Discussion Papers

Racial Disparities and the New Federalism

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Assessing the New Federalism is a multiyear effort to monitor and assess the devolution of social programs from the federal government to the state and local levels. In collaboration with Child Trends, the project studies changes in family well-being.

Key components of the project include a household survey and studies of policies in 13 states, available at the Urban Institute's web site, http://www.urban.org. This paper is one in a series of discussion papers analyzing information from these and other sources.

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Racial Disparities and the New Federalism

Historically, African American families have experienced much lower levels of economic well-being than white Americans across a wide range of indicators. They are less likely to be working and more likely to receive public assistance, and they earn lower incomes on average and suffer from higher rates of poverty. Beginning in the mid-1990s, dramatic shifts in both social welfare policies and economic conditions changed the landscape of opportunity for low-income families in the United States. During this period, the federal government shifted more responsibility for social welfare programs to the states, and most of the nation experienced unprecedented economic growth and then decline.

This paper explores how these changes altered the *relative* well-being of blacks—compared to whites—between 1997 and 2002. It uses data from the National Survey of America's Families (NSAF), a unique, cross-sectional survey of welfare program participation and economic and social well-being, to assess how the relative well-being of black families improved or disparities persisted. More specifically, this paper presents new analysis of NSAF data to explore changes in disparities between blacks and whites in the United States across policy domains. Given the severity and persistence of racial inequality in the United States, it makes sense to explore how welfare reform—broadly defined—has either narrowed or widened racial gaps. In addition, to understand both the persistence and the implications of racial disparities, this analysis spans conventional topical boundaries, since disadvantages in one area—such as education—can undermine outcomes in others—such as employment and earnings.

Policy and Economic Context

Beginning in 1996, with passage of the Personal Responsibility and Work Opportunity Act (PRWORA), the system of benefits and services supporting low-income families and children in the United States changed dramatically.[1] The centerpiece of this change was the elimination of the Aid to Families with Dependent Children (AFDC) program, which entitled low-income individuals to cash welfare payments, and its replacement with Temporary Assistance for Needy Families (TANF), which gives states far more discretion over the provision of cash assistance. But in conjunction with (or soon after) this fundamental shift came changes in many other safety-net programs, including food stamps, child care subsidies, health insurance, and disability benefits. In addition, most states changed their basic approach to assisting low-income families, discouraging receipt of cash assistance and encouraging employment.

At the same time, macro-level shifts in economic conditions and labor markets dramatically altered employment and earning opportunities for low-skilled and entry-level workers in the United States. The second half of the 1990s was a period of robust economic prosperity throughout most of the country, with substantial growth in the number of jobs, low unemployment rates, and rising wages. Many low-skilled workers who might otherwise have been dependent on welfare were able to find and keep jobs during this period, and poverty rates declined nationwide. Beginning in 2000, however, the economic picture changed. Job growth stagnated, unemployment rates climbed, real wages for low-skilled workers declined, and poverty rates edged up again. Thus, the decade during which welfare reform was launched and implemented really consists of two periods of economic opportunity: one in which prospects for people with limited education and skills were expanding, and a second in which they were narrowing.

[1] For a more extensive discussion of these policy changes, see Loprest and Zedlewski (2006).

Considerable research has described and analyzed important changes in the circumstances of low-income families that have resulted from the combination of a new policy environment and shifting economic conditions.[2] In the years following 1996, the number of families receiving welfare plummeted, and employment rates among single mothers increased. More families worked while receiving welfare than in the pre-reform era, and most families that left welfare had at least one member who was working. As the labor market softened in the early years of this decade, employment rates declined among both welfare recipients and welfare leavers.

Many low-income families with children—including current and former recipients of welfare—face significant economic hardship and insecurity, despite the fact that they work. Federal and state programs that assist low-income working families appear to make a difference. Families who participate in these programs are less likely to return to welfare and face lower rates of poverty and hardship. But access to—and participation in—these programs varies dramatically across the country.

Racial Disparities and the New Federalism

Few studies of welfare reform and accompanying economic changes focus explicitly on how the altered policy and economic environment may have affected disparities between blacks and whites. Have both groups experienced essentially the same benefits and challenges? Or have black families either benefited or suffered disproportionately from the changing policy and economic landscape?

A recent study finds that disparities in child poverty rates between blacks and whites narrowed in the late 1990s, but may have widened again after 2000 (Nichols 2006). Between

[2] For a synthesis of findings from ANF, see Golden (2005).

1993 and 2000, child poverty rates dropped substantially, primarily because of improved labor market opportunities for low-skilled workers. Poverty reductions were more dramatic for black children than for whites, substantially narrowing racial disparities. The economic downturn that began in 2000 affected families of all races, pushing child poverty rates back up slightly. Again, however, blacks were disproportionately affected, so the gap between whites and blacks widened.

This paper synthesizes existing research on racial variations in welfare program participation and family well-being and presents new analysis of NSAF data to explore changes in disparities between blacks and whites in the United States across policy domains. The analysis presented here focuses specifically on differences between native-born blacks and native born non-Hispanic whites, not only because the persistent gap between whites and blacks has longstanding social importance, but also because the causal factors that explain gaps between whites and other ethnic minorities (especially immigrants) are likely to be different than those that underlie the white-black gap.

The next section of this report briefly describes the National Survey of America's Families and the methods employed for this analysis. The third section discusses levels and trends in racial disparities for indicators of welfare receipt, educational attainment, employment (and barriers to work), family income and economic well-being, asset building, health (including health insurance and access to care), and child well-being. The final section discusses the implications of these findings for both ongoing policy development and future research.

Data and Methods

The Urban Institute's *Assessing the New Federalism* (ANF) project has tracked and analyzed the experiences of low-income families and children over this period of dramatic change. This

project was launched in 1996 to monitor and assess not only welfare reform, per se, but the accompanying devolution of responsibility for social programs from the federal government to the states. ANF research has addressed a broad range of critical policy domains, focusing primarily on health care, income security, employment and training programs, social services, and family well-being.

A centerpiece of ANF research is the National Survey of America's Families, a national, cross-sectional survey conducted in 1997, 1999, and 2002. At each wave, the NSAF gathered information by telephone on more than 100,000 individuals and 40,000 families. The survey was designed to oversample low-income families (defined as families with incomes less than twice the federal poverty level) and to assess many different dimensions of program participation and family well-being. Thus, data from the NSAF offer a unique resource for investigating recent changes in the circumstances of low-income Americans and the role that the evolving system of social supports plays in their lives.

Using data from all three waves of the National Survey of American Families, this paper measures disparities between native-born blacks and native-born, non-Hispanic whites for indicators of educational attainment, economic well-being, receipt of public assistance, and health. For each indicator, average values for blacks and whites were computed for three income bands: low-income families—those with incomes below 200 percent of the federal poverty level; moderate-income families—those with incomes between 200 and 300 percent of the federal poverty level; and high-income families—those with incomes over 300 percent of the federal poverty level. These race-specific averages were constructed for 1997, 1999, and 2002. Then, for each year, disparity ratios were constructed for each indicator, comparing the average value for blacks to the average value for whites. These disparity ratios make it possible to assess the

magnitude of the gap between blacks and whites in the same income band and to track changes over time in the magnitude of these disparities.

Seven domains are identified in the paper—adult educational attainment, child school outcomes, employment and earnings, income and economic security, welfare and other income supports, assets and wealth building, and adult and child health—to reflect a range of adult and child well-being markers. Within each domain between two and five indicators are selected, and the level of racial disparity is measured. Appendix A provides complete tabulations of these indicators, and appendix B provides additional documentation regarding variable definitions and sampling weights. Tests of statistical significance were applied to the disparity ratios in each year and to changes over time in these ratios. All results discussed in the remainder of this paper are statistically significant at the 95 percent confidence level. Adult indicators are weighted to represent all adults in the United States. Child indicators are weighted to represent all children under age 18 in the United States.

The 1999 wave of the NSAF survey may overrepresent black welfare recipients compared to their reported incidence in comparable years of the Survey of Income and Program Participation and the Current Population Survey (Acs and Loprest 2007; Loprest and Zedlewski 2006).[3] Though this problem has been at least partially corrected through sample weighting, differences between racial groups for this intermediate year must be interpreted with some caution. Because we have stratified families by income and have constructed indicators for whites and blacks within income bands, we believe that the impact of this problem on our results is reduced. Also, other comparisons to the CPS show comparable rates of black and white

[3] Compared with the Survey of Income and Program Participation (SIPP) and the Current Population Surveys (CPS) in comparable years, the NSAF indicates that welfare receipt among African Americans is approximately 6 percentage points higher than the other nationally representative surveys reflect. This is not the case for the 1997 and 2002 rounds of the NSAF, which are more comparable to similar years the SIPP and CPS (see Acs and Loprest 2007; Loprest and Zedlewski 2006).

families in the NSAF with incomes less than 200 percent of the federal poverty level, independent of welfare receipt.[4] Nonetheless, we focus primarily on trends for the full 1997 to 2002 period, but report some 1999 results for indicators that suggest significant differences in the direction of change between the 1997–99 period and the 1999–2002 period.

Results

The levels of racial disparity in adult educational attainment, child school outcomes, employment and earnings, income and economic security, welfare and other income supports, assets and wealth building, and adult and child health are presented and discussed in this section. Overall, there are significant disparities by race in each of the selected domains. In fact, most of the indicators within each domain show at least one significant difference by race either within a particular year or within a particular income band for a given year. For some indicators (i.e., ever worry about food, presently own a house, or presently own a car) disparities are observed in all year and across all income bands (see appendix A).

As for changes in racial disparities across years, the findings reveal some movement but only in three of the seven domains analyzed. There is virtually no change overall between 1997 and 2002 with most movement occurring between 1997 and 1999, if at all. In general, significant decreases in disparity across years are observed in adult educational attainment, income and economic security, and some adult and child health measures. However, other adult and child health measures reflect an increase in disparity across years. In four of the seven domains (i.e., child school outcomes, employment and earnings, welfare and other income supports, and assets and wealth building) no significant change in disparity is observed either between 1997–1999,

[4] From Kevin Wang, Simon Pratt, and Adam Safir, *1999 NSAF National Benchmarking Measures,* Methodology Report 6 (Washington, DC: The Urban Institute, unpublished report).

