

# Packaging Support for Low-Income Families: Policy Variation across the United States

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## **Abstract**

*This paper addresses a gap in state-level comparative social policy research by analyzing policies that support low-income families with children. Variation in state policy “packages” is measured by considering three characteristics of 11 social programs. Individual measures of policy are found to be weakly and inconsistently inter-correlated at the state level, but when cluster analysis is used to analyze multiple dimensions simultaneously, five clusters or regime types are identified that have distinctive policy approaches. These range from the most minimal provisions, to conservative approaches emphasizing private responsibility, to integrated approaches that combine generous direct assistance with employment support and policies that enforce family responsibility. A comparison of a subset of programs at two points in time (1994 and 1998) suggests that states made substantial changes in cash assistance and taxation policies after the 1996 federal welfare reforms. The magnitude and direction of these changes remained consistent with the state clusters identified in 1994. © 2001 by the Association for Public Policy Analysis and Management.*

## **INTRODUCTION**

An extensive comparative welfare state literature examines variation in social policy regimes across industrialized countries. The federalist structure of social policy in the United States provides fruitful ground for similar comparative research. Although the federal government provides a large share of funding for programs, such as cash assistance and Medicaid, states also make substantial financial commitments in these programs and control important details of program design. States exercise even greater discretion over tax policies and services such as child care. Federal policy reforms in the 1990s increased this discretion still further by creating welfare, child care, and other block grants that devolve more authority to state governments.

Despite enormous state-level discretion and consequent variation in policy and program structures, comparative cross-state studies of social policy have been limited in important respects. This paper proposes a new approach to examining variation in social policy across the U.S. states. Concentrating on the subset of policies that influences the economic resources and poverty risk of families with children, this analysis reveals that states cluster into groups with similar policy approaches. Over

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time, states are not necessarily engaging in the often-predicted “race to the bottom” following welfare reform. Relative policy effort appears stable across clusters of similar states over the 1994–1998 period, with the least supportive states continuing to provide very limited assistance and the most supportive states maintaining their policy commitments.

## BACKGROUND

Many political scientists have capitalized on state-to-state variation in the United States to study both electoral and policymaking processes. Scholars have examined behavioral and contextual factors that influence electoral outcomes, the influence of institutional structures on political behavior and outcomes, and variation in intergovernmental relations, among other topics; others have considered these factors as determinants of policy outcomes ranging from taxation levels to abortion policy (see, e.g., reviews by Brace and Jewett, 1995; Stonecash, 1996). A large literature has also attempted to classify states more broadly, considering characteristics ranging from political culture to innovativeness (Berry et al., 1998; Elazar, 1984; Erikson, McIver and Wright, 1987; Gray, 1973; Lieske, 1993; Luttbeg, 1971; Savage, 1978; Walker, 1969; Wright, Erikson, and McIver, 1985). Although the comparative state literature on political, electoral, and policymaking processes is large, there is relatively little comparative scholarship that explicitly considers variation in social policy across the states.

The observation that cross-state comparative social policy research is underdeveloped does not imply that researchers have not used variation in social policy in their research designs. Social policies have been the dependent variable in a number of studies that have documented the effect of state economic conditions, interstate competition, ideology, internal political demands, legislative composition, and liberalism on state policy choices (Berkman and O'Connor, 1993; Cook, Jelen, and Wilcox, 1992; Erikson, Wright, and McIver, 1989; Grogan, 1994; Hanson, 1983; Hero and Tolbert, 1996; Hill, Leighley, and Hinton-Andersson, 1995; Meier and McFarlane, 1992, 1993; Peterson and Rom, 1989; Plotnick and Winters, 1985; Ringquist et al., 1997; Sharkansky, 1971; Sharkansky and Hofferbert, 1969; Tweedie, 1994). Policy scholars have also estimated the contribution of state social policy variation to outcomes such as teen pregnancy, labor market attachment, educational attainment, and poverty (Butler, 1996; Mayer, 1997; Meyer and Rosenbaum, 1999; Plotnick, 1989; Schram, Terbett, and Wilken, 1988).

Although there is a substantial literature on cross-state policy variation, most of these studies are not fundamentally comparative because they use policy measures as dependent or explanatory variables without attempting explicitly to “compare cases directly to each other” (Ragin, 1987, p. 59). Researchers have typically reduced cross-state variation to single linear measures such as expenditure levels or policy restrictiveness. In doing so, they have failed to capture the multidimensional and qualitative aspects of policy variation that cross-national scholars have used to identify distinctive welfare state regimes (Esping-Andersen, 1990).

Comparative state social policy research has been limited in two important respects. First, scholars have failed to disentangle the details of social policy structures. Studies have typically relied on highly aggregated indicators, such as expenditures or on formal program rules. But overly aggregated or incompletely specified measures of state policy effort may fail to capture important aspects of the discretion that state officials exercise. For example, similar expenditures could be associated with programs with narrow eligibility and generous benefits, or programs with broad eligibility and meager

benefits. Yet the political choices that shape these rules and their consequences for potential claimants are likely to be quite different. As Hanson observes, “the redistributive impact of (welfare) policies is conditioned by prior political decisions concerning eligibility and benefits” (1983, p. 783). Likewise, policy indicators based on formal program rules, when used in isolation, will fail to capture the exercise of state discretion in the enforcement of those rules.

Comparative scholarship has also been limited by the failure to aggregate or “package” multiple, related forms of state policy effort. Social policies at the state level can be thought of as a portfolio of programs relating to health, income security, food security, and care of dependent family members. Because state officials have discretion over the details of social policy, the characteristics of these programs—from benefit levels to eligibility rules, behavioral requirements, and service quality—reflect a package of state policy choices. This does not imply that the design and administration of social programs is well-coordinated or dominated by unified political interests at the state level. Social policy choices, like other political decisions, reflect the compromises, tradeoffs, partisan competition, bureaucratic maneuvering, and general messiness of incremental policy formation. Although often uncoordinated, state decisions nevertheless produce a final package of policies that reflects their exercise of political discretion.

Considering multiple, related forms of policy effort is equally important for understanding the consequences of state policy discretion. However uncoordinated the political process through which they are adopted, social policies ultimately constitute the package of support available to state residents. From the standpoint of potential beneficiaries, some programs may operate as near substitutes, whereas other combinations of programs may have offsetting effects. Different policies also benefit different populations within the state by providing benefits, for example, to those primarily on public assistance (through income transfers) versus those with more labor market attachment (through tax credits). A comparison of states on any one program will miss important aspects of the whole.

A multidimensional approach to understanding social policy is even more critical in the wake of the 1990s’ devolution revolution. State governments have always exercised substantial control over social welfare and related policies. In the 1990s, state-level discretion increased still further by the consolidation of several forms of categorical federal assistance into block grants. Some prior research suggests that inter-state competition to attract prosperous residents, and to avoid drawing less prosperous ones, has constrained the generosity of redistributive policies at the state level (Hwang and Gray, 1991; Peterson, 1981; Peterson and Rom, 1989). A number of observers predict that increased state discretion in social policy will lead to a “race to the bottom” as states compete to restrict the availability and generosity of redistributive assistance. The steep, nationwide drop in welfare caseloads suggests that states are curtailing at least one form of assistance. The consequences of these changes for low-income families will depend on the availability and generosity of other, non-welfare forms of assistance. To evaluate fully the direction and consequences of devolution, it will be important to consider not only welfare but also the larger array of policies that support low-income families.

## RESEARCH QUESTIONS AND APPROACH

The aim in this paper is to begin to fill the gap in comparative research about social policy across the United States by identifying and describing distinctive state policy regimes. This is done by disaggregating policy characteristics while aggregating

multiple policies into a package of related social programs. The focus is on 11 policies that, in the short term, modify the economic resources of families with children. These policies are of particular interest to policymakers given persistently high rates of child poverty in the United States and current efforts to reform cash assistance programs. Although these represent only a subset of all social policy delivered by states or of all policies that affect family resources, these policies are selected because they represent assistance that is immediately available to vulnerable state residents. In this, they provide an interesting barometer of state policy orientation and an important indicator of state-level policies that have the capacity to influence quality of life for the disadvantaged.

Data from 1994, the eve of the federal welfare reform, are used to consider several descriptive and methodological questions:

1. How do states vary in the adequacy, inclusiveness, range, and quality of programs that have short-term effects on families' economic resources and poverty risk?
2. To what extent are state-level policy choices correlated, both across policy characteristics and across programs?
3. Considering multiple programs and policy characteristics simultaneously, are there coherent groupings or clusters of states that provide similar policy packages?
4. How well do these groupings predict state policy choices two years after the passage of the federal legislation?

