
Need Determination in AFDC Program

by Elizabeth Chief *

This study summarizes State policy with respect to the determination of need in the Federal-State program of AFDC. The areas discussed are the individual State definitions of need, the content of need standard, the types of persons included in the payment, the amount of income and resources allowed recipient families, the method of determining need, and a comparison of State food allowances with the Department of Agriculture cost figures. The cumulative effect of these policies on payments is also explored. The information in the report is based on data assembled for the biennial report of program plan characteristics early in 1978.

When the Social Security Act was enacted in 1935, a definition of need and a standard of need were not included. Determination of need was left to the States. Thus, the basic component of need determination was never written into social security law.

Current Federal regulation (section 233.20 of the Code of Federal Regulations) requires: (1) That need and amount of assistance be determined objectively and equitably and all types of income be considered in the same way unless otherwise specifically authorized by Federal statute; (2) that a statewide standard expressed in money amounts be used in determining the need of applicants and recipients and the amount of the assistance payment; and (3) that, if the State includes special need items in its standard (in addition to the items considered basic for all applicants and recipients), the items and circumstances under which they will be included must be described and the State must consider them in determining the need of all applicants and recipients requiring them.

Neither the Federal law nor regulations require that the standard of assistance include current prices for items covered. Congress did require States to adjust their cost standards by July 1, 1969, to fully reflect changes in living costs since such standards were established, but updating of the figures has not been required. No new items of content were required. Thus, only the then-existing limited contents of need were updated.

This article, based on data as of April 1, 1978,¹ reviews

* State Plan and Program Characteristics Branch, Division of Management Support, Office of Family Assistance, Social Security Administration.

¹ *Characteristics of State Plans for Aid to Families with Dependent Children Under the Social Security Act—Title IV-A: Need, eligibility, administration*, 1978 edition, Social Security Administration, Office of Family Assistance, 1979.

State policies on need determination in aid to families with dependent children (AFDC). The information covers the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands (referred to here as the 54 States).

Definitions of Need

In the absence of a Federal definition of need, States have established their own definitions. Twenty-seven of the 54 States define need in terms of minimum subsistence, specifying a reasonable minimum or adequate provision of subsistence and care compatible with decency and health. Twenty-one States define need in terms of a budgetary deficiency as measured by the State agency's assistance standards; of these, only Utah makes any reference to current living standards. Two more States define need as a statutory mandate to furnish a reasonable subsistence consistent with available funds and to provide the necessities of life based on standards established by the legislature. The remaining four States define need as being needy or having no support, without reference to any kind of living standard.

Content of Need Standards

Since the Social Security Act does not set any national standard of content, States have developed different standards of need varying by type and number of items. All States distinguish between basic and special circumstance items. Furthermore, all States consider food, clothing, shelter, and utilities as basic need items. Beyond this point, States diverge.

The States with consolidated standards of assistance are

Table 1.—Basic and special circumstance items

State	Food	Clothing	Shelter	Utilities	Personal care items	Household supplies	Transportation	Education expense	Household furnishing	Medicine chest supplies	Telephone service	Laundry	Recreation	Insurance	Incidental needs	Housekeeping service	Property repair	Medical care	Special clothing	Special diets	Chore service	Fees and deposits	Taxes	Installment payment
U.S. totals																								
Basic items...	54	54	54	54	52	48	25	21	15	14	12	11	11	10	9	7	7	6	6	6	4	3	4	2
Specified items...	0	0	0	0	2	0	9	12	7	0	6	5	0	4	0	9	8	0	8	8	1	8	1	0
Ala.....	B	B	B	B		B		S		B					B									
Alaska.....	B	B	B	B	B	B		B		B														
Ariz.....	B	B	B	B	B	B			B	B														
Ark.....	B	B	B	B	B	B			B	B														
Calif.....	B	B	B	B	B	B	S	B	S		S	S	B		B			B		S				
Colo.....	B	B	B	B	B	B		B	B	B														
Conn.....	B	B	B	B	B	B	B	B	B	B	B	B	B	B			BS		B	B	B	BS		B
Del.....	B	B	B	B	B	B	B	B		B														
D.C.....	B	B	B	B	B	B	B	B		B														
Fla.....	B	B	B	B	B	B	B	B																
Ga.....	B	B	B	B	B	B																		
Guam.....	B	B	B	B	B	B	S		S		S	S					S		S	S				B
Hawaii.....	B	B	B	B	B	B	B	B	BS		B	B		B					B	B		BS		B
Idaho.....	B	B	B	B	B	B		S		B														
Ill.....	B	B	B	B	B	B	B	BS	B		B	B		B			B	B	B	B		B	B	
Ind.....	B	B	B	B	B	B		S	S		S					S	S	S	S					
Iowa.....	B	B	B	B	B	B	B	S		B			B									S	S	
Kans.....	B	B	B	B	B	B	B	BS	B		B													
Ky.....	B	B	B	B	B	B	B	B																
La.....	B	B	B	B	B	B	BS																	
Maine.....	B	B	B	B	B	B							B			B						S		
Md.....	B	B	B	B	B	B	B	B	B		B	B		B		B			B	B				
Mass.....	B	B	B	B	BS	B	BS	S	B				B						S					
Mich.....	B	B	B	B	B	B	S														S			
Minn.....	B	B	B	B	B	B	B	B	S		B		B							S				
Miss.....	B	B	B	B	B	B	B	B								S	B							
Mo.....	B	B	B	B	B	B	B	B										B						
Mont.....	B	B	B	B	B	B		S																
Nebr.....	B	B	B	B	B	B	B	S	B			B	B		B	B	S	B	B	B				B
Nev.....	B	B	B	B	B	B				B			B											
N. H.....	B	B	B	B	B	B	B		S		BS	B		B	B			S			B	S		
N. J.....	B	B	B	B	B	B	B		B															
N. Mex.....	B	B	B	B	B	B																		
N. Y.....	B	B	B	B	B	B	B	BS	BS					S		S	S		S			S		
N. C.....	B	B	B	B	B	B	B	BS	B															
N. Dak.....	B	B	B	B	B	B	B									S						S		
Ohio.....	B	B	B	B	B	B	B	B				B	B											
Okla.....	B	B	B	B	B	B			B															
Oreg.....	B	B	B	B	B	B	S	S			S	S				S			S	S				
Pa.....	B	B	B	B	BS	B	S	S											S	S				
P. R.....	B	B	B	B	B	B																		
R. I.....	B	B	B	B	B	B	B	B	B	B	B			B	B	B	B							
S.C.....	B	B	B	B	B	B	B	B	B			B								S				
S. Dak.....	B	B	B	B	B	B		B	B						B	B	B							B
Tenn.....	B	B	B	B	B	B				B	B					S		B						
Tex.....	B	B	B	B	B	B	B			B	B		B	B										
Utah.....	B	B	B	B	B	B	S			B					B									
Vt.....	B	B	B	B	B	B	B		B	B			B	B								B	B	
Va.....	B	B	B	B	B	B		B	B															B
V. I.....	B	B	B	B																				
Wash.....	B	B	B	B	B	B	BS				S	S			B	S			S	S				
W. Va.....	B	B	B	B	B	B																		
Wis.....	B	B	B	B	B	B																S		
Wyo.....	B	B	B	B	B	B																		

