



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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Dear Mr. Blackburn:

Your letter of December 1, 1971, requested that we verify the statements in a pamphlet entitled "Welfare Myths vs. Facts" published by the Social and Rehabilitation Service of the Department of Health, Education, and Welfare (HEW).

Most of the data in the pamphlet were taken from an HEW report<sup>1</sup> on selected demographic and program characteristics of persons receiving assistance under the aid to families with dependent children (AFDC) program in May 1969. The data for the report were derived from a survey of recipients in the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.<sup>2</sup> Findings from the survey were projected statistically to represent all recipients of money payments during May 1969.

We examined the statistical reports which HEW used to develop the pamphlet; however, we did not attempt to analyze the underlying sampling and reporting methodology prescribed by HEW--and used by the States and jurisdictions--in gathering the data used to compile the statistical reports.

Generally HEW's statements were consistent with, and represented a valid picture of, the characteristics of welfare recipients on the basis of data in the reports. Nevertheless we believe that certain data and terminology as presented in the pamphlet might tend to convey an incorrect impression to a reader not well-versed in welfare matters.

<sup>1</sup>"Findings of the 1969 AFDC Study: Data by Census Division and Selected States, Department of Health, Education, and Welfare Social and Rehabilitation Service, National Center for Social Statistics, Report AFDC-3(69), December 1970."

<sup>2</sup>The data were derived from a 1-percent sample in all the States and jurisdictions, with the exception of California and New York, which submitted samples of about one half of 1 percent, and the Virgin Islands, which included all of its 400 families in the study.

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We discussed our observations with HEW officials who generally agreed with our comments regarding the validity of the data presented in the pamphlet. These officials also advised us that they were revising the pamphlet to reflect 1971 data and that they would consider our observations and would change or clarify certain statements in the revised pamphlet to be more consistent with the supporting data.

More than 300,000 copies of the pamphlet have been distributed. Numerous newspapers have either quoted or referred to the pamphlet in articles on welfare. Thus it is important that the data in the pamphlet be as accurate as possible.

We did not comment on those statements in the pamphlet that our examination indicated to be consistent with the supporting data. The following comments concern certain statements for which HEW could not provide us with supporting data or statements which we believe need clarification if the reader of the pamphlet is to obtain a better understanding about welfare families.

MYTH

"WELFARE FAMILIES ARE LOADED WITH KIDS--AND HAVE MORE JUST TO GET MORE MONEY."

Questionable fact

"The birthrate for welfare families, like the birthrate for the general population, is dropping."

GAO statement

An HEW official advised us that HEW did not have data to show a drop in the birthrate for welfare families but that it seemed reasonable to assume that, if the birthrate had dropped for the general population, it had dropped also for welfare families. Although the assumption may prove to be true, the rate of decrease in birthrates for welfare

families may be greater than, less than, or about the same as, that for nonwelfare families.

Questionable fact

"Studies show that the average family receives assistance for about two years."

GAO statement

The term "about two years" can be misleading. The 2-year figure is a median--meaning that as many families were on welfare for more than 2 years as were on welfare for less than 2 years--and is not an appropriate average. If a weighted mean--in our opinion a more typical average--were used, the average AFDC family would be on welfare for 42 months from the time that it last began receiving assistance.<sup>1</sup>

Many recipients, however, have received assistance for longer periods of time. HEW statistics show that about 40 percent of all AFDC recipients had been on welfare prior to their most recent return to the rolls. Statistics are not available to indicate how long these recipients were on welfare prior to their most recent receipt of assistance. Thus we believe that the statement "about two years" tends to mislead an uninformed reader. HEW officials advised us that the pamphlet would be revised to clarify the statement regarding the number of months a recipient was on welfare.

MYTH

"MOST WELFARE FAMILIES ARE BLACK."

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<sup>1</sup>See appendix for calculation of weighted mean.

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Questionable fact

"The largest racial group among welfare families--49 percent--is white."

GAO statement

According to HEW data the correct percentage of white AFDC families is 48, rather than 49, percent. We believe that the general impression conveyed by the HEW statement is that the majority of AFDC recipients are white. According to the 1969 data, however, 46.6 percent of all AFDC recipients were black, 46.2 percent were white, and 7.2 percent were of other races or their races were not shown. We believe that the reader would have a better understanding of the racial composition of the AFDC case load if HEW had used the statistics for recipients and for families.

MYTH

"MOST WELFARE CHILDREN ARE ILLEGITIMATE."

Questionable fact

"A sizeable majority--approximately 68 percent--of the more than 7 million children in welfare families were born in wedlock."

GAO statement

According to the data used in the 1969 AFDC study, the 68-percent figure is correct. The same data, however, show that 55 percent of all AFDC families have no illegitimate children. We believe that the reader would have gained a better perspective of the illegitimacy issue if, in addition to pointing out the number of children, the pamphlet had mentioned the number of AFDC families that had no illegitimate children.

