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# Economic Well-Being

Children Living in Poverty

Children With No Parent Working Full-Time

Child Care in Alaska

Children In Families Headed By Single Parents

Births To Teens

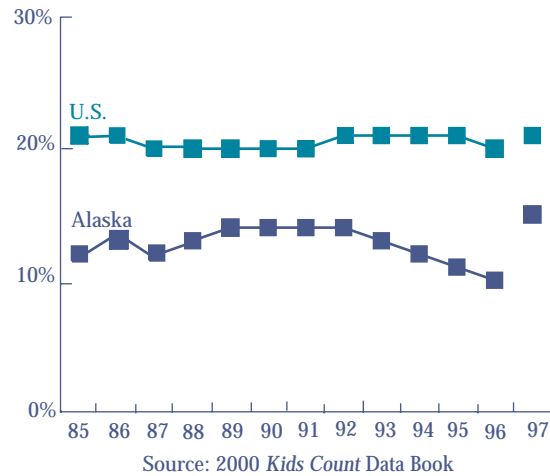


During the winter the white wilderness of the North seems like a planet where life has not yet appeared . . . . Suddenly—all in one day, it seems—multitudes of excited travelers arrive . . . . as soon as mild weather begins to widen the cracks in the river and sea ice . . . . The beaches, the sun-flecked waves, and the blossoming tundra, all are peopled with lives . . . . In the sea is a shimmer of hastening fins, in the sky a network of ducks and geese, whistling swans, loons, plovers . . . .

Sally Carrigher, *Icebound Summer*  
New York: Alfred A. Knopf, 1953



**Percent of Children Living in Poverty**  
Trend 1985-1997



in Alaska is lower—15 percent in 1997—as measured by the federal poverty threshold. But remember that the poverty threshold is not adjusted for Alaska’s higher costs of living. Many people question whether the current poverty threshold accurately measures poverty nationwide, and the federal census bureau is examining possible changes in the definition of poverty.<sup>2</sup>

poverty line. That’s more than triple the level in the Southeast region, which has the state’s lowest rate of poverty among children, and more than double the rates in most other areas of the state.

The map shows the share of school-age children (ages 5 to 17) living in poverty, by region of Alaska. Nearly a third of children in the Southwest region live below the

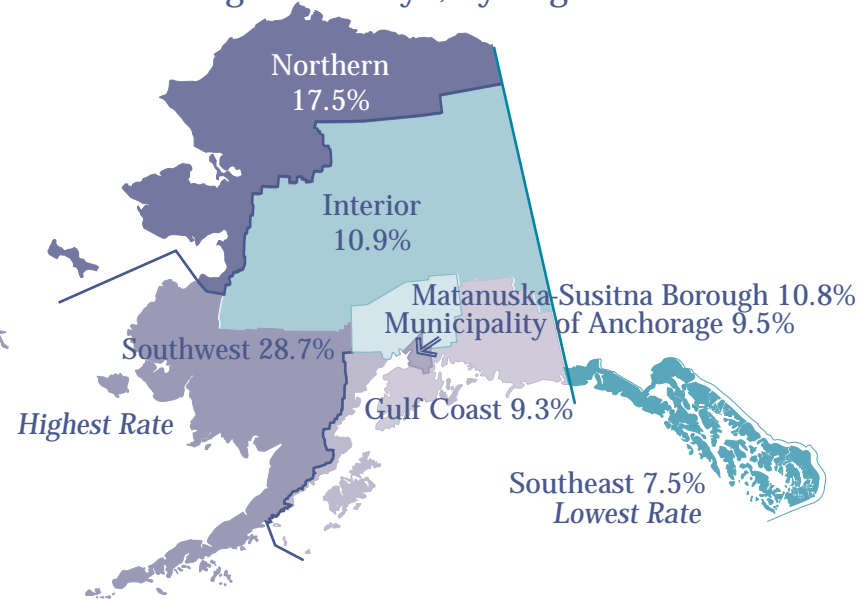
## DEFINITION AND SIGNIFICANCE

The percentage of children living in poverty is a widely-used measure of children’s well-being. The trend data in the graph above show the percentage of children under 18 living in poor families, as measured by the federal Bureau of the Census’s poverty threshold. As of 1997, that threshold for a family of four (two adults and two children) was an annual income of \$16,276.

