EARNINGS AND BENEFITS FOR A MOTHER WITH TWO CHILDREN WITH DAY CARE EXPENSES AFTER 4 MONTHS ON JOB, JANUARY 1996—(PENNSYLVANIA)

| Earnings | EIC | AFDC [1] | Food stamps [2] | Medicaid | Taxes: Social Security | Taxes: Federal income [3] | Taxes: State income | Work expenses [4] | "Disposable" income |
|---|---|---|---|---|---|---|---|---|---|
| $0 ...... | $0 | $5,052 | $2,722 | Yes ....... | $0 | $0 | $0 | $0 | [5] $7,774 |
| 2,000 | 800 | 4,892 | 2,410 | Yes ....... | 153 | 0 | 0 | 600 | [5] 9,349 |
| 4,000 | 1,600 | 3,292 | 2,530 | Yes ....... | 306 | 0 | 0 | 1,200 | [5] 9,916 |
| 5,000 | 2,000 | 2,492 | 2,590 | Yes ....... | 383 | 0 | 0 | 1,500 | [5] 10,199 |
| 6,000 | 2,400 | 1,692 | 2,650 | Yes ....... | 459 | 0 | 0 | 1,800 | [5] 10,483 |
| 7,000 | 2,800 | 892 | 2,710 | Yes ....... | 536 | 0 | 0 | 2,100 | [5] 10,766 |
| 8,000 | 3,200 | 0 | 2,798 | Yes [6] ..... | 612 | 0 | 0 | 2,400 | [5] 10,986 |
| 9,000 | 3,556 | 0 | 2,618 | Yes [7] ..... | 689 | 0 | 0 | 2,700 | [5] 11,785 |
| 10,000 | 3,556 | 0 | 2,438 | No [7] ...... | 765 | 0 | 0 | 3,000 | 12,229 |
| 15,000 | 2,842 | 0 | 1,538 | No [8] ...... | 1,148 | 0 | 420 | 4,200 | 13,612 |
| 20,000 | 1,789 | 0 | 0 | No ......... | 1,530 | 0 | 560 | 5,200 | 14,499 |
| 30,000 | 0 | 0 | 0 | No ......... | 2,295 | 1,628 | 840 | 5,400 | 19,837 |
| 50,000 | 0 | 0 | 0 | No ......... | 3,825 | 5,187 | 1,400 | 5,400 | 34,188 |

[1] Assumes these deductions: $120 monthly standard allowance (which would drop to $90 after 1 year on the job) and child care costs equal to 20 percent of earnings, up to maximum of $350 for two children.

[2] Assumes these deductions: 20 percent of earnings, $134 monthly standard deduction and child care costs equal to 20 percent of wages, up to maximum of $320 for two children.

[3] Head of household rates in effect for 1996. The dependent care tax credit reduces tax liability at earnings of $15,000 and above.

[4] Assumed to equal 10 percent of earnings up to maximum of $100 monthly, plus child care costs equal to 20 percent of earnings up to a maximum of $350 for two children.

[5] In addition, the benefits from Medicaid could be added, but are not, since the extent to which they increase disposable income is uncertain.

[6] Family would qualify for Medicaid because the mother, by law, would be deemed still an AFDC recipient, even though no AFDC would be paid; her calculated benefit would be below the minimum amount ($10 monthly) payable.

[7] Family would qualify for Medicaid for 12 months after leaving AFDC under the 1988 Family Support Act. State must offer Medicaid to all children up to age 6 whose family income is not above 133 percent of the Federal poverty guideline (ceiling of $17,290 for a family of three in 1996) and to children over age 6 born after September 30, 1983 (up to age 10⅓ in January 1996), whose family income is below the poverty guideline ($12,600 for a family of three).

[8] After losing her Medicaid transitional benefits, to regain eligibility, mother must spend down on medical expenses to State's medically needy income limit ($5,604 in August 1995).

Source: Congressional Research Service.

