

SNAPSHOTS

of America's Families II



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Assessing
the New
Federalism

An Urban Institute Program
to Assess Changing
Social Policies



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Foreword

Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families

S*napshots of America's Families II* is the Urban Institute's first look at the well-being of children and adults through the lens of the 1999 National Survey of America's Families (NSAF). *Snapshots II* presents a picture of how the experiences of American families have changed in the first few years following federal welfare reform and other major policy changes. This new information will broaden the nation's understanding of the experience of low-income families and the challenges they face. *Snapshots II* offers national and state-specific portraits of family well-being that can inform future debates on welfare, health care, and the social safety net in America.

The American economy was extremely strong between 1997 and 1999, a fact reflected in *Snapshots II*. In general, nonelderly Americans were better off financially in 1999 than in 1997, with broad-based reductions in poverty rates, more work among single parents, and more families stating that they were able to afford food. Employer-sponsored health insurance coverage expanded for adults as they moved into higher paying jobs where they were more likely to be offered health insurance.

There was a small decline in the percentage of children living in single-parent households. This change occurred in conjunction with an increase in the percentage of children living in two-parent homes, but also an increase in the percentage of children living with either of their parents.

Snapshots II also reveals the limitations of economic growth in improving the well-being of America's families. Economic strength did not reduce the percentage of children without health insurance coverage. Gains in coverage due to the new State Children's Health Insurance Program (SCHIP) seem to have been offset by losses of coverage due to welfare reform. Families did not report any improvements in their ability to afford housing.

ISSUES COVERED BY THE SURVEY

The NSAF examines a broad range of issues related to family well-being. We group the content into four major areas:

- **Economic security**, which includes income, employment, earnings, participation in education and training programs, participation in welfare programs, child support receipt and payment, food security, and housing and economic hardship.
- **Health and health care**, which includes health insurance coverage, health care use and access, health status and activity limitations, and reasons for not participating in public programs.
- **Child well-being**, which includes educational and cognitive stimulation, behavior problems, child care arrangements, school engagement, and social and other development activities.
- **Family environment**, which includes family structure and household composition, contact with non-custodial parents, parent psychological well-being, parent stress, and parent volunteer and religious activity.

Several, although not all, of these issues are reviewed in *Snapshots II*. Further reports based on the 1999 data will explore these issues in more depth, along with other topics. As in 1997, data related to child care are not included in *Snapshots II* because more time is needed to analyze these more complex variables.



Broad economic gains and small shifts in family structure have not yet translated into greater well-being for children overall. Family environment measures, such as parents reading to children and taking them on outings, are unchanged. Children's well-being, as measured by behavioral or emotional problems and various school-related behaviors, also remains the same. Possibly, these conditions are slow to change, or perhaps they are responsive only to much larger economic and social shifts.

National trends relating to well-being may mask different effects for specific groups. For example, little evidence points to greater well-being for blacks, even where overall trends for the nation are positive. Health insurance coverage for Hispanics remains substantially less common than it is for whites or blacks.

In 1997 we showed that the circumstances low-income families face differ markedly from those faced by families with higher incomes. The 1999 data show that this continues to be the case, although on some measures of child well-being, conditions are improving for low-income children while they are worsening slightly for those with higher incomes. We also documented vast differences across states in the well-being of children and adults in 1997. This continues to be true in 1999.

All in all, data from the 1999 NSAF paint a picture of economic strength among America's families, but provide limited evidence of either broad improvement or deterioration in other measures of well-being. *Snapshots II* shows that neither the greatest fears nor the greatest hopes of dramatic social change due to devolution, welfare reform, the new SCHIP program, and other recent initiatives have been realized. Additional analyses will explore the relationship between recent policy changes and the data presented here. A third round of the NSAF, planned for 2002, will shed additional light on these issues.

Measuring Change

Snapshots II focuses on changes that took place between the two rounds of the NSAF conducted in 1997 and 1999. Apart from the broader methodological issues discussed below, one aspect of the complications of analyzing change deserves particular attention.