The numbers for 1997 are not directly comparable to earlier figures, because in that year the Kids Count program began using a different source of data for measuring the share of children living in families below the poverty line.<sup>1</sup>

As of 1997, more than 20 percent of children nationwide lived in poverty—a staggering figure for one of the world’s wealthiest nations. Poverty among children

**Percent of School-Age, Alaskan Children Living in Poverty\*, by Region**



\* Based on federal poverty threshold figures; not adjusted for differences in living costs. Source: U.S. Bureau of the Census, Small Area Income and Poverty Estimates, 1996

## CHILDREN LIVING IN POVERTY (CONTINUED)

There are of course other indications of poverty among children—lack of health insurance, for example. The national *Kids Count* program estimates that in 1997 25 percent of children nationwide—and 30 percent of children in Alaska—had no health insurance.

Analysts say one hope for moving children out of poverty is providing them with access to information technology. The adjacent figure shows the shares of children nationwide and in Alaska who had computers and access to the Internet in their homes in 1997.

We don't know what share of children in just low-income households had such access to technology. But Alaskan children in general are much more likely to have computers and Internet connections in their homes than are children nationwide. Nearly 70 percent of Alaska children lived in households with computers in 1997, and more than half had Internet connections. (Computer and Internet access is much more widespread in urban than in rural Alaska households.) Throughout the U.S., just over half of children had computers at home in 1997 and slightly more than one-quarter had Internet connections.

Relying on welfare benefits is another measure of poverty, and recent welfare reforms across the country are intended to help reduce poverty by moving people off welfare and helping them become self-sufficient.

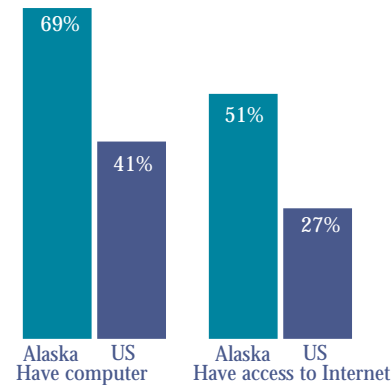
In Alaska, however, residents of roughly two thirds of small Alaska Native communities are exempt from the five-year limit on receiving welfare benefits, because unemployment in those places is so high (over 50 percent) that it is very difficult or impossible to find jobs.

### REDUCING POVERTY

But in places where there are jobs, analysts have recommended some steps to help people move out of poverty.

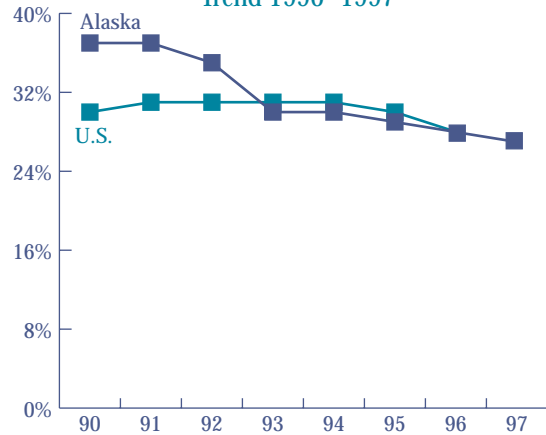
- Programs intended to reduce poverty and welfare dependence must give people financial incentives to work, by offsetting work-related costs such as transportation and child care, allowing people to work while still receiving some benefits, and eliminating restrictions on hours they can work.<sup>3</sup>
- Employment or job training as a mandatory part of welfare reform programs can substantially increase the incomes of participants.<sup>4</sup>
- Access to stable, high-quality child care that coordinates with parents' work schedules is an important part of moving families out of poverty and off welfare. Entry level jobs typically have nonstandard or rotating schedules, while most child care is available only during standard business hours. Lack of child care at odd hours greatly hinders parents' ability to find and maintain jobs.<sup>5</sup>