MAXIMUM AFDC BENEFITS BY FAMILY SIZE, JANUARY 1996

| State | One-person family | Two-person family | Three-person family | Four-person family | Five-person family | Six-person family |
|---|---|---|---|---|---|---|
| Alabama | $111 | $137 | $164 | $194 | $225 | $252 |
| Alaska [2] | 514 | 821 | 923 | 1,025 | 1,127 | 1,229 |
| Arizona [3] | 204 | 275 | 347 | 418 | 489 | 561 |
| Arkansas | 81 | 162 | 204 | 247 | 286 | 331 |
| California | 299 | 490 | 607 | 723 | 824 | 926 |
| Colorado [2 16] | 253 | 331 | 421 | 510 | 605 | 697 |
| Connecticut [4] | 402 | 513 | 636 | 741 | 835 | 935 |
| Delaware [16] | 201 | 270 | 338 | 407 | 475 | 544 |
| District of Columbia | 265 | 330 | 420 | 513 | 591 | 695 |
| Florida [3] | 180 | 241 | 303 | 364 | 426 | 487 |
| Georgia | 155 | 235 | 280 | 330 | 378 | 410 |
| Guam [16] | 151 | 258 | 330 | 417 | 497 | 592 |
| Hawaii | 418 | 565 | 712 | 859 | 1,006 | 1,153 |
| Idaho | 205 | 251 | 317 | 382 | 448 | 513 |
| Illinois [2 5] | 212 | 278 | 377 | 414 | 485 | 545 |
| Indiana [2] | 139 | 229 | 288 | 346 | 405 | 463 |
| Iowa | 183 | 361 | 426 | 495 | 548 | 610 |
| Kansas [6 16] | 267 | 352 | 429 | 497 | 558 | 619 |
| Kentucky | 186 | 225 | 262 | 328 | 383 | 432 |
| Louisiana [7] | 72 | 138 | 190 | 234 | 277 | 316 |
| Maine [2] | 198 | 312 | 418 | 526 | 632 | 739 |
| Maryland | 165 | 292 | 373 | 450 | 521 | 573 |
| Massachusetts [3 16] | 383 | 474 | 565 | 651 | 741 | 832 |
| Michigan: [2 8] | | | | | | |
| (Washtenaw County) | 305 | 401 | 489 | 593 | 689 | 822 |
| (Wayne County) | 276 | 371 | 459 | 563 | 659 | 792 |
| Minnesota [2 16] | 250 | 437 | 532 | 621 | 697 | 773 |

POVERTY RATES FOR INDIVIDUALS IN SELECTED DEMOGRAPHIC GROUPS, 1959-1994

| Year | Overall | Aged | Children [1] | Individuals in female-headed families [2] | Black | Hispanic origin [3] | White |
|---|---|---|---|---|---|---|---|
| 1959 | 22.4 | 35.2 | 27.3 | 49.4 | 55.1 | NA | 18.1 |
| 1960 | 22.2 | NA | 26.9 | 48.9 | NA | NA | 17.8 |
| 1961 | 21.9 | NA | 25.6 | 48.1 | NA | NA | 17.4 |
| 1962 | 21.0 | NA | 25.0 | 50.3 | NA | NA | 16.4 |
| 1963 | 19.5 | NA | 23.1 | 47.7 | NA | NA | 15.3 |
| 1964 | 19.0 | NA | 23.0 | 44.4 | NA | NA | 14.9 |
| 1965 | 17.3 | NA | 21.0 | 46.0 | NA | NA | 13.3 |
| 1966 | 14.7 | 28.5 | 17.6 | 39.8 | 41.8 | NA | 11.3 |
| 1967 | 14.2 | 29.5 | 16.6 | 38.8 | 39.3 | NA | 11.0 |
| 1968 | 12.8 | 25.0 | 15.6 | 38.7 | 34.7 | NA | 10.0 |
| 1969 | 12.1 | 25.3 | 14.0 | 38.2 | 32.2 | NA | 9.5 |
| 1970 | 12.6 | 24.6 | 15.1 | 38.1 | 33.5 | NA | 9.9 |
| 1971 | 12.5 | 21.6 | 15.3 | 38.7 | 32.5 | NA | 9.9 |
| 1972 | 11.9 | 18.6 | 15.1 | 38.2 | 33.3 | 22.8 | 9.0 |
| 1973 | 11.1 | 16.3 | 14.4 | 37.5 | 31.4 | 21.9 | 8.4 |
| 1974 | 11.2 | 14.6 | 15.4 | 36.5 | 30.3 | 23.0 | 8.6 |
| 1975 | 12.3 | 15.3 | 17.1 | 37.5 | 31.3 | 26.9 | 9.7 |
| 1976 | 11.8 | 15.0 | 16.0 | 37.3 | 31.1 | 24.7 | 9.1 |
| 1977 | 11.6 | 14.1 | 16.2 | 36.2 | 31.3 | 22.4 | 8.9 |
| 1978 | 11.4 | 14.0 | 15.9 | 35.6 | 30.6 | 21.6 | 8.7 |
| 1979 | 11.7 | 15.2 | 16.4 | 34.9 | 31.0 | 21.8 | 9.0 |
| 1980 | 13.0 | 15.7 | 18.3 | 36.7 | 32.5 | 25.7 | 10.2 |
| 1981 | 14.0 | 15.3 | 20.0 | 38.7 | 34.2 | 26.5 | 11.1 |
| 1982 | 15.0 | 14.6 | 21.9 | 40.6 | 35.6 | 29.9 | 12.0 |
| 1983 | 15.2 | 13.8 | 22.3 | 40.2 | 35.7 | 28.0 | 12.1 |
| 1984 | 14.4 | 12.4 | 21.5 | 38.4 | 33.8 | 28.4 | 11.5 |
| 1985 | 14.0 | 12.6 | 20.7 | 37.6 | 31.3 | 29.0 | 11.4 |
| 1986 | 13.6 | 12.4 | 20.5 | 38.3 | 31.1 | 27.3 | 11.0 |
| 1987 | 13.4 | 12.5 | 20.3 | 38.1 | 32.4 | 28.1 | 10.4 |
| 1988 | 13.0 | 12.0 | 19.5 | 37.2 | 31.3 | 26.7 | 10.1 |
| 1989 | 12.8 | 11.4 | 19.6 | 35.9 | 30.7 | 26.2 | 10.0 |
| 1990 | 13.5 | 12.2 | 20.6 | 37.2 | 31.9 | 28.1 | 10.7 |
| 1991 | 14.2 | 12.4 | 21.8 | 39.7 | 32.7 | 28.7 | 11.3 |
| 1992 [4] | 14.8 | 12.9 | 22.3 | 39.0 | 33.4 | 29.6 | 11.9 |
| 1993 | 15.1 | 12.2 | 22.7 | 38.7 | 33.1 | 30.6 | 12.2 |
| 1994 | 14.5 | 11.7 | 21.8 | 38.6 | 30.6 | 30.7 | 11.7 |

