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WELFARE ALTERNATIVES: COSTS AND COVERAGE

DATA PREPARED BY THE STAFF

COMMITTEE ON FINANCE
UNITED STATES SENATE
RUSSELL B. LONG, *Chairman*



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May 31, 1972

COMMITTEE ON FINANCE
UNITED STATES SENATE
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DATA WITH RESPECT TO VARIOUS ALTERNATIVES
TO WELFARE PROVISIONS OF EXISTING LAW

In response to numerous requests for information regarding the cost and coverage of various plans for revising the welfare laws, the Committee on Finance is publishing here information showing the principal features of several alternative approaches that have been suggested, together with statistical information regarding the number of persons eligible under the various suggestions and the additional costs associated with each suggestion.

The data on Table A on the following page which was previously published by the Committee on Finance in April, 1972, 1/ shows this information with respect to the program of Aid to Families with Dependent Children.

1/ Staff Data on Programs for Families Headed by an Employable Adult, April 24, 1972.

TABLE A.—*Guaranteed Minimum Income Level, Portion of Earnings Disregarded, and Number of Persons Eligible for Welfare Under Various Proposals*¹

Proposal	Guaranteed minimum income for a family of 4 in—		Portion of earnings disregarded	Persons eligible for welfare (in millions) in—		Federal cost (in billions) in—	
	Fiscal year 1973	Fiscal year 1977		Fiscal year 1973	Fiscal year 1977	Fiscal year 1973	Fiscal year 1977
Present AFDC program..	(²)	(²)	Work expenses plus \$30 monthly plus 33 cents of each additional dollar.	12	16	\$3.9	\$4.9
H.R. 1 (family program).	\$2,400	\$2,400	Child-care expenses plus \$60 monthly plus 33 cents of each additional dollar.	21	19	5.5	5.6
Ribicoff Amendment No. 559.	3,000	5,150	Child-care expenses plus \$60 monthly plus 40 cents of each additional dollar.	35	65	11.3	36.2
Harris bill (S. 2747).....	4,000	7,300	Work expenses plus 40 cents of each additional dollar.	67	91	31.5	61.2
McGovern bill (S. 2372).	6,500	7,800	Work expenses plus 33 cents of each additional dollar.	97	105	64.4	71.0

¹ Excludes aged, blind, and disabled recipients.

² Determined by State; currently ranges between \$720 and \$4,020.

Since this material was prepared, an additional suggestion has been made (by Senator McGovern) that each person, regardless of need, should be provided a payment of \$1,000. For a family of four, the minimum guaranteed income would amount to \$4,000. It is understood that some benefits would continue to be available to a four-person family until family income reaches \$12,000. The Committee staff estimates that this new suggestion would provide benefits to 111 million persons at a cost of approximately \$51 billion. These estimates relate to payments to all persons, not just persons eligible for welfare, and so the data are not comparable to the information in Table A.

As indicated, Table A shows the costs and caseloads connected with various welfare programs. For comparability with the current program of Aid to Families with Dependent Children, the costs and caseloads associated with payments to the aged, blind and disabled have not been included in the Table. If aged, blind and disabled welfare recipients are added to the totals in Table A, the total number of welfare recipients and the total Federal cost of welfare payments would be as shown below:

<u>Proposal</u>	<u>Persons eligible</u>		<u>Federal costs</u>	
	<u>(in millions)</u>		<u>(in billions)</u>	
	<u>1973</u>	<u>1977</u>	<u>1973</u>	<u>1977</u>
Current law	15	20	\$ 6.1	\$ 7.3
H. R. 1	26	24	11.7	12.8
Ribicoff amendment No. 559	40	72	16.1	41.7
Harris bill (S. 2747)	81	110	36.0	70.0
McGovern bill (S. 2372)	104	114	72.0	80.0