



Sarah Staveteig

Alyssa Wigton



Assessing
the New
Federalism

An Urban Institute Program
to Assess Changing
Social Policies



Urban Institute
2100 M Street, NW
Washington, DC 20037

Phone: 202-261-5709
E-mail: paffairs@ui.urban.org
<http://www.urban.org>

Key Findings by Race and Ethnicity

Findings from the National Survey of America's Families

Data from the National Survey of America's Families show that nonelderly American families experienced some notable improvements in well-being between 1997 and 1999. Poverty rates declined, the proportion of children living in two-parent families rose, and low-income families had fewer concerns about affording food than before (Zedlewski 2000; Moore and Vandivere 2000). These national gains, however, obscure the fact that white families experienced more gains between 1997 and 1999 than either black or Hispanic families.

Using data collected by the National Survey of America's Families (NSAF), this Snapshot compares changes in seven indicators of family well-being—employment, family income, food hardship, housing hardship, family structure, health insurance, and health status—between 1997 and 1999 by race and ethnicity.¹ Data are grouped into three racial and ethnic categories: white non-Hispanics, black non-Hispanics, and Hispanics of all races (referred to as white, black, and Hispanic, respectively). Data for Asian and Native American populations are not shown separately, due to their small sample sizes. In 1999, 70 percent of nonelderly persons in the United States were white (table 3 on page 6). Blacks, at 13 percent of the population, were the largest minority group in the United States, and the Hispanic population was almost as large, representing 12 percent of the total.

Between 1997 and 1999, well-being among white families improved in five out of seven indicators—family income, food hardship, housing hardship, family structure, and health insurance. Black families realized gains in only one indicator—employment—during the period, and experienced losses in another indicator—housing hardship. Between 1997 and 1999, Hispanic families saw decreases in poverty and the rate of single-parent families, but they experienced some declines in health status and health insurance.

HIGHLIGHTS

- Despite an increase in employment rates of low-income black adults and black parents from 1997 to 1999, poverty rates of black families remained unchanged.
- The gap between the percentages of blacks and whites with low incomes increased between 1996 and 1998.
- The gap between the percentage of Hispanic children in poverty and the percentage of white children in poverty decreased over the two-year period.



Employment

Employment rates of adults ages 25 to 54² held steady across the nation from 1997 to 1999. In both years, 82 percent of adults were working at the time of the interview. During this period, the employment rate of black parents increased significantly, from 76 to 80 percent (table 1). Hispanic and white parents experienced slight gains (less than 1 percent) as well, but those changes were not statistically significant. The change in employment among black parents narrowed the employment gap between black and white parents by 3 percent over the two-year period.

Among the low-income population, black adults were the only group to experience an increase in employment between 1997 and 1999 (from 56 to 60 percent). In contrast, employment rates for low-income white and Hispanic adults decreased slightly, although these changes were not statistically significant. Thus, the employment gap between black and white low-income adults decreased by almost 5 percent over the two-year period. In 1999 and 1997, Hispanic adults were less likely to be employed than either black or white adults.

TABLE 1 | Employment of Adults Ages 25 to 54, by Race/Ethnicity, Income, and Parental Status, 1997–1999

	White, Non-Hispanic		Hispanic, All Races		Black, Non-Hispanic		All Races/Ethnicities	
	97	99	97	99	97	99	97	99
Below 200% of poverty level								
Adults	63.2	62.6	63.6	63.4	56.4	60.4 ▲	61.9	62.3
Parents	67.0	67.0	63.1	63.3	63.0	67.3	65.1	66.1
Above 200% of poverty level								
Adults	88.8	88.3	88.1	86.1	89.9	88.8	88.7	88.0 ▼
Parents	87.1	86.7	86.5	85.2	89.2	91.4	87.2	86.9
All incomes								
Adults	83.4	83.4	74.9	74.7	76.5	77.5	81.5	81.5
Parents	82.0	82.2	71.8	72.7	76.3	79.9 ▲	79.9	80.6