[1] All children including unrelated children.
[2] Does not include females living alone.
[3] Hispanic origin may be of any race; it is an overlapping category.
[4] For 1992, figures are based on 1990 census population controls.

Source: U.S. Bureau of the Census (1996 and various years).

MEDICAID COVERAGE BY AGE AND FAMILY INCOME, 1994

[In thousands]

| Age | Covered by Medicaid | Persons in age group | Percent with Medicaid |
|---|---|---|---|
| In poverty: | | | |
| 0–5 | 4,358 | 6,093 | 71.5 |
| 6–10 | 2,762 | 4,228 | 65.3 |
| 11–18 | 2,940 | 5,611 | 52.4 |
| 19–44 | 5,101 | 13,823 | 36.9 |
| 45–64 | 1,366 | 4,639 | 29.4 |
| 65 or older | 1,050 | 3,663 | 28.7 |
| Total | 17,577 | 38,057 | 46.2 |
| Family income between 100 and 133 percent of poverty: | | | |
| 0–5 | 875 | 1,967 | 44.5 |
| 6–10 | 548 | 1,472 | 37.2 |
| 11–18 | 575 | 1,987 | 28.9 |
| 19–44 | 1,151 | 6,258 | 18.4 |
| 45–64 | 346 | 1,997 | 17.3 |
| 65 or older | 552 | 2,907 | 19.0 |
| Total | 4,047 | 16,589 | 24.4 |
| Family income between 133 and 185 percent of poverty: | | | |
| 0–5 | 825 | 2,822 | 29.2 |
| 6–10 | 391 | 2,166 | 18.0 |
| 11–18 | 496 | 3,257 | 15.2 |
| 19–44 | 1,072 | 10,175 | 10.5 |
| 45–64 | 374 | 3,625 | 10.3 |
| 65 or older | 430 | 4,915 | 8.8 |
| Total | 3,588 | 26,960 | 13.3 |
| Family income greater than 185 percent of poverty: | | | |
| 0–5 | 1,109 | 13,379 | 8.3 |
| 6–10 | 621 | 11,401 | 5.4 |
| 11–18 | 874 | 19,094 | 4.6 |
| 19–44 | 2,034 | 75,164 | 2.7 |
| 45–64 | 707 | 41,187 | 1.7 |
| 65 or older | 843 | 19,783 | 4.3 |
| Total | 6,189 | 180,009 | 3.4 |