Percent of Children Under 18 Living in Households with Computers and Internet Access, 1997



Source: 2000 *National Kids Count Data Book*

**Percent of Children Under Age 18 With Neither Parent Employed Full-time, Year-Round**  
Trend 1990 -1997



Source: 2000 National Kids Count Data Book

## DEFINITION AND SIGNIFICANCE

This indicator shows the percentage of children under 18 living in households where neither parent has a full-time, year-round job. A new *Kids Count* indicator—calculated back to 1990—this measure is important because it estimates the number of children who lack the stability of having at least one full-time working parent.

In 1997, more than one in four children in Alaska and throughout the U.S. lived in households where neither parent was employed at a full-time, year-round job.

Alaska has seen significant improvement in this indicator in recent years. The share of children without at least one parent working full time dropped from 37 percent in 1990 to 27 percent in 1997.

## LIMITATIONS OF INDICATOR IN ALASKA

Although this indicator provides a good measure of the economic well-being and stability of families, it has some shortcomings in rural Alaska.

Full-time, year-round work is scarce in many of Alaska's small rural places, especially remote Alaska Native villages. Seasonal jobs like commercial fishing or construction are often the main source of income for rural families.

Many rural families that depend on seasonal incomes also get a big share of their food through hunting

and fishing. For instance, in the early 1990s, a third of rural households in southeast Alaska reported getting at least half their meat and fish by hunting and fishing.<sup>6</sup>

For some rural families, the combination of adequate earnings from seasonal work, and the fish and game from hunting and fishing, may provide an equivalent income to that provided by having a full-time working parent. But that way of life is not accounted for in this indicator.

## BACKGROUND: WELFARE REFORM<sup>7</sup>

Thousands of families in Alaska have been affected by welfare reforms that began in July 1997, as part of sweeping changes at the federal level. Congress intended the reforms to reduce welfare caseloads nationwide and move families toward self-sufficiency.

Welfare benefits are now limited to five years. That change is reflected in the program name: what used to be called “Aid to Families with Dependent Children” is now known as “Temporary Assistance to Needy Families.”

Also, welfare recipients are now required to participate in “work activities.” Those activities can include looking for work, getting vocational education, doing community work—or working at paid jobs. As of early 2001, about 40 percent of the families receiving benefits under the state-administered program in Alaska had some earnings—but because their earnings were small, they could still qualify for reduced benefits.

The same reforms that set time limits on welfare benefits also provided subsidies for child care, transportation, and other costs families face as they try to become self-sufficient. And Congress included special reform provisions for Alaska Natives:

- Welfare recipients in federally-recognized Alaska Native villages are exempt from the five-year benefit limit, if 50 percent or more of the adults in the village are unemployed. As of early 2001, about two out of three Alaska Native villages qualified for that exemption.

- The non-profit arms of the 13 Alaska Native regional corporations (formed under the Alaska Native Claims Settlement Act) are authorized to take over administration of welfare programs in their regions, if they develop plans and apply to the state. As of early 2001, three Native non-profits were administering welfare programs in their regions.

An obvious effect of welfare reform is that more families now need child care—both those still getting benefits but trying to become self-sufficient, and those just off welfare and trying to stay on their feet.

## DEMAND FOR CHILD CARE<sup>8</sup>

Complete information on how the demand for child care in Alaska has increased in the wake of welfare reform is impossible to get. But figures from state-subsidized child care programs provide some indications of change.

## ALASKA FAMILIES RECEIVING SUBSIDIZED CHILD CARE UNDER STATE-RUN PROGRAMS, DECEMBER 2000

	Number	Percent of Total
<b>State-Administered Temporary Assistance<sup>1</sup></b>		
Families receiving welfare benefits <i>and</i> working or participating in work activities <sup>2</sup>	2,882	100%
<i>Families receiving child care</i>	972	34%
<b>Child Care Subsidy Program<sup>3</sup></b>		
Low-income families receiving child-care subsidies	2,813	100%
<i>Families that left welfare within past year<sup>4</sup></i>	605	22%
<i>Other low-income families<sup>5</sup></i>	2,208	78%

<sup>1</sup>Figures do not include assistance programs administered by Alaska Native non-profit organizations.

