



Spending patterns of families receiving means-tested government assistance

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Government means-tested assistance programs, such as Medicaid and Supplemental Security Income (SSI), provide cash and noncash benefits to many low-income families. In 2009, 19.0 percent of U.S. families, on average, participated in at least one major means-tested program per month. Participation rates were highest for one-parent families headed by women, 46.3 percent, compared with 26.5 percent for one-parent families headed by men and 12.3 percent for married-couple families.¹

This article uses data from the 2011 Consumer Expenditure Interview Survey to examine the spending patterns of families receiving benefits from one or more government means-tested assistance programs.² Families with children under 18 are the focus of this research, because the poverty rate for children under 18 was highest for this group, at 21.9 percent in 2011, compared

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- The Supplemental Poverty Measure: A Joint Project between the Census Bureau and the Bureau of Labor Statistics, http://www.bls.gov/pir/spm/spm_pap_joint12.pdf
- "Spending patterns of public-assisted families," <http://www.bls.gov/opub/mlr/2000/05/art2full.pdf>
- "Spending patterns of families receiving public assistance," <http://www.bls.gov/opub/mlr/1996/04/art3full.pdf>

with 13.7 percent for people age 18 to 64 and 8.7 percent for people age 65 and older.³

Findings show that:

- Average total expenditures of families receiving means-tested assistance were less than half those of families not receiving assistance.
- For families receiving assistance, food, housing, and transportation accounted for 77.0 percent of the family budget, compared with 65.5 percent of the budget of families not receiving assistance.
- Among one-parent families receiving assistance, 36.8 percent did not own a car, compared with 3.0 percent of families not receiving assistance and 9.7 percent of two-parent families receiving assistance.

Scope of analysis

The sample used in this analysis consisted of families with at least one child under 18.⁴ Families receiving assistance were compared with families not receiving assistance; demographic characteristics, as well as spending patterns, were examined.

Additional analysis of families receiving assistance was made by comparing single-parent and dual-parent families.

The benefit programs in which sample families participated include housing assistance (provision of public housing and housing subsidy payments); Medicaid, the joint federal-state program that pays for medical care for low-income persons; and public assistance (cash assistance from state and local government welfare programs, such as Temporary Assistance for Needy Families (TANF), and short-term emergency help). Also included are the Supplemental Nutrition Assistance Program (SNAP) and the SSI program that provides monthly benefits to disabled adults and children, and to those 65 and older who have limited income and assets but are not disabled. Participation in any of these programs is determined by information provided by survey respondents.

Findings

Unless otherwise indicated, all findings are statistically significant.

Demographic characteristics

Consumer Expenditure Survey (CE) data show that in 2011,⁵ there were 27.1 million families in the United States with at least one child under 18 years old.⁶ About 24 percent of families with children under 18 received government means-tested assistance benefits. Among families receiving assistance, 51.6 percent were one-parent families, and 48.4 percent were two-parent families. Average family size was the same (3.7 persons), whether or not a family received assistance. Among families receiving assistance, however, one-parent families averaged 3.1 persons, compared with 4.4 for two-parent families. (See table 1.)

Families not receiving assistance averaged 1.7 earners per household, compared with 0.8 for one-parent families receiving assistance and 1.4 for two-parent families receiving assistance.

More than 86 percent of the sampled families had a reference person who was White, Asian, or all other (than Black or African-American, in this case) races. This proportion ranged from 55.8 percent of one-parent families receiving assistance to 90.8 percent of families not receiving assistance. Nearly 14 percent of all families had a reference person who was Black or African-American. This proportion ranged from 9.2 percent of families not receiving assistance to 44.2 percent of one-parent families receiving assistance. (See table 1 and chart 1.)

