

Intergenerational Welfare

A PROSPECTIVE
& RETROSPECTIVE
Analysis



August 2001

INTERGENERATIONAL WELFARE A PROSPECTIVE AND RETROSPECTIVE ANALYSIS



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Background

The intergenerational transfer of welfare dependency has been at the center of the welfare reform debate. Research on intergenerational welfare dependency has not conclusively established that children who grow up on welfare necessarily end up as adults on welfare. Most children raised in households that receive welfare do not receive welfare as adults (1). However, children raised on welfare do have higher rates of adult welfare than children not raised on welfare. A 1988 study using national data found that nearly 20 percent of daughters from families that were "highly dependent" on welfare became "highly dependent" themselves, but only 3 percent of daughters from non-welfare households became "highly" dependent" on welfare. (2)

This study examines the intergenerational use of welfare in California by answering the following questions:

- To what extent do persons who receive aid as children subsequently become aided adults? and,
- What proportion of aided adults were also aided as children?

Data Sources

Aid history data used in this analysis was derived from information on enrollments in California's welfare program compiled and produced in association with the Department of Health Services and made available to us through the Medical Eligibility Data System (MEDS). California Department of Social Services (CDSS) staff have constructed a longitudinal database from MEDS. This longitudinal database contains the aid history of all individuals aided for at least one month under the Aid to Families with Dependent Children (AFDC)/California Work Opportunity and Responsibility to Kids (CalWORKs) programs from 1987 to 2000.

Methodology

This analysis is limited to California's cash aid program. The program previously known as AFDC became the CalWORKs Program in 1998. For purposes of this analysis we use the term "aid" or "aided" to indicate whether a person received cash assistance under either program.

To respond to the first question we used a **prospective** analysis. We selected children who had been on aid and followed their aid histories forward to determine if they received aid as an adult (Figure 1a). We selected persons born between 1975 and 1980 who were on aid anytime between 1987 and the first quarter of 2000.

Persons born during this period became adults between the ages of 20-25 in the first quarter of 2000. We then looked to see whether they had any aid history as an adult (19 years or older). The results of this analysis are shown in the **prospective** section of the report as summarized in Figure 2 and Figure 3.

To respond to the second question we used a **retrospective** analysis. We selected adults who were between the ages of 20 –25 years and on aid in the first quarter of 2000. We traced their aid histories backward to see if they had been on aid as children (Figure 1b). This analysis was limited to adult recipients 20-25 years old because aid history data are only available from 1987 forward. For persons 25 years of age in the first quarter of 2000 we could determine whether they were aided in California from the age of 12 years or older. For 20 year olds on aid in the first quarter of 2000 we could examine their aid history back to the age of seven years, their age in 1987. The results of this analysis are shown in the **retrospective** section of the report as summarized in Figure 4 and Figure 6.

We were able to determine whether adults who had been aided when they were between the ages of 15 and 18 years had also been teen parents. There is no indicator in the MEDS file to identify teen parents. Thus, to identify cases of aided teen parents we used the case identification number that is shared by all individuals in an aided case. We linked all members common to each case using this case identification number. We then compared the difference between the age of the oldest adult in the case (as of the first quarter of 2000) with the age of the oldest child in the case. If the difference in age was between 15 and 18 years, the oldest adult was assumed to have been a teen parent. For example, in the first quarter of 2000 if the oldest adult was 23 and the oldest child was 6, we assumed that the oldest adult was the parent of the child and had become a teen parent at the age of 17.

Finally, we were also able to distinguish between two groups of teen parents: 1) individuals who first began receiving aid as teen parents, and 2) individuals with a prior history of childhood aid who subsequently became teen parents. We assumed that individuals were teen parents when they first began receiving aid if the age of first aid receipt was between 15 to 18 years, and was within one year of the birth of their oldest child. The results of this analysis are shown in the **retrospective** section of the report as summarized in Figure 5 and Figure 7.

It is important to note that because this analysis is limited to cash aid received in California it may understate the extent of intergenerational receipt of aid. It is likely that some adults aided in California have a childhood aid history in another state and some children aided in California subsequently become aided adults in another state. We are not able to track out of state aid history for this analysis.

Findings

To what extent do persons who received aid as children subsequently become aided adults?

About 845,574 persons born between 1975 and 1980 received aid for at least one month between 1987 and the first quarter of the 2000. Approximately 90.1 percent (761,518 persons) received aid while they were children, while 9.9 percent (84,056 persons) were not aided during childhood (i.e., they began receiving aid at the age of 19 or older).