The goal of this paper is to develop a detailed description of state variation in a subset of social policies. The paper does not address related questions that have motivated much of the cross-national and cross-state comparative literature on the determinants or the consequences of this variation. These are important areas for future research, which we hope will be informed by this detailed, comparative analysis of the policies themselves.

## CONCEPTUAL MODEL

Although the U.S. child poverty rate declined in recent years, it remains high compared with that of other developed nations. U.S. child poverty reached a low of 14 percent in 1969, rose steadily to its high of 23 percent in 1993, and by 1999 had fallen to 17 percent (U.S. Census Bureau, 2000). Child poverty also varies across states: In 1998, poverty rates among young children ranged from 7 percent in Maryland to 29 percent in Louisiana (National Center for Children in Poverty, 2000).

To define the package of state policies that may reduce the risk of child poverty and explain cross-state variation in poverty rates, findings from prior theoretical and empirical research are used to identify policies that are expected to have short-term effects on the disposable resources of families with children. A body of scholarship identifies three interacting factors—family structure, macroeconomic conditions, and public policy—that explain much of the variation in child poverty rates both across locations and over time (Bane and Ellwood, 1989; Danziger and Danziger, 1993; Duncan and Rodgers, 1991; Lichter, 1997; Sawhill, 1988). This project focuses on public policy and specifically on those policies that both theory and evidence suggest have short-term consequences for families' economic security.

Substantial research has examined the effect of cash assistance on family income. Direct income transfers reduce poverty in the short term (Butler, 1996; Danziger and Danziger, 1993; Jensen, Eggebeen, and Lichter, 1993; Plotnick, 1989; Sawhill, 1988), although employment disincentives may reduce human capital accumulation and

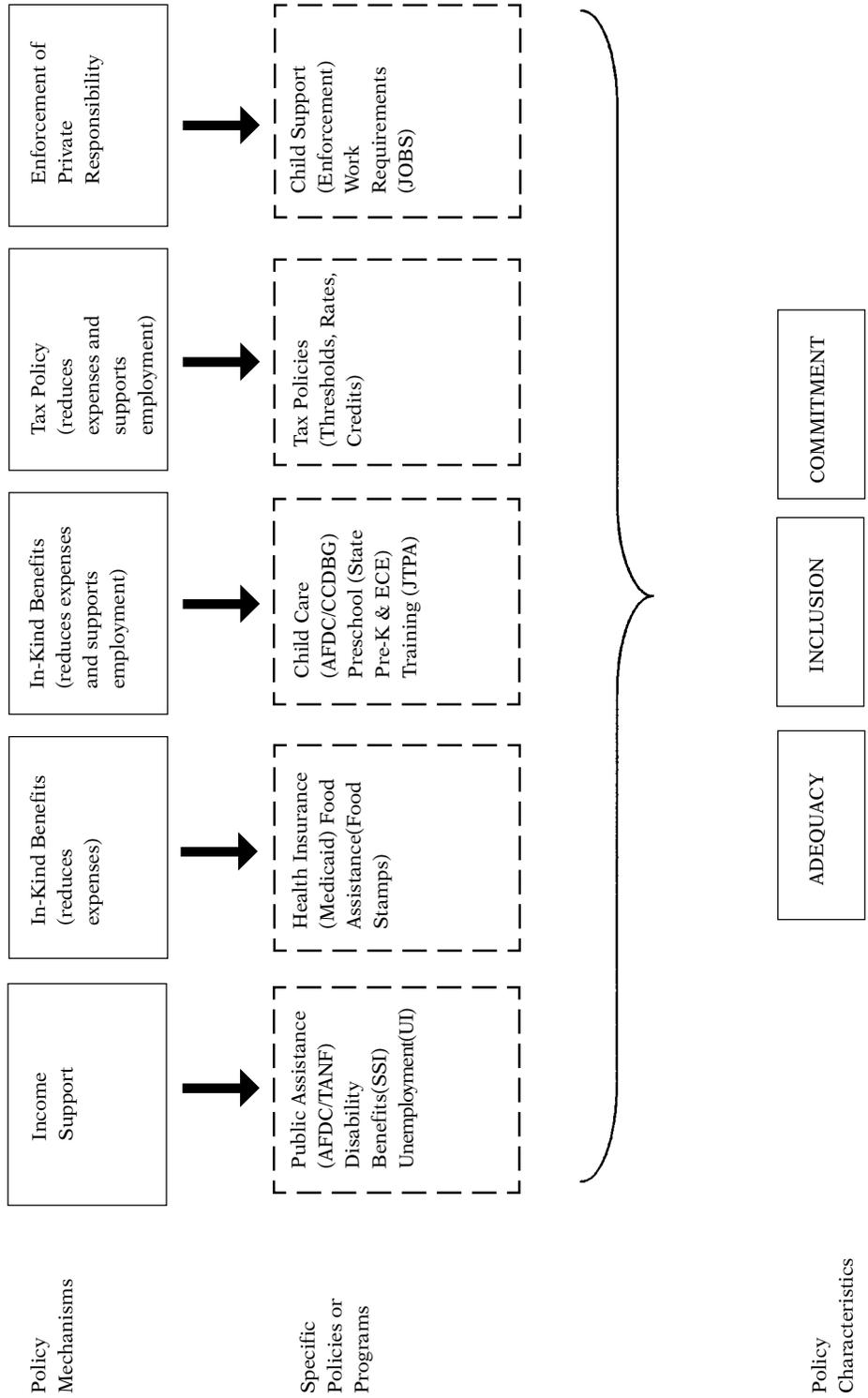
earnings in the longer term (Moffitt, 1992). Although most studies have focused narrowly on welfare, scholars also have established the poverty-ameliorating effects on children of Supplemental Security Income (SSI) and Old Age, Survivors, and Disability Insurance (OASDI) (Kearney, Grundmann, and Gallicchio, 1994; Meyers, Lukemeyer, and Smeeding, 1998) and Unemployment Insurance (UI) (Smeeding, 1992). Related research has considered the potential of less traditional approaches to securing income, including guaranteed child support (Garfinkel, 1985, 1992; Smeeding, 1992). Researchers also have found poverty-reducing effects of tax policies, particularly family tax credits or allowances (Ozawa, 1993; Pressman, 1992). The earned income tax credit (EITC) has been found to have both direct effects on families' disposable income (Scholz, 1994), and indirect effects as on employment incentive (Meyer and Rosenbaum, 1999).

Non-cash forms of government assistance, such as child care and health insurance, also have the potential to increase family resources both directly (by reducing out-of-pocket expenditures) and indirectly (by facilitating employment). Their potential for a direct effect stems from the disproportionate share of household income that poor families devote to meeting basic needs. Based on an analysis of expenditure data, Federman et al. (1996) estimate that 46 percent of the expenditures in non-poor families goes to basic necessities (food, shelter, utilities, apparel), in contrast to 71 percent of the expenditures in poor families. Research on the poverty-ameliorating effects of in-kind benefits has been limited by the difficulties of valuing benefits and measuring their effect on household level expenditures, but some researchers have established the poverty reductions associated with food stamps (Duncan and Rodgers, 1991; Jensen, Eggebeen, and Lichter, 1993) and child care assistance (Bergmann, 1994; Meyers and Heintze, 1999). Research also has established the indirect effects of child care assistance on family income through increased parental (primarily maternal) employment (see, e.g., reviews by Anderson and Levine, 1999; Blau, 2000).

The likely result of these policies on families' economic security will vary by population. Families within the welfare system are unlikely to benefit from employment-based tax credits, for example, while working poor families are often disqualified for means-tested benefits even at relatively low levels of earnings. The effect will also vary with details of program structure and with state and local administration. For example, a number of recent studies have documented generally low and highly uneven rates of participation in food stamps to Medicaid and means-tested child care subsidies across the states (Burt, Pindus, and Capizzano, 2000; Ellwood, 1999; Garrett and Glied, 2000; U.S. Department of Health and Human Services, 1999; Zedlewski and Brauner, 1999). Although the reasons for state-to-state variation are still poorly understood, it is clear that even in programs with federal eligibility criteria, such as food stamps, state and local program administration decisively affects the benefits that residents actually receive.

### **Family Support Policy Packages**

Policies that have short-term consequences for families do not fall neatly into a single policy area. From the beneficiary's perspective, programs may interact in ways that are complementary, offsetting, or even contradictory. This paper compares states both on multiple programs and on multiple characteristics of those programs. The combination of programs is labeled a family support policy package because, although individual policies may not have been adopted specifically to support low-income families, each has the potential to enhance family resources and thereby reduce poverty. Figure 1 identifies the elements of the family support policy package, grouping policies according to five alternative policy mechanisms.



**Figure 1.** The policy package.

The most direct form of family support is income support through cash transfers. Cash transfer programs are designed primarily to offset income deficits related to family composition (Aid to Families with Dependent Children [AFDC], now Temporary Assistance to Needy Families [TANF]), disability (SSI), and temporary separation from employment (UI).