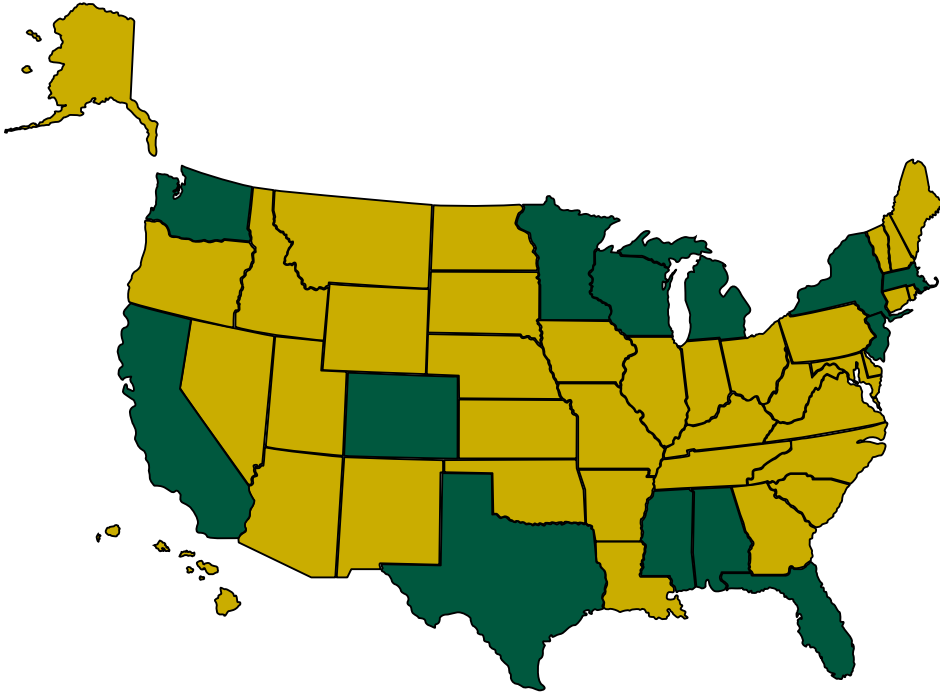
Survey estimates are imprecise. Thus, there are always two possible reasons why we report the absence of change from one period to another. One possibility is that there was no change — that is, the underlying rate of a certain characteristic, such as the absence of insurance coverage, remained the same. The other possibility is that the rate did change, but the survey did not have sufficient power to detect it. For national measures, sample sizes are large, estimates are fairly precise, and the likelihood the NSAF will detect change when it takes place is reasonably high. However, when looking at a sub-group within a state — for example, parents in Michigan — sample sizes shrink and estimates have greater error.

Our goal is to be as clear as possible about how we report change or its absence. Where we report no change, or a change that is not statistically significant, we mean only that we could not state confidently that a change had taken place. In addition, a "statistically significant" change is not necessarily an important change. Whether a shift of a few percentage points in an indicator signals a meaningful change in how America's families are faring is a matter of judgment.

Survey Design

The NSAF is one of only a few surveys to provide reliable estimates for selected states as well as for the nation as a whole. The survey highlights the experiences of low-income families (those with incomes at or below 200 percent of the federal poverty threshold, or about \$33,000 in 1998 for a family of two parents and two children) and allows comparisons between low-income and higher-income families.

The 1999 survey was conducted from February to October 1999. Some questions covered the family's circumstances at the time of the survey; others were about the previous 12 months or about calendar year 1998. Detailed information was obtained on over 73,000 adults under age 65 and almost 36,000 children in more than 42,000 households.