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HEW data also indicates that there were about 5 million children in welfare families in 1969--when the illegitimacy rate used in the pamphlet was developed. The 7-million figure in the pamphlet is an April 1971 figure. HEW officials advised us that the 7-million figure had been used to convey a more up-to-date picture of the case load. Since the legitimacy percentage (68 percent) was based on 1969 data, we believe that it would have been more correct to use the 5-million figure and to point out that it represented the situation in 1969.

MYTH

"ONCE ON WELFARE, ALWAYS ON WELFARE."

Questionable fact

"The average family has been on the rolls for 23 months."

GAO statement

The term "23 months" can be misleading because the 23-month figure is a median. Our earlier discussion (see p. 3) concerning the use of a median, rather than the use of a weighted mean, applies also to this HEW statement. This should be clarified.

MYTH

"THE WELFARE ROLLS ARE FULL OF ABLE-BODIED LOAFERS."

Questionable fact

"Less than 1 percent of welfare recipients are able-bodied unemployed males; some 126,000 of the more than 13 million Americans on Federal/State-supported welfare (April 1971 statistics)."

GAO statement

HEW stated in the pamphlet that the term "welfare" referred to the AFDC program. The 13-million figure, however, refers to recipients of all types of public assistance authorized by the Social Security Act--aid to the aged, blind, and disabled, as well as AFDC. If only the April 1971 AFDC figure (10.2 million) were used, the percentage of able-bodied unemployed males would be 1.2 percent.

According to HEW estimates the 126,000 able-bodied unemployed males represent about 38.8 percent of the total number of males (323,000) who received federally supported AFDC public assistance in April 1971. In HEW's opinion the remaining males (197,000) were incapacitated and were not fit for work. We believe that this information gives the reader a better perspective to judge the employment problem of male welfare recipients.

Questionable fact

"Most of them [able-bodied unemployed males]--80 percent--want work."

GAO statement

The HEW statement clearly implies that 80 percent of all able-bodied unemployed males in the Nation who receive public assistance want to work. The supporting data, however, were taken from a statistical study of only three metropolitan areas--Camden, New Jersey; Los Angeles, California; and Milwaukee, Wisconsin--and should not be used to imply nationwide attitudes. The HEW statement therefore may convey an incorrect impression.

MYTH

"WELFARE PEOPLE ARE CHEATS."

Questionable fact

"Suspected incidents of fraud or misrepresentation among welfare recipients occur in less than four-tenths of one percent of the total welfare case-load in the nation. \*\*\* Cases where fraud is established occur even less frequently."

GAO statement

The HEW rate of four tenths of 1 percent applies to all public assistance programs--not just to AFDC. As noted earlier, the term "welfare" in the pamphlet refers only to AFDC. HEW's percentage rate for fraud for the AFDC program was six tenths of 1 percent during fiscal year 1970. The six tenths of 1 percent represented cases that not only were suspected of fraud but also were supported by facts sufficient to raise questions of fraud. In addition, eight tenths of 1 percent of the cases were suspected of fraud but the facts were insufficient to pursue fraud proceedings.

Since the pamphlet uses the words "suspected incidents," it appears that it would have been appropriate to combine the two percentage rates and to state that the suspected fraud rate for the AFDC program was 1.4 percent.

Questionable fact

"Another 1 to 2 percent of welfare cases are technically ineligible because of misunderstanding of the rules, agency mistakes, or changes in family circumstances not reported fast enough."

GAO statement

Although we did not evaluate the data used by HEW to arrive at the 1 to 2 percent cited in the pamphlet, HEW experience has indicated that State

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reports on ineligibility have not represented valid statistical findings regarding total case-load ineligibility. Therefore HEW was not able to accurately project nationwide ineligibility rates.

Data released by HEW on January 3, 1972, indicate that approximately 5.6 percent of the Nation's AFDC families and 4.9 percent of the aged, blind, and disabled were ineligible for the payments they received in April 1971. Although HEW did not have this information available at the time the pamphlet was prepared, we believe that these data present a more accurate picture of the ineligibility rates existing today than do the percentage rates cited in the pamphlet.

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We trust that the above information is responsive to your inquiry and will be of assistance to you.

Sincerely yours,



Comptroller General  
of the United States

The Honorable Ben B. Blackburn  
House of Representatives

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CALCULATION OF WEIGHTED MEAN  
TO DETERMINE THE NUMBER OF MONTHS  
FAMILIES ARE ON WELFARE

<u>Months on welfare</u>	<u>Number of families</u>	<u>Family-months (note a)</u>
3	257,200	771,600
9	268,000	2,412,000
15	175,300	2,629,500
21	140,400	2,948,400
30	192,100	5,763,000
48	225,600	10,828,800
90	252,400	22,716,000
150	84,600	12,690,000
210	25,000	5,250,000
240	<u>9,900</u>	<u>2,376,000</u>
	<u>1,630,500</u>	<u>68,385,300</u>

$$68,385,300 \div 1,630,500 = 41.94 \text{ months}$$

<sup>a</sup>The figures for family-months were arrived at by multiplying months on welfare by number of families.

Source: "Findings of the 1969 AFDC Study: Data by Census Division and Selected States [Table 10], Department of Health, Education, and Welfare, Social and Rehabilitation Service, National Center for Social Statistics, Report AFDC-3(69), December 1970."

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