Figure 2 shows the extent to which those who were aided as children subsequently became aided adults. About 24 percent of all persons born between 1975 and 1980 who received aid as a child became aided adults. Among females 38 percent who were aided as children became aided adults.

Figure 3 provides further detail on females who received aid as a child and subsequently received aid as an adult. This figure shows that the highest incidence of aid receipt as both a child and as an adult was found among African American females (48 percent), followed by Hispanic females (44 percent) and white females (32 percent). The lowest incidence in this category was found among females in the 'Other' category, which is comprised mainly of Asian females (20 percent).

What proportion of aided adults ages 20 –25 years old in the first quarter of 2000 were also aided as children?

Figure 4 shows that 373,919 cases were headed by adults receiving aid in the first quarter of 2000. Of these 78,348 (21 percent) were headed by adults ages 20 to 25 years. These young aided adults represent approximately 3 percent of all persons ages 20-25 in California. Among these young adults on aid, 56,867 (73 percent) were aided as children, (i.e., they received aid prior to the age of 19 years).

For these 56,867 young adults who were aided before the age of 19, we can determine if they were teen parents. Figure 5 describes the teen parent status of this group.

- Persons aided as children who were not aided as teen parents. These individuals were on aid as a child in their parents' case. At some time subsequent to turning 18, they became parents themselves and the head of their own case. This group represents 41 percent of individuals who were aided as children.

- Persons who first came onto aid as a teen parent. These individuals first began receiving aid between the ages of 15 to 18 after the birth of a child. This group represents 19 percent of individuals who were aided as children.
- Persons aided as a child and as a teen parent. These individuals were on aid as a child in their parent's case. Between the ages of 15-18 they had their own child. This group represents 40 percent of individuals who were aided as children.

A similar analysis was conducted for cases with a female head of household. The results parallel those for all household heads. Figure 6 shows that 295,773 cases headed by adult females were receiving aid in the first quarter of 2000. Of these 70,994 (24 percent) were headed by young female adults ages 20 to 25 years. These young aided female adults represent approximately 5.6 percent of all females ages 20-25 in California. Of these young aided female adults, 52,660 (74 percent) were aided as children, (i.e., they received aid prior to the age of 19 years).

The teen parent status of these young female adults who were aided as children is shown in Figure 7. About 38 percent of these individuals were not teen parents, about 21 percent first came onto aid as a teen parents, while 41 percent were aided as both a child and a teen parent.

(1) Martha Hill and Michael Ponza, "Does Welfare Dependency Beget Dependency?" Institute for Social Research, Ann Arbor, Mich., Fall 1984.

(2) Duncan, G.J., Hill, M.S., & Hoffman, S.D. (1988). Welfare dependence within and across generations. *Science*, Vol. 239.

Data:

Source: Medi-Cal Eligibility Data System (MEDS)

Time Period: January 1987 through March 2000

Variables: Personal Identifiers

Gender

Race/Ethnicity

Date of Birth

Case Composition

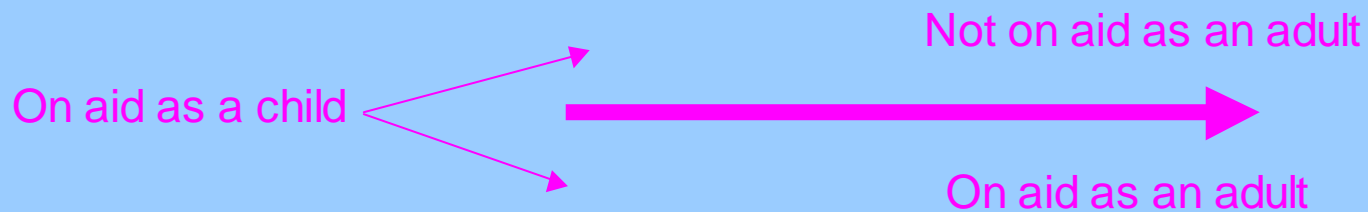
Months on AFDC/TANF/CalWORKS

Figure 1

Methodology:

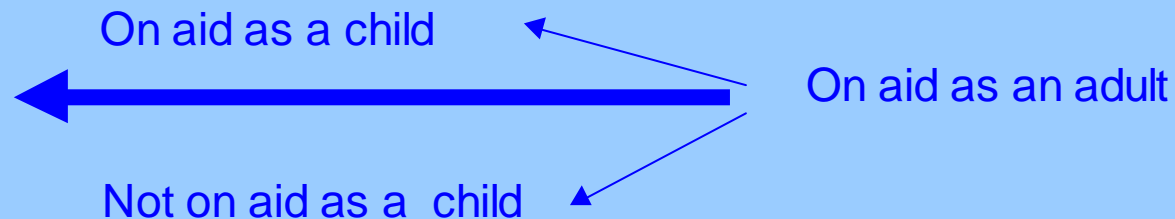
(a)
PROSPECTIVE

What proportion of persons aided as children become aided adults?