1999–2002, or 1997–2002. The trend in racial disparities within each domain is covered in more detail below supported by findings from prior research.

Educational Attainment

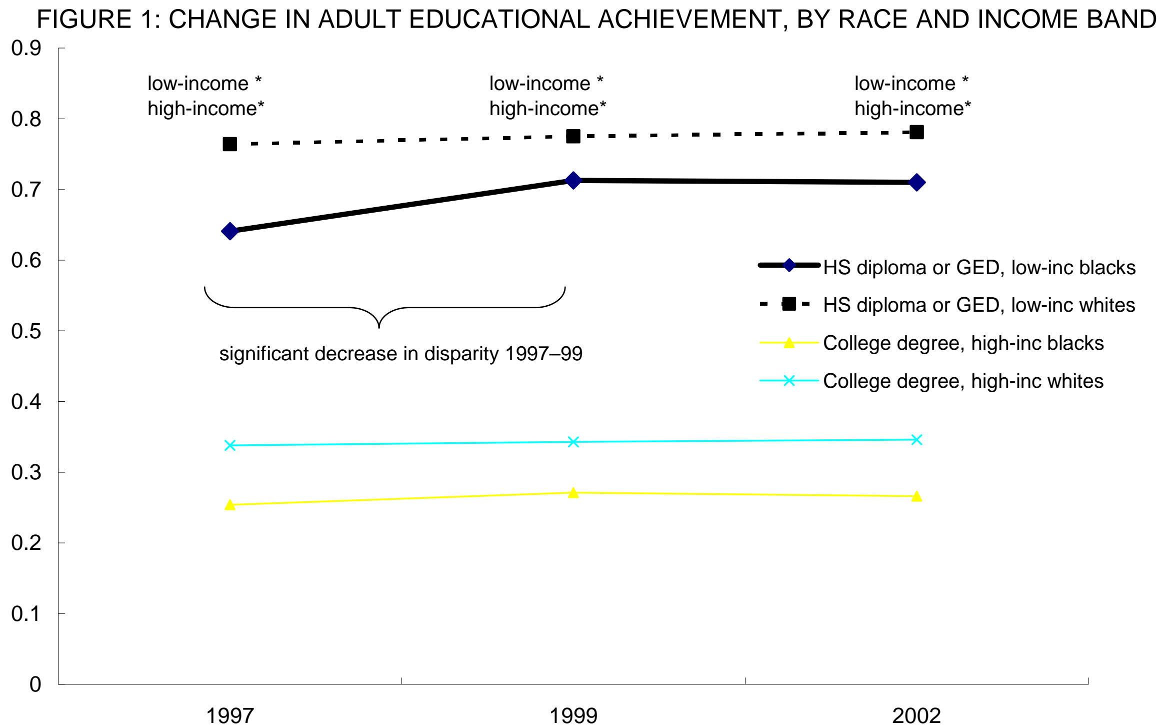
At every income level, average educational attainment is lower among blacks than whites. The NSAF data report the share of adults who have a high school diploma, GED, or completed college. The data show that low-income blacks are significantly less likely than whites to complete high school or obtain a GED, and that, at higher income levels, blacks are less likely than whites to have a college degree. Other Urban Institute research has highlighted the wide gap in high school graduation rates between blacks and whites. Nationally, only an estimated 68 percent of students who enter 9th grade graduate with a diploma in 12th grade. But among blacks, this graduation rate is substantially lower—50.2 percent, compared with 74.9 percent for whites (Orfield et al. 2004).

Among low-income adults, the gap between whites and blacks in educational achievement narrowed significantly between 1997 and 1999. Specifically, the share of low-income blacks with high school diplomas or GEDs increased from 64 percent in 1997 to 71 percent in 1999, while the share of low-income whites with diplomas or GEDs increased only slightly—from 76 percent to 78 percent (figure 1). As a consequence, the disparity between whites and blacks narrowed by 8 percentage points, from 16 percent to 8 percent. No further change occurred for either group between 1999 and 2002.

The gap in educational achievement also narrowed slightly among high-income adults between 1997 and 1999 (figure 1). A substantial majority of both whites and blacks at this income level complete high school, and the gap between the two is small. But whites are substantially more likely than blacks to have a college degree—34 percent compared with 25 percent as of 1997. Between 1997 and 1999, the share of high-income blacks with a college

degree climbed to 27 percent, while the share of whites completing college remained flat. Thus, the racial gap narrowed slightly—by 4 percentage points. No further change in the gap between high-income whites and blacks occurred after 1999.

FIGURE 1: CHANGE IN ADULT EDUCATIONAL ACHIEVEMENT, BY RACE AND INCOME BAND



Sources: 1997, 1999, and 2002 National Survey of America's Families.
* $p < .05$ differences by race.

In the middle-income range, the story is less encouraging. Again, there is little disparity in high school graduation rates, and we focus on the share of adults with a college diploma. Middle-income whites are significantly more likely than middle-income blacks to complete college. And the disparity between the two showed no statistically significant change between 1997 and 2002.

Many factors have been shown to shape educational attainment, but parents' education, income, and wealth are consistently the most important factors (Coleman et al. 1966; Hanushek 1998). Thus, disparities between whites and blacks can be explained in part as the consequence

of disparities in their parents' educational attainment and in their families' income and wealth. As a consequence, even if opportunities and incentives change substantially for the current generation of young people, preexisting disparities in family circumstances (the legacy of past discrimination and inequalities) may hold back progress toward closing the gap between whites and blacks in educational attainment

In addition, public school quality and educational outcomes vary widely across neighborhoods, and persistent patterns of residential segregation mean that blacks at every income level are less likely than whites to attend high-performing public schools. Although black-white residential segregation has declined somewhat over the past two decades, levels remain high throughout most of the United States. In addition, even after controlling for income, blacks are more likely than whites to live in central-city jurisdictions and more likely to live in a neighborhood where blacks are the majority (Logan 2001). Recent NSAF research confirms that blacks are much more likely to live in central-city, high-poverty, and high-minority census tracts (Turner and Kaye 2006). As a consequence of residential segregation, public schools are highly segregated in most parts of the country; the average black student attends a school that is 54 percent black, while the average white student attends a school that is 78 percent white (Orfield and Lee 2005).

Together, neighborhood and school segregation have been shown to significantly undermine the educational success of blacks. Other things being equal, high levels of segregation are associated with increased high school dropout rates among blacks (Cutler and Glaeser 1997). Research indicates that public school desegregation plans of the 1970s reduced high school dropout rates among blacks by between 1 and 3 percentage points (half the total decline achieved during the decade), while having no effect on dropout rates among whites (Guryan 2001).

Similarly, a panel study of Texas public school students finds that the achievement of black students declines significantly as the percentage of blacks in their schools rises. Further, the negative effects of segregation on black students' achievement appear most severe for children in the upper half of the ability distribution, with students of lower ability less likely to be affected (Hanushek, Kain, and Rivkin 2002).

The effects of residential segregation are the most stark in distressed central-city neighborhoods where many low-income blacks are concentrated.[5] These high-poverty neighborhoods are often served by failing public schools with high dropout rates, low instructional quality, and poor test scores (O'Regan and Quigley 1996). Other conditions typical of distressed central city neighborhoods further undermine the chances of succeeding academically (Turner forthcoming). Young people from high-poverty, distressed neighborhoods are less successful in school than their counterparts from more affluent communities; they earn lower grades, are more likely to drop out, and are less likely to go on to college. Kids from poor neighborhoods are also less likely to get jobs during and immediately after high school.

Growing up in the segregated suburbs can also undermine the potential of black young people, though in more subtle ways. Black neighborhoods generally have lower house values than comparable white neighborhoods, and consequently, a lower property tax base from which to fund public schools (Oliver and Shapiro 1997). And public school performance in black suburban communities typically falls considerably short of the standard expected of schools in the white suburbs (Cashin 2004). Finally, there is some evidence to suggest that community norms and expectations about attending college (or attending an elite college or university) are lower for young people growing up in predominantly black communities (Cashin 2004). And the

[5] See Massey and Denton (1993) to understand how residential segregation led to the concentration of minority poverty.

lower house values in these communities translate into lower levels of wealth accumulation, which may limit the ability of minority parents to finance an elite college education (Oliver and Shapiro 1997). Thus, even for middle- and upper-income minority families who have escaped the distress of inner-city neighborhoods, residential segregation may constrain young people's educational achievement.

Child School Outcomes

While NSAF data do not contain school performance measures, they reveal significant racial differences in school engagement[6] and in the number of children who have ever skipped school or been suspended or expelled. Low-income black children are significantly more likely than white children to have ever been suspended and expelled, and a higher percentage of low-income black children compared with all other children has ever skipped school. Although the disparity between low-income black and white children is somewhat reduced between 1997 and 1999 as low-income black incidence decreases, the changes in the disparity are not statistically significant.