Note: *All races/ethnicities* includes Native Americans and Asian Americans. Figures in color represent values that are statistically significantly different from the 1999 national average at the 0.10 confidence level. The symbols *▲* and *▼* represent statistically significant increases and decreases, respectively, between 1997 and 1999 at the 0.10 confidence level. *Source:* Urban Institute

Family Income

Despite increases in employment among black parents and low-income black adults, black families experienced no significant changes in poverty rates from 1996 to 1998.³ The poverty rate for black nonelderly persons was 27 percent in both years, and the percentage of black persons with low incomes (living in families with incomes below 200 percent of poverty) remained steady (figure 1 on page 3).⁴

Between 1996 and 1998, poverty rates and the percentage of people in low-income families declined for the nation as a whole. The national poverty rate dropped by 2 percentage points to 13 percent. Poverty rates also declined from 10 to 8 percent for whites and from 30 to 26 percent for Hispanics. The percentage of persons living in low-income families nationwide fell by 2 percentage points (from 33 to 31 percent) over the two-year period. Between 1996 and 1998, the percentage of persons living in low-income families declined from 26 to 24 percent for whites and from 61 to 56 percent for Hispanics.

Therefore, over the two-year period, the gap between the percentage of blacks with low incomes and the percentage of whites with low incomes widened from 24 to 27 percentage points, despite employment increases among black parents. The disparity between white and Hispanic child poverty rates also narrowed by 5 percentage points over these two years. While blacks and Hispanics remained poorer than whites in 1998, there was no statistically significant difference between poverty rates for blacks and Hispanics.

Food Concerns and Affordability

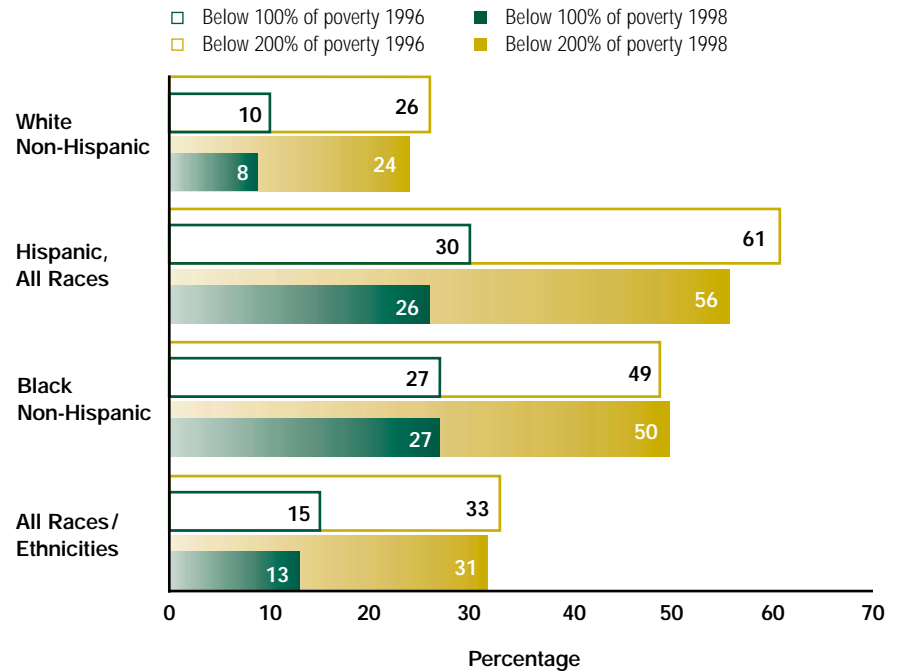
To measure food hardship, the NSAF asked adults in the family whether, during the previous year, any family members had worried that food would run out before they got money to buy more, the food they bought did run out, or one or more adults ate less or skipped meals because there was not enough money for food. By these measures, food hardship declined among low-income nonelderly families from 49 percent in 1997 to 46 percent in 1999 (table 2).⁵ Food hardship also declined among higher-income families, but this change was not statistically significant.

White families, in both low- and higher-income groups, experienced declines in food hardship during this period. Food hardship fell from 43 to 38 percent for low-income whites and from 12 to 11 percent for higher-income whites. There were no statistically significant changes in food hardship for black and Hispanic families. For both income groups, rates of food hardship for blacks and Hispanics remained higher than those for whites.