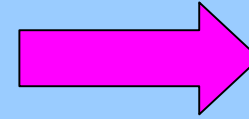
(b)
RETROSPECTIVE

What proportion of aided adults were also aided as children?



Methodology:

PROSPECTIVE ANALYSIS



Question: What proportion of persons aided as children become aided adults?

Who was included in this analysis?

- Persons born between 1975-1980, and
- on aid anytime between 1987 to 2000 Quarter 1, and
- under 19 years of age

How we did it?

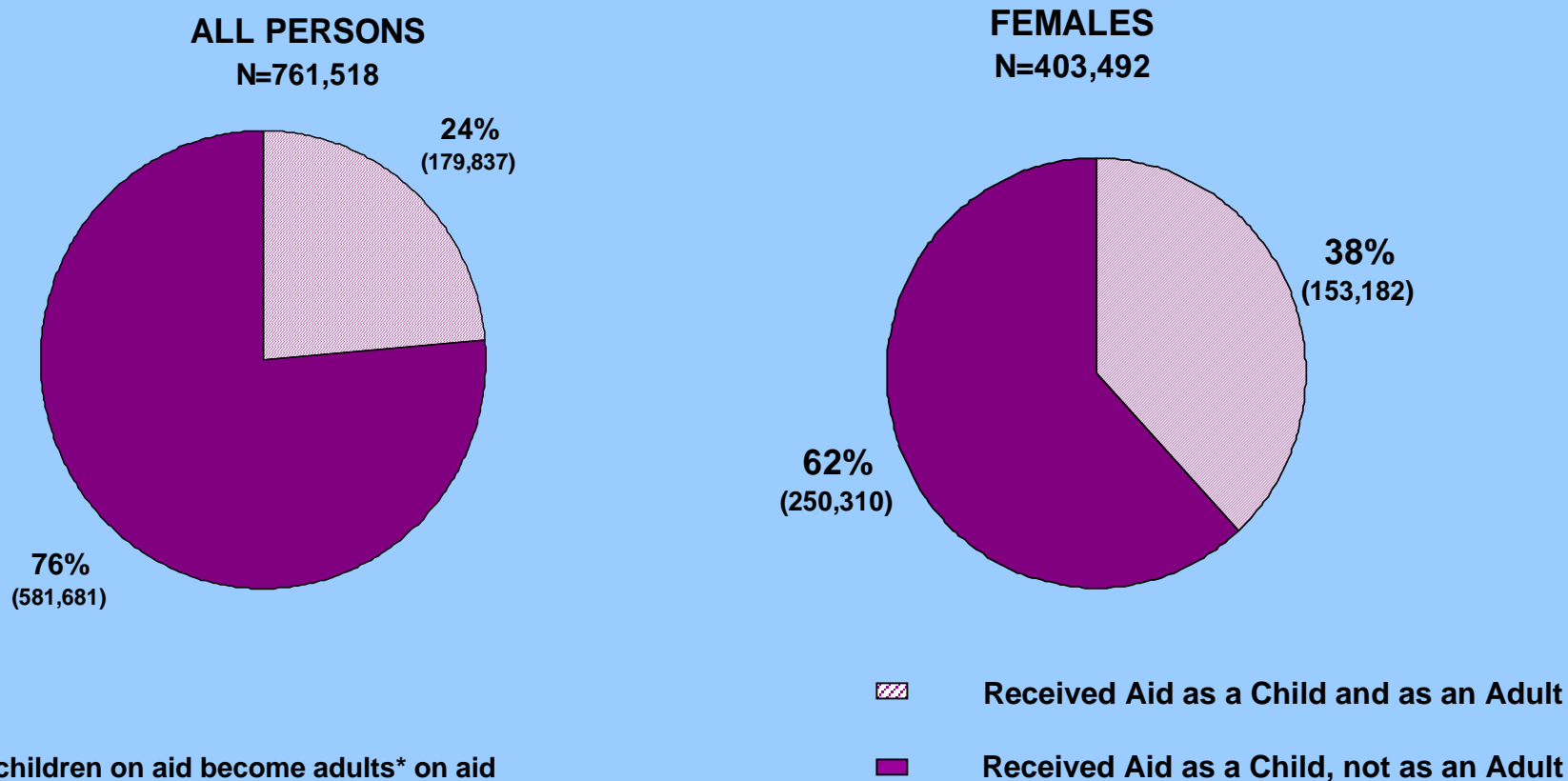
- Followed their aid status forward through the first quarter of 2000 when they would be adults 20-25 years of age

Figure 2



WHAT PROPORTION OF CHILDREN ON AID BECOME ADULTS ON AID ?