<sup>2</sup>The total state-administered welfare caseload (excluding cases administered by Native non-profit organizations) in December 2000 was 5,586. Of those cases, 1,061 cases were children receiving benefits but living with adults not receiving benefits. Another 318 were families that were exempt from work requirements because they had children under age 1. The remaining 1,325 were families who were either temporarily unable to participate in work activities or who were working with case managers to be assigned activities.

<sup>3</sup>This is a program of the Alaska Department of Education and Early Development. It pays anywhere from 25 to 97 percent of child-care expenses for families whose income is 85 percent or less of the state median family income.

<sup>4</sup>Families within the first year of transitioning from welfare to work have priority in this program.

<sup>5</sup>These families may or may not have ever received welfare benefits. If the program does not have enough funds to subsidize child care for all qualified families, these families get lower priority than those who have just moved off welfare.

Sources: Alaska Division of Public Assistance; Alaska Department of Education and Early Development

### Families Receiving Welfare

The Alaska Division of Public Assistance administers the Alaska Temporary Assistance Program, which provides welfare benefits to recipients statewide, except in the three regions where Alaska Native non-profit organizations have taken over administration.

Part of that temporary assistance program is subsidized child care for welfare recipients who either have jobs or are participating in work activities.

### Families Transitioning from Welfare

A second state program is the Child Care Subsidy Program, administered by the Alaska Department of Education and Early Development. That program subsidizes a portion of the child care costs for working families whose income is 85 percent or less of the state median income.

Within that program, families who have left welfare within the previous year get priority, if there is not enough funding for all qualified families. Program administrators in Anchorage report that at times since welfare reform began, hundreds of working families who were not transitioning from welfare were on waiting lists because there wasn't enough program funding.

But in 2000, to help deal with the effects of welfare reform, the state government transferred funds from the Division of Public Assistance to the child care subsidy program and the Department of Education and Early Development. As of early 2001, there were no waiting lists for child care subsidies.

The table to the left shows that of the 2,882 families receiving welfare benefits under the state-run program—and either working or doing work activities in December 2000—about 970, or 34 percent, were also receiving subsidies for child care costs.

In the state subsidy program for working families, about 2,800 families were receiving subsidized child care as of December 2000, and about 600 of those—22 percent—were families that had left welfare within the previous year.

Altogether, about 1,580 families either still on welfare or transitioning from welfare were receiving child care subsidies under state-administered programs at the end of 2000. That represented about 40 percent of the families receiving state-subsidized child care.

These numbers don't tell us everything about how the demand for child care in Alaska has changed since 1997. But they make it clear that many more families have required child care—and those numbers are likely to continue rising in the next few years, as more families transition from welfare.

### FINDING CHILD CARE

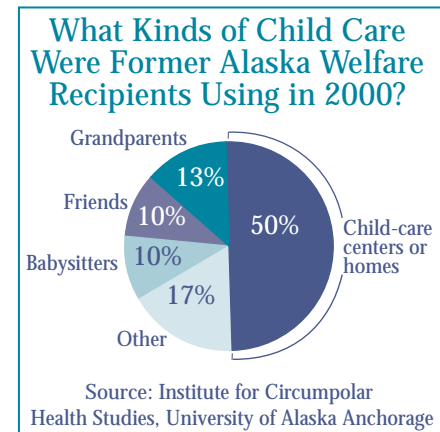
Parents going to work—or preparing to go to work—face not only the problem of paying for child care but also finding acceptable child care.