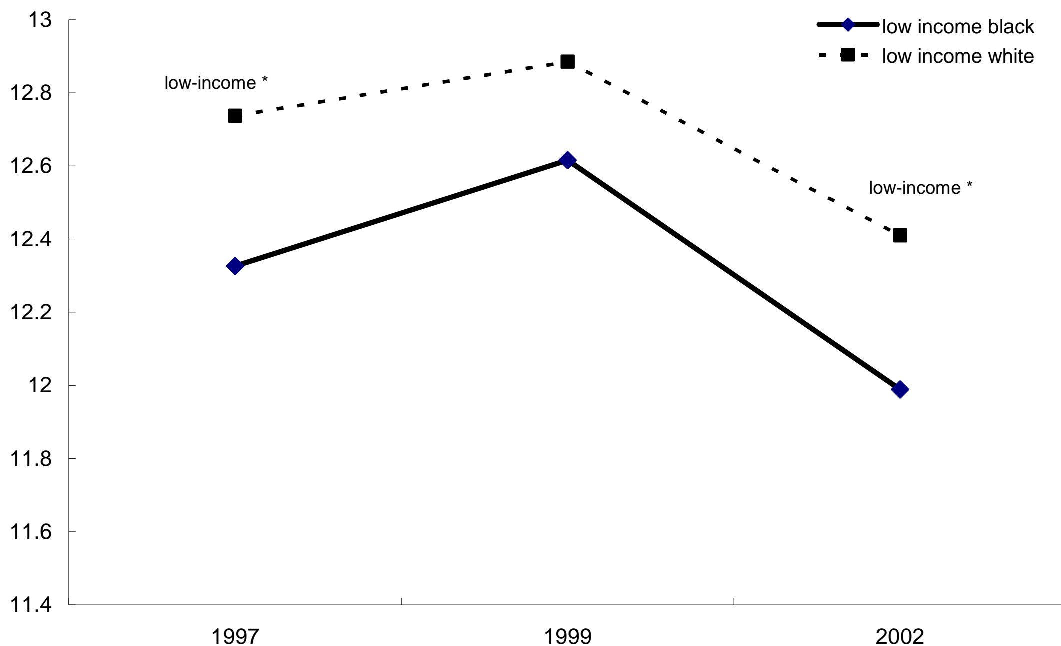
Low-income black children also have significantly lower scores on school engagement (e.g., caring about doing well in school; doing homework without force) than do low-income white children (and all other children) in 1997 and 2002. Engagement fell for both groups in 2002 although black children's engagement remained significantly lower, resulting in no significant change in the overall disparity in all three years (figure 2).

A less clear disparity pattern emerges among middle- and high-income black and white children. In 2002, middle-income black children are significantly more likely than middle-

[6] Four questions in the NSAF are used to assess school engagement. Items include whether a child cares about doing well in school, does homework with or without force, does just enough work to get by, and always does homework. Answers on each item range from 1 to 4 indicating whether the engagement is all of the time, most of the time, some of the time, or none of the time.

income white children to have been suspended or expelled. While there is no disparity in 1997 and 1999, black children have an increased incidence in 2002. Only in 1999 are middle-income black children and high-income black children significantly less engaged than middle- and high-income white children. In 2002, engagement falls for middle-income and high-income white children, ending the disparity.

FIGURE 2: CHANGE IN CHILD SCHOOL ENGAGEMENT SCORES BY RACE



Sources: 1997, 1999, and 2002 National Survey of America's Families.
Note: * p < .05 differences by race. No changes in disparity across years were significant.

The NSAF findings correspond with research on racial gaps in school performance. In fact, racial disparities in education are often described as "stubborn," as there have been little changes over the years. According to trend data from the Department of Education's National Assessment of Educational Progress (NAEP), there has been a slight decline between 1999 and 2004 in the racial disparity in reading scores among certain age groups, but the disparities overall have been relatively stable. The same is true for math scores. Despite increases in overall scores

for blacks and whites between 1999 and 2004, the disparities have not changed (Perie, Moran and Lutkus, 2005).

Major federal legislation in education was passed in 2002 with the implementation of the No Child Left Behind Act. Its goals are to improve school accountability and educational quality and to reduce achievement gaps by race and ethnicity (U.S. Department of Education 2002). Although the act did not take effect until after the NSAF was completed, some recent findings have implications for continued disparities. A study finds that accountability efforts instituted in the 1990s increased student achievement but did little to reduce disparities by race. Increased accountability has also been associated with some unanticipated outcomes, including higher dropout rates (Hanushek and Raymond 2005).

Federal and school policies aside, parent education and income remain the strongest predictors of school achievement . Given the significant disparities in these areas as shown in the NSAF and other research, it is not surprising that gaps in school achievement have been persistent. It also provides evidence that disparities can accumulate over time and across generations as current achievement gaps may contribute to future gaps in achievement.

Employment and Earnings

Disparities between blacks and whites with respect to employment status and earnings vary significantly by income level. Among low-income adults, blacks are less likely than whites to be employed and less likely to be employed full time and year round. In addition, mean earnings are significantly lower for low-income blacks than for whites. Moderate-income blacks are just as likely as whites to be employed, but more likely to have worked intermittently over the past year, while moderate-income whites are more likely to have worked full time throughout the year. Interestingly, mean earnings between whites and blacks do not differ significantly in this income

range. Finally, among high-income adults, there is no significant disparity in employment rates, but mean earnings are significantly lower for blacks than for whites.

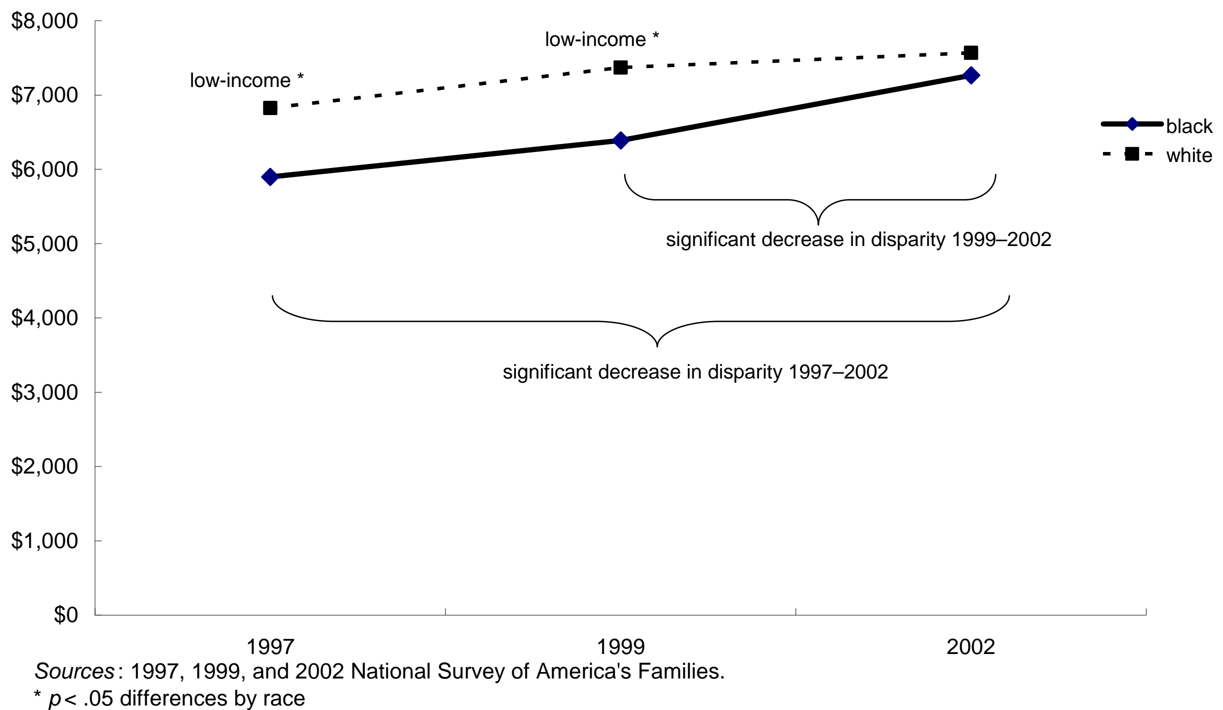
Other analyses of NSAF data also find that low-income blacks are less likely than whites to work and to hold full-time, year-round positions. Using all three years of the NSAF, Finegold and Wherry (2004) examine race, ethnicity and economic well-being among adults. They find that blacks are significantly less likely than whites to be employed, with no significant change between 1997 and 2002. To a large extent, differences in earnings reflect differences in work effort—the number of hours worked in a year. However, using 2002 NSAF and other data sources, Acs and Loprest (2005) find that blacks who worked full time, year round (labeled "high-work") were significantly more likely to have low incomes than whites who were also engaged in high work.

The gap in employment rates between low-income blacks and whites remained essentially unchanged from 1997 to 2002, despite some significant changes in absolute employment rates for both groups. The share of low-income blacks working full time for a full year climbed from 49.5 percent in 1997 to 54.0 percent in 1999, while the share of low-income whites employed at this high level held steady at about 61 percent. Between 1999 and 2002, the share of low-income adults working full time year round dropped for both whites and blacks, but the decline was greater for blacks than for whites. However, none of these changes were large enough to yield significant changes in the disparity between low-income whites and blacks. Nor were any changes in disparities between middle- or high-income whites and blacks significant over this period.

Disparities in earnings reflect a somewhat more positive trend. Mean earnings for low-income blacks were significantly lower than earnings among low-income whites in both 1997

and 1999. By 2002, earnings among blacks had increased to white levels, which ended the disparity (figure 3). But the widest disparity in mean earnings was among high-income adults, and this gap did not change significantly over time, although earnings increased for both whites and blacks over the 1997 to 2002 period.

FIGURE 3: CHANGE IN MEAN EARNINGS AMONG LOW-INCOME ADULTS, BY RACE



Sources: 1997, 1999, and 2002 National Survey of America's Families.
* $p < .05$ differences by race

The 1990s brought increases in employment for virtually all segments of the U.S. population, and the wage gap between white and minority men narrowed. The gap in employment rates between white and minority men, however, continued to widen during the 1990s, while narrowing significantly for women. Holzer, Offner, and Sorenson (2004) argue that this is probably attributable to the increase in employment among low-skilled women (due to welfare reform), while minority men still face significant barriers to employment access.

Other research concludes that racial disparities in employment outcomes are partially explained by underlying disparities in education and experience (Conrad 2001; Holzer 2001; Smith 2001). But these factors explain more of the wage gap than the gap in employment rates, and more of the gap between white and minority women than between white and minority men. Thus, our earlier finding—that racial disparities in education among low-income adults declined between 1997 and 1999—may help explain the narrowing of the earnings gap at this income level.