Adult* Aid Status of Persons Who Were on Aid During Childhood, Between 1987 and 2000 Q1



24 % of children on aid become adults* on aid
38 % of female children on aid become adults* on aid
* Adult is defined as an individual 20-25 years old in 2000 Q1

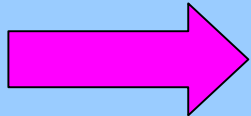
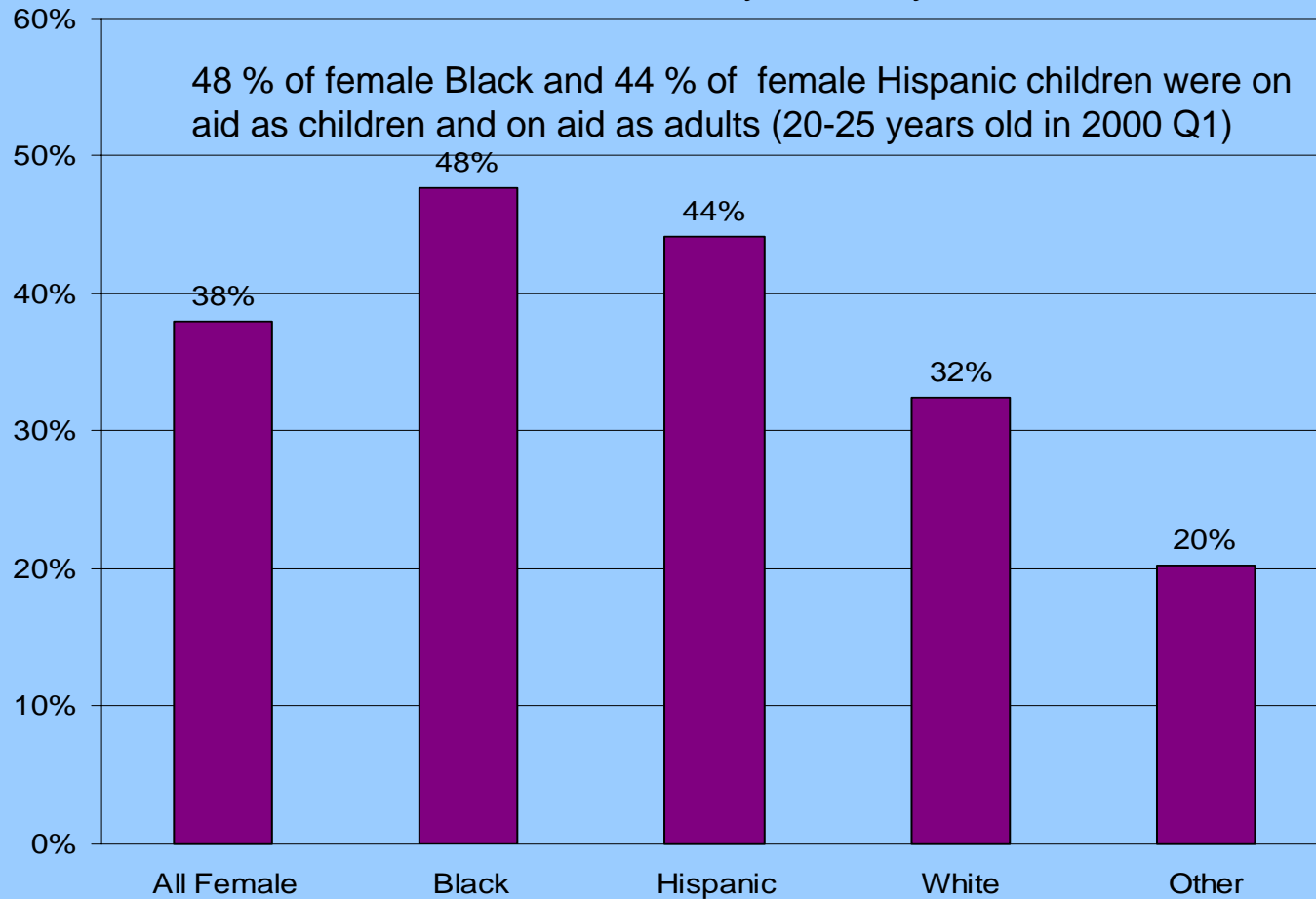
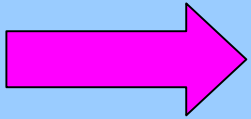