required by Federal regulation to average-in with basic needs the items classified as specified circumstance items, particularly if the special need is a recurring one. As a result, special circumstance items have been and are now being incorporated into basic standards. In July 1974, a total of 45 States reported special circumstance items; in 1978, five fewer States reported such items.

Table 1 identifies the basic and special circumstance items that States include in their need standard. The number of basic need items varies from four in the Virgin Islands to 25 in Illinois. The number of special circumstance items varies

from 0 in 15 States to 12 in New York State. (The Consumer Price Index of the Bureau of Labor Statistics covers 400 component parts for computation of the cost of living nationwide.)

The recipient count is the basis for determining Federal financial participation in an assistance payment. Identification of a "recipient" is based on the Federal act and Federal regulations. Table 2 shows the recipient types covered by each State as of April 1, 1978. All States include eligible children, and all States except Mississippi include one parent or other needy caretaker relative with whom a child is living.

included in State AFDC standards, April 1, 1978

Depts	Maternity care	Moving expense	Nursing care	Prosthetic devices	Restaurant allowance	Room and board	Appliance installation	Garbage collection	Meals on wheels	Utility shut-off expense	Community participation	Employment expense	Pregnancy allowance	Training expense	Child care	Inclusion of unborn as recipient	Check-replacement	Catastrophic expense	Excess-shelter charge	Guide dog expense	Total number of basic items	Total number of special circumstance items	State	
2	2	2	3	3	3	2	2	4	0	1	1	1	1	0	0	0	0	0	0	0	0			U.S. totals
1	1	5	1	2	3	3	0	0	2	0	0	3	6	5	5	4	3	3	3	3	516	141	Basic items Specified items	
																								Ala
																								Alaska
																								Ariz.
																								Ark.
																								Calif.
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Table 2.—AFDC recipients, by type of recipient and State, April 1, 1978

State	Eligible children	One parent or other needy care-taker	Second parent	Unemployed father	Essential person	Unborn child ¹
Total number . . .	54	53	51	28	29	32
Ala	•	•	•		•	• ²
Alaska	•	•				
Ariz	•	•	•		•	
Ark	•	•	•		•	
Calif	•	•	•	•	•	• ³
Colo	•	•	•	•	•	• ⁴
Conn	•	•	•			
Del	•	•	•		•	• ^{3,5}
Dist of Col	•	•		•	•	•
Fla	•	•	•			
Ga	•	•	•			
Guam	•	•			•	• ³
Hawaii	•	•	•	•	•	•
Idaho	•	•	•	•		•
Ill	•	•	•	•	•	
Ind	•	•	•			
Iowa	•	•	•	•	•	
Kans	•	•	•	•		•
Ky	•	•	•			
La	•	•	•		•	• ^{2,5}
Maine	•	•	•			
Md	•	•	•	•	•	• ²
Mass	•	•	•	•	•	• ⁴
Mich	•	•	•	•		
Minn	•	•	•	•		• ^{2,3,5}
Miss	•	•	•			
Mo	•	•	•	•		• ²
Mont	•	•	•	•		• ²
Neb	•	•	•	•	•	• ²
Nev	•	•	•			• ^{2,4}
N. H.	•	•	•			
N. J.	•	•	•		•	
N. Mex	•	•	•	•		• ^{4,5,6}
N. Y.	•	•	•	•	•	• ⁴
N. C.	•	•	•			
N. Dak	•	•	•			•
Ohio	•	•	•	•		• ⁴
Okla	•	•	•		•	
Oreg	•	•	•	•	•	• ³
Pa	•	•	•	•	•	• ³
P. R.	•	•	•			
R. I.	•	•	•	•		• ²
S. C.	•	•	•			• ³
S. Dak	•	•	•			• ²
Tenn	•	•	•			• ²
Tex	•	•	•			
Utah	•	•	•	•	•	• ⁴
Vt	•	•	•	•	•	•
V. I.	•	•	•			
Va	•	•	•		•	
Wash	•	•	•	•		•
W. Va	•	•	•	•	•	•
Wisc	•	•	•			• ⁵
Wyo	•	•	•			• ⁵

¹ Refers to provisions affecting the eligibility of the mother of an unborn child when she has no other children.

² Unborn child considered as child recipient.

³ Special circumstance items of standard include provision for special diets. In South Carolina, also includes nursing care. In Oregon, also includes other specified needs.

⁴ Special circumstance items of standard include provision for special allowance for pregnant mother: In Massachusetts, represents a one-time only \$50 layette; in Ohio, \$20 monthly; and in Utah, \$15 monthly.

⁵ Time limit on length of pregnancy for initial eligibility: Delaware, 9th month; Louisiana, 5th month; Minnesota, 6th month; New Mexico, 4th month; Wisconsin, 4th month; Wyoming, 4th month.

⁶ Provision in special circumstance items of standard for one-time only layette and for medical and non-medical maternity care.