Outright discrimination against African Americans in the labor market may also contribute to the persistence of employment disparities between equally qualified blacks and whites, even during periods of economic prosperity. Paired testing studies find that young black men applying for entry-level jobs are less likely than comparably qualified whites to be invited to apply, interviewed, or offered a position (Turner, Fix, and Struyk 1991). More recent employment testing studies have used matched resumes, where the names of the fictitious job applicants are selected to provide explicit cues as to race or ethnicity. These studies find that resumes with "white-sounding" names are 50 percent more likely than those with "black-sounding" names to generate callbacks from employers. In addition, having better credentials significantly improved the rate of callbacks for the resumes with white-sounding names but not for the resumes with black-sounding names (Bertrand and Mullainathan 2002).

Labor market analysts have also considered the possibility that segregated housing patterns might contribute to persistent employment inequalities. In effect, this "spatial mismatch" hypothesis posits that demand for labor has shifted away from the neighborhoods where blacks are concentrated, that discrimination in housing and mortgage markets prevents blacks from moving to communities where job growth is occurring, and that information and transportation

barriers make it difficult to find and retain jobs in these distant locations (Kain 1968). William Julius Wilson (1987) expands on this basic hypothesis, arguing that the exodus of jobs from central city locations, combined with the persistence of residential segregation, contributed to rising unemployment among black men during the 1980s, as well as to worsening poverty and distress in black neighborhoods. A recent review finds that most empirical studies support the spatial mismatch hypothesis (Ihlanfeldt and Sjoquist 1998).

Over the past decade, however, conditions in both housing markets and labor markets have changed dramatically in many metropolitan areas. Specifically, although discrimination in metropolitan housing markets persists, its incidence is declining (Turner et al. 2002). And residential segregation is declining, albeit slowly, with growing numbers of African Americans moving to suburban communities (Pastor 2001). In addition, at least some central cities began to experience economic revitalization in the 1990s, with expanding employment opportunities in previously distressed neighborhoods (Rafael and Stoll 2002). These changes, though they have by no means eliminated the spatial separation between neighborhoods where minorities live and centers of expanding employment opportunity, have certainly changed the picture. Rafael and Stoll (2002) measured changes in the extent of spatial mismatch between people of different races and ethnicities and jobs in all U.S. metropolitan areas and found that, during the 1990s, the index declined for blacks, while increasing slightly for whites.

Income and Economic Security

On average, incomes among black families are lower than among whites, and even within our three income categories, we find significant disparities. Despite blacks' relative gains in education and earnings, income disparities did not narrow significantly between 1997 and 2002.

Specifically, within the low-income group, total social family[7] income[8] was significantly lower for blacks than for whites in all three years. The gap between blacks and whites at this income level was not significantly different in 2002 than in 1997. But the racial disparity actually widened significantly between 1997 and 1999 and then narrowed again between 1999 and 2002. There was no disparity in social family income for moderate-income blacks and whites. At the high-income level, family incomes were significantly lower for blacks than whites in 1999 and 2002, and no statistically significant change occurred in the disparity between the two.

In conjunction with lower income levels, blacks generally face higher rates of economic hardship than whites, and—for the most part—racial disparities persisted over the 1997 to 2002 period. Blacks at all income levels are significantly more likely than whites to report that they worry about food. These disparities remained essentially unchanged over time. The pattern is different when families are asked whether they had to skip meals due to lack of money. A significant disparity emerged between 1997 and 1999 among low-income adults, when the share skipping meals declined among whites and rose slightly among blacks. By 2002, however, the disparity was no longer statistically significant, as the incidence of skipping meals rose for whites and declined for blacks to 1997 levels.

Housing hardship, defined as the percentage of social family income spent on mortgage or rent, generally rose over the 1997–2002 period, particularly among low-income households. For the most part, however, disparities between whites and blacks did not change significantly. At the start of the period, blacks and whites experienced a relatively equal share of housing cost burdens. By 2002, however, low- and high- income blacks spent a higher proportion of their

[7] The social family may include married partners and their children, or unmarried partners, all of their children, and any members of the extended family living together in one household.
[8] Total social family income includes the total amount of money income (e.g., wage, social security, welfare, etc.) received in the preceding calendar year by each person in the family 15 years old or older.

income on housing than low- and high-income whites. Yet, the overall change in disparity did not reach a level of statistical significance.

Other analyses of NSAF data confirm that although higher education and earnings can boost family incomes and economic security, blacks continue to face higher levels of material hardship, other things being equal. Using data from the 1999 NSAF, Manning and Brown (2003) find that being black or Hispanic, having less than high school education, working fewer hours in a week, and being a young mother all increase the likelihood of family poverty. Similarly, factors associated with both food insecurity and housing hardship included being a cohabiting stepfamily, being black or Hispanic, being a young mother, and having less than a high school education. Finegold and Wherry (2004) examine racial differences in economic well-being across all three years of the NSAF and find that both blacks and Hispanics are three times as likely to be in poverty as whites and twice as likely as whites to experience food hardship.

Welfare and Other Income Supports

Low-income blacks are substantially more likely than low-income whites to receive public assistance and subsidies of various kinds. In general, this racial gap remained unchanged over the 1997 to 2002 period. For both whites and blacks, the shares receiving welfare and food stamps declined between 1997 and 1999 but then rebounded between 1999 and 2002. This finding is consistent with other research conducted in the aftermath of welfare reform and suggests that the combination of welfare reform and a booming economy in the late 1990s encouraged and enabled many people to leave public assistance and enter the workforce. Rates of food stamp receipt increased after 1999, not only because the economy weakened but also because programmatic reforms encouraged more families to continue receiving food stamps even if they were not receiving cash assistance under TANF (Zedlewski and Rader 2005).

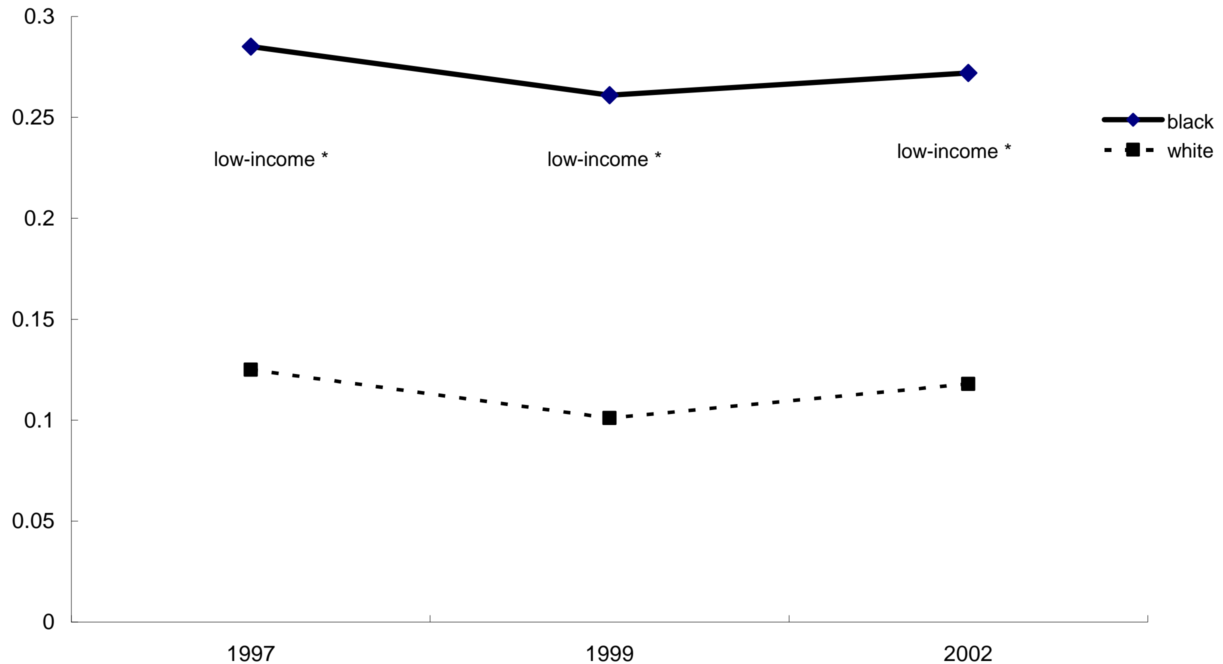
Low-income blacks are substantially more likely than whites to receive cash welfare assistance. Welfare receipt dropped for all groups during the late 1990s, both because recipients were *leaving* the rolls at increased rates and because fewer people were *entering* welfare (Blank 2002). Black welfare receipt dropped dramatically between 1997 and 2002. White receipt rates dropped even faster from 1997 to 1999 but then leveled off, so relative reliance of blacks first increased and then declined. Yet, the disparity between whites and blacks was not significantly different in 2002 than it was in 1997. Similarly, low-income blacks are significantly less likely than whites to report that they have *never* received welfare. Both groups report a steady increase in this indicator over the 1997 to 2002 period, reflecting a persistent reduction in the number of people entering welfare.[9] Between 1997 and 1999, the white gain was slightly faster, but between 1999 and 2002, the black gain outpaced white gain. So over the entire period, the gap between low-income blacks and whites remained essentially unchanged.

Both low- and moderate-income blacks are substantially more likely than whites to receive food stamps. In 1997, for example, 28.5 percent of low-income blacks received food stamps, compared with only 12.5 percent of whites in the same income range. For both groups, the share receiving food stamps declined sharply from 1997 to 1999 and then increased from 1999 to 2002 (figure 4). As discussed earlier, many people who left welfare in the years immediately following welfare reform also stopped receiving food stamps, even if they were still eligible. Subsequent changes in program rules and implementation encouraged more families to apply for and receive food stamps even if they were not receiving cash welfare payments (Zedlewski and Rader 2005). Both the initial drop in the receipt of these benefits and the

[9] An increase in the share of adults *never* receiving cash assistance does not necessarily reflect a reduction in need or eligibility. It may also result from changes in program procedures that discourage eligible families from receiving welfare.

subsequent rebound was greater for whites than for blacks, so there was no significant change in the disparity between whites and blacks over the period.