States also provide in-kind assistance in the form of near-cash benefits and services. The most significant in-kind transfers that reduce expenses are those that provide food assistance (food stamps) and health insurance (Medicaid). In-kind benefits may also increase families' market income by providing employment support. For low-income families with children, the most important policies are those that offset the costs of child care and facilitate maternal employment through means-tested subsidies, vouchers, or reimbursements (funded through the Social Security Block Grant [SSBG], AFDC/TANF, and Child Care Development Block Grant [CCDBG] programs). Although programs such as Head Start and state-funded Pre-K are designed primarily to improve child outcomes and future human capital, in the short term they also constitute a significant source of child care and employment support for mothers. Training and education programs for disadvantaged workers (primarily the Job Training Partnership Act [JTPA] program) provide additional support through short-term services designed to increase skills and earnings.<sup>1</sup>

State policies also influence resources through tax policy that reduces expenses and "makes work pay" for low earners. State tax systems embody choices about who will be taxed, in what form, and how heavily. Sales taxes, for instance, fall more heavily on families with lower incomes and relatively higher necessary expenses than do income taxes. State tax exemptions, deductions, and credits based on factors such as the presence of children, earnings levels, and child care expenses will disproportionately benefit low-income families with children. Refundable state EITCs can increase families' resources even more directly, and, by increasing net earnings, also function as employment incentives.

Other state-controlled policies have the potential to affect families' resources by enforcing private responsibility. Public child support collection activities enforce the responsibility of absent parents to provide financial support for their children. Other policies aim to enforce work obligations, particularly among public assistance recipients (the Job Opportunity and Basic Skills [JOBS] program, now TANF). In 1994, most state JOBS programs focused on promoting rapid employment; as such, they represent state efforts both to promote work and to increase families' market income.

### **Characteristics of Policy Variation**

Multiple policies have consequences for family economic security, and these policies cannot be characterized using a single performance yardstick. In comparing states' family support packages, it matters not only what states provide but also how they provide it. The bottom portion of Figure 1 identifies three characteristics of particular interest: adequacy, inclusion, and commitment.

Adequacy captures the level of benefits participants receive. The adequacy of benefits results from several interacting state policy choices, including program benefit levels and eligibility rules. The observed adequacy will also depend on the interaction of these rules with participants' characteristics, such as family size, prior earnings, and duration of benefit receipt.

<sup>1</sup> We distinguish these training programs from other forms of human capital development, such as basic and higher education, that affect primarily future earnings and may, in the short term, reduce earnings through temporary withdrawal from employment.

Inclusion concerns the penetration of benefits into the potentially eligible population. At the state level, inclusion rates reflect government policies (e.g., eligibility thresholds), bureaucratic structures (e.g., intake procedures), and administrative practices (e.g., the extent and nature of outreach). Observed inclusion rates will also depend on the interaction of policy elements with the size of the potentially eligible population and the behavioral response of eligible persons (e.g., take-up rates). Factors in the local administration of programs—from the convenience of the local offices to the quality of the interaction between staff and applicants—also affect program participation by influencing take-up among those eligible.

Commitment reflects government choices about the range and quality of assistance. Before adopting rules about benefit levels and eligibility for some programs, governments must first elect whether to provide benefits at all. For example, a state may choose to supplement federal SSI dollars, to offer certain optional Medicaid services, or to issue tax credits. In addition, in many program areas governments decide about the quantity and quality of services to provide, the behavioral or other obligations to impose on participants, and the conditions under which benefits may be forfeited or terminated. For example, a state may provide cash assistance without a time limit, with more supportive earnings disregards or without sanctions for program noncompliance. In the tax policy arena, a state may choose to exempt food from sales tax, or institute a progressive income tax scheme. These choices affect both benefit adequacy and program inclusiveness, but they are not fully captured by these measures. The policy choices, themselves, convey additional information about state policy orientation and about the availability, accessibility, range, and quality of support available to families.

It should be noted that these measures of policy characteristics are not designed to capture policy factors that are fully exogenous to the behavior of individual beneficiaries or program administrators. The adequacy of program benefits will be affected by both the benefit levels set by state policy and the length of time recipients participate in the program; program inclusion will be determined by formal policy rules, local administrative practices, and the take-up behavior of potential recipients. This analysis is designed to characterize the assistance package that low-income families actually receive in each state. The measures necessarily reflect both formal rules and the interaction of those rules with administrative practices and recipients' behavior.

## DATA AND METHODOLOGY

### Selection of Programs

For the main analysis, 11 programs were selected based on the conceptual model described above. Several theoretical and methodological concerns dictated selection of specific programs. The focus is on policies that vary across states because of state-level discretion in funding, regulation, or administration. The set of programs excludes purely federal programs that may benefit some families with children (such as Social Security Survivors Benefits), but for which significant state-level variation does not exist. Selected programs include those, such as food stamps and SSI, for which the bulk of policy is determined at the federal level but in which state-level administration has been found to introduce cross-state variation. Therefore, selected programs capture both federal and state shares of spending, as well as state administrative practices that influence program and benefit access. Restricting measures to only state-funded programs might provide a more precise measure of

political choice at the state level, but doing so would fail to capture the totality of benefits available to low-income families. Given the primary interest in characterizing the support package available to low-income families, it is appropriate to define state-controlled policies more broadly.

The analysis includes only programs that have a significant public component. The analysis excludes policies and services that are controlled largely through private mechanisms, such as fringe benefit packages and private child care. It also excludes are programs controlled largely at the sub-state level (such as child welfare services and general assistance) and for which reliable, state-level data could not be obtained (such as housing benefits).

### Data Sources

Administrative data on program characteristics come from a variety of sources. Data were originally collected for all 50 states and the District of Columbia. The final analyses exclude the District of Columbia because of missing data, and Alaska and Hawaii because of extreme values. Population figures, used principally as denominators in measures of inclusion, were calculated using Current Population Survey (CPS) data.

### Units and Standardization

Each state, as the unit of observation, has three measures characterizing each of the 11 programs in the analysis (the Appendix details variable construction). The first set of measures provides an indicator of adequacy, or the generosity of benefits received by program participants. In most program areas, adequacy is total annual spending (federal and/or state as appropriate) divided by the average or total caseload. To improve cross-state comparability and account for variation in cost of living, selected adequacy measures are reported using a state-level cost-of-living adjustment based on housing costs.<sup>2</sup>

Inclusion measures the extent to which benefits appear to reach needy populations and is by calculated as the ratio of the number of actual recipients to the number of potentially needy individuals (or families) or, when possible, to the actual number of eligible individuals. For most means-tested programs, the denominator for the inclusion variable is the number of individuals (or families) with pre-transfer incomes below the federal poverty threshold. Note that for some programs this provides an indicator of those served relative to those who may be in need, not the share of the technically eligible population served.

State commitment measures capture additional policy choices that affect the availability, accessibility, extent, or quality of government assistance for families. To operationalize this set of measures, commitment scores were created for 9 of the 11 programs.<sup>3</sup> Key policy choices identified for each program area were coded to reflect the level of state commitment to helping families secure and retain resources. Individual measures are first transformed to a zero-to-one-point scale (using either dichotomous measures or continuous measures divided by the observed range), with

<sup>2</sup> The recent U.S. Census Bureau report, *Experimental Poverty Measures: 1990 to 1997* (Short et al., 1999), provides geographic adjustments for housing costs in nine regions, broken down by five levels of urbanicity. Using population data by state corresponding to each of these levels of urbanicity, we created a weighted average of the housing cost to generate a state-level cost adjustment.

<sup>3</sup> Total indicators equal 31 instead of 33 due to the lack of commitment measures for food stamps and JTPA.

a higher value indicating less restrictive or more extensive policies. The cash assistance commitment variable, for instance, has six components: whether the state provides assistance without time limit, family cap, and sanctions, whether the state has earnings disregards that are higher than the federal policy, the number of five behavior-dictating policies in place, and the maximum benefit possible for a family of three. These elements are converted to range from zero to one and are then summed (giving equal weight to each element) to create a commitment score, with the higher numbers reflecting less restrictive, more supportive policies.

The resulting 31 dimensions of policy effort initially were measured in noncomparable units, adequacy in dollars, inclusion in percentage, and commitment as an index. The underlying data were transformed (to minimize skew) and then converted to comparable units (z-scores).<sup>4</sup>

### Analysis

The analysis proceeds through four steps. First, state-to-state variation in adequacy, inclusion, and commitment is examined across the 11 programs of the family support package. Second, correlations among the separate dimensions of policy effort and across the separate programs are examined. To determine whether a multidimensional framework will provide a better measure of state policy effort than a single program or policy dimension.

