PROVIDING FOR BASIC NEEDS AMONG LOW-INCOME FAMILIES

ON STUDY OF AFDC CLIENTS (FINAL REPORT)

Welfare reform bill signed

WASHINGTON (AP) — President Reagan signed Thursday the first major overhaul of the nation's welfare system since it was created in the Great Depression, and said the new law is a "message of hope" to those mired in a life of dependency and destitution.

But that message to welfare recipients, said the president, also contains a demand from the citizens who pay the bills: "That you will do your share in taking responsibility for your life and for the lives of the children you bring into this world."

Reagan said the best part of the new welfare plan is that it actually poses "an alternative to life on welfare."

"For too long the federal government, with the best of intentions, has usurped the responsiblity that appropriately lies with parents," said Reagan at the signing ceremony in the Rose Garden. "In so doing, it has reinforced dependency and separated welfare recipients from the mainstream of society."

The legislation contains the most sweeping revision of the nation's principal welfare program — Aid to Families with Dependent Children — since it was created in 1935.

Under the agreement reached after two years of legislative struggle, the government has pledged to provide training and support systems to destitute parents if they take steps to become independent.

Each state must operate a Jobs Opportunities and Basic Skills (JOBS) program to educate, train and find employment for the AFDC recipients. Over seven years, states will be entitled to recieve $6.8 billion in federal matching funds to pay for employment and training activities.

Under the bill, states are required for the first time to offer people on welfare a broad variety of education, training and work programs.

Mothers of young children are required to participate. They retain medical coverage for a year after they find a job, and they will be far more likely to get child support payments.

For the first time, the federal government will require all states to pay cash benefits to two-parent welfare families. Only 27 do so now.

Starting in 1994, one adult in each two-parent welfare household must participate in a job search and, if it fails, work 16 hours a week in a state-organized work activity. A young parent may work instead toward a high school diploma.

Reagan refused to sign the bill without this key provision, commonly known as "workfare" but derided by some as "slavefare."

All states will be required to provide at least some cash benefits to families with unemployed fathers living at home.

Non-custodial fathers will face new pressure for child support payments, with states required to identify more of them and automatically withhold payments from their wages.

Those most likely to feel the immediate effects of the welfare bill are able-bodied women with children aged 3 and over. They are the prime targets of the new JOBS programs to be developed by each state.

While there already are a few small work programs for welfare mothers of children over 6, they operate on relatively little money and offer limited services — such as job search and placement — in most states.

Under JOBS, by contrast, only parents of children under 3 are exempt, and states can lower that to age 1. Also, services must be much more extensive.

Parents will be offered basic and remedial education, literacy classes, job skills training, job readiness activities, job placement, child care and transportation. States must also provide two of the following: job search, on-the-job training, community work experience and work supplementation, in which a welfare grant subsidizes an individual's private wages. Parents under 20 must earn a high school diploma or its equivalent.