Figure 3

BLACK AND HISPANIC FEMALE CHILDREN HAVE HIGHER RATES OF ADULT AID

Females Born Between 1975-1980 on Aid as Children and On Aid as Adults*, By Ethnicity



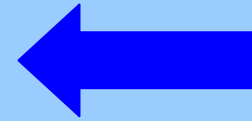


Summary - Prospective Analysis

- 24 % of all children between the ages of seven to twelve who were aided between 1987 to 2000 received aid as an adult.
- 38 % of all female children between the ages of seven to twelve who were aided between 1987 and 2000 received aid as an adult.
- Black and Hispanic females aided as children have higher rates of adult receipt.

Methodology:

RETROSPECTIVE ANALYSIS



Question: What proportion of aided adults were also aided as children?

Who was included in this analysis?

- Persons 20-25 years of age in the first quarter of 2000, and
- on aid in the first quarter of 2000

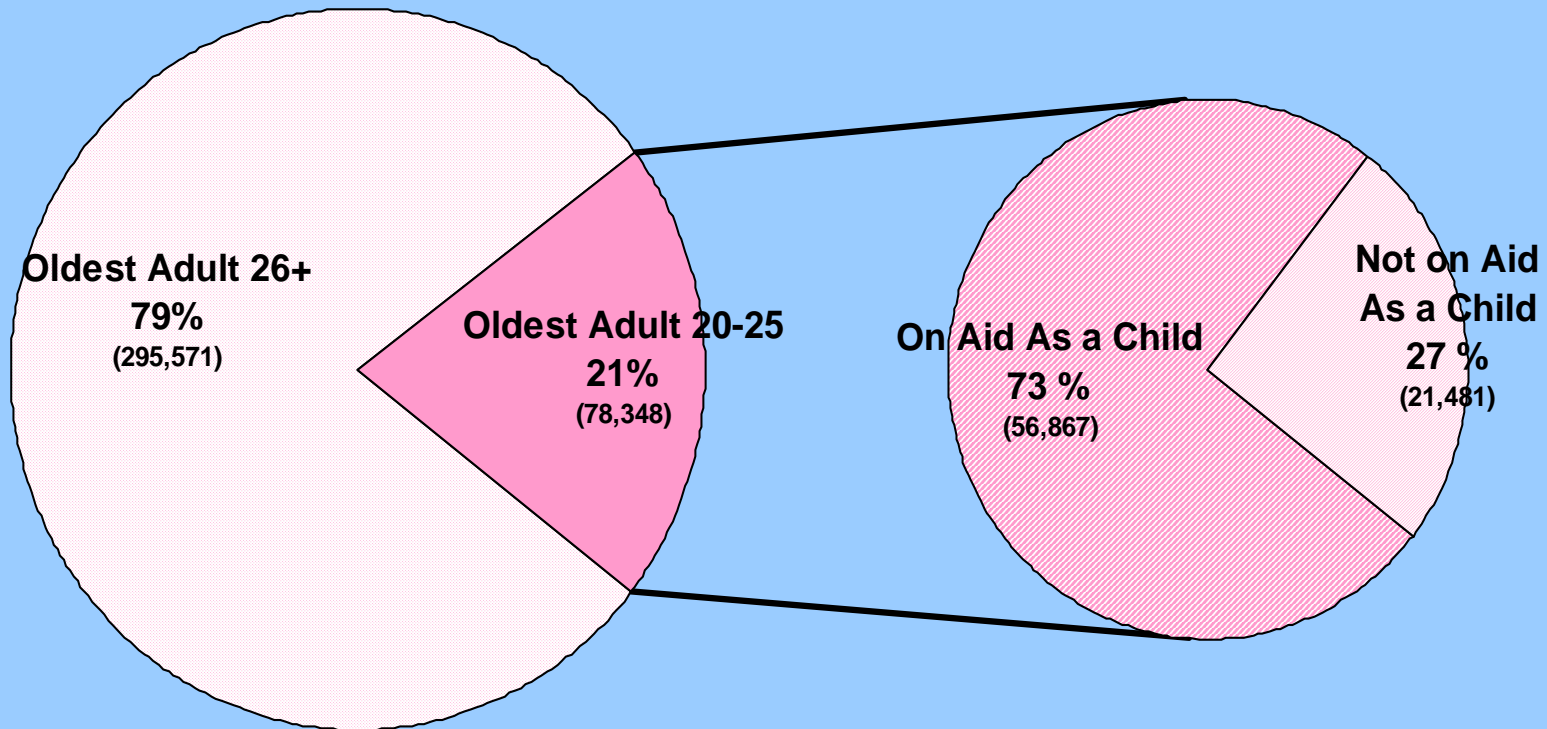
How we did it?