Third, cluster analysis is used to characterize cross-state variation simultaneously across multiple policy dimensions. Cluster analysis is a nonparametric multivariate statistical procedure that simultaneously analyzes variation across multiple variables (in this case policy dimensions) to organize observations (in this case states) into relatively homogeneous groups (Aldenderfer and Blashfield, 1984). Cluster analysis parsimoniously reduces complex data by using variation that exists within the data. The clustering does not depend a priori on theory about the dimensions of interest; instead the theoretical model is incorporated in this analysis through the selection of specific programs and their characteristics. Given this theoretically derived set of measures, cluster analysis groups observations on the basis of variation across the dimensions. The cluster result is automatically weighted by those dimensions on which variation between groups is greatest (U.K. Department of the Environment, 1994).

From the wide selection of clustering methods available, this analysis uses hierarchical clustering with the complete linkage method (also called furthest neighbor) was chosen. Hierarchical clustering has the advantage of providing empirical criteria for selecting the number of clusters, when, as in this case, there is no a priori theory about the correct number of groups. The rationale for the choice of the complete linkage method is to minimize the measured distance between the most distant observations belonging to a common cluster. The hierarchical clustering approach lends itself to the discovery of compact clusters of roughly even size. Other methods, such as single linkage, are most appropriate when the structure of the data suggests underlying groups of unequal size, of single members, or of highly dispersed characteristics. For this analysis, these approaches were ruled out because there was

<sup>4</sup> Policy indicators were transformed and standardized for the cluster analysis. Transforming data does not reorder the observations but instead brings the distribution closer to normal. For indicators with a skewed distribution, we transformed variables by applying the square root or the natural log (selecting the method that minimized skew). This recoding had no discernible effect on the resulting state rankings or descriptive statistics. Following the transformation, we standardized the variables using z-scores. Because the absolute values of our standardized data are somewhat difficult to interpret, we present most of our results in their original units.

no reason to believe that there are unique or very small groups of states with singular policy approaches.

Fourth, to explore the stability of the cluster solution over time, the analysis compares the pattern of cluster variation in two illustrative areas of family policy: cash assistance and tax policies. This analysis compares policies before federal welfare reform (1994) and two years after the passage of the federal law (1998).

## FINDINGS

### State Policy Variation

Variation in state-level policy effort as of 1994 was considerable in all 31 dimensions (Table 1). Spending relative to caseload (adequacy) varied markedly in cash assistance programs, with differences between the most- and least-generous states of more than \$4900 and \$2900 in the AFDC and UI programs, respectively. As would be expected, variation was compressed in programs that are largely federal (e.g., SSI), or governed by federal rules (e.g., the child support pass-through).

Variation in the participation of potentially needy individuals (inclusion) was even more dramatic. The number of individuals or families receiving assistance relative to the potentially eligible population differed by as much as 20 percentage points between the most- and least-inclusive states in child care and preschool services and by more than 50 percentage points in the share of single-parent families for whom child support collections were made. Variation was more extreme yet in inclusion in the UI, AFDC, and Medicaid programs. Some states were clearly reaching much more deeply than others into their needy populations to provide cash, in-kind benefits, and services. This is evident even in the primarily federal Food Stamp Program, in which inclusion ranged 67 percentage points between the most- and least-inclusive states.

The magnitude of variation in the state commitment measures is less easily interpreted. Each state commitment index captures between two and six distinct state choices that affect the availability, extensiveness, or accessibility of assistance. State policy choices may be best illustrated by example.

In the UI program, commitment measures primarily capture variation in accessibility. The lowest-scoring state, for example, was one in which eligible claimants needed \$5400 in earnings during the base period and in which both illness and sexual harassment were excluded as allowable reasons for voluntarily leaving employment. In contrast, the most supportive state required earnings of only \$1600, and both illness and harassment on the job constituted good cause for voluntary termination.

For the Medicaid program, measures of commitment reflect accessibility as well as the extensiveness of services provided by the state. For example, the lowest-scoring state offered only 15 optional services; it did not offer dental services and offered prescription drug assistance to restricted populations only. The highest-scoring state elected to provide 27 optional services, including both dental and prescription drug services.

In the area of tax policy, commitment measures primarily capture degrees of progressivity. In the least supportive state, there was no state income tax—the state relied instead on a regressive sales tax—and no state earned income tax credit. In contrast, the highest-scoring state had a highly progressive income tax code and no sales tax. The other four states that scored especially high had progressive rate structures and no sales tax on food; three of them also offered state EITCs, two of which were refundable.

**Table 1.** State variation in family support policy package.

	Mean	Standard Deviation	Minimum	Maximum
<b>Adequacy: Ratio of Annual Expenditures to Participants</b>				
AFDC	\$3,714	\$1,211	\$1,436	\$6,367
Child Care	531	294	73	1,359
Child Support	465	122	203	719
Food Stamps	1,991	172	1,550	2,316
JOBS	2,176	219	166	8,066
JTPA	4,388	1,207	1,633	7,455
Medicaid	1,059	274	236	1,972
Pre-School	1,350	1,579	0	5,435
SSI	4,940	296	4,531	5,870
Taxes <sup>a</sup>	35	160	-596	307
UI	2,484	743	1,485	4,410
<b>Inclusion: Ratio of Program Participants to Potentially Needy</b>				
AFDC	57.9%	16.3%	23.8%	92.8%
Child Care	9.4	4.3	2.6	21.5
Child Support	30.2	12.6	9.9	66.8
Food Stamps	82.8	13.4	51.5	119.4
JOBS	10.7	6.5	2.9	32.7
JTPA	1.3	0.6	0.6	3.6
Medicaid	77.1	16.6	39.7	131.3
Pre-School	7.2	4.7	1.0	19.9
SSI	4.3	1.3	1.9	7.9
UI	33.1	10.0	18.0	56.0
<b>Commitment: Index of State Policy Choices <sup>b</sup></b>				
AFDC (6)	3.31	0.56	1.70	4.88
Child Care (6)	2.52	0.79	1.11	4.20
Child Support (2)	0.92	0.35	0.23	1.74
JOBS (2)	1.35	0.39	0.34	2.00
Medicaid (4)	1.41	0.41	0.25	2.35
Pre-School (2)	0.87	0.48	0.01	1.63
SSI (4)	2.61	1.35	0.00	4.00
Taxes (6)	2.89	0.88	1.06	4.73
UI (5)	1.95	0.73	0.28	3.72

<sup>a</sup> The values in this table refer to the amount in taxes that a one-parent family of three pays at the poverty line. Tax inclusion (not shown in middle panel above) is the threshold at which a family starts to pay income tax. This relates to the other programs' inclusion measures in that it indicates the extent to which a state excludes poor families from paying taxes, or, inversely, how much of the population is "included" as non-income-taxed. Among the 40 states with an income tax, the lowest threshold was \$3,000 and the highest \$22,600. The mean threshold was \$11,433 and the standard deviation \$4,910.

<sup>b</sup> The number in parentheses following each program represents the number of components (maximum points) that comprise each commitment index.

**Table 2.** Correlation coefficients across policy characteristics (within programs).

	<b>Adequacy by inclusion</b>	<b>Adequacy by commitment</b>	<b>Inclusion by commitment</b>
<b>Income Support</b>			
AFDC	.60	.51	.11
SSI	.01	.34	-.35
UI	.58	.45	.32
<b>In-Kind Benefits</b> (reduces expenses)			
Medicaid	-.02	-.13	.09
Food Stamps	-.09	NA	NA
<b>In-Kind Benefits</b> (reduces expenses and supports employment)			
Child Care	.32	.17	.09
Preschool	.08	.52	.31
JPTA	-.70	NA	NA
<b>Tax Policy</b> (reduces expenses and supports employment)			
Tax Policy	.69	.11	-.13
<b>Enforcement of Private Responsibility</b>			
Child Support	-.01	-.07	.23
JOBS	-.43	.23	.30

**Correlations across Policy Dimensions and Programs**

To examine the associations across these programs and policy characteristics, Tables 2 and 3 exhibit correlations among the 31 policy indicators, first by policy characteristic within program, then by program within policy characteristic. Pairs with a coefficient of 0.30 or higher are considered to be moderately correlated, and pairs with a coefficient of 0.60 or higher are considered to be strongly correlated.

Within most programs, correlations are inconsistent and generally weak among the three policy characteristics (Table 2). Of the 29 possible correlations (among adequacy, inclusion, and commitment within programs), ten are moderately correlated and only three are strongly correlated. The handful of stronger correlations provide interesting examples of policy interactions. In two cash transfer programs (AFDC and UI), the positive correlations between inclusion and adequacy suggest that states that served more individuals also spent more per individual. In two employment-related service programs, JOBS and JPTA, the opposite is true: A negative correlation between adequacy and inclusion indicates that states that served more individuals spent less per client.