The reference person was Hispanic or Latino in 16.8 percent of families with children under 18, with a range of 12.9 percent of families not receiving assistance to 40.5 percent of two-parent families receiving assistance. (See table 1 and chart 2.) Among one-parent families receiving assistance, female household heads predominated (93.2 percent, compared with 6.8 percent headed by men).⁷

In all families with children under 18, 11.2 percent had a reference person with less than a high school education. This proportion ranged from 6.1 percent of families not receiving assistance to 31.9 percent of two-parent families receiving assistance. In families not receiving assistance, 43.4 percent had a reference person with a bachelor's degree or higher, compared with 7.4 percent of one-parent families and 11.1 percent of two-parent families receiving assistance. (See table 1 and chart 3.)

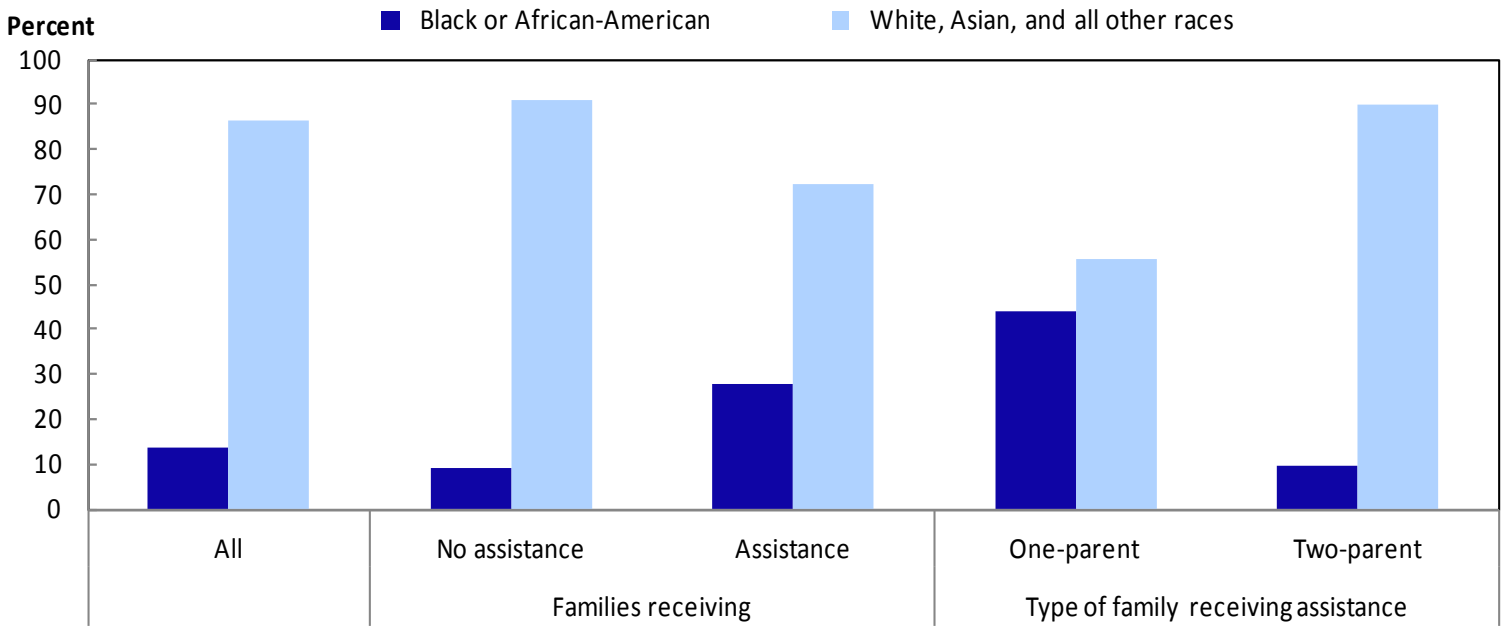
Table 1**Characteristics of families with children under 18, by receipt of government means-tested assistance, 2011**