Affordability of Housing

To measure housing hardship, the NSAF asked adults whether they had been unable to pay their rent, mortgage, or utility bills at some point during the previous year. Nationwide, the housing hardship rate for nonelderly persons remained unchanged at 13 percent between 1997 and 1999 (table 2). Families' reported ability to afford housing may have stayed the same despite the economic boom because housing prices rose faster than incomes (Zedlewski 2000). Analysis of housing hardship by race and ethnicity reveals that while whites were better able to afford housing in 1999 than in 1997, blacks were more likely to encounter difficulties paying for housing than before. As a result, the disparity between blacks and whites in 1997 (Staveteig and Wigton 2000) widened during the two-year period. Housing hardship for Hispanics remained steady at 19 percent from 1997 to 1999.

Figure 1: Poor and Low-Income Nonelderly, by Race and Ethnicity, 1996–1998



Note: *All races/ethnicities* includes Native Americans and Asian Americans.

Source: Urban Institute

TABLE 2 | Affordability of Food and Housing, by Race and Ethnicity, 1997–1999

	White, Non-Hispanic		Hispanic, All Races		Black, Non-Hispanic		All Races/Ethnicities	
	97	99	97	99	97	99	97	99
Nonelderly Americans Living in Families That Worried about or Experienced Difficulties Affording Food								
Below 200% of poverty level	43.3	38.4 ▼	56.1	53.9	57.0	56.3	49.0	45.6 ▼
Above 200% of poverty level	11.9	10.5 ▼	22.9	23.7	22.3	23.9	13.9	13.1
All incomes	19.9	17.1 ▼	43.0	40.6	39.4	40.1	25.6	23.2 ▼
Nonelderly Americans Living in Families with Problems Paying Their Mortgage, Rent, or Utility Bills								
Below 200% of poverty level	24.2	23.2	24.5	24.9	29.8	33.1	25.4	25.5
Above 200% of poverty level	6.5	6.2	11.6	12.3	13.2	16.1	7.4	7.6
All incomes	11.1	10.2 ▼	19.4	19.4	21.4	24.6 ▲	13.4	13.2

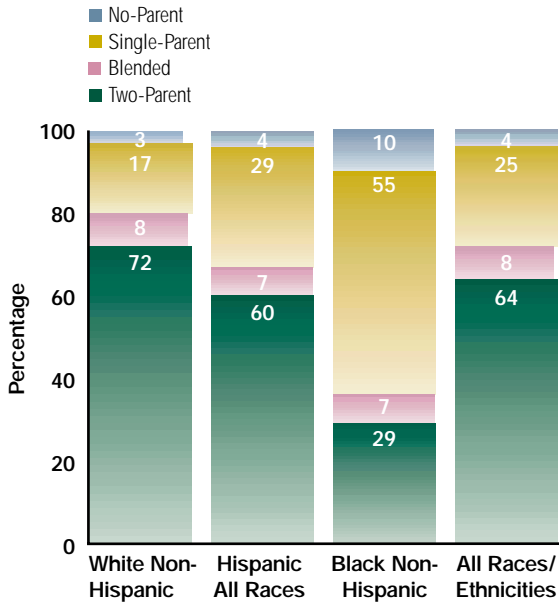
Note: *All races/ethnicities* includes Native Americans and Asian Americans. Figures in color represent values that are statistically significantly different from the 1999 national average at the 0.10 confidence level. The symbols ▲ and ▼ represent statistically significant increases and decreases, respectively, between 1997 and 1999 at the 0.10 confidence level. Source: Urban Institute



Family Structure

Each child's family has been categorized into one of four types: a two-parent family (two biological or adoptive parents), a single-parent family (an unmarried biological or adoptive parent who might or might not be living with other adults), a blended family (a biological or adoptive parent married to a spouse who has not adopted the child), or a no-parent family (a child living with relatives other than his or her parents, with unrelated adults, or as an emancipated minor).