MEDICAID COVERAGE BY AGE AND FAMILY INCOME, 1994

[In thousands]

| Age | Covered by Medicaid | Persons in age group | Percent with Medicaid |
|---|---|---|---|
| All persons: | | | |
| 0–5 | 7,167 | 24,261 | 29.5 |
| 6–10 | 4,321 | 19,267 | 22.4 |
| 11–18 | 4,885 | 29,949 | 16.3 |
| 19–44 | 9,358 | 105,420 | 8.9 |
| 45–64 | 2,794 | 51,449 | 5.4 |
| 65 or older | 2,876 | 31,269 | 9.2 |
| Total | 31,400 | 261,614 | 12.0 |

Source: CRS tabulations from the March 1995 Current Population Survey (CPS). Table excludes persons in institutions and approximately 250,000 children under age 15 living with nonfamily caretakers. Number of recipients is lower than the number on administrative records due to underreporting by CPS respondents.

HISTORY OF MEDICAID PROGRAM COSTS, 1966–97

| Fiscal year | Total | | Federal | | State | |
|---|---|---|---|---|---|---|
| | Dollars (in millions) | Percent increase | Dollars (in millions) | Percent increase | Dollars (in millions) | Percent increase |
| 1966 [1] | 1,658 | .............. | 789 | .............. | 869 | .............. |
| 1967 [1] | 2,368 | 42.8 | 1,209 | 53.2 | 1,159 | 33.4 |
| 1968 [1] | 3,686 | 55.7 | 1,837 | 51.9 | 1,849 | 59.5 |
| 1969 [1] | 4,166 | 13.0 | 2,276 | 23.9 | 1,890 | 2.2 |
| 1970 [1] | 4,852 | 16.5 | 2,617 | 15.0 | 2,235 | 18.3 |
| 1971 | 6,176 | 27.3 | 3,374 | 28.9 | 2,802 | 25.4 |
| 1972 [2] | 8,434 | 36.6 | 4,361 | 29.3 | 4,074 | 45.4 |
| 1973 | 9,111 | 8.0 | 4,998 | 14.6 | 4,113 | 1.0 |
| 1974 | 10,229 | 12.3 | 5,833 | 16.7 | 4,396 | 6.9 |
| 1975 | 12,637 | 23.5 | 7,060 | 21.0 | 5,578 | 26.9 |
| 1976 | 14,644 | 15.9 | 8,312 | 17.7 | 6,332 | 13.5 |
| TQ [3] | 4,106 | NA | 2,354 | NA | 1,752 | NA |
| 1977 | 17,103 | [4] 16.8 | 9,713 | [4] 16.9 | 7,389 | [4] 16.7 |
| 1978 | 18,949 | 10.8 | 10,680 | 10.0 | 8,269 | 11.9 |
| 1979 | 21,755 | 14.8 | 12,267 | 14.9 | 9,489 | 14.8 |
| 1980 | 25,781 | 18.5 | 14,550 | 18.6 | 11,231 | 18.4 |
| 1981 | 30,377 | 17.8 | 17,074 | 17.3 | 13,303 | 18.4 |
| 1982 | 32,446 | 6.8 | 17,514 | 2.6 | 14,931 | 12.2 |
| 1983 | 34,956 | 7.7 | 18,985 | 8.4 | 15,971 | 7.0 |
| 1984 | 37,569 | 7.5 | 20,061 | 5.7 | 17,508 | 9.6 |
| 1985 [5] | 40,917 | 8.9 | [6] 22,655 | 12.9 | [6] 18,262 | 4.3 |
| 1986 | 44,851 | 9.6 | 24,995 | 10.3 | 19,856 | 8.7 |
| 1987 | 49,344 | 10.0 | 27,435 | 9.8 | 21,909 | 10.3 |
| 1988 | 54,116 | 9.7 | 30,462 | 11.0 | 23,654 | 8.0 |
| 1989 | 61,246 | 13.2 | 34,604 | 13.6 | 26,642 | 12.6 |
| 1990 | 72,492 | 18.4 | 41,103 | 18.8 | 31,389 | 17.8 |
| 1991 | 91,519 | 26.2 | 52,532 | 27.8 | 38,987 | 24.2 |
| 1992 | 118,166 | 29.1 | 67,827 | 29.1 | 50,339 | 29.1 |
| 1993 | 132,010 | 11.7 | 75,774 | 11.7 | 56,236 | 11.7 |
| 1994 | 143,919 | 9.0 | 82,034 | 8.3 | 61,885 | 10.0 |
| 1995 | 156,263 | 8.6 | 89,070 | 8.6 | 67,193 | 8.6 |
| 1996 [7] | 166,477 | 6.5 | 94,892 | 6.5 | 71,585 | 6.5 |
| 1997 [7] | 185,212 | 11.2 | 105,571 | 11.2 | 79,641 | 11.2 |

[1] Includes related programs which are not separately identified, though for each successive year a larger portion of the total represents Medicaid expenditures. As of January 1, 1970, Federal matching was only available under Medicaid.