Again, we don't have complete information about the difficulties families transitioning from welfare have had in finding child care. But in a recent survey of Alaska families that had left welfare rolls since 1997, about a third of respondents reported that their work

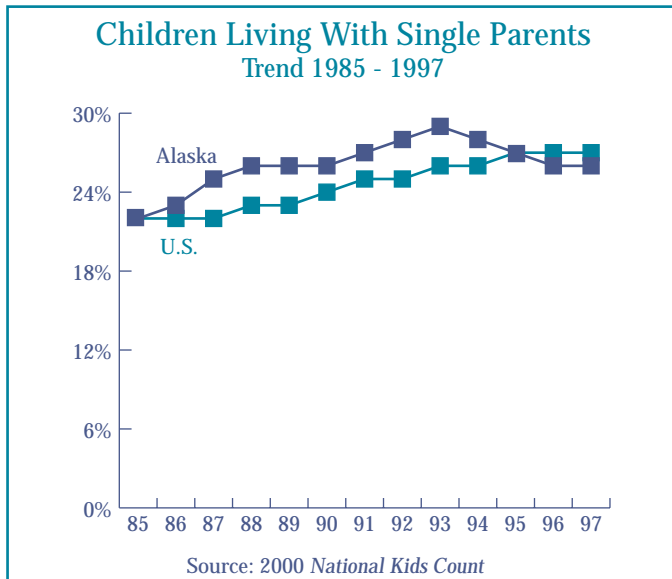
activities had been disrupted at some time by difficulties finding child care.<sup>9</sup>

The pie chart shows the kinds of child care former welfare recipients reported using in 2000. About half relied on child-care centers or homes, with the other half relying on grandparents, friends, babysitters, after-school programs, and other kinds of child care.

In 2001, the state government plans to implement a coordinated professional development system for child-care providers—to help insure that those who care for Alaska's children are aware of and have access to training and development opportunities. State officials hope this system in turn will help give Alaska's parents improved access to the child care they need.



## CHILDREN LIVING WITH SINGLE PARENTS



Most single parents are women, and many single mothers are also teenagers who live below the poverty line and get little or no support from the fathers of their children.

And by the time teenagers turn 16, those being raised by single parents are twice as likely to be sexually active as teens who are raised in two-parent families.<sup>10</sup>

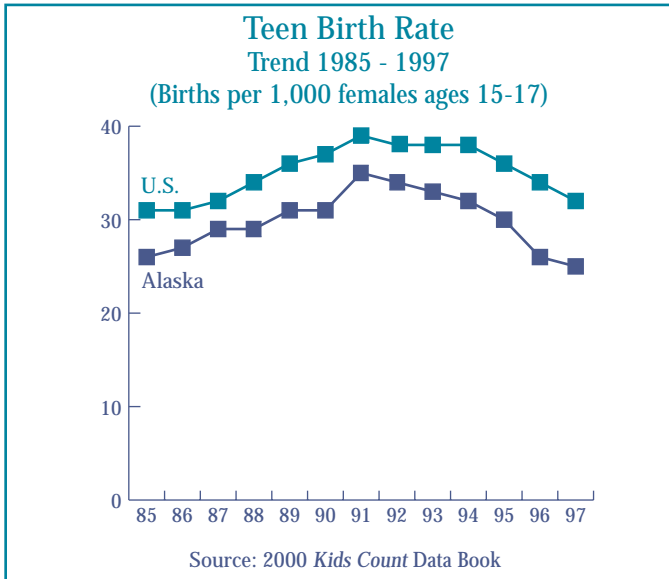
About one-quarter of children in Alaska were being raised in single-parent households in 1997. That proportion is slightly below the national average, so Alaska ranks 18th in the U.S. on this indicator.

### DEFINITION AND SIGNIFICANCE

This indicator measures the percentage of families headed by single parents (either mothers or fathers), with children under 18. The children may be related to the parent by birth, adoption, or marriage.

Children who grow up with just one parent often lack the economic and social support that two-parent households can more readily provide. Clearly households with two parents have the potential to earn more. And when single parents work—as more are doing under recent national welfare reforms—they have no one to share the difficulties of coordinating child care with work schedules; of arranging transportation to and from school, day care, and work; and of carrying out the dozens of other daily responsibilities of raising children.

And although the share of families headed by single parents increased from 24 to 27 percent nationwide from 1990 to 1997, that share in Alaska has declined somewhat since 1993.