Thirty-two States provide some assistance to a woman with no other children on behalf of her unborn child when her pregnancy has been medically diagnosed. In 12 of these States, the unborn child is considered a child recipient. Under Federal regulation, inclusion of the unborn is an optional provision. Twenty-two States have not implemented this option.

Consideration of Income and Resources

As a condition for approval of State public assistance plans and for Federal financial participation in the AFDC program, a State plan must, when determining need, provide for consideration of any income and resources of the claimant. The Social Security Act specifically authorizes certain income to be disregarded. The possession and extent of real and personal property resources differ from State to State.

Income Disregards

Title IV-A of the Social Security Act makes it mandatory for States to disregard the following income when determining need:

- (1) Any expense reasonably attributable to the earning of income;
- (2) all of the earned income of each dependent child receiving AFDC who is a full-time or part-time student attending a school, college, or university, or receiving vocational-technical training designed to prepare him for gainful employment;
- (3) the first \$30 of the total earned income for a month of all other individuals whose needs are included in the family grant plus one-third of the remainder of their earned income for the month (for Puerto Rico, the first \$15 plus one-fifth of the remainder; for the Virgin Islands the first \$20 plus one-fourth);
- (4) no inquiry with respect to the earnings of a child under age 14; and
- (5) for the work incentive program participants, the \$30 monthly incentive payment and reimbursement of training-related expenses by the manpower agency to any participant in institutional and work-experience training program.

In addition, two optional disregards are implemented by a few States:

- (1) A disregard of up to \$5 a month of income from all sources per person implemented by seven States (Delaware, the District of Columbia, Guam, Hawaii, Maryland, Missouri, and the Virgin Islands); and
- (2) conservation of all or any portion of earned or other income for future identifiable needs of a child (Alaska, Guam, Maine, and Montana have such a provision regarding family income; Arizona, the District of Columbia, Kansas, Maryland, and the Virgin Islands have provisions that apply to conservation of a child's income from any source; 10 States apply their provision to a child's own earnings—Connecticut, Massachusetts,

Minnesota, New Hampshire, North Carolina, North Dakota, Vermont, Washington, Wisconsin, and Wyoming).

A State plan must provide, in the determination of need, for consideration of a claimant's resources. Some of the real and personal property resources considered are: Homes, other real property, cash reserves and negotiable assets, motor vehicles, life insurance, and tools, equipment, and livestock. Table 3 summarizes State limitations on these resources as of April 1, 1978.

All States allow the recipient to own a home. Thirty-eight

States do not set a dollar maximum on the value of the home or an acreage limitation on the land. Three States set no dollar maximum but limit acreage. The remaining 13 States set dollar maximums on home-ownership. The equity limitation is lowest in Mississippi (\$3,500) and highest in Hawaii (\$40,000).

Maryland, Montana, Puerto Rico, and Tennessee make no provision for ownership of real property other than the home but allow ownership of personal property. Connecticut, Pennsylvania, and Rhode Island require recipients to liquidate all real property other than the home. Eleven other

Table 3.—State limitation on real and personal property affecting AFDC eligibility, April 1, 1978*

State	Home	Other real and personal property (combined)	Other real property (nonhome)	Personal property—negotiable assets, stocks, bonds, and other liquid reserves	Cash or savings	Insurance and burial		Value excluded from consideration as assets		
						Life insurance C=cash value F=face value	Burial insurance or pre-paid contract	Household and personal effects	Car or cars or transportation	Tools, equipment, livestock
Ala	0—No dollar maximum 160 acres	\$1,000—family						Exempt		
Alaska	0—No maximum	\$1,000 ^{1,2}			\$500	(¹) C		Exempt	Boats, cars, snowmobiles	Income-producing farm machinery, livestock, tools, equipment Livestock, tools
Ariz	0—\$30,000 M \$5,000 E	\$1,200—One \$200 E						Exempt	1 vehicle \$2,000 M \$200 E	Equipment for income, livestock Business related equipment and materials \$200—Work tools \$250—Livestock, farm tools \$300—Pro. Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Ark	\$9,000 E	\$1,600—family \$1,500—one child \$2,250—family				\$1,000—family F		Exempt	Vehicle— \$300 E	Equipment for income, livestock Business related equipment and materials \$200—Work tools \$250—Livestock, farm tools \$300—Pro. Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Calif	0—\$5,000 E All real property			\$1,600—family ³	\$600— Family ³			Exempt	\$1,500—Car ⁴	Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Colo	0—No maximum	\$250—each child \$1,000—parents and 1 child \$2,000 family				\$2,000—family C	Irrevocable \$1,000	Exempt		Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Conn	0—\$15,000 E		(⁵)	\$250—family ¹		(¹) C		Exempt	Car ⁴	Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Del	0—No maximum		(⁵)	Up to 1 month's need		\$1,500 per person C	\$1,500	Exempt	Car ⁴	Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Dist. of Col.	0—No maximum		(⁵)	\$2,000—family ¹	\$500— Family ⁶	(¹) C	(⁶)	Exempt	\$1,500—car ⁷	Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Fla	0—No maximum ⁸	\$1,200—family ⁹				\$1,000—family F	or \$1,000	Exempt	Cars—over 7 years old Car—4 years old	Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Ga	0—No maximum	\$800—family ¹⁰				\$1,000—family F		Exempt		Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Guam	0—\$12,000 M		M ¹¹	\$1,000—family ¹		(¹) C		Exempt	Car ⁴	Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Hawaii	0—\$40,000 E		\$500 E	\$435—1 \$575—2 \$685—3 \$800—4 ¹ \$500 ¹²		(¹) C		Exempt		Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Idaho	0—No maximum	\$2,000 Family ^{12,16}	(¹²)	Trust funds		(¹²) C		Exempt	Car—moderate value Vehicles	Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Ill	0—No maximum	\$150—one \$50—each additional member				\$1,000 per person F	Cemetery lot or vault	Exempt		Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock
Ind	0—No maximum		(¹)	\$700—family ¹ \$350—children only		(¹) C		Exempt	\$1,200—car ⁴	Income-producing tools, equipment, livestock Tools, equipment, livestock Livestock

See footnotes at end of table.