Item	Families receiving			Type of family receiving assistance	
	All	No assistance	Assistance	One-parent	Two-parent
Number of families (in thousands)	27,100	20,500	6,600	3,200	3,400
Family characteristics					
Income before taxes	\$77,372	\$93,665	\$26,852	\$17,452	\$36,856
Age of reference person	38.2	39.3	34.7	34.7	35.0
Average number in family:					
Persons	3.7	3.7	3.7	3.1	4.4
Children under 18	1.9	1.9	2.2	1.9	2.4
Persons 65 and older	0.0	0.0	0.0	0.0	0.0
Earners	1.5	1.7	1.1	0.8	1.4
Vehicles	2.0	2.3	1.2	0.8	1.8
Percent distribution					
Gender (reference person):					
Male	42.4	47.9	25.2	6.8	44.9
Female	57.6	52.1	74.8	93.2	55.1
Race (reference person):					
Black or African-American	13.7	9.2	27.6	44.2	9.9
White, Asian, and all other races	86.4	90.8	72.5	55.8	90.2
Hispanic or Latino origin (reference person):					
Hispanic or Latino	16.8	12.9	28.8	17.8	40.5
Not Hispanic or Latino	83.2	87.1	71.2	82.2	59.5
Education (reference person):					
Less than high school	11.2	6.1	27.0	22.5	31.9
High school graduate	21.5	17.8	32.8	33.3	32.3
Some college or associate's degree	32.3	32.7	31.0	36.8	24.8
Bachelor's degree or higher	35.1	43.4	9.2	7.4	11.1
Housing tenure:					
Homeowner	64.0	76.1	26.5	17.1	36.5
With mortgage	53.9	65.6	17.6	9.6	26.1
Without mortgage	10.1	10.5	8.9	7.5	10.4
Renter	36.0	23.9	73.5	82.9	63.5
Number of earners:					
None	6.1	1.6	20.0	32.4	6.8
One	41.5	36.5	57.1	61.2	52.7
Two	48.1	56.8	21.0	5.6	37.5
Three or more	4.3	5.1	1.9	0.9	3.0
Number of vehicles owned or leased:					
None	8.0	3.0	23.7	36.8	9.7
One or more	92.0	97.0	76.3	63.2	90.3

Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Interview Survey.

Chart 1

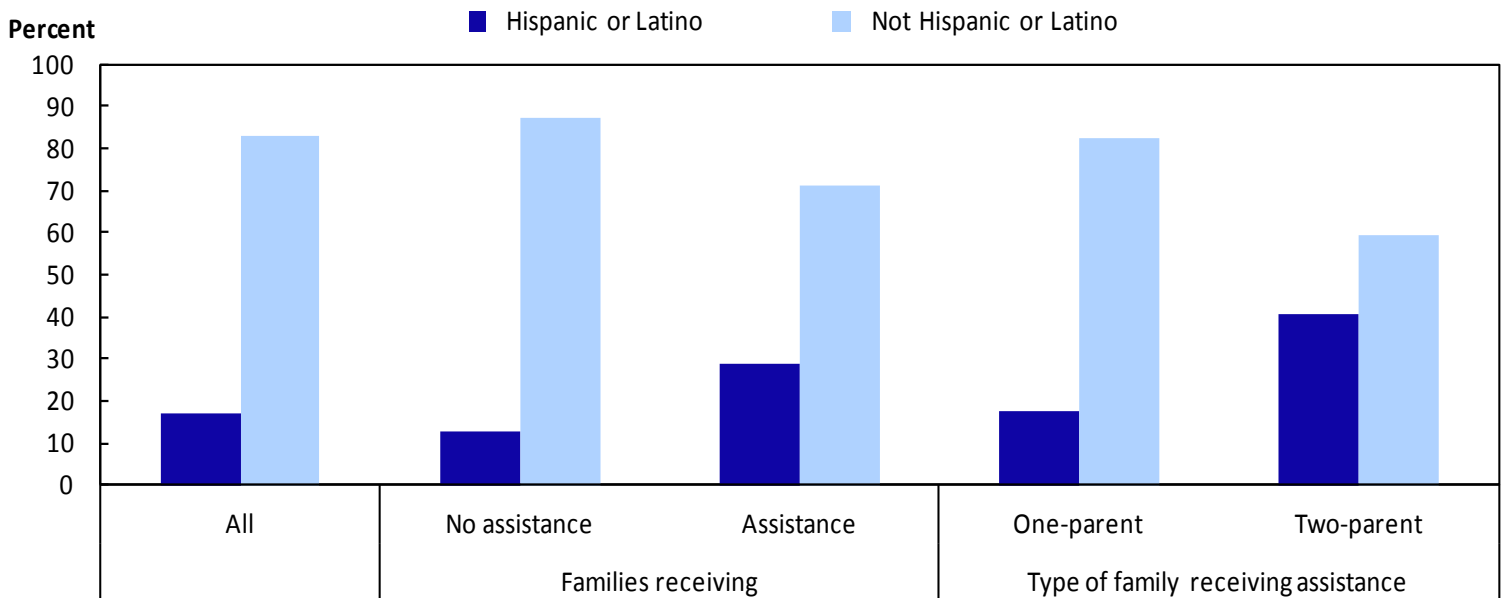
Percent distribution of families, by race, receipt of means-tested government assistance, and type of family, 2011



Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Interview Survey.

Chart 2

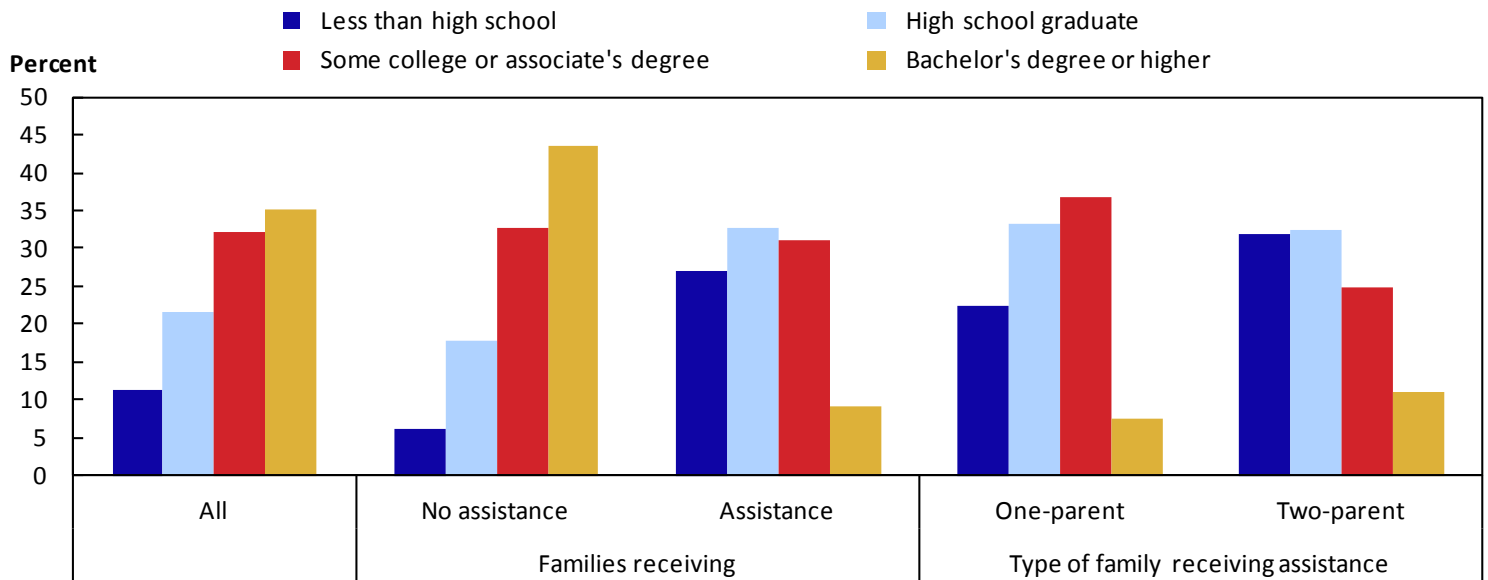
Percent distribution of families, by Hispanic or Latino origin of reference person, receipt of means-tested government assistance, and type of family, 2011



Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Interview Survey.