**DEFINITION AND SIGNIFICANCE**

The trend data in the graph above, from the national *Kids Count Data Book*, report the number of girls between just the ages of 15 and 17 who have had babies. The regional breakdowns within Alaska include girls ages 15 through 19.

Most teenage mothers are unmarried and have not completed high school. They are unlikely to receive either financial or social support from the fathers of their children, who are usually teenagers themselves.

Nationally, 32 of every 1,000 girls 15-17 had babies in 1997. In Alaska the rate was significantly lower, at 25 per 1,000.

The good news is that both the national and the Alaska rates of birth among teenagers 15-17 dropped sharply in the 1990s. The national dropped nearly 20 percent and the Alaska rate close to 30 percent.

If we look at a broader base of teenage girls in Alaska—all those from 15 through 19—an average of about 56 per 1,000 had babies annually from 1993 through 1997.

The rate was much higher in the Northern region of the state during that period, with nearly 1 in 10 teenage girls having babies. The lowest rates were in the Mat-Su, Southeast, and Gulf Coast regions, where about 5 of 100 teenage girls had babies.

The tables on page 31 show trends in births among teenage mothers in Alaska, by race and other characteristics, from 1993 through 1998.

The birth rate among Alaska’s teenage girls 15-19 dropped nearly one-quarter during that period. The trend was down among girls of all races except Asian girls, whose rate increased nearly one quarter. The biggest drop was among Black teenagers, who cut their rate by more than half in five years.

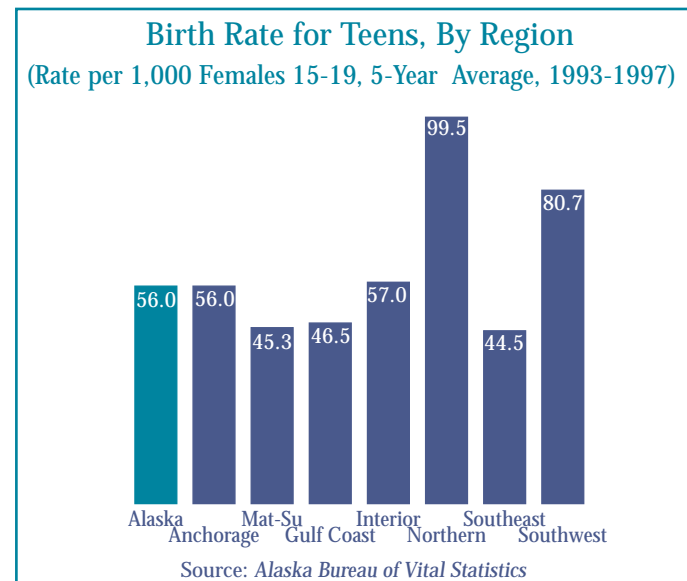
In 1998, birth rates were highest among Alaska Native girls and lowest among White girls, with rates among Black and Asian girls in between. Remember, however, that there are fewer Black and Asian girls in Alaska, so a relatively small change in the number of births can affect birth rates.

Most teenage mothers in Alaska are unmarried, and that share increased somewhat in recent years, growing from about 70 to 76 percent

between 1993 and 1998. Teenage mothers as a share of all mothers, and the share of teenagers who’ve had more than one baby, changed little.

We know that teenage mothers and their babies face many hardships, including:

- Babies born to single teens who drop out of high school are 10 times more likely to live in poverty than children born to older mothers who have completed school and who have husbands.<sup>11</sup>
- Children born to teenagers are about three times more likely to go to jail during adolescence and early adulthood.<sup>12</sup>
- Children of teenage mothers are less likely to finish high school and more likely to become teenage parents themselves.<sup>13</sup>
- Society spent (in public money) an estimated \$15 billion annually for teenage parents and their children in the mid-1990s.<sup>14</sup>



## BIRTHS TO TEENS (CONTINUED)

### BIRTHS PER 1,000 ALASKA TEENS (15-19), BY RACE\*

	Total Number of Girls 15-19 1998	Birth Rate			Percent Change	
		1993	1997	1998	93-98	97-98
White	15,923	48.0	38.5	37.0	-22.9%	-3.9%
Alaska Native	4,824	104.3	83.7	86.0	-17.5	2.7
Black	1,051	112.3	68.8	50.4	-55.1	-26.7
Asian and Pac/Isl.	968	51.8	63.7	47.5	-8.3	-25.4
Total	22,766	62.2	50.3	48.4	-22.2	-3.8

\*Teens of Hispanic origin can be of any race.