States require liquidation unless the property is income-producing and/or other specified conditions exist.

Twenty-four States attach a dollar value to the maximum allowable for all other real and personal property per person and/or per family. These values range from \$750 (Wyoming) to \$3,000 (Texas) for States with family maximums and from \$200 (Illinois) to \$2,250 (Nebraska) for a family of

four in States with maximums per person. The remaining 30 States consider real and personal property separately. These States place limitations on such personal property reserves as stocks, bonds, or other assets that may be converted to cash. The maximum amount per family differs widely—from \$250 in Connecticut to \$2,250 for two persons (plus \$100 for each additional person) in Montana.

Table 3.—State limitation on real and personal property affecting AFDC eligibility, April 1, 1978*—Continued

State	Home	Other real and personal property (combined)	Other real property (nonhome)	Personal property—negotiable assets, stocks, bonds, and other liquid reserves	Cash or savings	Insurance and burial		Value excluded from consideration as assets		
						Life insurance C=cash value F=face value	Burial insurance or pre-paid contract	Household and personal effects	Car or cars or transportation	Tools, equipment, livestock
Iowa	½ acre town; 40, rural	\$800—One \$400—each additional			(13)	\$1,000 per recipient	F	Exempt	\$2,500—cars	
Kans	0—\$9,100 E	\$500—one \$1,000—family				\$500—child \$1,000—adult	F	Exempt	Vehicle	Equipment in use
Ky	0—No maximum		\$1,000 E ¹¹	\$500—1 child; \$1,000—2; \$1,500 family If income producing		\$500—child \$1,000—adult	F	Exempt	Vehicles	Farm equipment
La	0—No maximum 160 acres rural	\$1,000—family	If income producing			\$1,000—adult \$1,000—each family member	C	Exempt ¹⁴	Motor-driven conveyance	Farm equipment, tools, livestock
Maine	0—No maximum	\$500—one ¹⁵ \$1,000—family				\$1,500 per person	F	Exempt	Car	Tools, equipment, livestock
Md	0—No maximum				\$300	\$500 each child, \$1,000—adult	F	Exempt	Car	Tools, equipment, livestock
Mass	0—No maximum		(9)	\$1,000—family		\$1,000—family	C	Exempt	Car	
Mich	0—No maximum	\$1,500—one \$2,000—family				\$1,000—family	C	Exempt	1 car ¹⁶	Tools, equipment, vehicles, livestock—\$750 ¹⁶
Minn	\$15,000 E All real property			\$300—adult plus 1 child; \$500—family		\$500—family	C	Exempt	\$1,650 M 1 car	Tools, implements, domestic animals
Miss	0—\$3,500—one A	\$750—1 child \$1,500—family ¹					(1) C	Exempt	\$300—car	
Mo	\$10,500 ² E	\$1,500—family ¹⁷				\$1,000 per person	F	Exempt	or \$1,000 prepaid plus cemetery lot	(18)
Mont	0—No maximum			\$1,500—1 person; \$2,250—2; \$100 per additional person ¹			(1) C	Exempt	Car	
Nebr	0—No maximum	\$1,500—1 person; \$2,250—2,3,4 persons plus \$25 each added	(5)	(13)		\$1,500 per person	F	Exempt	Vehicle \$1,200 ⁴ E	
Nev	0—No maximum	\$500—adult plus 1 child ¹ ; \$150 each additional E					(1) C	Exempt	Vehicle car ⁴	(18)
N.H.	0—No maximum ¹⁹		(5)	\$500—family ¹³		\$3,000—family	F	Exempt	Car ⁴	Tools, equipment, livestock
N.J.	0—No maximum		(20)	One month's requirements	(21)			Exempt	\$500—car ⁴	Tools, equipment, livestock
N.Mex.	0—No maximum		(5)	\$1,200—family ²²	\$750—family ²²	\$550—family ²²	C	Exempt	Vehicles	Tools, equipment, livestock ²²
N.Y.	No maximum		(23)		\$1,000 (child's trust fund)	\$1,000 per person	F	Exempt	Car ⁴	Business tools and equipment

See footnotes at end of table.

All but six States disregard the value of a motor vehicle needed for transportation but place various dollar values, age, or use restrictions on ownership. The disregard ranges from \$300 in Mississippi and Arkansas to \$3,000 in North Dakota. Use restrictions generally relate to transportation to secure medical care, groceries, or employment. Age restriction runs from 7 years in Florida to "not the current year's model" in Texas.

In computing the budget, all States disregard household and personal effects necessary to maintain a home, such as furnishings, needed equipment, bedding, utensils, and other essentials.

Only Alabama, Arizona, California, New Jersey, North Dakota, and Puerto Rico do not make provision for life insurance. Nineteen States include the face or cash value in total reserves allowed. Twenty-nine States allow life insurance to be held in specified amounts, ranging from \$500 (face value) to \$2,000 (cash value)—plus the reserve.

Sixteen States make some provision for prepaid burials, cemetery lots, burial insurance, or irrevocable trusts ranging from \$750 to \$1,500. Income-producing tools, equipment, and livestock are disregarded in all but 17 States. Of these States, Missouri and Nevada include such assets in the reserve.

Methods Used To Determine Amount of Assistance Payment

For the 22 States meeting full need as set forth in their standards, the family assistance payment is the amount of the need standard based on the size of the family income not specifically disregarded by law. For the remaining 32 States, the assistance payments do not meet 100 percent of the budget deficit for all families.