Figure 2: Children's Family Structures, by Race and Ethnicity, 1999



Note: *All races/ethnicities* includes Native Americans and Asian Americans.
Source: Urban Institute

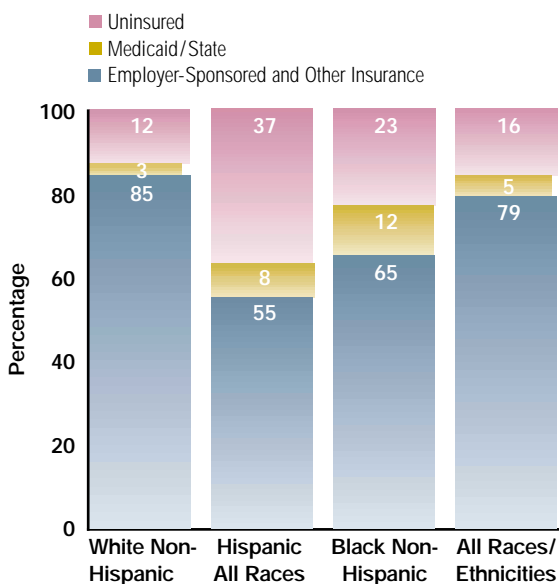
Nationwide, in 1999, 64 percent of children lived in two-parent families, versus 62 percent in 1997. White children's two-parent family rates increased slightly over this period, from 71 to 72 percent. The percentage of Hispanic children living in two-parent families rose from 58 to 60 percent, but this was not statistically significant. The rate of two-parent families among black children remained at 29 percent in both years, much lower than rates for white and Hispanic children.

Almost one in five white children and almost one in three Hispanic children lived in single-parent families in 1999 (figure 2). In contrast, more than half of all black children did. Between 1997 and 1999, fewer white and Hispanic children lived in a single-parent family (declines of 2 and 4 percentage points, respectively). The gap in single-parent family rates between whites and Hispanics declined over the two-year period. The high rate of single-parent families among black children, however, remained steady at 55 percent.

Health Insurance

Three types of health insurance coverage are reviewed: employer-sponsored (including coverage offered through the military) and other insurance coverage (including private nongroup plans and Medicare), Medicaid or state-based coverage (called Medicaid/State for adults and Medicaid/SCHIP/State for children), and no insurance.⁶

Figure 3: Health Insurance Coverage of Nonelderly Adults, by Race and Ethnicity, 1999



Note: *All races/ethnicities* includes Native Americans and Asian Americans.
Source: Urban Institute

Adults. From 1997 to 1999, the gap in insurance coverage between low-income Hispanic adults and low-income white adults increased (table 3 on page 6). For white low-income adults, the uninsurance rate fell from 31 percent in 1997 to 29 percent in 1999. Over half of low-income Hispanic adults were uninsured in both 1997 and 1999. As a result, the gap in health insurance between low-income white and Hispanic adults grew from 21 percentage points to 25 percentage points over the two-year period. From 1997 to 1999, the rate of uninsurance among low-income black adults remained unchanged at 33 percent.

Among higher-income adults, health insurance rates changed little. The only change was a slight increase in Medicaid and state-based coverage of higher-income adults, which was significant only for the nation and blacks. Uninsurance also increased for higher-income black and Hispanic adults (from 13 to 16 percent and from 17 to 19 percent, respectively), but these increases were not statistically significant. Uninsurance rates remained the same among higher-income white adults, at 8 percent in both years. Figure 3 shows adults' health insurance coverage by race and ethnicity in 1999.

Children. Low-income children nationwide experienced a 1 percent decrease in Medicaid, State Children's Health Insurance Program (SCHIP), and state-based coverage (table 3 on page 6). This drop was offset by a 1 percent increase in employer-sponsored insurance coverage. Neither change was statistically significant. Medicaid, SCHIP, and state-based coverage of low-income Hispanic children dropped off nearly 5 percent in the two year period. A similar decrease did not occur for any other racial or ethnic group. The accompanying increases in uninsurance and employer-sponsored insurance coverage for low-income Hispanic children were not statistically significant.