Source: Alaska Bureau of Vital Statistics *Annual Report*, 1993, 1997, and 1998.

### TRENDS IN BIRTHS TO ALASKA TEENS

	1993	1997	1998	Percent Change	
				93-98	97-98
Birth rate for younger teens (per 1,000 females ages 15-17)	34.2	26.2	26.4	-22.8%	0.8%
Percent of teen births to unmarried teens	69.6%	76.6%	76.1%	10.1	-0.7
Percent of teen births that are repeat births	n/a	19.5%	19.8%	n/a	1.5
Teen births as a percent of all births	10.8%	11.2%	11.2%	3.7	0.0

Source: Alaska Bureau of Vital Statistics *Annual Report*, 1993, 1997, and 1998.

### NOTES FOR ECONOMIC WELL-BEING SECTION

<sup>1</sup>See *Kids Count Data Book 2000*, pages 178-179, for a discussion of this change.

<sup>2</sup>The U.S. census bureau reported in late 2000 that it was studying possible alternatives for measuring poverty, and it published the results of some experimental poverty measures. See the bureau's Web site at: <http://www.census.gov/hhes/www/povmeas.html>

<sup>3</sup>V. Knox, C. Miller, and L.A. Coennetian (2000). *Reforming Welfare & Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program*. Available at: [www.mdrc.org/Reports2000/MFIPSummary.html](http://www.mdrc.org/Reports2000/MFIPSummary.html)

<sup>4</sup>T. Brock, F. Doolittle, V. Fellerath, and M. Wiseman. (1997). *Creating New Hope: Implementation of a Program to Reduce Poverty and Reform Welfare* (Executive Summary). See: [www.lafollette.wisc.edu/newhope/summary.html](http://www.lafollette.wisc.edu/newhope/summary.html)

<sup>5</sup>See note 4 above, and also National Academy of Sciences. (1999). *New Findings on Children, Families and Economic Self-Sufficiency: Summary of a Research Briefing*. Available at: [www.nap.edu/readingroom/books/findings/intro](http://www.nap.edu/readingroom/books/findings/intro)

<sup>6</sup>Marybeth Holleman and Jack Kruse. (1991). "Hunting and Fishing in Southeast Alaska," in *Alaska Review of Social and Economic Conditions*, Volume XXVIII, No. 1. Institute of Social and Economic Research, University of Alaska Anchorage.

<sup>7</sup>Information on welfare reform and subsidized child care in Alaska provided by Alaska Division of Public Assistance and Alaska Department of Education and Early Development. More information on the status of reform in Alaska as of 2000 is available at: [www.hss.state.ak.us](http://www.hss.state.ak.us).

<sup>8</sup>See note 7.

<sup>9</sup>*Reaching for Independence: A Study of Families That Have Left the Alaska Temporary Assistance Program*. Pre-Publication Executive Summary. Institute for Circumpolar Health Studies, University of Alaska Anchorage. January 2001.

<sup>10</sup>K.A. Moore, A.K. Driscoll, and L. Duberstein Linderberg. (1998). *A Statistical Portrait of Adolescent Sex, Contraception, and Childbearing*. The National Campaign to Prevent Teen Pregnancy, Washington, D.C.

<sup>11</sup>Annie E. Casey Foundation, *Kids Count Data Book 2000*. Baltimore, Maryland, 2000.

<sup>12</sup>R.A. Maynard. (1996). *Kids Having Kids: Economic Costs and Social Consequences of Teen Pregnancy*. Urban Institute Press: Washington, D.C.

<sup>13</sup>See note 12.

<sup>14</sup>See note 12.