.49	243.88	240.35	220.44	187.70	176.95	66.95	-27.44	21.13
West Virginia	93.26	93.76	94.72	110.40	125.77	127.92	106.57	144.34	118.18	103.07	96.78	86.58	54.78	-40.02	-7.16
Wisconsin	180.43	213.43	184.31	229.61	240.67	247.72	252.00	281.60	248.69	229.20	180.84	156.20	56.08	-44.53	-13.43
Wyoming	137.82	178.79	181.33	173.67	199.96	184.24	165.84	177.08	190.39	164.48	135.88	112.98	28.49	-36.20	-18.02
Overall Average	131.61	166.81	135.45	149.34	164.61	164.28	179.09	188.26	163.99	149.07	142.59	124.08			
Standard deviation	49.79	69.01	49.29	47.90	53.57	52.07	64.92	66.60	54.51	53.63	54.06	46.08			
Overall Median	129.23	171.00	138.85	145.88	163.18	163.71	179.97	187.53	162.20	148.78	133.91	117.35			
Average 48 States	131.45	166.39	135.50	149.29	163.95	163.10	174.62	183.54	160.26	144.84	137.43	118.82	45.72	-32.89	-5.66
Standard deviation	50.30	71.05	50.74	49.33	55.17	53.08	63.97	65.01	52.96	49.53	50.02	40.27	33.64	-38.01	-10.62
Median 48 States	128.91	168.54	138.63	143.32	159.57	163.45	171.73	183.54	154.14	144.74	132.30	114.96			