We used probability sampling methods to select households in 13 targeted states and in the balance of the nation. The 13 states with large samples are Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin. Together, these states are home to more than half the nation's population and represent a broad range of fiscal capacity, child well-being, and approaches to government programs. An additional sample drawn from all other states and the District of Columbia permits us to generate national estimates as well. The resulting sample is representative of the noninstitutionalized, civilian population of persons under age 65 in the states studied and in the nation.



The primary sampling method for the NSAF was a random selection of telephone numbers; a sample of households without telephones was also included. We collected data using computer-assisted telephone interviewing (CATI) technology. In households without telephones, cellular phones were provided to complete interviews. The survey was designed to oversample people with low incomes so that analysts could obtain a more detailed picture of that portion of the population.

Before administering the interview, we screened households to determine eligibility. Households with only adults age 65 and over were screened out of the survey. In households with children, we randomly selected up to two “focal” children, one under 6 years old, and one between the ages of 6 and 17. Information about the children and the household was obtained from the adult in the household who knew the most about the health care and education of the children on whom the survey questions focused. If there were any childless adults in these households, we also randomly selected one or two of these adults for interviewing. In households without children, one or two nonelderly adults were selected randomly for interviewing.

In 95 percent of the cases, the adult answering questions about a child was the biological, adoptive, or step-parent of the child on whom the survey focused. In *Snapshots II*, these respondents are referred to as “parents,” even though a small percentage are not the child’s parent. In general, one adult answered questions about both children, but in some circumstances, two different adults answered questions for the two focal children.

We weighted responses to the interviews to estimate values appropriate to the individual states and the nation. The weights adjust for design features of the sample, including oversampling low-income households and the study states, as well as nonresponse and undercoverage. The weights used to prepare *Snapshots II* were the best available at the time they were prepared, but may be refined as additional analyses are completed. Missing responses were imputed for questions regarding selected demographic characteristics, home ownership, education, employment, earnings, income, and health. Sampling errors were calculated using replication methods appropriate to the complexity of the sample design.

Rounding

Estimates have been rounded to the nearest tenth in the tables and to the nearest whole number in the text and charts (with the exception of a few figures where greater precision was judged necessary). Estimates originally at or above 0.50 have been rounded up, and estimates originally below 0.50 have been rounded down. Figures may not add to 100 percent due to rounding.

Limitations and Precision of Estimates

Estimates from the NSAF, like those from all surveys, are subject to various types of error. The most common limitation reported in survey results is a measure of sampling error. Evaluating statistical precision based solely upon sampling error may be misleading since measurement error, error due to undercoverage, and non-response bias may introduce equally large sources of error. However, presenting uncertainty due to possible sampling error is standard practice, and is employed in these *Snapshots*.

For each estimate reported, we use a 90 percent confidence interval or sampling margin of error. In other words, we are 90 percent “certain” that the actual value in the population is within a given range of the estimate, where that range depends upon the sampling standard error of the estimate. For example, we estimate that the percentage of parents who read or tell stories to their young children is 17.6 percent, with a sampling standard error of 0.8 percent. This means we are 90 percent confident that the actual value in the population is between 16.3 and 18.9 percent (where the range is the estimate plus or minus about 1.67 times the sampling standard error).

An assessment of whether a given value has increased or decreased between 1997 and 1999 must take into account the imprecision of the estimates for both years. To test for change, the difference between the values for the two years was compared to an approximation of the margin of error of the difference. When a difference between 1997 and 1999 was observed that exceeded the upper or lower bounds of the confidence interval, it was flagged as statistically significant. A similar mechanism to identify significance was used to compare state values to the national average.

Sampling margins of error for percentages vary by the size of the percentage and the size of the underlying sample for the group being examined. Sample sizes vary somewhat across states and substantially across subgroups. *Snapshots II* presents change expressed in percentage points, because it is intuitively how most people think of change. However, a 4 percentage point change is more likely to be statistically significant when the base is 10 percent than when it is 50 percent. For these reasons, it is likely that some changes that appear large will not meet the test of statistical significance, while other smaller changes will.