4,283 receive AFDC benefits

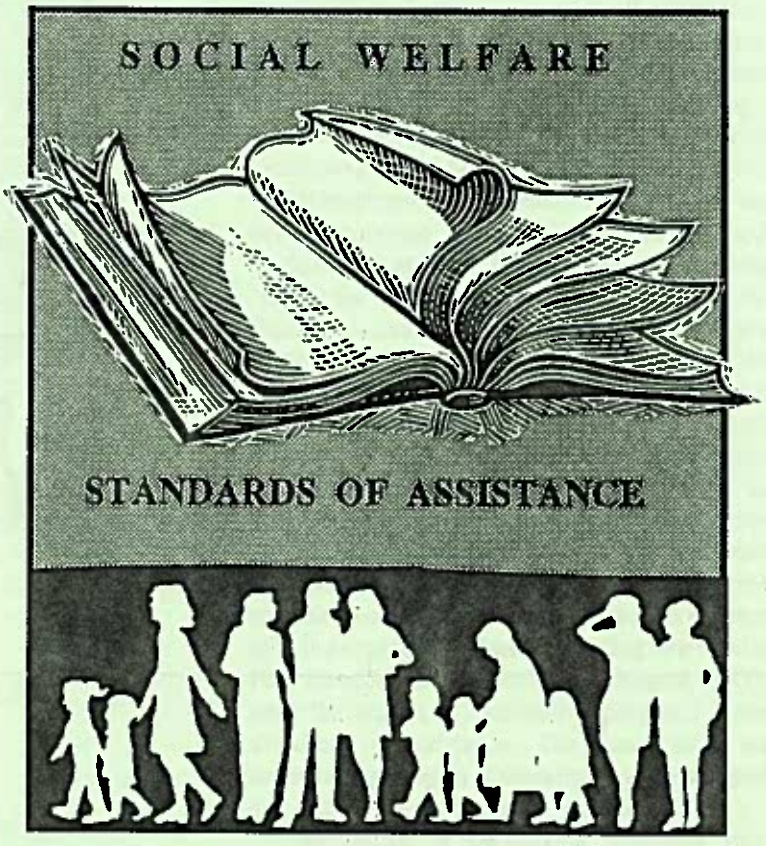
By Daily News staff

Aid to Families with Dependent Children totaled $263,302 in June, according to the latest statistics from the Guam Department of Commerce.

The Commerce Department's Quarterly Economic Review reported that 4,283 persons received the benefits during June.

Providing for Basic Needs Among Low-Income Families On Guam:

A Study of AFDC Clients *(Final Report)*



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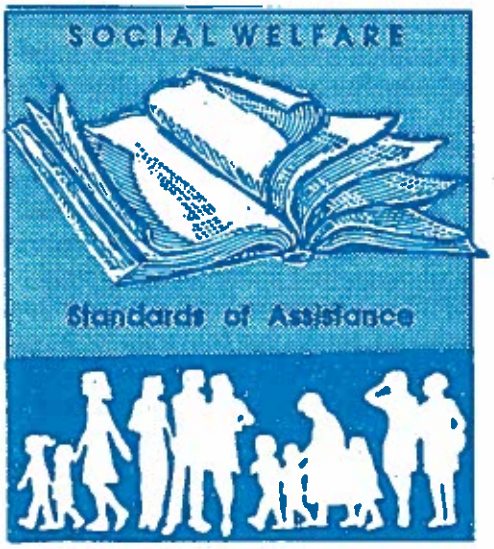

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INTRODUCTION

There are people who cannot "afford" the costs of living on Guam. Those low-income families who qualify may receive welfare cash grant payments provided by public assistance programs. The amounts are based on "need standards" set for family households of different sizes. A need standard is that amount of money determined to be essential for a family household to meet a minimal standard of living, and includes such things as the cost of food, clothing, shelter, utilities, household items and other personal things (Viernes, 1985; Public Health and Social Services Internal Report, 1983).

The need standards currently used on Guam were set more than twenty years ago, in 1967. Yet, the cost of food alone rose 250 percent on Guam from 1974 to 1984, and in general over this time, "prices for those items normally purchased by consumers on Guam have increased more rapidly than prices for items normally pruchased by consumers on the (U.S. mainland) (Department of Commerce, 1985: p. 33)." This contradiction between an ever increasing cost of living on Guam and unchanging standards of assistance has troubled professionals at the Department of Public Health and Social Services since the early 1970s.

This report is the third in a series of administrative studies aimed at documenting the situation to help island leaders resolve this contradiction. The first study was conducted by a selected committee of social welfare professionals to determine actual cost of living expenses as a basis for setting new need standards (Public Health and Social Services Internal Report, 1983). The committee used the results to establish a proposed increase in Guam's Standards of Assistance. The second study was conducted to determine the impact of these proposed need standards on DPHSS and Guam's welfare system (Viernes, 1985).

Nonetheless, a perplexing question has troubled the professional supervisors of Guam's public assistance programs from the very start of this effort: "If the current need standards are so inadequate, how is it that welfare recipients are continuing to meet their needs?" This report begins to address this issue and provides insights to lifestyles among low-income families in need of welfare assistance.

There is no question Guam's poor are in need of some kind of public assistance. Even the Division of Public Welfare does not want to promote a change that simply makes people more dependent on welfare and actually works as a disincentive to independence. As explained by Catherine Illarmo, Chief Human Services Administrator, the division sees its role, and the objective of its program efforts, as "helping a family provide for basic needs only until it can provide for itself." The division feels any decision to request budgetary increases that would commit a larger part of the Government of Guam's tight budget to welfare services should be accountable to the well-being of their clients and the community.

Meanwhile, the contradiction between unchanging standards and the rising cost of living continues to contribute to an ever-widening gap. Two past efforts to implement revised needs standards did not succeed, one in 1974, and a second in 1979-80 (Public Health and Social Services Internal Report, 1983). Two things combined to block and confuse earlier decisions to set new need standards: 1) special interest pressures competing over a tight budget and 2) insufficient information on the benefits, impacts and consequences to justify the cost increase to our local leaders.