FIGURE 4: CHANGE IN SHARE OF FOOD STAMP RECIPIENTS AMONG LOW-INCOME ADULTS, BY RACE



Sources: 1997, 1999, and 2002 National Survey of America's Families.
Notes: * $p < .05$ differences by race. No significant changes in disparity across years.

Other research suggests that racial disparities in receipt of public assistance and subsidies reflect a combination of factors, including a higher incidence of need (even within the broad income bands discussed here), the relative geographic concentration of blacks in central-city jurisdictions where access to welfare services may be easier, and greater familiarity with welfare programs and systems (Zedlewski et al. 2006). Ironically, therefore, the historic patterns of racial segregation and poverty concentration that disadvantage blacks in many respects may also give them greater access to needed public supports. This may be due to a higher concentration of services in high-need areas, or greater knowledge and awareness about what is available shared among neighbors and other community members. However, the data reported here do not enable

us to disentangle how much racial disparities in use of public benefits reflect higher need among blacks versus greater access to assistance.

Assets and Wealth Building

Two NSAF measures related to assets and wealth building—owning a car and owning a house—show significant disparity and virtually no reduction between 1997 and 2002. In particular, low-income blacks show the greatest and most persistent disparity of all other adults—white, black, low or high income—when it comes to car and home ownership. Low-income black adults are less likely by over 20 percent of any group in all three years to own a family car. Similarly, low-income blacks are less likely than others to own a home, with homeownership declining between 1997 and 2002.

Overall, there is no significant change in the racial disparity in homeownership among low- and middle-income families between 1997 and 2002. Although there is a significant decline in the disparity among high-income families between 1999 and 2002, it reflects that high-income black families began owning homes at equal rates as middle-income white families. Notably, middle-income blacks are closer to low-income whites, and high-income blacks are closer to middle-income whites on both indices. For example, middle-income blacks and low-income whites are about equally likely to have a family car in all three years, though blacks are less likely in 1997 and 1999. Similarly, rates of homeownership for middle-income blacks are comparable to those of low-income whites in 1997 and 2002.

Consistent with the literature, blacks are significantly disadvantaged compared with whites in asset and wealth building. This bears out repeatedly in research and can be traced to past and present discrimination and segregation in housing (Oliver and Shapiro 1995. Research has shown an increase in homeownership among blacks and whites between 1977 and 1997, but conclusions are mixed regarding changes in the disparity overall. One report using national CPS

data finds no significant change in racial disparities between 1977 and 1997 (Segal and Sullivan 1998), while a second comparing trends between 1989 and 1998 using the same data source finds a significant reduction in disparity (Bostic and Surette 2001). One conclusion drawn by Bostic and Surette (2001) is that the favorable economy during the 1990s contributed to a reduction in housing disparities among low-income families in particular.

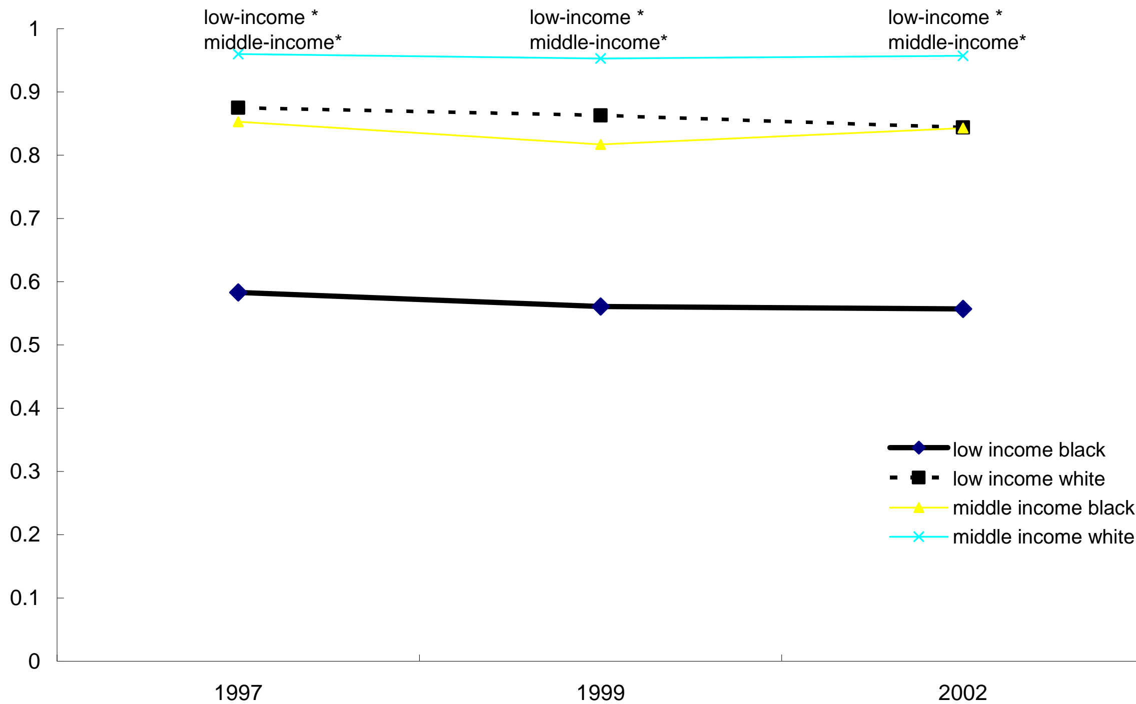
Asset and wealth building are two areas that could have the greatest effect on reducing racial disparities across multiple domains (Lawrence et al. 2004; Cashin 2004). Homeownership can lead to substantial financial benefits and is associated with wealth accumulation (Keister 2004; Flippen 2001; Long and Caudill 1992). Unfortunately, housing discrimination past and present has stymied this means of advancement for many African Americans (Gordon 2005; Lawrence et al. 2004). Further, even in the absence of discrimination in housing and mortgage loan practices, homeownership requires capital, knowledge, steady consistent income, and a good credit history—factors directly related to education, employment, and earnings.

Rates of homeownership for middle-income blacks are more similar to low-income whites than to any other group according to NSAF data (same for high-income blacks and middle-income whites). This perhaps is an indication of how persistent disparities in wealth building may be, even when families earn comparable wages. Prior research related to housing and neighborhoods from the NSAF reveal the persistence of poverty, particularly in neighborhoods with more black families (Turner and Kaye 2006).

Car ownership can signify that a family has assets, but it is also an indication of access to jobs and other resources. As with homeownership, the NSAF data show very little movement between 1997 and 2002 in the rates of car ownership among black adults (figure 5). What's

more, blacks in all income groups are significantly less likely than whites of similar income to have one.

FIGURE 5: CHANGE IN CAR OWNERSHIP RATES, BY RACE AND INCOME GROUP



Sources: 1997, 1999, and 2002 National Survey of America's Families.
Notes: * $p < .05$ differences by race. No significant changes in disparity across years.

One explanation for the disparity in car ownership could be that blacks are more likely to live in urban settings where there may be less need for a car. Most urban American public transportation systems, however, primarily serve adults traveling to and from central city employment centers at peak work hours. They are far less convenient for off-hour employment and work outside the city (Bullard, Johnson, and Torres 2000). Particularly for blacks, who are more likely than whites to rely on public transportation (Bullard et al. 2000; Pucher and Renne 2003), the limited reach of public transportation has consequences for access to employment and educational opportunities, and to other needed resources (e.g., child care, food shopping, and so

on). Further, increased urban residence among black families is directly related to past and present residential segregation (Turner and Kaye 2006).

There are significant consequences of residential segregation, and its contribution to asset and wealth disparities, on family and child outcomes across multiple domains, including education, employment, economic security, and health (Williams and Collins 2001).

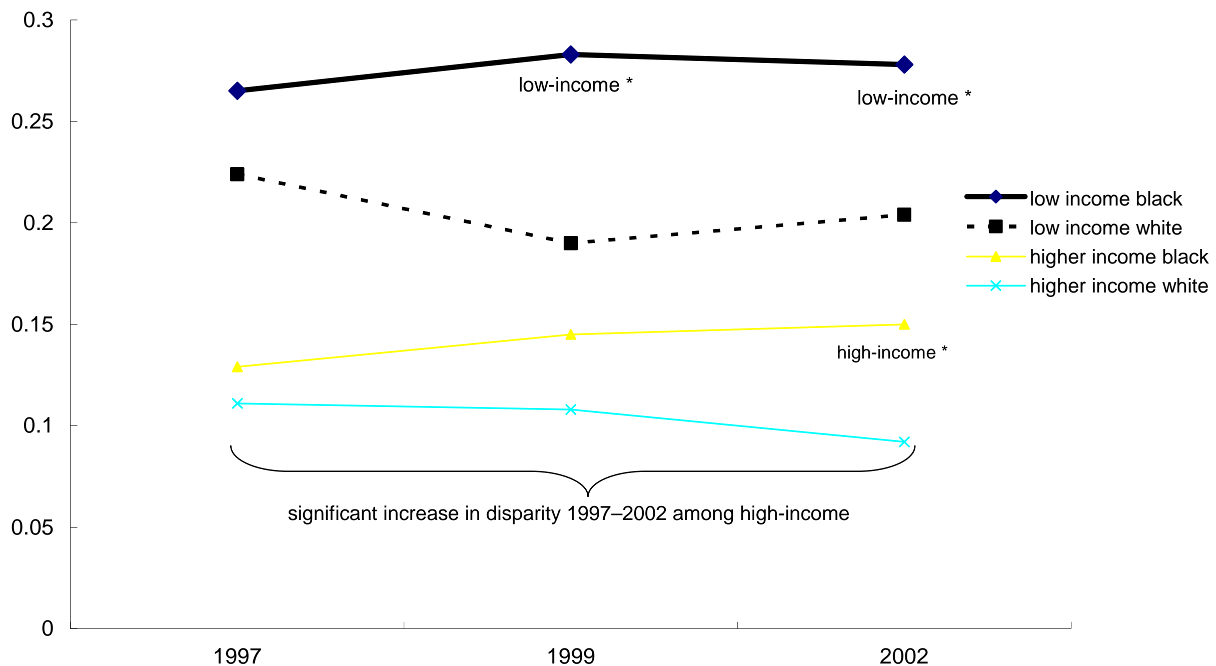
Adult Health, Health Insurance, and Access to Care

Among the health indicators for low-income adults, the NSAF reveals a general pattern of increased disparity between 1997 and 1999 that declines moderately between 1999 and 2002. The disparities persist despite no significant differences in the percentages of uninsured adults in all three years.