- Traced aid status backward in time to see whether they were on aid anytime between 1987 to 2000 Quarter 1, and
- whether they were children (less than 19 years old) at the time they were on aid

Figure 4

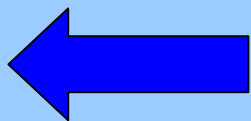
WHAT PROPORTION OF AIDED ADULTS WERE AIDED AS CHILDREN?

Childhood Aid Status of Oldest Aided Adult 20-25 Years Old
For Cases on Aid in 2000 Q1



73% of aided adults 20-25 years old were on aid as a child

Figure 5



THREE OUT OF FIVE AIDED ADULTS AGED 20-25 WERE AIDED AS TEEN PARENTS

Teen Parent Status of Adults 20-25
Years Old and On Aid in 2000 Q1
Who Were Also Aided as Children

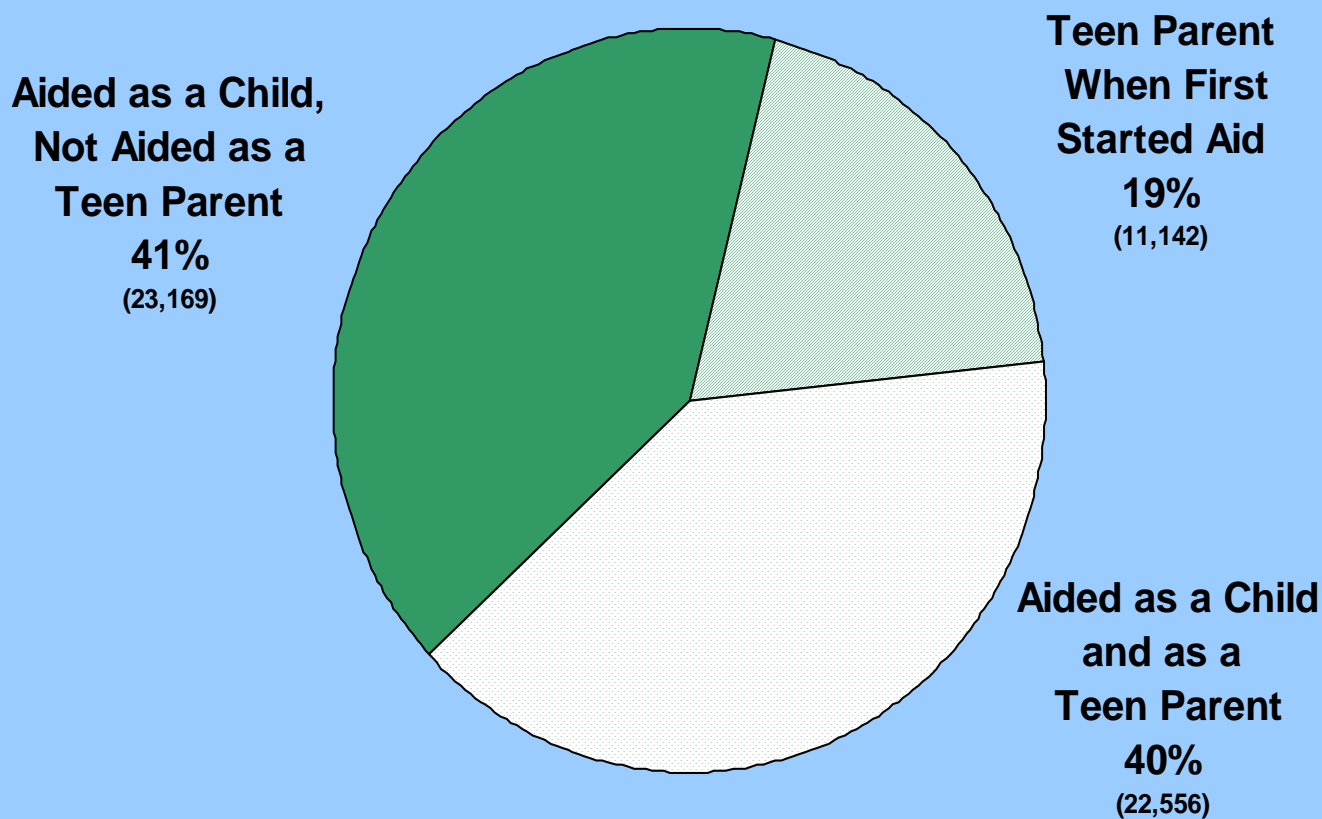
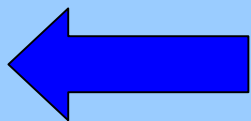
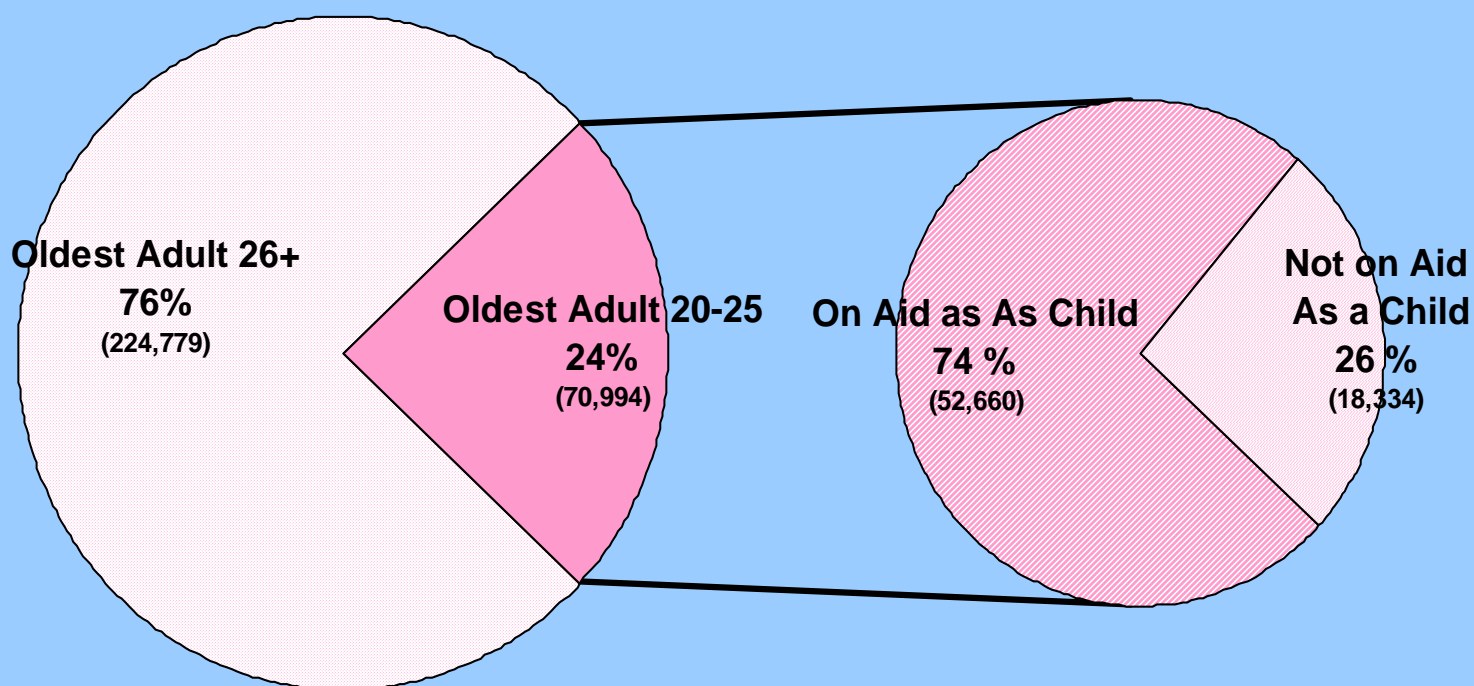


Figure 6



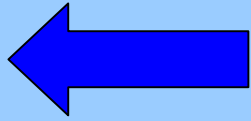
WHAT PROPORTION OF AIDED FEMALE ADULTS WERE AIDED AS CHILDREN?

