

Does Public Assistance Encourage Women to Have More Children?

Background

Most states increase the monthly public assistance grant when a new baby is born into the household. Recently, policymakers in some states have either eliminated, or proposed to eliminate, the grant increase. These changes in public assistance policy are based on the belief that the structure of grant payments may provide an economic incentive for women on public assistance to have more children.

Family Income Study Data

Analysis of Family Income Study data shows that:

- **Family income falls further below the Federal Poverty Line as the number of children in a household increases.**
- **There was no statistical difference in the birthrates of women receiving public assistance and women not receiving public assistance.**

Discussion

First, we compared the economic status of households on public assistance (AFDC or FIP) as the numbers of children in the households increased. We used the most standard measure of economic well-being: total household income expressed as a percentage of the Federal Poverty Line, which is adjusted for family size. Even though the monthly grant increased with another baby, the total household income actually fell further **below** the poverty line. **(See Figure 1 on back.)**

Second, over a twelve-month period, we compared the birthrates of women of childbearing age who were receiving AFDC or FIP to women of childbearing age who were not receiving public assistance. We found that 8 percent of the women who were receiving public assistance had another baby, compared to 7 percent of the women who were not on assistance. This is **not** a statistically significant difference. **(See Figure 2 on back.)**

(Over)

Figure 1

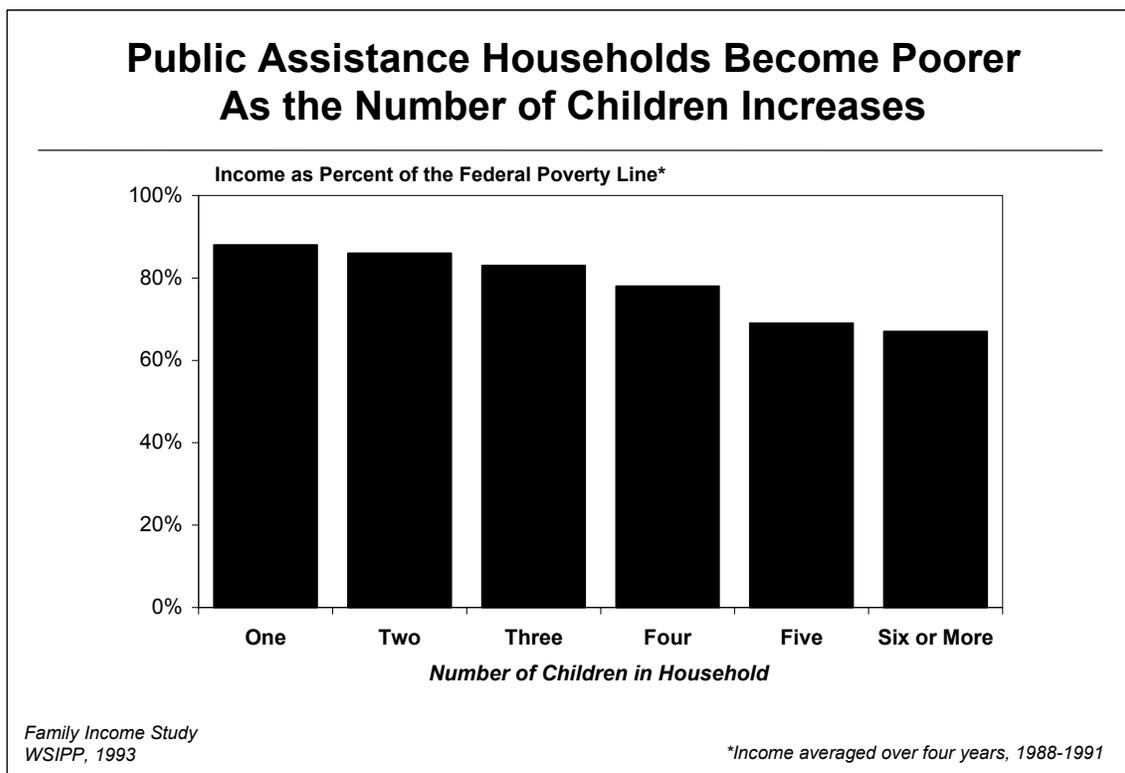


Figure 2