Fewer black and white low-income adults report being uninsured in 1999 than in 1997. Yet for white adults the increase in the number with health insurance was accompanied by decreases in the number having no usual source of care or using the emergency room (ER) and increases in employee-sponsored health care. This is not the case among low-income black adults. Although fewer report having no insurance between 1997 and 1999, black adults experience increased incidence of no usual source of care or ER use and no significant change in employee-sponsored care. These charges are despite an increase in the percentage who are employed between 1997 and 1999.

Low-income black adults are significantly more likely than low-income whites to use the ER or have no usual source of medical care in 1999 and 2002. The incidence rises between 1997 and 1999 and remains steady in 2002, while the incidence declines for low-income whites before rising slightly again in 2002. The result is a significant increase in the disparity between 1997 and1999 (figure 6). Similarly, among high-income adults, there is a significant increase in the disparity in ER use or no usual source of care between 1999 and 2002.

FIGURE 6: CHANGE IN SHARE OF ADULTS USING EMERGENCY ROOMS OR WITH NO USUAL SOURCE OF HEALTH CARE, BY RACE AND INCOME GROUP



Sources: 1997, 1999, and 2002 National Survey of America's Families.
* *p* < .05 differences by race.

Looking at health insurance, low-income blacks are more likely than low-income whites to receive Medicaid or the State's Children's Health Insurance Program (SCHIP). In 1997, for example, 27.3 percent of low-income blacks and only 14.0 percent of low-income whites report receiving Medicaid or SCHIP. Medicaid and SCHIP usage rose over the 1997–2002 period for both groups, but black usage rose faster between 1997 and 1999, resulting in a significant increase in disparity between 1997 and 1999. The share of low-income blacks receiving this assistance rose steadily over the whole period—from 27.3 percent in 1997 to 31.1 percent in 2002; among whites, the rates of receipt remained flat at first and then increased—to 17.9 percent in 2002. Thus, relative access among blacks rose between 1997 and 1999 and then fell, which produced a significant decrease in disparity between 1999 and 2002.

With regard to health status the NSAF shows no significant difference in the number of low-income black and white adults who were seen by a physician in the past year. And although blacks were more likely to report having poorer health over all three years, the differences were not statistically significant.

There is common recognition and growing literature citing the significant racial disparities that exist in health. Blacks fare worse than whites on a host of measures from chronic illnesses to health care coverage to mortality (Franks, Fiscella, and Meldrum 2005; Levine et al. 2001). In fact, the stark differences have raised such significant concern among the medical community that recent reports by the Institute of Medicine have focused explicitly on racial disparities in health (Thomson, Mitchell and Williams, 2006).

Prior work using the NSAF finds multiple factors contribute to and partially explain racial disparities in health. Those factors are related to disparities in other domains including education, employment, and income. Authors using the NSAF have examined multiple health outcomes including having a usual source of care or employer-sponsored health coverage, and general reports of health. They have consistently found several factors contribute to racial disparities in health including income, education, insurance type, and employment (Waidmann and Rajan 2000; Waidmann, Garrett, and Hadley 2004).

The likely cyclical effect of poor health on employment, education, and prospects for increased wages has significant implications for continued and persistent disparities by race (Gaskin, Headen, and White-Means 2005). Poor health may affect well-being generally and can also affect employment, earnings, parenting, and child outcomes. There may also be a link between housing segregation and health. Recent NSAF work examines geographic segregation in

relation to health outcomes and finds an association between areas with fewer black physicians and increased racial disparities in no usual source of care.[10]

Parent and Child Health

Adult disparities in health and health insurance may also have consequences for children. While the NSAF data show no significant differences by race in the percentage of all adults experiencing poor health, there are significant differences when only adults with children are compared. Among parents in the NSAF, low-income blacks are significantly more likely to experience poorer health than low-income white parents in all three years. The same is true for high-income black parents compared with high-income white parents. Middle-income blacks experience significantly poorer health compared with middle-income white parents in 1999 and 2002. For all three income groups there are no significant changes in the disparity across the years examined.

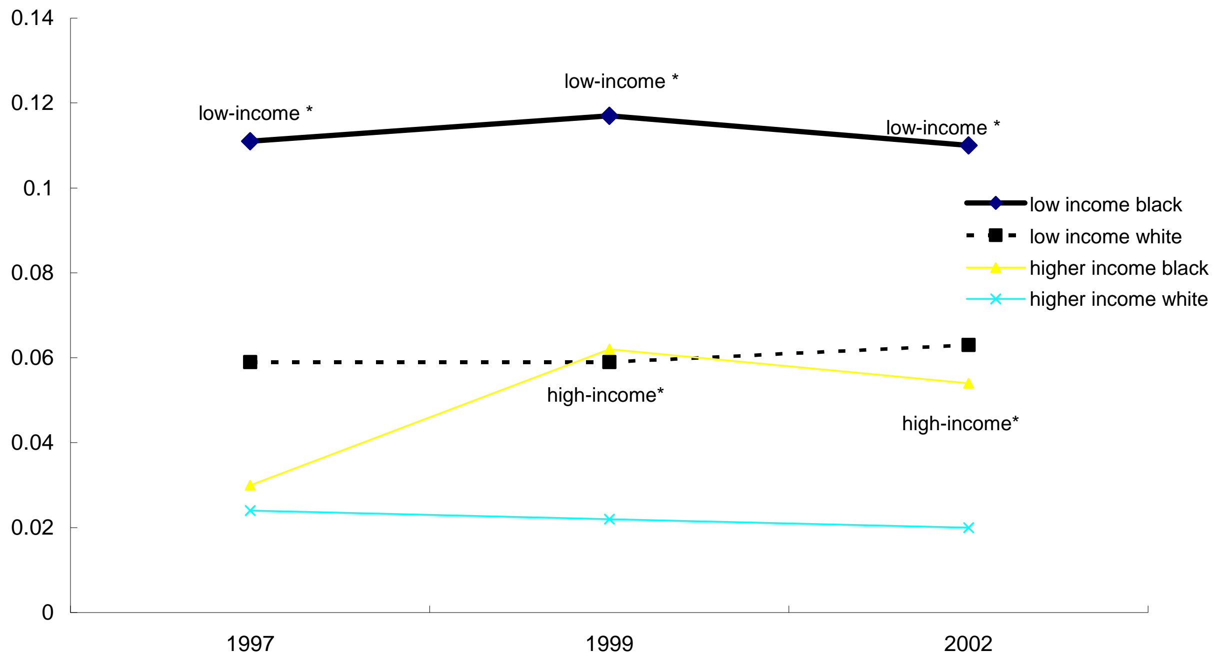
Regarding child health and health insurance status, disparities remained relatively stable among low-income black and white children across all three years. This was true for ER use or no usual source of care, and poor health. Despite the disparity in health outcomes, the NSAF shows no significant disparity in the number of children without insurance and actually shows a sharp decline between 1999 and 2002 for both groups. Earlier NSAF work has revealed that despite the strong economy in the late 1990s, the proportion of uninsured children did not decline between 1997 and 1999 (Kenney, Haley and Tebay, 2003). A sharp decline emerges between 1999 and 2002. Over this period, however, there is no disparity by race in the percentage of low-income uninsured children.

[10] From Bowen Garrett and Timothy Waidmann, "Geographic Patterns of Racial and Ethnic Disparities: Is Access to Health Care Unique or More of the Same," 2006 draft.

There are significant racial differences in reports of fair or poor health and having no usual source of care or using the ER, however. Low-income blacks were more likely than any others to have a child in poor or fair health in 1999 and 2002. The trend of increased incidence in 1999 and decreased incidence in 2002 was shared by blacks of all income groups. Between 1997 and 1999, the disparity in reports of poor or fair health among low-income children rose significantly.

Low-income black children are significantly more likely than low-income white children to use the ER or to have no usual source of care in all three years, and there is no significant change in the disparity between those years. Incidence spiked for middle-income black children in 1999, which created a significant disparity between black children and middle-income white children in that year only (figure 7). In 2002, the numbers fell slightly below those of middle-

FIGURE 7: CHANGE IN SHARE OF CHILDREN USING EMERGENCY ROOM OR WITH NO USUAL SOURCE OF CARE, BY RACE AND INCOME GROUP



Sources: 1997, 1999, and 2002 National Survey of America's Families.
Notes: * $p < .05$ differences by race. No significant changes in disparity across years.

income white children, resulting in a significant decline in the racial disparity between 1999 and 2002.

The observed trends in reported health and ER use and no usual source of care among children correspond with disparities shown among low-income parents on the same measures. Among parents in the NSAF, low-income black adults are significantly more likely to report using the ER or having no usual source of care in 1999 and 2002. The same is true for middle-income blacks compared with middle-income whites in 1999 and 2002. In effect, there is a significant increase in the disparity between the number of low-income blacks versus low-income whites using the ER or having no usual source of care from 1997 to 1999, and the same is true for middle-income adults.

Similar to its emphasis on racial disparities in adult health, the Institute of Medicine is focused on disparities among children (Institute of Medicine 2003). So too is a report issued by the Federal Interagency Forum on Child and Family Statistics (FIFCFS), *America's Children: Key National Indicators of Well-Being 2005* (Washington, DC: FIFCFS, 2005). The report cites significant disparities on several health measures including general health status, obesity, low birth weight, childhood immunizations, and infant and child mortality.