No Federal law or regulation requires that a State pay the full amount of need determined by its standard of assistance. If, however, payments of full need are precluded by

Table 3.—State limitation on real and personal property affecting AFDC eligibility, April 1, 1978*—Continued

State	Home	Other real and personal property (combined)	Other real property (nonhome)	Personal property—negotiable assets, stocks, bonds, and other liquid reserves	Cash or savings	Insurance and burial		Value excluded from consideration as assets		
						Life insurance C=cash value F=face value	Burial insurance or pre-paid contract	Household and personal effects	Car or cars or transportation	Tools, equipment, livestock
N.C.	No maximum	\$1,100-2 persons; \$50 each added \$2,000 maximum ¹				(¹) C		Exempt	\$1,000-car ⁴ E	
N. Dak.	0-No maximum		(¹¹)	\$1,000-family ²⁴				Exempt	\$3,000-car M	(²⁴)
Ohio	0-No maximum		(¹¹)	\$2,250-family ¹¹		(¹¹) C		Exempt	Vehicles-\$1,200 ¹¹ E	Income-producing tools, equipment, and livestock ¹¹
Okla.	0-\$20,000 M or rural 40 acres ²⁵	\$550-1 parent and child; \$600-3; \$50 each child; \$860-8	(²⁵)			\$1,100-each person ²⁶	\$1,100-each person	Exempt		
Oreg.	0-No maximum		(⁵)	\$1,500-one \$2,250-family		\$1,000 per person C	\$1,000 burial plot	Exempt	Vehicle	
Pa.	0-No maximum		(⁵)	\$250-one \$100-each added person	\$2,000 ¹³	\$1,000 per person C	\$1,000 per person	Exempt	Vehicles	Income-producing tools, livestock, and equipment
P.R.	0-No maximum				\$2,000			Exempt	Car	Livestock, poultry
R.I.	0-No maximum		(⁵)		\$500 ²⁷	\$1,000-child \$1,500-adult F		Exempt	Car	Tools, livestock, and equipment
S.C.	0-No maximum	\$1,000-family ¹				(¹) C	Burial insurance	Exempt	Vehicle ⁴	Livestock, tools, and equipment
S.Dak.	0-No maximum		(²⁸)	\$1,000-each parent; \$300 each child \$500-1 to 3 \$1,000-over 3		\$1,000-family C		Exempt	Car (3 years old or older)	
Tenn.	0-\$9,000 E					\$1,000-family F	or \$1,000	Exempt	Car	
Tex.	0-rural, 200 acres urban \$10,000 ²⁹	\$1,800-one \$3,000-family				\$1,000 per person F	or \$1,000	Exempt	Car (not current model)	Tools, equipment, livestock
Utah	0-No maximum	\$1,500-one \$2,250-family				\$1,500-family F		Exempt	Vehicle	
Vt.	0-No maximum		(⁵)	\$900-one ¹³ \$1,800-family		\$1,100 per person F		Exempt	Car	\$1,000-one \$1,500-family; income-producing

See footnotes at end of table.

Table 3.—State limitation on real and personal property affecting AFDC eligibility, April 1, 1978*—Continued

State	Home	Other real and personal property (combined)	Other real property (nonhome)	Personal property—negotiable assets, stocks, bonds, and other liquid reserves	Cash or savings	Insurance and burial		Value excluded from consideration as assets		
						Life insurance C=cash value F=face value	Burial/insurance or prepaid contract	Household and personal effects	Car or cars or transportation	Tools, equipment, livestock
V.I.	0—No maximum	(11)	(11)	\$500 child alone; \$1,000—family		\$500 per person	F or burial insurance	Exempt		(11)
Va.	0—No maximum		(11)	\$600—family		\$1,500—adults	F	Exempt	Vehicle	Tools, equipment, livestock
Wash.	0—No maximum		(5)	\$750—1; \$1,450—2; \$50 each additional person ³⁰	\$200—1; \$400—2; \$25 each additional ^{30 13}	(30)	C	Exempt	Cars ³⁰	Tools, equipment, livestock
W. Va.	0—No maximum	\$1,000—family ¹				(1)	C	Exempt		
Wis.	0—No maximum		(5)	\$1,500—family ¹		(1)	C	Exempt	Cars ³¹	Small business if income-producing
Wyo.	0—No maximum	\$750—family ¹	(32)			(1)	C	Exempt	Car	Tools, equipment, livestock

*A refers to assessed value; E, equity; M, market value; O, "must be occupied as home."

¹ Includes cash or face value of life insurance without specifying a figure for value of insurance.

² Applies to non-income-producing real and personal property; no maximum on property producing income which is counted in determining need.

³ Includes \$600 liquid assets (cash, securities, evidence of indebtedness) and exempts child's share of an undistributed estate.

⁴ Conditions relating to car ownership: California—car up to \$1,500 in value if needed for approved employment plan; Connecticut—if public transportation not available; Indiana—if necessary because of family conditions; Minnesota—value may be exceeded if car needed for employment; Nebraska—if used in an approved plan for employment or rehabilitation; New Jersey—if car necessary because of infirmity or for employment or self-help and no other transportation available; North Carolina—excess equity in essential motor vehicle plus equity in the loan value of nonessential motor vehicle is treated as part of allowable reserve; South Carolina—second car allowed if producing income; if not, equity included in reserve; Tennessee—one car exempt; equity in others included in reserve.

⁵ Other real property must be liquidated: in Connecticut, Pennsylvania, and Rhode Island; in Delaware, unless producing income related to its value; in D.C., considered a resource liable to conversion to cash within reasonable time; in Indiana, if not producing income, must be rented or offered for sale; in Massachusetts, if not producing income may be held only pending liquidation, and efforts to sell must be verified; in Nebraska, unless income producing, except life estates exempt; in New Hampshire, 6 months allowed for disposal if property unoccupied and not producing income; in New Mexico, if client is ill or makes repeated effort to dispose of property that is not providing income; in Oregon, unless providing support or rehabilitation or unless value plus other assets is less than the reserve; in Vermont, only if person is making active effort to sell it; in Washington, must be offered for quick sale unless it cannot reasonably be sold, rented, or leased; in Wisconsin, considered available resource if and as soon as it can be sold.

⁶ Excludes money given or bequeathed specifically for burial if amount is used within 60 days for preplan burial arrangements.

⁷ More valuable car must be sold; car limitation does not apply to recipient needing assistance for less than 60 days.

⁸ House, trailer, or boat lived in or owned by recipient; homestead is defined by County Tax Assessor.

⁹ If a child is living with a relative other than his parents who is financially independent, maximum is \$600 per child up to \$1,200 for a sibling group.