Correlations across programs, within each of the three characteristics, suggest similar conclusions. Of the 55 correlations among adequacy measures, 11 are moderate or strong (Table 3, panel 1). The association between cash and food stamp benefits is in the expected negative direction, reflecting the compensatory role of the federal Food Stamp Program. Little association is observed, however, between the generosity

**Table 3.** Correlation coefficients across programs (within policy characteristics).**Characteristic 1: Adequacy**

	AFDC	SSI	UI	Medi- caid	Food Stamps	Child Care	Pre- school	JTPA	Taxes	Child Support	JOBS
AFDC											
SSI	.38										
UI	.62	.32									
Med	.18	-.13	.24								
FS	-.62	-.22	-.16	-.11							
CC	.60	.20	.52	.15	.45						
Pre	-.04	.23	.41	.17	.25	.15					
JTPA	.09	-.04	.18	.06	.13	.02	.21				
Taxes	.33	.21	.03	-.08	.38	.05	-.20	-.10			
CS	.09	.01	-.06	.13	-.30	.22	.04	-.09	.23		
JOBS	-.21	-.04	.06	.11	.05	-.17	.20	.11	-.06	.02	

**Characteristic 2: Inclusion**

	AFDC	SSI	UI	Medi- caid	Food Stamps	Child Care	Pre- school	JTPA	Taxes	Child Support	JOBS
AFDC											
SSI	-.08										
UI	.42	-.21									
Med	.54	-.01	.05								
FS	.62	.04	-.01	.58							
CC	.25	-.21	.03	.30	.20						
Pre	.21	.06	-.06	.24	.18	-.01					
JTPA	.24	.18	.06	.22	.16	.20	.15				
Taxes	.01	-.42	.07	-.01	-.03	.18	.12	.14			
CS	.23	.25	.36	.04	-.04	.21	.03	.20	-.15		
JOBS	.01	-.12	.10	-.04	-.25	.09	.04	.17	-.05	.40	

**Characteristic 3: Commitment**

	AFDC	SSI	UI	Medi- caid	Food Stamps <sup>a</sup>	Child Care	Pre- school	JTPA <sup>a</sup>	Taxes	Child Support	JOBS
AFDC											
SSI	.55										
UI	.35	.20									
Med	.39	.39	.38								
CC	.07	.17	.27	.27							
Pre	-.13	.36	.17	.21		.18					
Taxes	.06	.38	.11	.15		.26	.33				
CS	.06	.26	-.02	.27		.16	.18		.06		
JOBS	.20	.18	.04	.04		.00	-.19		.26	-.08	

<sup>a</sup> Not measured for this program

of these programs and that of other forms of assistance. Across measures of inclusion (Table 3, panel 2), fewer cross-program correlations exist (8 of 55), with only one coefficient exceeding 0.60. The pattern is similar for measures of commitment (Table 3, panel 3): A few positive correlations (8 of 36) exist, but none is very strong.

Overall, these analyses reveal no simple pattern of linear relationships among the indicators. In a few programs, state policymakers appear to have made complementary decisions about benefit adequacy, inclusiveness, and commitment; in a small number of program areas, evidence indicates that they chose between policy dimensions. Across most programs and policy characteristics, however, the associations are weak.

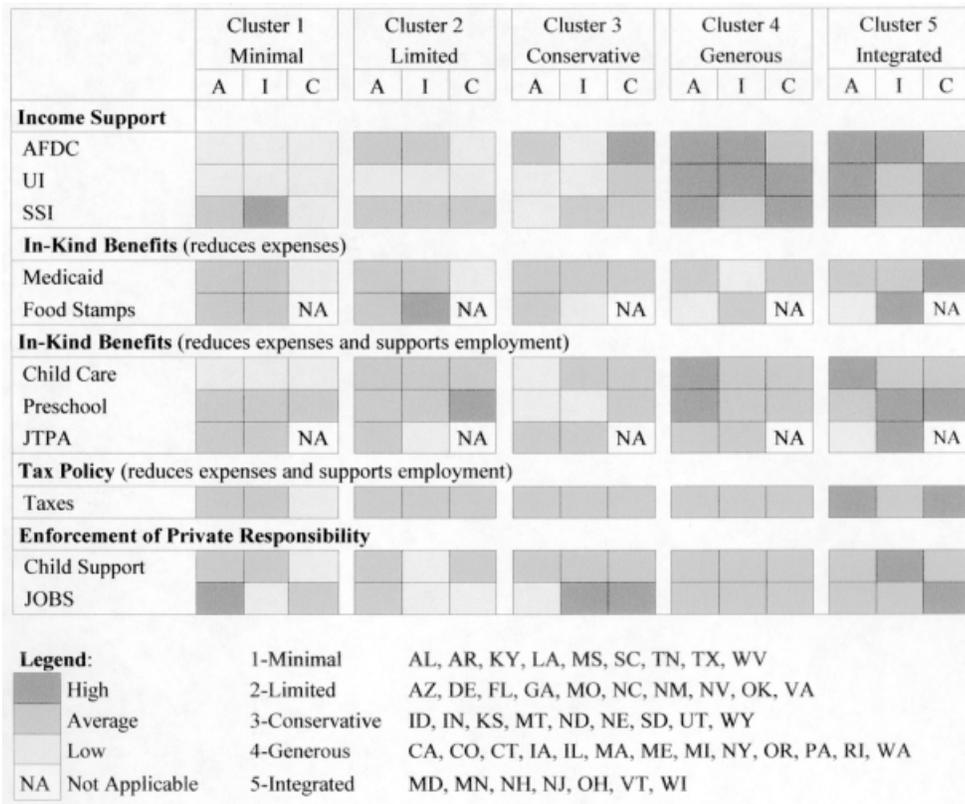
These findings suggest that no single program or policy characteristic fully represents state policy choices or the assistance available to these families: Knowing that a state extends Medicaid to a large share of the needy population, for example, reveals little about how much it spends per recipient; knowing that a state serves relatively few disadvantaged workers through JTPA does not capture the apparent tradeoff in spending; and knowing that a state extends cash assistance benefits to a large share of the poor population reveals little about the tax treatment of working poor families or the vigor of child support collections on behalf of single-parent families. Given that these indicators measure state choices in many related areas of policy, the pattern of weak associations is somewhat surprising. The results could be interpreted as suggesting that these are largely unrelated areas of state effort. From the perspective of low-income families living in the states, however, these programs are related because they represent the major forms of assistance provided through state-controlled government programs. To capture the entirety of state effort, a multi-dimensional, multi-program framework appears well justified.

### Cluster Analysis

Figure 2 presents the results of a cluster analysis that uses the variation across the 31 policy indicators simultaneously to group the states into five clusters.<sup>5,6</sup> Each cell illustrates the deviation of the mean score for states within each cluster from the mean score for all 48 states on that one indicator; cells are organized according to program type (vertically) and policy characteristics (horizontally) within each of the five clusters. Clusters in which the states' mean score is equal to or greater than 40 percent of a standard deviation above the 48-state average are coded as having a high score; clusters in which states' mean score is 40 percent or more of a standard deviation below the 48-state average are coded as low performers. Given a normal distribution, one would expect the high and low tails each to capture about one third of all observations. Because cluster analysis sorts observations (states) on the basis of variation in the entire group of measures (policy dimensions), the actual distribution across states—and proportion of clusters coded as low, average, or high—varies across the 31 dimensions.

<sup>5</sup> Cluster analysis output (dendrogram) shows progressive aggregation of states into clusters. Our output showed that a four-cluster solution did not emerge; that is, aggregation went from five to three, without four clusters as a viable solution. Comparing the three- and five-cluster solutions, we observed that the three-cluster solution might not adequately capture the range and variability of state policies because of its relatively larger and more heterogeneous clusters. Similarly, when comparing the five- and six-cluster solutions, we observed that the sixth cluster was comprised of just two states, split off from one of our five clusters. This did not seem to add new insights regarding states' policy packages. For these reasons we chose the five-cluster solution.

<sup>6</sup> We included all 31 dimensions of policy variation in the cluster solution. Given that benefits in one of the programs (food stamps) are designed to vary inversely with benefits in cash assistance, we tested the stability of the cluster solution if this program were excluded. Our cluster solution using 29 variables for 10 programs was essentially the same as the solution with the full set of programs.



Notes: “A” refers to adequacy, “I” refers to inclusion, and “C” refers to commitment. High or low scores are .4 of a standard deviation above or below the 48-state mean, and average scores fall within ± .4 of a standard deviation from the mean.

**Figure 2.** State policy clusters.

Variation in policy emphasis and in specific policy dimensions results in five strikingly different state regimes, providing varied packages of support for families. Although a general trend from low to high is observed (reading Figure 2 from left to right), there are also significant and interesting exceptions to this pattern. To describe the actual package provided in each of the clusters, Table 4 reports cluster-level averages for several illustrative policies. To adjust for variation in cost of living across the states (and clusters), Table 4 reports adequacy measures in both nominal and cost-of-living-adjusted dollars.