Chart 3

Percent distribution of families, by education of reference person, receipt of means-tested government assistance, and type of family, 2011



Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Interview Survey.

About 76 percent of families not receiving assistance were homeowners, compared with 24 percent of such families who were renters. The situation was reversed among families receiving assistance, with 26.5 percent homeowners and 73.5 percent renters. Two-parent families receiving assistance were more likely (36.5 percent) to be homeowners than one-parent families (17.1 percent).

Participation in means-tested assistance programs

Among families receiving government means-tested assistance, Medicaid was the program with the highest participation rate (69.7 percent). (See table 2.)⁸

SNAP benefits were reported by 60.9 percent of families receiving assistance. A greater proportion of one-parent families received SNAP benefits (72.2 percent, compared with 48.9 percent of two-parent families). For families with SNAP benefits, the average amount received was \$2,702; one-parent families received an average of \$2,758, not statistically different from the \$2,615 received by two-parent families.⁹

Nearly 26 percent of families received housing assistance; one-parent families had a participation rate of 41 percent, compared with almost 10 percent for two-parent families.¹⁰

A small proportion (12.5 percent) of families received SSI benefits. One-parent families received SSI benefits averaging \$5,998, not statistically different from the \$8,402 received by two-parent families.¹¹

Public Assistance had the lowest participation rate (10.7 percent), and the average benefit received was \$2,713. Participation, however, was 15.7 percent for one-parent families, compared with 5.1 percent for two-parent families. Benefits averaged \$2,666 for one-parent families and \$2,867 for two-parent families, but these differences were not statistically significant.¹²

Spending patterns

In 2011, total expenditures were more than twice as high for families not receiving assistance, \$66,525, compared with \$30,582 for families receiving assistance. Total expenditures for one-parent families receiving assistance were \$24,780, roughly two-thirds of the \$36,756 spent by two-parent families receiving assistance. Food, housing, and transportation accounted for the greatest proportion of the budget of all families. These three categories made up 65.5 percent of the total budget of families not receiving assistance, compared with 79.7 percent for one-

Table 2**Families receiving means-tested government assistance, by participation in selected programs and annual benefit amount received, 2011**

Program	Percent of families participating in program			Average annual amount received by participating families		
	All	One-parent	Two-parent	All	One-parent	Two-parent
Housing assistance	25.9	41.1	9.6	NA	NA	NA
Medicaid	69.7	68.2	71.3	NA	NA	NA
Public assistance	10.7	15.7	5.1	2,713	2,666	2,867
Supplemental Nutrition Assistance Program (SNAP)	60.9	72.2	48.9	2,702	2,758	2,615
Supplemental Security Income (SSI)	12.5	14.2	10.7	6,994	5,998	8,402

Note: NA indicates data not available.

Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Interview Survey.

parent and 75 percent for two-parent families receiving assistance. (See table 3.)

Housing expenditures were almost twice as high among families not receiving assistance (\$22,833, compared with \$11,835 for families receiving assistance). One factor affecting the difference in expenditures is the higher homeownership rate among families not receiving assistance. Another factor is the provision of public housing or housing subsidy payments for 26 percent of families receiving assistance. Although greater in dollar amount, housing expenditures represented a smaller share of total expenditures among families not receiving assistance (34.3 percent, compared with 38.7 percent for families receiving assistance).