[2] Intermediate care facilities (ICFs) transferred from the cash assistance programs to Medicaid effective January 1, 1972. Data for prior periods do not include these costs.

[3] Transitional quarter (beginning of Federal fiscal year moved from July 1 to October 1).

[4] Represents increase over fiscal year 1976, i.e., five calendar quarters.

[5] Includes transfer of function of State fraud control units to Medicaid from Office of Inspector General.

[6] Temporary reductions in Federal payments authorized for fiscal years 1982–84 were discontinued in fiscal year 1985.

[7] Current law estimate.

NA—Not available.

Note.—Totals may not add due to rounding.

Source: Budget of the U.S. Government, fiscal years 1969–97 (see Office of the President, 1996, in reference list), and Health Care Financing Administration, Division of Budget.

| Poverty rates for different race/ethnicity groups, tabulated from Current Population Survey data. | | | | | | |
|---|---|---|---|---|---|---|
| | White | African American / Black | Native American / Eskimo | Asian / Pacific Islander | Other | Hispanic |
| 1989 | .092 | .333 | .302 | .155 | .216 | .287 |
| 1990 | .098 | .348 | .355 | .151 | .211 | .308 |
| 1991 | .103 | .351 | .360 | .152 | .203 | .319 |
| 1992 | .105 | .362 | .354 | .149 | .268 | .326 |
| 1993 | .108 | .365 | .323 | .168 | .249 | .335 |
| 1994 | .101 | .333 | .339 | .172 | .257 | .334 |

There are several reasons why this table differs from the table presented in the Green Book. First, the data above are not "weighted." Although it is correct to weight the data when making inferences, I did not have time to obtain this information. Second, it is possible that the poverty line provided in the CPS differs slightly from that used in the Green Book calculation.

**Table 1: Earnings and benefits after four months on job for a mother with two children with day care expenses 1996 -- Philadelphia, Pennsylvania.**

| Earnings | EITC | AFDC | Food Stamps | Medicaid $3307 | Eligible for public housing | Housing subsidy, 2 bedrooms | Social Security Tax | Federal Income Tax | State Income Tax | Work Expenses | Total Income |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 5052 | 2722 | Yes | Yes | 8136 | (0) | (0) | (0) | (0) | 19217 |
| 2000 | 800 | 4892 | 2410 | Yes | Yes | 7936 | (153) | (0) | (0) | (600) | 20592 |
| 4000 | 1600 | 3292 | 2530 | Yes | Yes | 7464 | (306) | (0) | (0) | (1200) | 20687 |
| 5000 | 2000 | 2492 | 2590 | Yes | Yes | 7224 | (383) | (0) | (0) | (1500) | 20730 |
| 6000 | 2400 | 1692 | 2650 | Yes | Yes | 6984 | (459) | (0) | (0) | (1800) | 20774 |
| 7000 | 2800 | 892 | 2710 | Yes | Yes | 6744 | (536) | (0) | (0) | (2100) | 20817 |
| 8000 | 3200 | 0 | 2798 | Yes | Yes | 6484 | (612) | (0) | (0) | (2400) | 20776 |
| 9000 | 3556 | 0 | 2618 | Yes | Yes | 6264 | (689) | (0) | (0) | (2700) | 21356 |
| 10000 | 3556 | 0 | 2438 | No | Yes | 6024 | (765) | (0) | (0) | (3000) | 18253 |
| 15000 | 2842 | 0 | 1538 | No | Yes | 4824 | (1148) | (0) | (420) | (4200) | 18436 |
| 20000 | 1789 | 0 | 0 | No | Yes | 3624 | (1530) | (0) | (560) | (5200) | 18123 |
| 22000 | 1368 | 0 | 0 | No | Yes | 3084 | (1683) | (260) | (616) | (5400) | 18493 |
| 23000 | 1157 | 0 | 0 | No | No | 0 | (1760) | (452) | (644) | (5400) | 15901 |
| 25000 | 736 | 0 | 0 | No | No | 0 | (1913) | (794) | (700) | (5400) | 16929 |
| 30000 | 0 | 0 | 0 | No | No | 0 | (2295) | (1628) | (840) | (5400) | 19837 |
| 50000 | 0 | 0 | 0 | No | No | 0 | (3825) | (5187) | (1400) | (5400) | 34188 |

Notes: In adding the numbers across each row to get total income, negative values are in parentheses. See the next page for the assumptions used in this table.