The insurance coverage gap between higher-income white and Hispanic children grew between 1997 and 1999. Among higher-income white and Hispanic children, rates of employer-sponsored and other insurance coverage decreased (from 89 to 87 percent and 82 to 77 percent, respectively). For higher-income white children, the drop in employer-sponsored and other coverage was accompanied by an increase in Medicaid, SCHIP, and state-based coverage, yielding no statistically significant increase in uninsurance rates. For higher-income Hispanic children, however, the drop in employer-sponsored and other coverage was not offset by an increase in Medicaid, SCHIP, and state-based coverage, yielding a 5 percent increase in uninsurance rates. Higher-income black children experienced no statistically significant change in insurance status from 1997 to 1999.

Health Status

The NSAF asked adults whether their current health status (and that of their children) was excellent, very good, good, fair, or poor. In both 1997 and 1999, 12 percent of nonelderly adults reported being in fair or poor health (table 3 on page 7). Health status varied across racial/ethnic groups. In 1999, 10 percent of nonelderly white adults, 17 percent of nonelderly black adults, and 24 percent of nonelderly Hispanic adults reported that they were in fair or poor health. Children were much less likely to be in fair or poor health than adults. In both 1997 and 1999, 5 percent of children nationwide were reported to be in fair or poor health. Three percent of white children were reported to be in fair or poor health in 1999, compared with 8 percent of black children and 11 percent of Hispanic children. None of these changes in overall health status were statistically significant for any racial/ethnic group.

Higher-income children were slightly more likely to be in fair or poor health in 1999 (3 percent) than in 1997 (2 percent). Higher-income Hispanic children also experienced an increase in fair or poor health status, from 3 to 5 percent. Higher-income white and black children's increases in fair or poor health status were less than 2 percent and were not statistically significant. Thus, the initial gap in health status between higher-income white and Hispanic children increased by a small but statistically significant amount between 1997 and 1999.



Discussion

Across the nation, poverty rates declined, food hardship decreased among low-income families, and the rate of two-parent families increased from 1997 to 1999. Although both white and Hispanic families experienced a decrease in poverty and single-parent family rates during this period, white families experienced a drop in housing hardship that Hispanic families did not. Further, higher-income Hispanic children were the only group whose rates of health insurance decreased and whose health status declined from 1997 to 1999. During the same period, employment rates of black parents and black low-income adults rose. Despite increases in employment, black families experienced no decrease in rates of poverty, food hardship, or the incidence of single-parent families, and their housing hardship worsened.