This report is intended to add current information for a new attempt asking that island leaders address the issue of Guam's Standards of Assistance. The time is opportune as national level changes by the U.S. Congress will soon force changes on Guam (Gueron, 1988).

A sizeable volume of related materials is actually available to administrative, legislative and agency personnel seeking additional information. In regard to making informed decisions, knowledge of how Guam's welfare system has evolved will give DPHSS administrators and Guam's leaders a better historical perspective of this issue. The following chronology was modified from "A Guide for the Development of Guam's Social Welfare Policies and Services (1982) prepared by the Guam Bureau of Planning.

EXECUTIVE SYNOPSIS

Purpose of this Report

This study was commissioned to understand how those receiving one specific type of welfare assistance are able to provide the necessities of life for their families in this day of an ever-rising cost of living without any adjustments in benefits. Retirees, both Government of Guam and Federal, and current public employees have received a series of cost of living increases over the past years due to a concommittant rise in the prices of everyday items such as food and shelter. Yet, those who are recipients of AFDC and other welfare benefits have been ignored.

Personnel associated with the operation of Guam's welfare programs expressed concern and decided to study how recipients of AFDC benefits are meeting their needs. The ultimate goals are to understand client lifestyles; determine if a welfare society is developing as a generational process; and make limited recommendations necessary for governmental interests to understand what is happening.

Survey Results

1. AFDC welfare families on Guam tend to be female-headed households with about four family members living together, usually with only one person of employable age between 17 and 59 years. More than half of these families live in GHURA housing. Few (12%) share their residence with another family group, and a little less than one-third are dependent on parents, family or friends to provide their shelter needs.

2. The families of younger clientele are characterized by preschool children, often two or more. These younger clients primarily depend on parents or family for housing needs if they are not in GHURA housing. In contrast, the others tend to have m independent resources for their housing needs with many of th over 35 years of age owning the residence (22%). These ol AFDC families are mainly composed of a parent and school children.

3. The data indicate that the "turn-over" rates of AFDC cli starting and stopping welfare benefits may be fairly stable and the program may have a relatively slow growth rate. T suggestion is indicated by the fairly even distribution of cli across a catergorical range of "years on welfare." A little m than one-fourth of clients (27%) have received welfare for year or less, while just under a fourth (22%) have received wel for six or more years. Contrary to popular belief, half of all wel clients in the United States normally move off the rolls within years (Gueron, 1988).

4. As commonly assumed, older clients tend to have been welfare longer than younger clients. Even so, more than one-fi (20-24%) of older AFDC families have been receiving wel benefits for only one year or less. This gives added support to conclusion that clients have normal turn-over rates.

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6. Shelter needs were one exception. Most AFDC clients able to be independent of extended family for housing, with fe clients getting outside help with expenses for rent/mortgage utilities (under 10%). Another exception was transportation, w more than one-third reporting dependency on family or friend travel around the island. AFDC households live as nucl household units but many do not have cars of their own.

7. The households where AFDC clients live also rece benefits from other welfare programs which help provide for th needs. About three fourths (73%) receive Food Stamps, nea one-third (29%) qualify for WIC, and 10% are in homes that h received General Assistance payments. Old Age Assistance Aid to the Disabled are received by about 1% of AFDC client This too, is not unusual, and is lower than national levels wh 83.4 % of all AFDC households in the United States participa in the Food Stamp Program in FY 1986, to as high as 93% in State of Michigan (U.S. GAO, 1988).

Implications and Recommendations

These conclusions and statements were developed durin program supervisors' meeting of the Division of Public Welf DPHSS, after they had reviewed this report and its findings.

1. The Division of Public Welfare, DPHSS, should reass the assumed program logic of its services to answer, to satisfaction, whether they are meeting client needs or induci welfare lifestyle upon families. At present, according to

AN ABRIDGED CHRONOLOGY OF SOCIAL WELFARE ON GUAM: 1916-1985

1916 American Red Cross was established and became the first private social service organization on Guam.

1920s Charity Board emerged as a unit within the Naval Executive Department and provided food rations to persons determined as needy.

1929 St. Vincent de Paul Society was established by the Catholic Church. Like the Charity Board, assistance was given in the form of material goods.

1935 Aid to Families with Dependent Children (AFDC) adopted by the United States as part of the Social Security Act and was regarded primarily as a means to provide assistance to poor children.

1951 Helping Hands of Guam was established by a group of local businessmen and citizens replacing the St. Vincent de Paul Society. Assistance was given in the form of food, clothing and shelter.