Notes for Table 1:

1. Sources: U.S. House of Representatives, 1996 (http://aspe.os.dhhs.gov/96gb/08tanf.txt ), HUD Fair Market Rent and Income Eligibility data 1996 (http://www.huduser.org/data/asthse/fmrdata/hud96pa.txt), and Pennsylvania Income Tax Form PA-40, 1996 (http://www.revenue.state.pa.us/forms/pit/1996/index.htm)

2. The annual income eligibility limit (very low limit) in Philadelphia was $22200, and the annual fair market rent was $10176 for a three bedroom apartment, and $8136 for a two bedroom apartment. The actual rent paid by the public housing recipient is the max{0.3*Adjusted Income, 0.1*Gross Income, welfare shelter deduction}. Adjusted income has deductions of $480 per child per year and child care costs. This table assumes the family receives a two-bedroom apartment.

3. Medicaid is valued at its annual average expenditure in Pennsylvania for an AFDC family with one adult and two children: $919 per child, and $1469 per adult. The total is therefore $3307 for this family.

4. AFDC benefits assume these deductions: $1440 annual ($120 monthly) standard allowance, which would drop to $1080 annual ($90 monthly) after one year on the job and child care costs equal to 20 percent of earnings, up to maximum of $4200 per year ($350 per month) for two children. The EITC, food stamps, Medicaid, public housing, and taxes are not counted in the AFDC calculation. Because of these deductions, AFDC benefits fall by 8 percent for the first $2000 of earnings, and by 80 percent thereafter. The statutory tax rate is 100 percent.

5. The food stamp program assumes these deductions: 20 percent of earnings, $1608 annual ($134 monthly) standard deduction, and child care costs equal to 20 percent of wages, up to a maximum of $3840 per year ($320 per month) for two children. The maximum food stamp payment for a family with zero income is $3756 per year ($313 per month). Both earnings and AFDC are counted in the food stamp calculation. The statutory tax rate is 30 percent.

6. Federal and state taxes assume head of household tax rates in effect for 1996. The dependent care tax credit reduces tax liability at earnings of $13,550 and above. Exemptions were $2,550 per person in 1996, the standard deduction was $5,900, the 15 percent bracket ended at $32150 of taxable income, and the 28 percent bracket ended at $83050 of taxable income. Eligible employment-related expenses are limited to $4800 if there are two or more qualifying dependents. The 30 percent dependent care credit rate is reduced, but not below 20 percent, by one percentage point for each $2000 (or fraction thereof) of adjusted gross income (AGI) above $10000. The marginal tax rate in Pennsylvania was 2.8 percent.

7. Work expenses assumed to equal 10 percent of earnings up to maximum of $1200 annually, plus child care costs equal to 20 percent of earnings up to a maximum of $4200 annually for two children. for earnings of $21000 and over.

8. Family would qualify for Medicaid at $8000 of earnings because the mother, by law, would be deemed still an AFDC recipient, even though no AFDC would be paid; her calculated benefit would be below the minimum amount ($10 monthly) payable.

9. Family would qualify for Medicaid for 12 months after leaving AFDC with $9000 in earnings under the 1988 Family Support Act. State must offer Medicaid to all children up to age six whose family income is not above 133 percent of the Federal poverty guideline (ceiling of $17290 for a family of three in 1996) and to children over age six born after September 30, 1983 (up to age ten years and four months in January 1996), whose family income is below the poverty guideline ($12600 for a family of three).

10. None of the value of public or subsidized housing is counted as income of an Aid to Families with Dependent Children (AFDC) applicant or recipient in Pennsylvania (Urban Institute).

11. The credit rate for the EITC was 40 percent for families with two or more children until $8890, and the phase-out rate was 21.06 percent for earnings between $11610 and $28495.

12. The incidence of the social security payroll tax is assumed to be equally shared between the worker and the employer.