Cluster 1 states (Alabama, Arkansas, Kentucky, Louisiana, Mississippi, South Carolina, Tennessee, Texas, West Virginia) can be described as providing the most meager or minimal support in nearly all dimensions. These states provided AFDC and child care benefits that were well below the national average, even after adjusting for cost-of-living differentials. Their average rates of program inclusion were among the lowest in the five clusters. And the tax burden on poor families was the highest. These states were also below the all-state average on seven of nine measures of policy commitment.

States in cluster 2 (Arizona, Delaware, Florida, Georgia, Missouri, North Carolina, New Mexico, Nevada, Oklahoma, Virginia) provided limited support. On average,

**Table 4.** Selected elements of policy package, by cluster.

	Cluster 1 Minimal	Cluster 2 Limited	Cluster 3 Conservative	Cluster 4 Generous	Cluster 5 Integrated
<b>Income Support</b>					
AFDC Adequacy	\$1,991	\$3,284	\$3,623	\$4,781	\$4,678
<i>COL-adjusted</i>	\$2,144	\$3,331	\$3,902	\$4,648	\$4,471
AFDC Inclusion	42%	59%	44%	70%	71%
UI Adequacy	\$1,957	\$2,152	\$2,117	\$3,134	\$2,899
<i>COL-adjusted</i>	\$2,113	\$2,177	\$2,279	\$3,071	\$2,707
UI Inclusion	28%	27%	30%	42%	36%
<b>In-Kind Benefits</b> (reduces expenses and support employment)					
Child Care Adequacy	\$297	\$536	\$371	\$657	\$799
<i>COL-adjusted</i>	\$320	\$541	\$402	\$647	\$770
Child Care Inclusion	6%	11%	10%	10%	10%
Preschool Adequacy	\$1,652	\$697	\$0	\$2,540	\$1,419
<i>COL-adjusted</i>	\$1,778	\$713	\$0	\$2,519	\$1,251
Preschool Inclusion	8%	6%	5%	6%	12%
<b>Tax Policy</b> (reduces expenses and supports employment)					
Tax Adequacy (taxes at poverty)	\$97	\$67	\$53	\$56	-\$153
<i>COL-adjusted</i>	\$107	\$67	\$55	\$60	-\$150
Tax Inclusion (tax threshold)	\$13,011	\$12,810	\$13,456	\$13,823	\$15,900
<i>COL-adjusted</i>	\$14,098	\$13,123	\$14,484	\$13,145	\$15,382
<b>Enforcement of Private Responsibility</b>					
JOBS Inclusion	8%	6%	19%	11%	11%
Child Support Inclusion	25%	24%	33%	30%	43%

Notes: The Appendix specifies how each variable is constructed. In general, adequacy refers to the ratio of annual benefits or expenditures to participants, and inclusion refers to the ratio of program participants to the potentially needy population. Preschool adequacy is based on state-funded programs, whereas preschool inclusion is based on participation in federal- or state-funded programs, which is why the cluster with no spending per child can have positive inclusion.

these states provided slightly more income support than did minimal cluster states, although average inclusion and adequacy were at or below the all-state average. On Unemployment Insurance, and inclusion in programs that enforce private responsibility, states in the limited cluster were notably below the all-state average. These states provided support at levels near the national average in the areas of child care, preschool, and tax relief.

States in Cluster 3 (Idaho, Indiana, Kansas, Montana, North Dakota, Nebraska, South Dakota, Utah, Wyoming) are characterized as having a conservative policy approach. These states had average to low performance on policies relating to income support. They were notably low in the provision of employment support through child care and preschool and were average in tax policies benefiting the working poor. The states in the conservative cluster were high, however, in performance on policies that enforce private responsibility, with the second highest average rates of

child support collection and the highest average rates of enrollment of AFDC recipients into mandatory JOBS activities.

States in cluster 4 (California, Colorado, Connecticut, Iowa, Illinois, Massachusetts, Maine, Michigan, New York, Oregon, Pennsylvania, Rhode Island, Washington) provided a generous package of assistance. These states scored higher than the national average in the generosity and inclusiveness of cash assistance programs. They were also well above the all-state average in per-child spending for child care and preschool. In other program areas—including tax policy, child support, and JOBS—their performance was near the national average.

Finally, states in cluster 5 (Maryland, Minnesota, New Hampshire, New Jersey, Ohio, Vermont, Wisconsin) had an integrated approach to policy, with scores at or well above the national average on all dimensions. States in this cluster had policy commitment score above the national average in six of nine program areas. Rather than making tradeoffs among policy approaches, these states generally combined generous and inclusive benefits in cash assistance and in-kind programs with progressive tax policies, commitment to employment support through child care and JTPA, and enforcement of private responsibility through the highest level of child support collections and a strong commitment to the JOBS program.

### Policy Change over Time

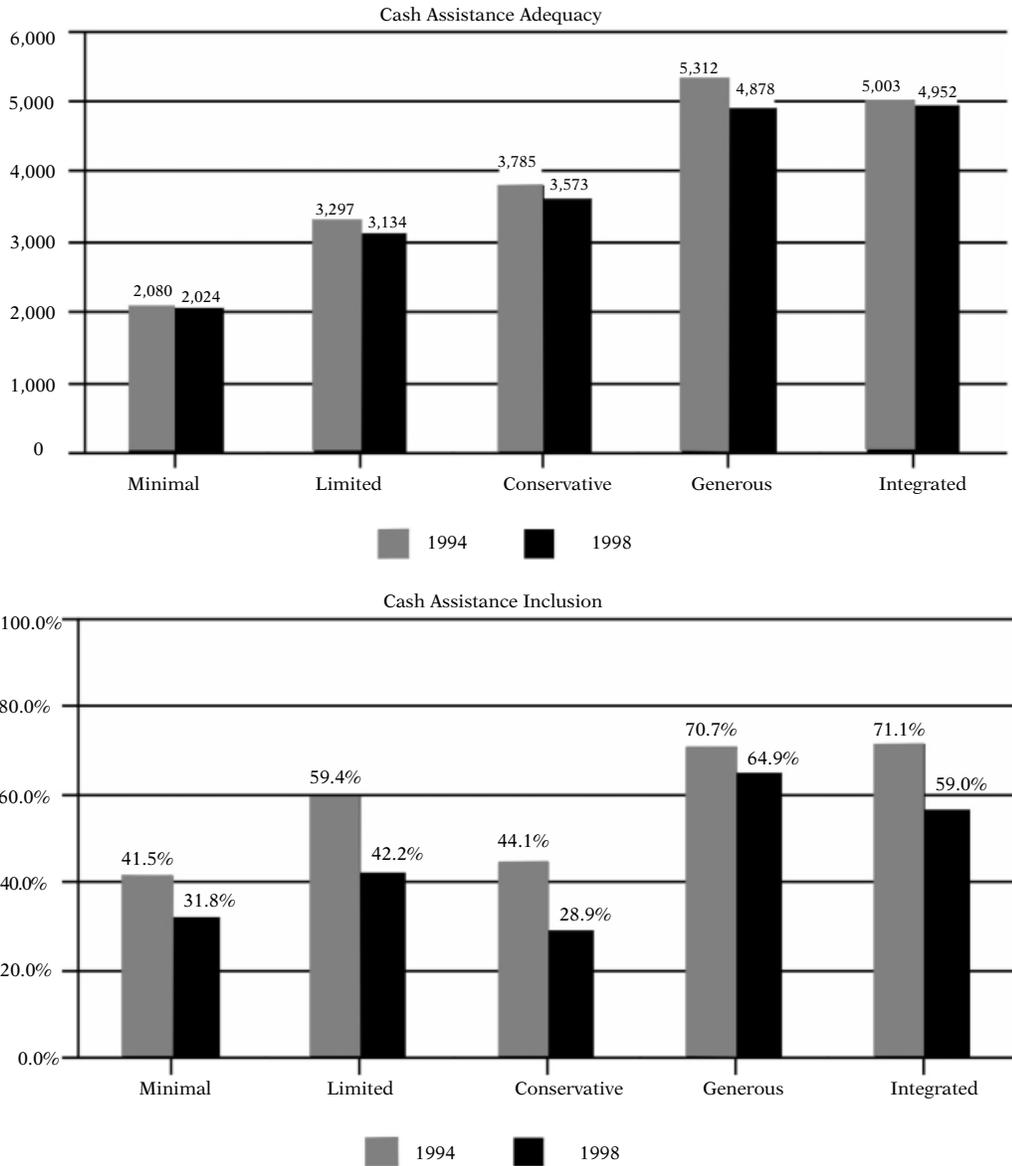
If these clusters capture the underlying orientation of state policy officials, they would also be expected to be predictive of policy choices over time. Under the 1996 federal welfare reform, states were given new opportunities to innovate in many areas of social policy. To examine the over-time stability of the cluster solution (derived from 1994 data), cluster performance was compared in two program areas for the post-reform year of 1998. Policies in the TANF program, which replaced AFDC, provide an example of traditional public assistance programs. Tax policies illustrate policies that have particular relevance for working poor families.