¹⁰ May hold specified income-producing resources up to \$1,000 market value in addition.

¹¹ Additional real property up to a specified value may be held in these States if producing income: Guam—\$3,000, market value; Kentucky—up to \$5,000 equity if producing income; North Dakota—additional real property with no specified value must produce income commensurate with prevailing rental or leasing rates in community; Ohio—if support provided is equal to 6 percent of market value or if offered for sale and no offer refused at 90 percent of market value; the total value of cash assets, income-producing property, motor vehicles, and cash surrender value of life insurance, however, may not exceed \$2,250; Virgin Islands—in reasonable relation to value or if parent has life estate; Virginia—\$5,000 equity.

¹² Combination of all negotiable assets may not exceed \$2,000 in value, including

cash value of insurance, up to \$500 of liquid resources other than the cash value of insurance, and value of marketable real property other than the home; excludes real property, other than the home, which is non-marketable.

¹³ Conditions relating to earnings or property of children: Iowa—savings from earnings of children not considered part of family cash assets; Nebraska—certain trusts for children exempt; New Hampshire—if planned for future education and training; Pennsylvania—up to \$2,000 in savings for future education of school children; Vermont—requires separate identifiable account for education; Washington—livestock or property owned by child solely for the purpose of group or school activity with profits reserved for education.

¹⁴ Also exempts jewelry up to \$100 or of sentimental value.

¹⁵ When equity in saleable real property exceeds this figure, immediate steps must be taken to sell property or "dispose of excess amount."

¹⁶ Exemption applies to car only if family does not qualify for \$750 exemption of farming equipment and vehicle and if necessary for an approved employment plan.

¹⁷ All real and personal property is limited to \$10,500, market value less encumbrances of record. Within this total, family may have a maximum reserve of \$1,500 in a combination of cash value of life insurance, market value of non-home real property, certain unused personal property, and any cash or securities. Value of life estate and cemetery lots, and the first \$1,000 of face value of life insurance and/or prepaid burials owned by parent or child are disregarded.

¹⁸ Value of tools, equipment, and livestock included in reserve.

¹⁹ If value exceeds \$20,000 (based on 100 percent assessment) an evaluation and recommendation are made regarding disposal.

²⁰ Other real property and personal property may be held pending liquidation; six month time limit on liquidation.

²¹ Savings for an item of family living allowed up to equivalent of three months' assistance standard.

²² The \$1,200 maximum includes: liquid assets and cash, cash surrender value of life insurance, and farm tools and equipment.

²³ When equity in nonhome property exceeds amount of burial reserve, person becomes ineligible.

²⁴ Personal property essential to a person's or a family's rehabilitation is exempt from the \$1,000 limitation.

²⁵ Original Indian allotments or land purchased from proceedings of such allotments are exempt from all maximums on real property, including home property.

²⁶ If child is not living with parents, amount is \$250 for 1 child, \$400 for 2 children, plus \$50 for each additional child up to \$850, family maximum. Maximums include cash surrender value of life insurance; but increases in cash or loan value due to interest or dividend accruals up to \$1,100 per insured individual may be held.

²⁷ If accumulated from earnings of a recipient as a result of the earned income disregard policy or from the assistance payment.

²⁸ Considered a resource in determining eligibility.

²⁹ May own homestead as defined in State law, made applicable to AFDC by administrative policy. Homestead exempt until abandoned or another one acquired.

³⁰ Combination of all negotiable assets must not exceed \$750 for individual and \$1,450 for 2 persons, with \$50 additional for each added family member; these maximums include cash, securities, cars, and insurance.

³¹ One State registered vehicle exempt regardless of value. An extra vehicle needed for medical care or employment is exempt.

³² Indian trust land excluded from overall property limitation.

maximums or insufficient funds, adjustments must be made by methods applied uniformly statewide. The various methods of limiting AFDC payments used by these 32 States are identified below.

1. State pays amount of its need standard² for a small-sized family³ but limits payments to larger families (4 States).

Alaska—A family of 1–6 persons receives amount of the need standard up to a maximum of \$520; a family of 7 or more is limited to \$520.

Kentucky—A family of 1–7 persons receives amount of need standard up to a family maximum of \$345; a family of 8 or more is limited to \$345.

Oklahoma—Administrative maximums for families up to 9 persons equal the need standard according to specific family size; families with more than 9 persons receive the same amount as a family of 9 persons.

Washington—A family of 1–6 persons receives the amount equal to the need standard according to specific family size, up to \$598; families with 7 or more persons receive payments subject to maximums set for the specific family size, which may or may not meet the standard for that number of persons.

2. State does not pay the amount of its need standard (28 States).

Income is subtracted from the need standard in 5 States, but—

(1) payment is the deficit or the maximum for specific family size,⁴ whichever is less: Nebraska (\$370);

(2) payment is a percent⁵ of the deficit: New Mexico (92%), Puerto Rico (43%), South Carolina (54%);

(3) payment is a percent of the deficit or the maximum for specific family size,⁴ whichever is less: Mississippi (40% or \$120).

A percentage reduction is applied to the need standard in 21 States; income is subtracted from the reduced standard, and—

(1) payment is the deficit (18 States):

Alabama (61.5%)
Arizona (70%)
Arkansas (69%)
D.C. (90%)
Florida (83%)
Georgia (65%)
Idaho (87%)
Louisiana (40%)
Maine (90%)

Maryland (80%)
Missouri (65%)
Nevada (81%)
Ohio (62%)
Oregon (91%)
Utah (77%)
Vermont (75.6%)
Virginia (90%)
Wisconsin (88%)

(2) payment is the deficit or the maximum for specific family size,⁴ whichever is less: Indiana (90% or \$275), Tennessee (64% or \$220), Texas (75% or \$300).

A percentage reduction is applied to the need standard; income is subtracted from the reduced standard or from the family maximum⁶ on the money payment, whichever is less; and payment is the deficit: West Virginia (75% or \$254).

Income is subtracted from a maximum on the money payment by family size,⁵ and payment is the deficit: California (\$423).