There was an intentional overlap between the 1997 and 1999 samples designed to reduce the variance of estimates. Sampling standard errors reported in *Snapshots II* do not reflect the benefits of this sample design. Future analysis will incorporate this design, possibly yielding slightly lower standard errors for estimates of change.



Definition of Terms

Unless noted otherwise in individual *Snapshots*, the following terms are used throughout the set:

Adult

A person between the ages of 18 and 64.

Child

A person under the age of 18.

Higher-income

Family income above 200 percent of the federal poverty threshold.

Low-income

Family income at or below 200 percent of the federal poverty threshold.

Married

Individuals who are legally married to someone living in the same household.

Parent

An individual who identifies himself or herself as the adult in the household most knowledgeable about the child.

Poverty

At or below the federal poverty threshold, which is an annual income that varies by family size and composition. In *Snapshots II* we use the term “poverty level,” which is in common use, although the term “poverty threshold” is more precise. The following are examples of the federal poverty threshold in 1998:

One adult with no children	\$8,480.00
One adult with one child	\$11,235.00
One adult with two children	\$13,133.00
Two adults with no children	\$10,915.00
Two adults with one child	\$13,120.00
Two adults with two children	\$16,530.00

Categories of health insurance coverage

The four categories of coverage used in *Snapshots II* are as follows:

- a) Employer-sponsored insurance (includes those who receive coverage directly from a current or former employer or union, those who receive coverage as dependents, those who receive coverage under the Consolidated Budget Reconciliation Act of 1986 [COBRA], and those who receive coverage under the CHAMPUS, Veterans Affairs [VA], or other military program);
- b) Medicaid/State coverage (includes those who receive coverage through the Medicaid program or through state-specific programs) for nonelderly adults; Medicaid/SCHIP/State coverage (includes those who receive coverage through the Medicaid program, through state-specific programs, or through separate State Children’s Health Insurance programs [SCHIP]) for children ages 18 and under;
- c) Other coverage (includes those who receive coverage through Medicare, through privately purchased coverage that is not obtained through an employer or union, and through coverage that cannot be definitively classified as employer, private, Medicare, Medicaid, State, or CHAMPUS); and

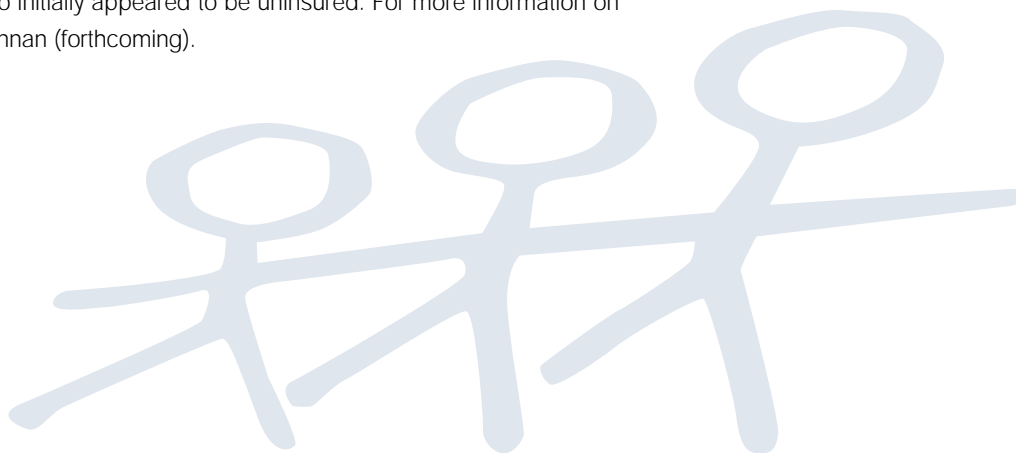
d) Uninsured (includes those who report no type of health insurance coverage at the time of the survey or who report coverage under the Indian Health Service program). Rather than defining uninsurance as a residual, the NSAF confirmed uninsurance with a question that verified whether people who appeared not to have coverage were, in fact, uninsured.