The over-time comparison reveals that the pattern of cross-cluster variation observed in 1994 is similar four years later (Figure 3). Overall, the adequacy and inclusion of the AFDC/TANF program declined after the 1996 welfare reforms while favorable tax provisions for the working poor improved. Although state policies were changing during this period, the relative performance of the clusters identified in 1994 changed very little within these two programs: States appear to have continued their pre-reform trajectories, with the minimal, limited, and conservative states continuing to provide the least assistance, and the generous and integrated states continuing to provide the most.

The adequacy of AFDC/TANF, measured as the inflation-adjusted average annual transfer per recipient, declined between 2 and 8 percent in four of the clusters, with the steepest declines in the generous and conservative clusters.<sup>7</sup> States in the integrated cluster had only negligible declines (averaging 1 percent). Although the generous and integrated clusters converged slightly, they remained substantially more generous in their benefits than the states in the remaining three clusters.

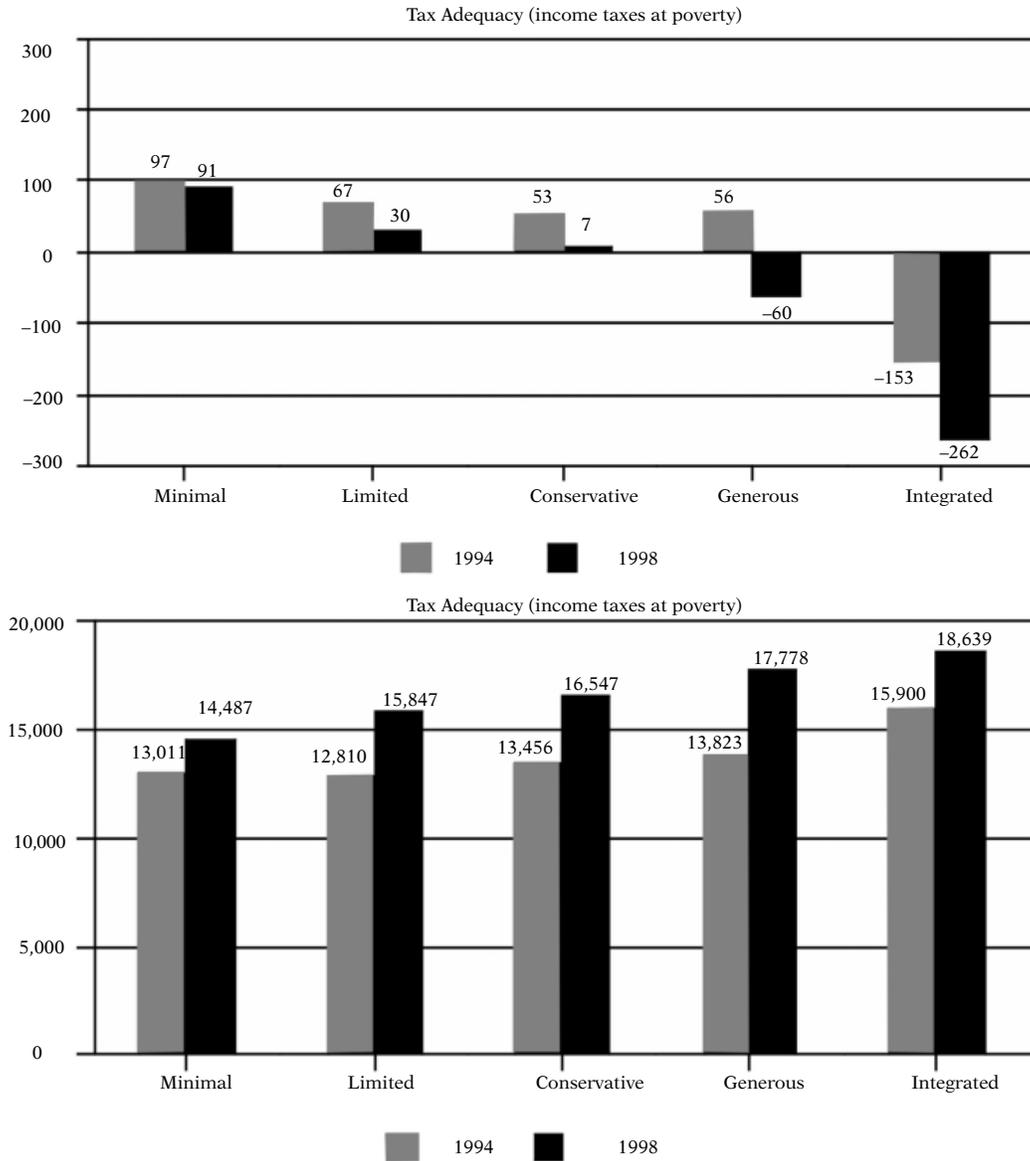
A similar trend is observed in AFDC/TANF inclusion. The inclusion of poor families in cash assistance programs declined in all five clusters, with the most dramatic declines observed in states in the conservative cluster where inclusion fell from 44 to

<sup>7</sup> For this analysis we substitute a slightly different measure of adequacy for both years, though it still reflects the amount in benefits spent per case. We were unable to replicate the measure of AFDC adequacy used in the 1994 cluster analysis (state and federal expenditures on benefits divided by AFDC caseload) in 1998 due to differences in TANF expenditure reporting at the second period. The adequacy measure used in the 1994 cluster analysis is on average 5.8 percent lower than the adequacy numbers reported for 1994 in Figure 3.



**Figure 3a.** Comparison of selected policies in 1994 and 1998, by cluster.

29 percent (a 35 percent drop). The next largest declines in inclusion occurred in the limited and minimal clusters (23 and 29 percent declines, respectively). Inclusion declined, but less steeply, in states in the generous and integrated clusters. A single state, Wisconsin, contributed heavily to the decline observed in the integrated cluster as a whole. Excluding Wisconsin, inclusion among states in this cluster dropped by 12 percent on average, close to the 8 percent decline observed in the generous cluster. Although inclusion changed in all clusters, states in the generous and integrated clusters continued to extend benefits more deeply into the needy population.



Note: Amounts are in 1994 dollars.

**Figure 3b.** Comparison of selected policies in 1994 and 1998, by cluster

The pattern of change in tax policy was also consistent with the cluster classification. Between 1994 and 1998, tax obligations among families at the poverty line fell in all five clusters, signifying more advantageous tax treatment across the board. The decline was modest in states in the minimal and limited clusters, leaving an average tax burden for poor families of between \$30 and \$91 (in 1994 dollars). In the states in the generous cluster, the adoption of new earned income tax credits in three states contributed to a change from a \$56 tax liability in 1994 to a \$60 tax credit in 1998. In the integrated cluster, existing EITCs were made refundable in several states, which

increased average tax credits by more than \$100. A similar trend is evident in state tax thresholds (the income at which families begin to incur liability). Although the average threshold increased in each of the clusters (alleviating tax burdens everywhere), the relative ranking of the five clusters remained stable. The minimal and limited clusters switched places, and the generous and integrated clusters continued to be the most supportive.

These results suggest two conclusions. First, the cluster solution based on 1994 data appears to predict state performance in 1998 in at least two policy areas. As states have responded to devolution, they are continuing trajectories that reflect their original clusters' policy orientations. The ordering of clusters is stable over time. Adequacy and inclusion in the AFDC/TANF program converged slightly between the highest and lowest state clusters. In tax policy, however, the range between the clusters with the least- and most-generous tax thresholds increased by over \$1000, and the range between the clusters imposing the highest and lowest tax burden increased by over \$100.

Second, evidence is mixed that states are engaging in the often-predicted race to the bottom following welfare reform. The adequacy and inclusion of cash assistance declined in all clusters. But the declines were not of equal magnitude across the clusters: The reduction in welfare adequacy was small in the states in the integrated cluster, and the decline in inclusion was large in the minimal, limited, and conservative clusters while it was more modest in the generous and integrated states. During the same period, tax policy changes benefiting the working poor improved in all five clusters. States appear to be moving at different paces in their reforms to social policy and, across all the states, to be moving in directions that contract traditional, welfare-based assistance, and expand support for the working poor.