Percentage cuts and maximums obviously limit payment, but the method of deducting income also limits payment. The method used by 18 States that apply a percentage reduction to the full need standard before income is subtracted does have a limiting effect on payment. Application of the two methods illustrates this point. If full need is \$240 for a family of two, the percentage reduction is 40 percent, and income after disregards is \$40, the assistance payment could be computed in either of two ways:

(1) $\$240$ (full need) \times 40% = \$96 – \$40 (income) = \$56 (payment) or

(2) $\$240$ (full need) – \$40 (income) = \$200 \times 40% = \$80 (payment).

Thus, the method used to deduct the amount may result in a \$24 difference.

Table 4 shows the State standard for all basic needs for AFDC families by State for families of two and four persons. The table also shows the amount of payment after application of the various methods of reduction in the States that do not meet 100 percent of need.

State AFDC and USDA Food Standards

One way to assess the adequacy of the amount of money allotted for food in State need standards is to compare it with low-cost food standards of the U. S. Department of Agriculture. The latter standards assume that the food purchaser is adept at marketing, budgeting, and food preparation in addition to having adequate storage and transportation facilities. Not all these assumptions apply to AFDC mothers; a comparison with the low-cost standards may result in an underestimation of their food costs.

² Each State sets its own standard both in terms subsistence recognized and of the amount of money allowed to cover them. Standard is always related to the number of persons in the assistance unit. An assistance unit of 4 persons (needy caretaker relative and 3 children) is assumed here.

³ The word "family" is used loosely to mean the number of persons in the assistance unit as defined by the State.

⁴ Some States set separate maximums on money payments for each specific size of family.

⁵ The percentage in parentheses is the proportion of the amount to which it is applied that is payable by the State as the monthly payment to the assistance unit.

⁶ A single amount of money set by State law or administrative action as the largest amount the State agency will pay to a family, regardless of the number of persons in the family. A family may receive less than this amount, depending on the need standard for the specific family size or on the State method of determining the amount of payment.

Table 4.—Monthly amount for all basic needs¹ and amount of payment to families with no countable income, after application of any method of limiting payment, by State, as of April 1, 1978

[Rounded to next highest dollar]

State	2-person family, 1 needy adult and 1 child		4-person family, 1 needy adult and 3 children	
	Amount for all basic needs	Payment to families with no income	Amount for all basic needs	Payment to families with no income
Alabama	\$144.00	\$89.00	\$240.00	\$148.00
Alaska	300.00	300.00	400.00	400.00
Arizona	180.00	126.00	282.00	197.00
Arkansas	193.00	133.00	273.00	188.00
California	297.00	287.00	444.00	423.00
Colorado	189.00	189.00	290.00	290.00
Connecticut	266.00	266.00	384.00	384.00
Delaware	181.00	181.00	287.00	287.00
Dist. of Col.	226.00	203.00	349.00	314.00
Florida	150.00	125.00	230.00	191.00
Georgia	161.00	105.00	227.00	148.00
Guam	201.00	201.00	306.00	306.00
Hawaii	382.00	382.00	533.00	533.00
Idaho	289.00	251.00	395.00	344.00
Illinois	204.00	204.00	300.00	300.00
Indiana	247.00	175.00	363.00	275.00
Iowa	257.00	257.00	369.00	369.00
Kansas	216.00	216.00	306.00	306.00
Kentucky	135.00	135.00	235.00	235.00
Louisiana	240.00	² 96.00	410.00	³ 164.00
Maine	205.00	185.00	349.00	314.00
Maryland	203.00	162.00	314.00	251.00
Massachusetts	251.00	251.00	358.00	358.00
Michigan	319.00	319.00	459.00	459.00
Minnesota	286.00	286.00	404.00	404.00
Mississippi	188.00	² 30.00	252.00	³ 60.00
Missouri	250.00	163.00	365.00	237.00
Montana	163.00	163.00	252.00	252.00
Nebraska	250.00	250.00	370.00	370.00
Nevada	229.00	185.00	341.00	276.00
New Hampshire	263.00	263.00	346.00	346.00
New Jersey	235.00	235.00	356.00	356.00
New Mexico	160.00	147.00	239.00	220.00
New York	333.00	333.00	476.00	476.00
North Carolina	159.00	159.00	200.00	200.00
North Dakota	247.00	247.00	389.00	389.00
Ohio	284.00	176.00	431.00	267.00
Oklahoma	198.00	198.00	309.00	309.00
Oregon	304.00	277.00	470.00	428.00
Pennsylvania	260.00	260.00	373.00	373.00
Puerto Rico	79.00	34.00	126.00	54.00
Rhode Island	255.00	255.00	359.00	359.00
South Carolina	138.00	75.00	217.00	117.00
South Dakota	252.00	252.00	333.00	333.00
Tennessee	142.00	91.00	217.00	139.00
Texas	115.00	86.00	187.00	140.00
Utah	297.00	229.00	457.00	352.00
Vermont	412.00	311.00	560.00	423.00
Virgin Islands	92.00	92.00	166.00	166.00
Virginia	174.00	157.00	272.00	245.00
Washington	292.00	292.00	416.00	416.00
West Virginia	219.00	164.00	332.00	249.00
Wisconsin	371.00	315.00	520.00	442.00
Wyoming	210.00	210.00	270.00	270.00

¹ As defined by State need standard.

² In Louisiana, increased to \$101 in May 1978; in Mississippi, increased to \$60 in July 1978.

³ In Louisiana, increased to \$172 in May 1978; in Mississippi, increased to \$120 in July 1978.