Food expenditures were higher among families not receiving assistance, but accounted for a lower share of total expenditures than among families receiving assistance. A different pattern emerges when separately examining food at home and food away from home, the two components of food spending. Food away from home spending was higher in both dollar amount and percent of total spending among families not receiving assistance. One explanation is the prevalence of SNAP benefits, which can only be used for food at home, among families receiving assistance.¹³

Transportation expenses, both in dollars (\$3,734) and as a percentage of the family budget (15.1 percent) were lowest among one-parent families receiving assistance. A major factor is the lower rate of automobile ownership among one-parent families. Almost 37 percent did not own a car, compared with almost 10 percent of two-parent families receiving assistance and 3 percent of families not receiving assistance. Transportation expenses were \$11,249 for families not receiving assistance, but represented a smaller share of the family budget (16.9 percent) than the \$6,906 spent by two-parent families, which accounted for 18.8 percent of the family budget.

Although clothing is a basic necessity, it claimed a relatively small proportion of the family budget of all families, ranging from 2.4 percent for families not receiving assistance to 4 percent for one-parent families receiving assistance.¹⁴

Healthcare was greatest in dollar amount (\$3,728) and as a proportion (5.5 percent) of the budget of families not receiving assistance. Among families receiving assistance, healthcare spending averaged \$487 (2.0 percent of the family budget) for one-parent and \$1,290 (3.5 percent of the family budget) for two-parent families. One explanation is the fact that 70 percent of these families

Table 3**Average annual expenditures, families with children under 18, by receipt of means-tested government assistance, 2011**

Item	Families receiving						Type of family receiving assistance			
	All		No assistance		Assistance		One-parent		Two-parent	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Total expenditures	\$57,760	100.0	\$66,525	100.0	\$30,582	100.0	\$24,780	100.0	\$36,756	100.0
Food	8,788	15.2	9,539	14.3	6,460	21.1	5,709	23.0	7,259	19.7
Food at home	6,183	10.7	6,470	9.7	5,293	17.3	4,810	19.4	5,806	15.8
Food away from home	2,605	4.5	3,069	4.6	1,167	3.8	899	3.6	1,453	4.0
Housing	20,151	34.9	22,833	34.3	11,835	38.7	10,343	41.7	13,423	36.5
Apparel and services	1,505	2.6	1,628	2.4	1,123	3.7	1,009	4.1	1,245	3.4
Transportation	9,791	17.0	11,249	16.9	5,271	17.2	3,734	15.1	6,906	18.8
Healthcare	3,001	5.2	3,687	5.5	876	2.9	487	2.0	1,290	3.5
Entertainment	2,917	5.1	3,423	5.1	1,347	4.4	1,108	4.5	1,601	4.4
Personal insurance and pensions	7,354	12.7	9,116	13.7	1,890	6.2	1,011	4.1	2,826	7.7
Other	4,251	7.4	5,048	7.6	1,780	5.8	1,378	5.6	2,207	6.0

Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Interview Survey.

had Medicaid coverage for healthcare expenses. The data, however, do not indicate whether, all factors being equal, families with Medicaid benefits received the same services and quality of care as either families receiving no assistance or families receiving assistance other than Medicaid.

Personal insurance and pensions accounted for 13.7 percent of the budget of families not receiving assistance, compared with 6.2 percent for families receiving assistance. Families receiving assistance had fewer earners and so would be less likely to make pension contributions than families without assistance who had more earners.

Entertainment expenses were 5.1 percent (\$3,423) of the budget of families not receiving assistance, compared with 4.4 percent (\$1,347) of families receiving assistance. Other expenses¹⁵ claimed 7.6 percent of the budget of families not receiving assistance and 5.8 percent of the budget of those receiving assistance.

Conclusion

Although average family size was the same, average annual expenditures of families receiving assistance were less than half the amount spent by families not receiving assistance.

Food, housing, and transportation took up the greatest share of the family budget, regardless of whether any assistance was received. Families not receiving assistance spent more on food and on housing than families receiving assistance, but expenditures represented smaller proportions of the family budget, compared with families receiving assistance.