Prior research has shown that significant disparities in child health remain even after adjusting for insurance (Bauman, Silver, and Stein 2006). There is some evidence, however, that enrollment in SCHIP may reduce disparities in access and continuity of care (Shone et al. 2005). As the NSAF data show, low-income African Americans are more likely to receive Medicaid or SCHIP, and there are no significant differences by race in the number of uninsured children. Yet, significant disparities in child health outcomes remain.

Summary and Implications

Beginning in the mid-1990s, dramatic shifts in both social welfare policies and economic conditions changed the landscape of opportunity for low-income families in the United States. The centerpiece of this change was the elimination of the Aid to Families with Dependent Children program, which entitled low-income individuals to cash welfare payments, and its replacement with Temporary Assistance to Needy Families, which gives states far more discretion over the provision of cash assistance. In conjunction with this fundamental shift came changes in many other safety-net programs, and most states changed their basic approach to assisting low-income families, discouraging receipt of cash assistance and encouraging employment.

At the same time, macro-level shifts in economic conditions and labor markets dramatically altered employment and earning opportunities for low-skilled and entry-level workers in the United States. The second half of the 1990s was a period of robust economic prosperity throughout most of the country, with substantial growth in the number of jobs, low unemployment rates, and rising wages. Many low-skilled workers who might otherwise have been dependent on welfare were able to find and keep jobs during this period, and poverty rates declined nationwide.

Beginning in 2000, however, the economic picture changed. Job growth stagnated, unemployment rates climbed, real wages for low-skilled workers declined, and poverty rates edged up again. Thus, the decade during which welfare reform was launched and implemented really consists of two periods with respect to economic opportunity: one in which prospects for people with limited education and skills were expanding, and a second in which they were narrowing.

In the years following 1996, the number of families receiving welfare plummeted, and employment rates among single mothers increased. More families worked while receiving welfare than in the pre-reform era, and most families that left welfare had at least one member who is working. As the labor market softened in the early years of this decade, employment rates declined among both welfare recipients and welfare leavers.

Many low-income families with children—including current and former recipients of welfare—face significant economic hardship and insecurity, despite the fact that they work. Federal and state programs that assist low-income working families appear to make a difference. Families who participate in these programs are less likely to return to welfare, and face lower rates of poverty and hardship. But access to—and participation in—these programs varies dramatically across the country.

How did African Americans fare during this period of dramatic change in both policies and market opportunities? Historically, black families have experienced much lower levels of economic well-being than white Americans across a wide range of indicators. They are less likely to be working and more likely to receive public assistance, and they earn lower incomes on average and suffer from higher rates of poverty.

Using data from the National Survey of America's Families, we explore how disparities between blacks and whites changed between 1997 and 2002, and we draw upon other research to highlight factors that help explain both improvements in the relative well-being of black families and the persistence of disparities. This analysis focuses specifically on differences between native-born African Americans and native born non-Hispanic whites, not only because the persistent gap between whites and blacks has longstanding social importance, but also because

the causal factors that explain gaps between whites and other ethnic minorities (especially immigrants) are likely to be different than those that underlie the black-white gap.

Some of the disparities between whites and blacks narrowed between 1997 and 2002, especially among people with low incomes. In particular, gaps between low-income blacks and whites narrowed in educational attainment and earnings. But gaps in income remained essentially unchanged over the entire period. And low-income blacks continued to participate at higher rates than whites in various public assistance and subsidy programs. In conjunction with lower income levels, blacks generally face higher rates of economic hardship than whites, and, for the most part, racial disparities persisted over the 1997 to 2002 period. Disparities between blacks and whites with respect to wealth accumulation also persisted despite the gains in education and earnings.

These findings suggest that racial disparities are not intractable; changes in policy incentives and economic opportunities can help narrow some of the gaps between blacks and whites over time. But sustained progress across a full range of important outcomes is likely to require concerted efforts over an extended period, both because some disparities result from past patterns of segregation and inequality, and because disparities in one domain (such as education) contribute to disparities in others (such as employment and earnings).

Many structural barriers facing low-income African Americans result in part from longstanding patterns of spatial segregation, exclusion, and isolation. For example, housing market discrimination and residential segregation have constrained neighborhood choice, reduced homeownership opportunities, and limited wealth accumulation among black households. Minority neighborhoods have suffered from redlining and disinvestment, and exclusionary zoning practices by suburban communities have contributed to the concentration of

poverty and distress in central cities, creating fiscal inequities and wide disparities in school quality. As jobs have become increasingly decentralized across the metropolitan landscape, residents of minority neighborhoods in the central cities have faced increasing difficulties gaining access to employment opportunities. Policy changes that increase work incentives and support, though important, cannot address these persistent barriers to economic advancement facing many black families.

The barriers imposed by spatial segregation and neighborhood inequality differ across metropolitan areas, and are changing over time. Further research is needed to explore how other disparities between whites and blacks vary across metropolitan areas and whether these disparities may have narrowed more dramatically in some types of metropolitan areas than others. Yet, while the details may vary somewhat from one metropolitan area to another, the findings reported here strongly suggest that racial disparities remain deeply entrenched and interconnected across policy domains. Efforts to narrow these disparities should address multiple domains simultaneously, acknowledge the lasting effects of residential separation and neighborhood differences, and continue over many years in order to have substantial and lasting effects.

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Appendices

Appendix A: Level of Racial Disparity in1997, 1999 and 2002
Appendix B: Variable Definitions and Documentation

Appendix A. Level of Racial Disparity in 1997, 1999 and 2002 (percent, except where noted)

	1997			1999			2002			Change in Disparity		
	Black	White	sig	Black	White	sig	Black	White	sig	97–99	99–02	97–02
Adult Educational Attainment												
Earned a high school degree or GED												
Below 200% of poverty level	0.641	0.764	*	0.713	0.775	*	0.710	0.781	*	▼		
Between 200-300% of poverty level	0.837	0.883		0.838	0.886	*	0.851	0.879				
Above 300% of poverty level	0.920	0.952		0.937	0.941		0.924	0.939				
Earned a college degree												
Below 200% of poverty level	0.045	0.109	*	0.054	0.115	*	0.039	0.111	*			
Between 200–300% of poverty level	0.108	0.139		0.111	0.152	*	0.110	0.169	*			
Above 300% of poverty level	0.254	0.338	*	0.271	0.343	*	0.266	0.346	*	▼		
Child School Outcomes												
Engaged in school												
Below 200% of poverty level	12.326	12.737	*	12.616	12.885		11.989	12.410	*			
Between 200–300% of poverty level	12.885	13.401		12.837	13.348	*	12.513	12.760				
Above 300% of poverty level	13.202	13.396		12.765	13.431	*	12.765	13.152				
Has ever skipped school												
Below 200% of poverty level	0.258	0.169	*	0.220	0.164	*	0.212	0.188				
Between 200–300% of poverty level	0.234	0.142		0.106	0.137		0.141	0.109				
Above 300% of poverty level	0.129	0.111		0.114	0.115		0.152	0.109				
Has ever been expelled or suspended												
Below 200% of poverty level	0.374	0.159	*	0.338	0.183	*	0.387	0.179	*			
Between 200–300% of poverty level	0.165	0.104		0.220	0.099		0.232	0.111	*			
Above 300% of poverty level	0.155	0.081		0.161	0.070	*	0.257	0.085	*			
Employment and Earnings												
"High work"												
Below 200% of poverty level	0.495	0.606	*	0.540	0.813	*	0.470	0.554	*			
Between 200–300% of poverty level	0.819	0.865		0.838	0.863		0.773	0.835				
Above 300% of poverty level	0.915	0.928		0.911	0.924		0.893	0.895				
Mean earnings last year ($)												
Below 200% of poverty level	5,896.69	6,825.14	*	6,388.26	7,369.93	*	7,264.34	7,565.75				
Between 200–300% of poverty level	15,476.08	15,724.39		17,195.09	16,463.65		17,624.92	17,295.65				
Above 300% of poverty level	30,098.67	33,921.84	*	32,940.02	35,188.04		35,020.92	38,950.29	*			
Income and Economic Security												
Social family income($)												
Below 200% of poverty level	10,308.06	12,493.21	*	10,663.87	13,827.04	*	12,161.77	14,009.81	*		▼	
Between 200–300% of poverty level	31,695.97	30,881.05		31,636.32	31,757.18		34,311.69	34,383.27				
Above 300% of poverty level	67,979.68	71,464.58		70,288.94	73,988.15		75,733.40	83,292.54	*			
Ever worry about food												
Below 200% of poverty level	0.519	0.361	*	0.511	0.331	*	0.512	0.354	*			
Between 200–300% of poverty level	0.301	0.180	*	0.316	0.191	*	0.312	0.196	*			