Childhood Aid Status of Oldest Aided Adult 20-25 Years Old in Female Headed Cases on Aid in 2000 Q1



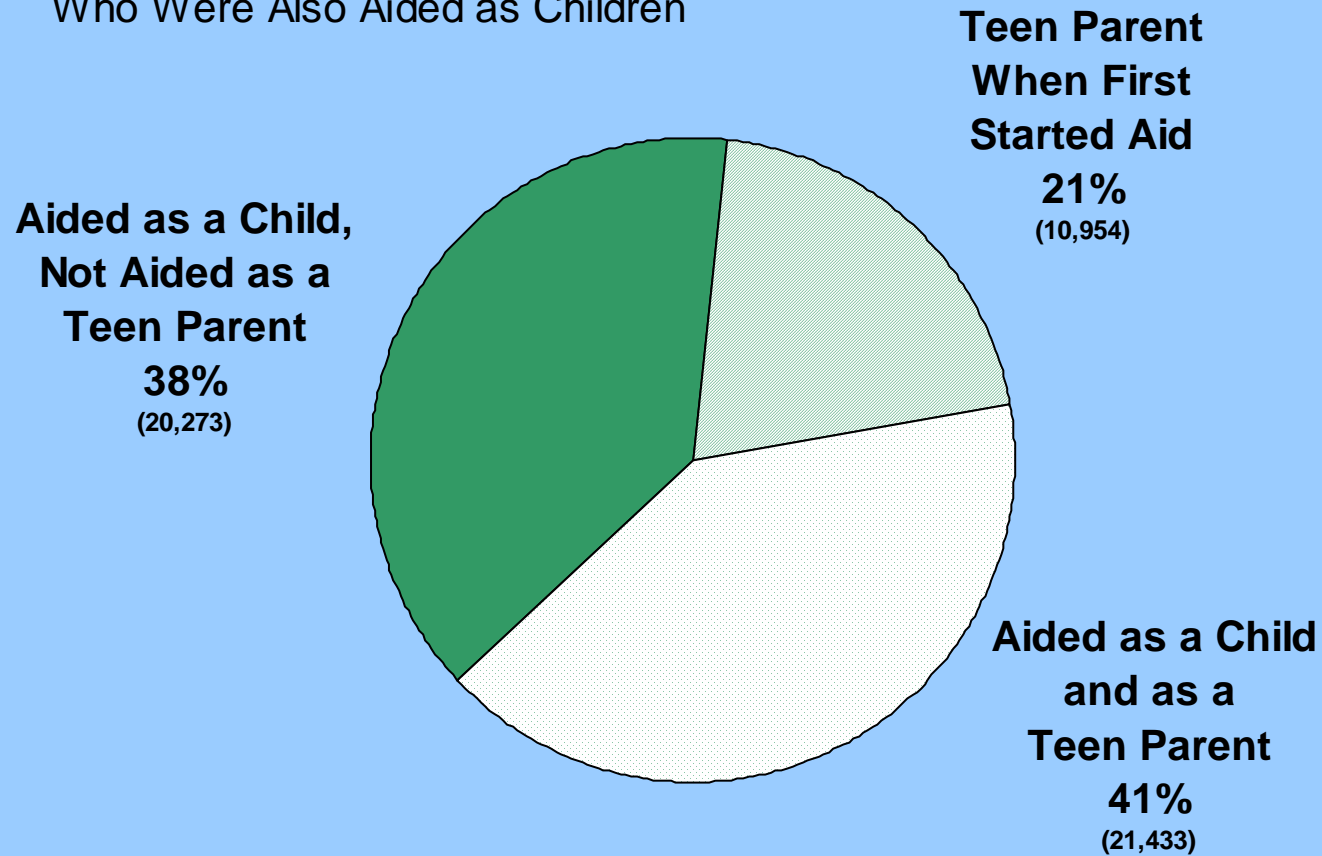
74% of aided female adults 20-25 years old were on aid as a child

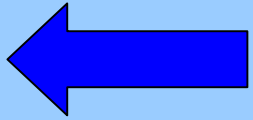
Figure 7



THREE OUT OF FIVE AIDED FEMALE ADULTS AGED 20-25 WERE AIDED AS TEEN PARENTS

Teen Parent Status of Adult Females 20-25
Years Old On Aid in 2000 Q1
Who Were Also Aided as Children





Summary -Retrospective Analysis

- Among adults who are between 20-25 years old and received aid in the first quarter of 2000, 73 % of all aided adults and 74 % of aided adult females were on aid as children
- Of those females aided as children, 21 % were teen parents when they first started receiving aid while 41% had a history of aid before becoming aided teen parents.



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Department of Social Services
Rita Saenz, Director