## CONCLUSION

This study's aim has been to describe patterns in a subset of state-level social policies, both by examining multiple characteristics of policy choice and by assembling a package of 11 related programs. Social programs, and policy characteristics within programs, appear weakly and inconsistently correlated. When multiple dimensions and programs are considered simultaneously, groups of states with similar packages of support for low-income families emerge. As would be expected, variation on individual policy indicators is smaller in magnitude across clusters than across the 48 states in this study. Variation on the package of policies, however, is both large and substantively distinctive across the state clusters. States have adopted policy packages that range from the most minimal provisions, to conservative approaches emphasizing private responsibility, to integrated approaches that combine generous direct assistance with explicit policy commitment to support families and enforce family responsibility.

The states in the 1994 clusters exhibit similar average performance in 1998 on a subset of programs in the policy package. This has interesting implications for understanding the consequences of the devolution revolution that followed the 1996 federal welfare reform. With the creation of public assistance, child care, training, and other block grants, states now have substantially greater discretion in the design and administration of social policies. The results of this study suggest that subsequent social policy choices have been dominated neither by inertia nor by an undifferentiated race to the bottom. Substantial changes occurred in cash assistance and taxation policies between 1994 and 1998. As all states, on average, shifted from traditional welfare toward more supportive tax provisions for the working poor, the magnitude and direction of these changes remained consistent with pre-reform policy approaches.

These findings have implications for both policy research and delivery. The 1996 welfare reforms generated an enormous increase in welfare policy research. A number of research teams are tracking changes in the content of welfare policies at the state level; others are engaged in estimating the impact of policy changes on individual and family outcomes. The results of the analysis reported here suggest the value of broadening this research to consider the larger context of state policy choices that influence the economic welfare of low-income families. Cross-state policy researchers have traditionally focused on a limited number of programs and a single or limited array of policy measures. As demonstrated above, states have distinctive social policy approaches or regimes. These approaches cannot be readily discerned, however, from the policies in any single program. States may combine comparatively low income support with equally low levels of activity to enforce private responsibility (as in the limited cluster), or with strong enforcement in areas such as child support collection and mandatory employment services (as in the conservative cluster). Likewise, states may combine generous cash assistance with only moderate efforts to alleviate tax burdens and enforce private responsibility (as in the states in the generous cluster), or with more extensive provisions in all three areas (as in the states in the integrated cluster). This analysis also cautions against reliance on a single characteristic of any program. Per capita program expenditures may vary positively with the inclusion of potentially needy individuals (as observed in the AFDC and UI programs), or states that spend more per individual may serve fewer individuals (as observed in the JTPA program). To capture the consequences of policy for disadvantaged individuals living within the state, it is crucial to consider both the package of relevant programs, and multiple, interacting characteristics of those programs.

This comparative analysis of state policy choices also suggests several directions for future research. In particular, the cluster approach could be applied to the study of a broader policy package. Further examination of how the clusters' family support packages change over time would shed more light on states' responses to devolution. Finally, linking policy packages to various outcomes, such as child poverty and material hardship, would illuminate how states can more effectively reduce economic insecurity among families with children. These analyses are of increasing interest to scholars and policymakers given the persistence of large cross-state differences in economic and other outcomes and of the ongoing devolution of policy control to the states.

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**Appendix:** Variable construction and sources.

	<b>Adequacy</b>	<b>Inclusion</b>	<b>Commitment</b>
<b>Public Assistance</b> (AFDC)	benefit \$ <sup>[a]</sup> / caseload <sup>[a]</sup>	caseload <sup>[a]</sup> / # poor families with children * <sup>[b]</sup>	no time limit <sup>[a]</sup> no family cap <sup>[a]</sup> no sanctions <sup>[c, d, e]</sup> increased earnings disregards <sup>[c, d, e]</sup> # behavior-dictating policies <sup>[d, e]</sup> maximum benefit, family of three <sup>[a]</sup>
<b>Child Care</b> (Title IV-A and Child Care & Development Block Grant)	child care funds secured by state action <sup>[f]</sup> / # poor children < 6 * <sup>[b]</sup>	# families served <sup>[f]</sup> / # poor families with children * <sup>[b]</sup>	% at-risk child care funds spent <sup>[f]</sup> supplements AFDC disregard <sup>[a]</sup> minimum monthly copayment <sup>[g]</sup> eligibility cut-off as % of state median income <sup>[g]</sup> mother in education/training eligible <sup>[g]</sup> state pays parents directly <sup>[g]</sup>
<b>Child Support</b> (Enforcement)	pass-through <sup>[h]</sup> / # AFDC cases with collection <sup>[h]</sup>	collections <sup>[h]</sup> / # one-parent families with children <sup>[b]</sup>	collections : amount due <sup>[i]</sup> award guidelines <sup>[i]</sup>
<b>Food Assistance</b> (Food Stamps)	benefit \$ <sup>[a]</sup> / caseload <sup>[a]</sup>	cases with children <sup>[a]</sup> / # poor families with children * <sup>[b]</sup>	
<b>Vocational Training</b> (JTPA)	JTPA IIA & IIC allotment <sup>[k]</sup> / JTPA IIA & IIC participants <sup>[k]</sup>	JTPA IIA & IIC partici- pants <sup>[k]</sup> / poor* people 15-64 <sup>[b]</sup>	
<b>Remedial Training</b> (JOBS)	JOBS spending <sup>[l]</sup> / JOBS participants <sup>[l]</sup>	JOBS participants <sup>[l]</sup> / AFDC caseload <sup>[a]</sup>	% federal funds spent higher education allowed <sup>[l]</sup>
<b>Health Insurance</b> (Medicaid)	payments for recipients < 21 <sup>[n]</sup> / # recipients < 21 <sup>[n]</sup>	# recipients < 21 <sup>[n]</sup> / # poor* people < 22 <sup>[b]</sup>	# optional services offered <sup>[a]</sup> extent of dental and drug services <sup>[a]</sup> eligibility threshold, children < 1 <sup>[o]</sup> eligibility threshold, children < 6 <sup>[o]</sup>
<b>Early Childhood Education</b> (Preschool)	state spending per child in pre-k <sup>[p]</sup>	pre-k enrollment <sup>[p, q]</sup> / # children < 6 <sup>[b]</sup>	extent of funds spent <sup>[f]</sup> % schools with extended day programs <sup>[r]</sup>
<b>Disability Assistance</b> (Supplemental Security Income)	SSI payments to children <sup>[s]</sup> / children receiving SSI <sup>[s]</sup>	people < 21 receiving SSI <sup>[s]</sup> / # poor* people < 22 <sup>[b]</sup>	state supplements federal SSI at all <sup>[t]</sup> state supplements federal SSI during determination <sup>[t]</sup> state supplements disabled people <sup>[t]</sup> state supplements children <sup>[t]</sup>
<b>Tax Policy</b> (Tax deductions, exemptions, credits)	state income tax at poverty line for one- parent family of three <sup>[u]</sup>	income tax threshold for one-parent family of three <sup>[u]</sup>	level of income tax progressivity <sup>[u]</sup> refundable state EIC <sup>[u]</sup> ratio of federal EITC recipient to working-aged poor (EITC recipients <sup>[u]</sup> / poor* people 18-64 <sup>[b]</sup> ) sales tax rate <sup>[u]</sup> food exempt from sales tax <sup>[u]</sup> sales tax % of lowest quintile's income <sup>[v]</sup>
<b>Unemployment Compensation</b> (Unemployment Insurance)	weekly benefit received <sup>[w]</sup> × weeks of receipt <sup>[w]</sup>	recipients <sup>[x]</sup> / unemployed <sup>[x]</sup>	minimum earnings to qualify <sup>[a]</sup> minimum potential benefits × minimum weeks <sup>[a]</sup> ( minimum benefits) voluntary leaving includes illness <sup>[l]</sup> voluntary leaving includes sexual harassment <sup>[l]</sup> voluntary leaving not restricted to work <sup>[l]</sup>

NOTES FOR APPENDIX:

- \* pre-transfer poverty
- [a] The Urban Institute's New Federalism Database.
- [b] National Center for Children in Poverty calculations from the 1993-95 Current Population Survey.
- [c] Strawn, Julie, Sheila Dacey, and Linda McCart. July 1994. Survey of State Welfare Reforms: Final Report. Washington, DC: National Governors' Association.
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- [m] U.S. Department of Health and Human Services, Health Care Financing Administration. Medical Statistical Information System.
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- [o] Adams, Gina and Jodi Sandfort. First Steps, Promising Futures. Washington, DC: Children's Defense Fund, 1994.
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- [u] Center on Budget and Policy Priorities.
- [v] Center for Enterprise Development. 1994. The 1994 Development Report Card for the States. Washington, DC: Center for Enterprise Development.
- [w] U.S. Department of Labor. Unemployment Insurance Data Clearinghouse.
- [x] U.S. Department of Labor. Employment and Training Administration.

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