Table 5.—Monthly amount allowed for food and amount for all basic needs,¹ by State, as of April 1, 1978²

[Rounded to next highest dollar]

State	Amount allowed for food		Amount for all basic needs	
	2-person family ³	4-person family ⁴	2-person family ³	4-person family ⁴
Alabama	⁵ \$60.00	⁵ \$109.00	\$144.00	\$240.00
Alaska	⁵ ⁶ 120.00	⁵ 160.00	300.00	400.00
Arizona	61.00	106.00	180.00	282.00
Arkansas	68.00	128.00	273.00	273.00
California	94.00	147.00	297.00	444.00
Colorado	63.00	125.00	⁷ 189.00	⁷ 290.00
Connecticut	79.00	122.00	266.00	384.00
Delaware	⁵ 58.00	⁵ 184.00	181.00	287.00
Dist. of Col.	⁵ 79.00	⁵ 143.00	226.00	349.00
Florida	⁵ 51.00	⁵ 90.00	150.00	230.00
Georgia	82.00	120.00	161.00	227.00
Guam	82.00	143.00	201.00	306.00
Hawaii	95.00	160.00	⁸ 382.00	⁸ 533.00
Idaho	93.00	163.00	⁸ 289.00	⁸ 395.00
Illinois	⁵ 102.00	⁵ 150.00	⁵ ⁹ 204.00	⁵ ⁹ 300.00
Indiana	74.00	135.00	⁸ 247.00	⁸ 363.00
Iowa	76.00	135.00	257.00	369.00
Kansas	⁵ 75.00	⁵ 120.00	⁸ 216.00	⁸ 306.00
Kentucky	⁵ 62.00	⁵ 118.00	135.00	235.00
Louisiana	⁵ 72.00	⁵ 123.00	⁵ ⁹ 240.00	⁵ ⁹ 410.00
Maine	86.00	147.00	205.00	349.00
Maryland	64.00	106.00	203.00	314.00
Massachusetts	74.00	148.00	251.00	358.00
Michigan	⁵ 91.00	⁵ 182.00	⁸ 319.00	⁸ 459.00
Minnesota	⁵ 82.00	⁵ 142.00	286.00	404.00
Mississippi	68.00	107.00	188.00	252.00
Missouri	74.00	128.00	250.00	365.00
Montana	49.00	91.00	163.00	252.00
Nebraska	⁵ 96.00	⁵ 174.00	250.00	370.00
Nevada	74.00	141.00	229.00	341.00
New Hampshire	54.00	104.00	⁸ 263.00	⁸ 346.00
New Jersey	⁵ 93.00	⁵ 141.00	235.00	356.00
New Mexico	⁵ 72.00	⁵ 123.00	⁸ 160.00	⁸ 239.00
New York	⁵ 91.00	⁵ 137.00	⁸ 333.00	⁸ 476.00
North Carolina	80.00	96.00	159.00	200.00
North Dakota	99.00	156.00	247.00	389.00
Ohio	⁵ 50.00	⁵ 65.00	284.00	431.00
Oklahoma	71.00	156.00	198.00	309.00
Oregon	⁶ 119.00	209.00	304.00	470.00
Pennsylvania	91.00	153.00	260.00	373.00
Puerto Rico	40.00	75.00	⁸ 79.00	⁸ 126.00
Rhode Island	⁵ ⁶ 143.00	⁵ 201.00	255.00	359.00
South Carolina	50.00	100.00	138.00	217.00
South Dakota	60.00	120.00	⁸ 252.00	⁸ 333.00
Tennessee	63.00	112.00	142.00	217.00
Texas	⁵ 55.00	⁵ 102.00	115.00	187.00
Utah	⁶ 106.00	163.00	297.00	457.00
Vermont	⁶ 127.00	⁶ 222.00	⁸ 412.00	⁸ 560.00
Virgin Islands	⁵ 65.00	⁵ 127.00	92.00	166.00
Virginia	⁵ 68.00	⁵ 124.00	¹⁰ 174.00	¹⁰ 272.00
Washington	84.00	139.00	⁹ 292.00	⁹ 416.00
West Virginia	88.00	160.00	219.00	332.00
Wisconsin	⁵ 89.00	⁵ 126.00	⁵ ⁹ 371.00	⁵ ⁹ 520.00
Wyoming	⁵ 80.00	⁵ 150.00	210.00	270.00

¹ As defined by the State need standard.

² Before application of any method used by the State in limiting payment; see page 17 for methods used.

³ One needy adult and 1 child.

⁴ One needy adult and 3 children.

⁵ Estimated.

⁶ Amount exceeds Department of Agriculture low-cost food plan (5 States for family of 2; 1 State for family of 4).

⁷ Summer budget.

⁸ Includes amount for shelter "as paid" to a maximum of: \$215-265, Hawaii: \$136-139, Idaho: \$100, Indiana: \$67, Kansas: \$130, Michigan: \$125, New Hampshire: \$67-81, New Mexico: \$183-218, New York City: \$20 (average), Puerto Rico: \$142, South Dakota: \$161 (highest), Vermont.

⁹ Group II (mid-level) county in Ill.; urban areas in La.; Area I in Wash.; Area I in Wisconsin.

¹⁰ Lowest cost of three geographical areas.

Table 5 reveals the variations in amounts allowed by States for food as of April 1, 1978. These amounts can be compared with the following low, moderate, and liberal food costs of the Department of Agriculture for March 1978, based on minimum calories to sustain life. The family of two includes a mother aged 20-54 and a child aged 3-6; the family of four also has a child aged 9-12 and a boy aged 12-15. Average food costs set by the Department of Agriculture for the U. S. are shown below.

Level	U.S. average costs for family of—	
	Two	Four
Low cost	\$103.40	\$216.70
Moderate cost	128.15	270.30
Liberal cost	152.90	322.60

Comparison reveals that food allowances in 49 States fall below the low-cost U. S. average for a family of two—

ranging from \$1 in Illinois to \$63 in Puerto Rico—and in 53 States they fall below the low-cost average for a family of four—from \$8 in Oregon to \$152 in Ohio. All States except Rhode Island have allowances less than the moderate food level for a family of two, and in all 54 States they are less than the moderate food-cost standard for a family of four. Therefore, in nearly all instances, State food standards are below low and moderate nationwide food standards of the Department of Agriculture. When one looks at the total AFDC payment that is intended to cover all basic necessities, it is seen that the payment is sometimes below the amount needed for food alone by the Department of Agriculture low-cost standards. In six States, the total payment for a family of two is \$14-\$73 below the low-cost U. S. average for food alone calculated by the Department of Agriculture. For a family of four in 13 States, the total payment is \$17-\$163 below the national low-cost average for food alone.