Above 300% of poverty level	0.128	0.068	*	0.104	0.052	*	0.117	0.060	*
Ever cut/skip meals for lack of money									
Below 200% of poverty level	0.248	0.218		0.262	0.192	*	0.253	0.216	
Between 200–300% of poverty level	0.114	0.109		0.108	0.109		0.139	0.109	
Above 300% of poverty level	0.052	0.033		0.054	0.027		0.057	0.033	
Housing hardship									
Below 200% of poverty level	0.229	0.216		0.277	0.235	*	0.263	0.241	*
Between 200–300% of poverty level	0.145	0.151		0.146	0.170	*	0.182	0.162	
Above 300% of poverty level	0.111	0.114		0.113	0.114	*	0.128	0.119	*
Welfare and Other Income Supports									
Anyone in social family currently receiving AFDC/TANF									
Below 200% of poverty level	0.132	0.044	*	0.113	0.025	*	0.088	0.025	*
Between 200–300% of poverty level	0.032	0.004	*	0.011	0.005		0.016	0.008	
Above 300% of poverty level	0.004	0.001		0.003	0.001		0.007	0.001	
Anyone in social family currently receiving food stamps									
Below 200% of poverty level	0.285	0.125	*	0.261	0.101	*	0.272	0.118	*
Between 200–300% of poverty level	0.045	0.016	*	0.075	0.010	*	0.068	0.019	*
Above 300% of poverty level	0.025	0.003		0.010	0.001		0.011	0.002	
Assets and Wealth Building									
Anyone in social family own a car									
Below 200% of poverty level	0.583	0.875	*	0.561	0.863	*	0.557	0.844	*
Between 200–300% of poverty level	0.853	0.960	*	0.817	0.953	*	0.843	0.957	*
Above 300% of poverty level	0.929	0.978	*	0.877	0.974	*	0.934	0.983	*
Own house									
Below 200% of poverty level	0.356	0.551	*	0.343	0.579	*	0.320	0.547	*
Between 200–300% of poverty level	0.590	0.725	*	0.503	0.708	*	0.553	0.711	*
Above 300% of poverty level	0.646	0.827	*	0.681	0.833	*	0.713	0.847	*
Adult Health, Health Insurance, Access to Care									
Currently uninsured									
Below 200% of poverty level	0.334	0.311	*	0.304	0.281		0.307	0.285	
Between 200–300% of poverty level	0.212	0.157		0.158	0.158		0.194	0.183	
Above 300% of poverty level	0.110	0.056	*	0.126	0.060	*	0.101	0.064	*
Primary use emergency room or no usual source									
Below 200% of poverty level	0.264	0.229		0.269	0.193	*	0.283	0.210	*
Between 200–300% of poverty level	0.207	0.151		0.229	0.168	*	0.186	0.154	
Above 300% of poverty level	0.143	0.120		0.156	0.116		0.160	0.099	*

	1997			1999			2002			Change in Disparity		
	Black	White	sig	Black	White	sig	Black	White	sig	97–99	99–02	97–02
Currently covered by employer												
Below 200% of poverty level	0.316	0.406	*	0.345	0.467	*	0.321	0.414	*			
Between 200-300% of poverty level	0.688	0.712		0.689	0.710		0.671	0.667				
Above 300% of poverty level	0.814	0.870	*	0.810	0.865		0.816	0.847				
Currently has Medicaid or SCHIP												
Below 200% of poverty level	0.273	0.140	*	0.296	0.137	*	0.311	0.179	*		▼	
Between 200–300% of poverty level	0.045	0.028	*	0.073	0.037	*	0.096	0.053	*			
Above 300% of poverty level	0.012	0.006		0.022	0.012		0.049	0.016	*			
Poor or fair health (all)												
Below 200% of poverty level	0.257	0.204		0.263	0.209		0.296	0.237				
Between 200–300% of poverty level	0.144	0.109		0.154	0.099		0.160	0.128				
Above 300% of poverty level	0.086	0.059		0.095	0.061		0.089	0.070				
Parent and Child Health												
Poor or fair health (parent)												
Below 200% of poverty level	0.219	0.161	*	0.235	0.161	*	0.244	0.182	*			
Between 200–300% of poverty level	0.112	0.076		0.132	0.074	*	0.137	0.091	*			
Above 300% of poverty level	0.092	0.042	*	0.077	0.040	*	0.086	0.043	*			
Primarily use emergency room or no usual source (parent)												
Below 200% of poverty level	0.234	0.213		0.277	0.183	*	0.245	0.189	*	▲		
Between 200–300% of poverty level	0.159	0.145		0.230	0.135	*	0.161	0.112	*			
Above 300% of poverty level	0.083	0.097		0.121	0.090		0.133	0.078	*			▲
Primarily use emergency room or no usual source (child)												
Below 200% of poverty level	0.111	0.059	*	0.117	0.059	*	0.110	0.063	*			
Between 200–300% of poverty level	0.070	0.038		0.111	0.050	*	0.046	0.048			▼	
Above 300% of poverty level	0.030	0.024		0.062	0.022	*	0.054	0.020	*			
Poor or fair health (child)												
Below 200% of poverty level	0.073	0.053		0.093	0.039	*	0.086	0.046	*	▲		
Between 200–300% of poverty level	0.045	0.020		0.059	0.023		0.046	0.027				
Above 300% of poverty level	0.030	0.013		0.031	0.014		0.023	0.016				
Currently uninsured (child)												
Below 200% of poverty level	0.161	0.188		0.178	0.192		0.102	0.126				
Between 200–300% of poverty level	0.107	0.076		0.096	0.098		0.075	0.083				
Above 300% of poverty level	0.048	0.028		0.067	0.028	*	0.050	0.030				

* = significant difference by race ($p<.05$)
▼ =significant decrease in disparity ($p<.05$)
▲ = significant increase in disparity ($p<.05$)

Appendix B. Variable Definitions and Documentation

	Definition	NSAF data file	Notes
Adult Educational Attainment			
Earned a high school degree or GED		Adult pair[a]	
Earned a college degree		Adult pair	
Have not earned a high school degree or GED		Adult pair	
Child School Outcomes			
Engaged in school	Four-item scale: child cares about doing well in school, only does homework when forced (reverse coded), does just enough work to get by (reverse coded), and always does homework. Responses to each item range from 1 to 4 indicating whether engagement is all of the time, most of the time, some of the time, or none of the time.	Focal child[b]	
Has ever skipped school	Child skipped school in the last 12 months	Focal child	
Has ever been expelled or suspended	Child was suspended or expelled in the last 12 months	Focal child	
Employment and Earnings			
"High work"	In past year, worked full time for full year	Adult pair	
Total earnings last year ($)	Total earnings from all jobs last year	Adult pair	
Income and Economic Security			
Social family income ($)	Questions are asked about the amount of money income (e.g., wages, Social Security, welfare, etc.) received in the preceding calendar year by each person in the sampled family age 15 and over.	Adult pair and social family[c]	Came from the adult pair file in 1997 and the social family file in 1999 and 2002. In 1999 and 2002, the variable was merged onto the adult pair file from the social family file. In all years, the sample is weighted to be representative of all adults in the nation.
Ever worry about food	"I/we worried about whether (my/our) food would run out before (I/we) got money to buy more."	Social family and family respondent[d]	Came from the social family file in 1997 and the family respondent file in 1999 and 2002.

	Definition	NSAF data file	Notes
Ever cut/skip meals for lack of money	"In the last 12 months, did (you/you or other adults in your family), ever cut the size of your meals or skip meals because there wasn't enough money for food?"	Social family and family respondent	Came from the social family file in 1997 and the family respondent file in 1999 and 2002.
Housing hardship	Percent of total social family income spent on mortgage or rent.	Social family and family respondent	Came from the social family file in 1997 and the family respondent file in 1999 and 2002.
Welfare and Other Income Supports			
Anyone in social family currently receiving AFDC/TANF		Family respondent	
Anyone in social family currently receiving food stamps		Family respondent	
Assets and Wealth Building			
Anyone in social family own a car		Family respondent	
Own house		Family respondent	
Adult Health, Health Insurance, Access to Care			
Currently uninsured		Adult pair and random adult	Came from the random adult file in 1997 and the adult pair file in 1999 and 2002. Both files weighted to be representative of all adults in the nation.
Primarily use emergency room or no usual source		Random adult[e]	
Currently covered by employer		Adult pair	
Currently has Medicaid or SCHIP		Adult pair	
Poor or fair health	Answered "poor" or "fair" (and not "good," "very good," or "excellent") about health status	Adult pair and random adult	Came from the random adult file in 1997 and the adult pair file in 1999 and 2002. Both files weighted to be representative of all adults in the nation.

Parent and Child Health			
Poor or fair health (parent)	Answered "poor" or "fair" (and not "good," "very good," or "excellent") about health status. This variable measures the health status of adults with children age 18 or younger only.	Adult pair and random adult	Came from the random adult file in 1997 and the adult pair file in 1999 and 2002. Both files weighted to be representative of all adults in the nation.
Primarily use emergency room or no usual source (child)		Focal child	
Poor or fair health (child)		Focal child	
Currently uninsured (child)		Focal child	
Primarily use emergency room or no usual source (parent)	Measures the health status of adults with children age 18 or younger only	Random adult	

Notes: Focal child items are weighted to be representative of all children in the United States. Adult items from both the random adult file and the adult file are weighted to be representative of all adults in the nation, although the random adult file is a smaller sample of adults than the adult pair file. Disparities are determined by taking the ratio of the mean of the indicator for blacks within an income category to the mean of the indicator for whites within the same income category. A change in disparities is measured as the difference between the annual disparity measures. The standard error of the disparity is determined using the formula for the standard error of a quotient. The quotient was multiplied by the sum of the squared mean of the indicator for blacks within income category divided by its variance and the squared mean of the indicator for whites within income category, divided by its variance. Two sample *t*-tests were used to assess the significance of changes in disparities across years, and were conducted normally, using the standard error of the quotient.

a. Adult pair: Provides information on sampled adults, including respondents (both most knowledgeable adults [MKA1s] and childless adults) and their spouses or partners. This file includes weights for generating representative estimates of adults age 18–64.

b. Focal child: Provides information on sampled children under age 18 and limited information relating to their family settings and the adults who care for them. This file includes weights for generating representative estimates of children age 0–17.

c. Social family: Conforms to the definition of a social family, which includes not only married partners and their children, but also unmarried partners, all their children, and members of the extended family (anyone related by blood to the most knowledgeable adult, the spouse/partner, or their children) living together in one household. This file includes weights for generating representative estimates of social families.

d. Family respondent: Provides information on respondents. Respondents can be most knowledgeable adult, childless adults, or focal children age 6 or older. (This occurs only rarely, in the case of an emancipated child or an older child who is married to an adult and is the most knowledgeable respondent in the household. Focal child family respondents appear in the focal child file and the adult file, but they have a weight of zero in the adult file). In general, items in this file include questions asked of the respondent about his or her family.

e. Random adult: Provides information on all random adults. Random adults include the randomly selected adult in an MKA1- spouse/partner pairing, as well as both the childless adult respondent and their spouse/partner. In general, items on this file include past year health coverage (section E) and health care use and access (section F). This file includes weights for generating representative estimates of adults age 18–64.