Healthcare spending was highest in dollar amount and as a percentage of the family budget among families receiving no assistance. One reason is that 70 percent of families receiving assistance had Medicaid coverage. ■

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Notes

1. Means-tested programs are those that require an individual or family's income and/or assets fall below specified thresholds to qualify for benefits.
The 2009 data are from the Survey of Income and Program Participation (SIPP), which examined participation in the following major means-tested programs: Temporary Assistance for Needy Families (TANF), General Assistance (GA), Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Medicaid, and housing assistance. For more information, see Jeongsoo Kim, Shelley K. Irving, and Tracy A. Loveless, "Dynamics of Economic Well-Being: Participation in Government Programs, 2004 to 2007 and 2009: Who Gets Assistance?" Current Population Reports, P70-130 (U.S. Census Bureau, July 2012), <http://www.census.gov/prod/2012pubs/p70-130.pdf>.
2. A more detailed description of the Consumer Expenditure Surveys can be found in the *BLS Handbook of Methods*, Chapter 16, "Consumer Expenditures and Income," Bureau of Labor Statistics, <http://www.bls.gov/opub/hom/pdf/homch16.pdf>.
3. None of these figures was statistically different from 2010 estimates. In 2011, the poverty rate among families and the number of families in poverty were 11.8 percent and 9.5 million, respectively, both not statistically different from the 2010 estimates. See Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, "Income, Poverty, and Health Insurance Coverage in the United States: 2011," Current Population Reports, P60-243 (U.S. Census Bureau, September 2012), <http://www.census.gov/prod/2012pubs/p60-243.pdf>.
4. In the Consumer Expenditure Survey (CE), the consumer unit is the entity for which expenditure reports are collected. Consumer units include families, single persons living alone or sharing a household with others but who are financially independent, and two or more persons living together, who share expenses. For more information, see the *BLS Handbook of Methods*, Chapter 16, "Consumer Expenditures and Income," Bureau of Labor Statistics, <http://www.bls.gov/opub/hom/homch16.htm>.
This analysis is limited to families with own children under 18, who currently live with the reference person. "Own children" in a family are sons and daughters, including stepchildren and adopted children, of the reference person.
5. This analysis uses data from the 2011 collection year, which, because of the rotating panel design of the Consumer Expenditure Interview Survey, is different from the calendar year. For example, data for the first quarter of calendar year 2011 were collected in January, February, and March. Respondents interviewed in January were asked to recall expenditures made since the first of the month, 3 months prior to the interview, resulting in a reference period between October 1, 2010, and December 31, 2010. Similarly, respondents interviewed in February had a reference period from November 1, 2010, to January 31, 2011. This means that respondents who were interviewed in January were also interviewed in April, July, and October, and would have provided 4 quarters of data in collection year 2011. However, the data would cover a combined period from October 1, 2010, to September 30, 2011, the last 3 months of calendar year 2010, and the first 9 months of calendar year 2011. For more information, see "Consumer Expenditure Interview Survey, Public Use Microdata, 2011 User's Documentation," September 25, 2012, <http://www.bls.gov/cex/2011/csxintvw.pdf>.
6. These families accounted for about 22 percent of the consumer units represented in the survey.
7. The reference person is the first household member mentioned by the respondent when asked to "Start with the name of the person or one of the persons who owns or rents the home." It is with respect to this person that the relationship of the other consumer unit members is determined. In two-parent families, the reference person can be male or female. In one-parent families, the gender of the reference person is usually that of the sole parent.