TABLE 3 Key Indicators by Race and Ethnicity

	White, Non-Hispanic		Hispanic, All Races		Black, Non-Hispanic		All Races/Ethnicities	
	97	99	97	99	97	99	97	99
Population (%), by Age								
Children 0–17	64.9	64.1 ▼	14.8	15.8 ▲	15.6	15.3 ▼	100.0	100.0
Adults 18–64	72.9	72.5 ▼	10.8	10.9 ▲	12.0	12.0 ▼	100.0	100.0
All nonelderly	70.4	70.0 ▼	12.0	12.4 ▲	13.1	13.0 ▼	100.0	100.0
Family Income (%), by Age								
Below 100% of poverty level								
Children 0–17	12.1	9.9 ▼	38.8	31.5 ▼	38.4	35.4	20.6	17.5 ▼
Adults 18–64	9.0	7.7 ▼	24.6	22.5	21.2	22.0	12.5	11.2 ▼
All nonelderly	9.9	8.3 ▼	29.9	26.0 ▼	27.4	26.8	14.9	13.1 ▼
Below 200% of poverty level								
Children 0–17	32.1	29.8 ▼	69.2	63.6 ▼	63.9	63.5	42.8	40.4 ▼
Adults 18–64	23.3	21.2 ▼	55.5	51.6 ▼	40.9	43.0	29.2	27.3 ▼
All nonelderly	25.8	23.6 ▼	60.7	56.3 ▼	49.3	50.3	33.4	31.3 ▼
Children (%) Living in Various Family Structures								
	97	99	97	99	97	99	97	99
Two-parent	70.7	72.1 ▲	58.0	59.9	29.3	28.6	62.4	63.6 ▲
Blended	8.8	8.3	5.5	6.9 ▲	6.8	6.7	7.7	7.8
Single-parent	18.9	17.0 ▼	33.3	29.4 ▼	54.9	54.7	26.7	24.8 ▼
No-parent	1.7	2.5 ▲	3.3	3.8	9.0	10.0	3.2	3.9 ▲
Health Insurance of Nonelderly Adults (%), by Income								
Below 200% of poverty level								
Employer-sponsored	43.3	48.2 ▲	29.9	29.5	34.8	36.0	38.5	41.7 ▲
Medicaid/State	13.3	12.4	13.7	13.2	24.5	24.1	15.3	14.7
Other coverage	12.1	10.7	4.1	3.2	7.5	6.8	9.7	8.8
Uninsured	31.3	28.7 ▼	52.3	54.1	33.3	33.2	36.5	34.9
Above 200% of poverty level								
Employer-sponsored	85.6	85.0	77.3	76.6	81.8	78.2	84.5	83.7
Medicaid/State	0.8	0.8	1.8	1.3	1.5	3.0 ▲	0.9	1.1 ▲
Other coverage	6.1	6.4	3.6	3.2	3.5	3.4	5.7	5.8
Uninsured	7.6	7.8	17.3	18.9	13.3	15.5	8.9	9.4
All Incomes								
Employer-sponsored	75.8	77.3 ▲	51.2	52.2	62.4	60.4	71.1	72.3 ▲
Medicaid/State	3.7	3.3	8.4	7.5	10.9	11.9	5.1	4.8
Other coverage	7.5	7.3	3.9	3.2	5.2	4.8	6.9	6.6
Uninsured	13.1	12.2	36.6	37.1	21.5	22.9	16.9	16.3

Although blacks and Hispanics gained in only a few of the indicators examined here, they may have experienced improvements that were not captured by the survey. NSAF sample sizes for blacks and Hispanics are approximately one-sixth those for whites, making it harder to detect changes for these groups, especially statistically significant changes. The data strongly suggest that the circumstances of whites are improving, but there is little evidence of similar improvements among minority populations.

Of the seven indicators reviewed, NSAF data show four widening gaps between whites and blacks or whites and Hispanics and three narrowing gaps. The disparity in employment rates between blacks and whites (among parents and low-income adults) has decreased, but disparities in housing hardship and the likelihood of being low income have increased. Disparities in child poverty and rates of single-parent families between whites and Hispanics have decreased, but disparities in health status and health insurance among higher-income children have increased.

These data show the importance of looking beyond national averages when analyzing trends during this period of changing social policies. Increasing racial and ethnic disparities could imply that public policies are working better for whites than they are for minorities. This possibility cannot be confirmed with the data presented here, but it underscores the need for additional monitoring and analysis.

TABLE 3 Key Indicators by Race and Ethnicity (continued)

	White, Non-Hispanic		Hispanic, All Races		Black, Non-Hispanic		All Races/Ethnicities	
	97	99	97	99	97	99	97	99
Health Insurance Coverage of Children Ages 0–18 (%), by Family Income								
Below 200% of poverty level								
Employer-sponsored	48.1	48.4	24.7	27.3	31.6	29.9	37.8	38.7
Medicaid/SCHIP/State	27.0	27.4	42.0	37.3 ▼	47.8	49.0	35.9	35.2
Other coverage	5.6	4.9	3.1	2.5	3.0	2.8	4.3	3.8
Uninsured	19.3	19.3	30.2	32.9	17.7	18.2	22.0	22.4
Above 200% of poverty level								
Employer-sponsored	89.0	86.9 ▼	82.2	76.9 ▼	84.6	81.3	88.1	85.3 ▼
Medicaid/SCHIP/State	2.0	2.9 ▲	6.5	5.8	6.7	8.4	2.8	3.8 ▲
Other coverage	4.8	5.2	2.9	4.5	1.8	2.4	4.2	4.9 ▲
Uninsured	4.3	5.0	8.3	12.9 ▲	6.9	7.9	5.0	6.0 ▲
All Incomes								
Employer-sponsored	76.0	75.6	42.5	45.8 ▲	51.1	48.8	66.8	66.7
Medicaid/SCHIP/State	9.9	10.2	31.0	25.5 ▼	32.6	34.1	16.8	16.4
Other coverage	5.0	5.1	3.1	3.3	2.6	2.7	4.2	4.5
Uninsured	9.0	9.2	23.4	25.4	13.8	14.4	12.2	12.5
Nonelderly Persons (%) in Fair or Poor Health, by Family Income								
Below 200% of poverty level								
Children	5.2	4.2	15.5	14.1	7.9	9.4	8.3	7.9
Adults	20.3	20.3	34.2	32.4	24.8	26.2	23.6	23.8
Above 200% of poverty level								
Children	1.5	1.8	2.7	4.5 ▲	4.4	4.5	1.9	2.5 ▲
Adults	7.0	7.1	13.4	14.9	9.7	11.0	7.8	8.0
All Incomes								
Children	2.7	2.5	11.5	10.5	6.6	7.6	4.6	4.7
Adults	10.1	9.9	24.9	24.0	15.9	17.4	12.4	12.3