In contrast, the 1997 *Snapshots* (Brennan, Holahan, and Kenney 1999; Zuckerman and Brennan 1999) used a different three-level classification, as follows:

- a) Private (included those who receive coverage directly from a current or former employer or union, those who receive coverage as dependents, those who receive coverage under the Consolidated Budget Reconciliation Act of 1986 [COBRA], those with privately purchased coverage that is not obtained through an employer or union, and those with coverage that cannot be definitively classified as employer, private, Medicare, Medicaid, state, or CHAMPUS);
- b) Public (included those who receive coverage through the Medicaid program, through state-specific programs, through Medicare, or through CHAMPUS, Veterans Affairs [VA], or other military program); and
- c) Uninsured (included those who report no type of health insurance coverage at the time of the survey or who report coverage under the Indian Health Service program). Rather than defining uninsurance as a residual, the NSAF confirmed uninsurance with a question that verified whether people who appeared not to have coverage were, in fact, uninsured. A substantial number of respondents who initially appeared to be uninsured used this opportunity to designate a type of coverage (Rajan, Zuckerman, and Brennan forthcoming).

Health insurance coverage is defined using a hierarchy; therefore, individuals who had both employer-based coverage and some other form of coverage were classified as having employer-based coverage. Similarly, those with Medicaid/State and other forms of coverage (except employer-provided coverage) were classified as having Medicaid/State coverage.

The data presented in *Snapshots II* show a lower percentage of children and nonelderly adults being uninsured than reported through the Census Bureau's Current Population Survey (CPS). There are two fundamental differences related to the surveys' approaches to measuring insurance coverage. First, CPS measures insurance coverage during the calendar year prior to the survey (which occurs in March), while NSAF measures insurance coverage at the time of the survey. Second, CPS asks a series of questions about insurance coverage and then assumes that any person not designated as being covered through any type of health plan is uninsured. NSAF uses a series of questions similar in wording to CPS (with the exception of the time frame) but adds a question that confirms whether people who appear not to have coverage are, in fact, uninsured. A substantial number of respondents used this opportunity to designate a particular type of coverage for those who initially appeared to be uninsured. For more information on this topic, see Rajan, Zuckerman, and Brennan (forthcoming).





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For More Information

Other publications based on NSAF data have been issued regularly since data from the 1997 survey was first released. Our series of survey briefs will expand to include analyses of the 1999 data, as will our series of more detailed reports. All publications based on the NSAF are available on the Urban Institute's Web site at <http://newfederalism.urban.org>. In addition, the 1999 survey's raw data files will be added to the 1997 public use files currently available on the Web site. Methodological reports are also posted on the site at <http://newfederalism.urban.org/nsaf/methodology.html>. To see a short summary of the NSAF methods used for both survey years, as well as standard errors of the 1999 data, see the Snapshots section of our Web site at <http://newfederalism.urban.org/nsaf/>.

Assessing the New Federalism

The NSAF is part of *Assessing the New Federalism*, a multiyear Urban Institute project analyzes the devolution of responsibility for social programs from the federal government to the states, focusing primarily on health, income security, job training, and social services. The project provides timely, nonpartisan information to inform public debate and to help state and local decisionmakers carry out their new responsibilities more effectively.

Partner Organizations

Child Trends is a nonprofit, nonpartisan research organization dedicated to studying children, youth, and families through research, data collection, and data analysis. In *Assessing the New Federalism*, Child Trends has responsibility for conceptualizing and designing ways to measure changes in children's well-being.

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Credits

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The production process was assisted by Frederick Custer. *Snapshots II* were designed by Crabtree + Co.

Fritz Scheuren is the survey director. Kevin Wang is the survey manager. Alan Weil is director of *Assessing the New Federalism*.

This product would not have been possible without the extraordinary effort of these and many other people.

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