8. Medicaid, the largest public health insurance program in the United States, covered nearly 63 million low-income persons in fiscal year 2009. The largest proportion (49 percent) was nondisabled children under 19 who received an average benefit of \$2,313. Nondisabled adults under 65 (mostly working parents) made up a quarter of beneficiaries receiving an average benefit of \$2,926, while those 65 and over made up 10 percent of beneficiaries and received an average benefit of \$13,186. The disabled, which include adults under 65 and children under 19, accounted for 15 percent of beneficiaries, with an average benefit received of \$15,453. The 9.3 million disabled recipients were made up of 1.5 million children and 7.8 million adults under 65. For more information, see the fact sheet, "The Medicaid Program at a Glance," The Henry J. Kaiser Family Foundation, March 4, 2013, <http://www.kff.org/medicaid/upload/7235-05.pdf>.
9. SNAP is the largest of the 15 domestic food and nutrition assistance programs administered by the U.S. Department of Agriculture, Food and Nutrition Service. In Fiscal Year 2011, 44.7 million people received SNAP benefits. The average monthly benefit for single-parent families was \$395, compared with \$484 for two-parent families. Taking family size into account, the average monthly benefit per person was \$136 for single-parent families and \$113 for two-parent families. For more information, see "Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2011" (U.S. Department of Agriculture, Food and Nutrition Service, November 2012), <http://www.fns.usda.gov/sites/default/files/2011Characteristics.pdf>.
10. In 2009, average monthly participation in housing assistance programs was 10.1 million people (4.1 percent of the U.S. population). Participation was 1.1 percent for married-couple families, compared with 15 percent for female-headed single-parent families and 3.1 percent for male-headed single-parent families. For more information, see Jeongsoo Kim, Shelley K. Irving, and Tracy A. Loveless, "Dynamics of Economic Well-Being: Participation in Government Programs, 2004 to 2007 and 2009: Who Gets Assistance?," Current Population Reports, P70-130 (U.S. Census Bureau, July 2012), <http://www.census.gov/prod/2012pubs/p70-130.pdf>.
11. In December 2011, 8.3 million people received SSI benefits. Of these recipients, 15.9 percent were under age 18, 58.9 percent were 18 to 64, and the remaining 25.2 percent were 65 and older. The average monthly benefit was \$519, ranging from \$417 for those 65 and older to \$621 for those under 18; recipients 18 to 64 had an average monthly benefit of \$536. For more information, see "SSI Monthly Statistics, 2011" (Social Security Administration, January 2013), http://www.socialsecurity.gov/policy/docs/statcomps/ssi_monthly/2011/index.html.
12. In Fiscal Year 2010, 1.8 million families received TANF benefits averaging \$392 per month. Average monthly benefits ranged from \$327 for families with one child to \$594 for families with four or more children. For more information, see "Characteristics and Financial Circumstances of TANF Recipients, Fiscal Year 2010" (U.S. Department of Health and Human Services, Administration for Children and Families, August 8, 2012), <http://www.acf.hhs.gov/programs/ofa/resource/character/fy2010/fy2010-chap10-ys-final>.
13. Although SNAP benefits are not included in computing poverty statistics, the value of SNAP benefits is included as income in the CE. When requesting information on food purchases, the CE does not ask whether these purchases were made with cash or SNAP benefits.

Monthly income is the most important determinant of a family's or household's eligibility for SNAP benefits. A detailed process is involved in computing the net income used to determine eligibility, with standards varying somewhat by state. For more information, see "Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2011" (U.S. Department of Agriculture, Food and Nutrition Service, November 2012), <http://www.fns.usda.gov/sites/default/files/2011Characteristics.pdf>.
14. A discussion of basic necessities may be found in Kathleen S. Short and Thesia I. Garner, "The Supplemental Poverty Measure, A Joint Project between the Census Bureau and the Bureau of Labor Statistics," June 8, 2012, http://www.bls.gov/pir/spm/spm_pap_joint12.pdf.
15. The other expenses category is comprised of outlays on alcoholic beverages, cash contributions, education, personal care, reading, tobacco, and miscellaneous expenses, such as funeral expenses, legal fees, and safe deposit box rental. For more information, see Consumer Expenditure Survey, Glossary, Bureau of Labor Statistics, <http://www.bls.gov/cex/csxgloss.htm>.