Note: *All races/ethnicities* includes Native Americans and Asian Americans. Figures in color represent values that are statistically significantly different from the 1999 national average at the 0.10 confidence level. The symbols "▲" and "▼" represent statistically significant increases and decreases, respectively, between 1997 and 1999 at the 0.10 confidence level. Source: Urban Institute



This Snapshot presents findings from the 1997 and 1999 rounds of the National Survey of America's Families (NSAF). Information on more than 100,000 people was gathered in each round from more than 42,000 households with and without telephones that are representative of the nation as a whole and of 13 selected states. As in all surveys, the data are subject to sampling variability and other sources of error. Additional information on NSAF methods can be obtained at <http://newfederalism.urban.org/nsaf/methodology.html>.

Copyright © October 2000. Urban Institute. Permission is granted to reproduce this document with attribution to the Urban Institute. The views expressed are those of the authors and do not necessarily reflect those of the Urban Institute, its board, its sponsors, or other authors in the series.

References

- Moore, Kristin, and Sharon Vandivere. 2000. "Children's Family Environment." *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families*. Washington, D.C.: Urban Institute.
- Staveteig, Sarah, and Alyssa Wigton. 2000. "Racial and Ethnic Disparities: Key Findings from the National Survey of America's Families." Washington, D.C.: Urban Institute. *Assessing the New Federalism* Brief B-5.
- Zedlewski, Sheila Rafferty. 2000. "Family Economic Well-Being." *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families*. Washington, D.C.: Urban Institute.

Acknowledgements

The authors wish to thank Rana Atie, Emily Greenman, Jenny Haley, and Junko Homma for their support with preparation of data.

Endnotes

- 1 The NSAF asks the most knowledgeable adult in the family to identify race and ethnicity for himself or herself and for each sampled family member. Respondents were first asked about ethnicity ("Are you/Is family member] of Spanish or Hispanic origin?"), and then about race ("What is [your/family member's] race?"). The NSAF used the two standard Census categories for ethnicity (Hispanic and non-Hispanic) and the four standard Census categories for race (white, black, American Indian or Alaskan Native, and Asian or Pacific Islander). Values for respondents who chose not to answer the question or who gave an answer that did not fit into one of these categories were imputed. In the 1999 NSAF, ethnicity was imputed for 2 percent of respondents and race was imputed for 9 percent.
- 2 Adults ages 25 to 54 are considered prime-age workers.
- 3 Since income is measured over the past year, the 1999 survey measured 1998 income and the 1997 survey measured 1996 income.
- 4 The rate increased from 49 to 50 percent over the two-year period, but this was not statistically significant.
- 5 Although the food and housing hardship measures ascertain hardship in the 12 months prior to the interview, the text refers to the years 1997 and 1999 (rather than 1996–97 and 1998–99) for simplicity.
- 6 Persons were categorized as having no insurance if they (or their primary caretaker) reported none of these types of coverage and confirmed that they did, in fact, lack health insurance.