1953 Public Law 2-51 created a Directorate of Welfare in the Department of Finance and established a fund to subsidize private welfare agencies at a 25:75 ratio.

1957 Public Law 4-4 assigned the administration of Public Welfare Programs to the Directorate of Welfare, ending the total delegation of social services to private organizations. With the advent of this law, a welfare unit was created within the Department of Finance and the first social workers were hired.

Helping Hands of Guam was disbanded.

Resolution 44 was passed requesting the Federal Government to extend the benefits of the Social Security Act of 1935 to Guam.

1959 Public Law 5-15 created the Division of Public Welfare within the Department of Finance and authorized the Government of Guam to participate in programs under the Social Security Act. The four categorical programs which were implemented included:

- Old Age Assistance (OAA)
- Aid to the Blind (AB)
- Aid to the Totally and Permanently Disabled (ATPD)
- **Aid to Families with Dependent Children (AFDC)**
- Need Standards first established on Guam.

Public Law 5-15 also created a local General Assistance Program to provide financial assistance to needy persons that did not qualify under any of the four categorical programs covered by the Social Security Act.

1961 Division of Welfare transferred to the Department of Medical Services.

1962 Public Laws 6-135 and 7-36 established the Guam Housing and Urban Renewal Authority (GHUR to deal with the housing problems and homeless caused by typhoons Karen and Olive.

1964 Department of Public Health and Social Services was created.

1965 GHURA was reorganized and Resolution numbers 227 and 228 requested construction of 250 lo rent housing units.

1967 Standards of Assistance revised and implemented based on a cost of living study conducted by Guam Welfare Association.

U.S Congress amends Social Security Act to reduce the rate at which welfare grants decrease (the implicit marginal "tax" rate) when recipients go to work.

1968 Medicaid under Title XIX of the Social Security Act was approved for Guam. Prior to this tim indigents' hospital expenses were provided by the Guam Memorial Hospital Abatement Progra

The USDA Food Commodity Distribution Program began.

1970 Guam Standards of Assistance were revised by Executive Order.

1971 Work Incentive (WIN) program became mandatory in the United States whereby, as a condition of receiving AFDC benefits, all adult recipients with no preschool children or no specific problems that keep them at home are required to register with a state employment service to participate in job training or job-search activities and to accept employment.

1974 Food Stamp Program replaced Food Commodity Program.

A proposal to increase the Standards of Assistance, submitted as a memorandum to the Governo Guam by the Director of DPHSS, was not implemented due to budgetary constraints at the time

1975 Section 8 Rental Subsidy Community Block Grant Program was implemented through the Hous and Community Development Act of 1974.

1979/ 1980 A second attempt to revise the Standards of Assistance never materialized after DPHSS decided background study lacked sufficient strength.

1982/ 1983 The Administrator of the Division of Social Services established a committee to review and prop an update to the Public Assistance Standards.

1984/ 1985 A study of impacts from implementing the proposed revised Public Assistance Standar was completed.

tudy, welfare dependency has not yet become a "lifestyle" among FDC clients. But the probelm is emerging. There is indication hat this trait may have begun to develop now that Guam's welfare ystem has been an available resource for a first and now second eneration.

On the surface, the study suggests that AFDC is fulfilling its urpose for serving its targeted population who have a normal rn-over rate as people join and exit the welfare rolls to meet mily needs. But there is an organizational need to define a alued direction — what kind of world should Guam's welfare ystem promote? The history of welfare implementation has been ch that, although the welfare grants defined by the Standards of ssistance have not increased and may no longer meet the level of mily need, other programs have started. This has created a welfare resource bag" with many separate applications. Thus, though AFDC is fulfilling its purpose — its operation exists as ne of several sources of support that can be "worked" from the system." The assumed gap between cost-of-living and the tandards of Assistance may be a misleading definition of the roblem. The money that would be needed to increase the andards may be better spent or allocated to innovative projects ther than putting it into the existing entitlement or maintenance pe programs.

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A PROFILE OF FAMILIES RECEIVING AFDC ASSISTANCE

ho is receiving AFDC assistance? For nearly all people the mily is the most important group of persons to which they long. It provides intimate and enduring interaction that gives us ysical nourishment, shelter and clothing, an identity of who we e in the community and resources to live within that community. e gain insight to how low-income family households provide for eir basic needs by thinking of a "family," any family, as an ganized group of people. But this organized group - (the mily)- is characterized by marital and reproductive ties, operative pooling of resources, and includes both adults and ildren who share a common residence or through their extended mily network may have access to several residences. By looking the particular nature and structure of families receiving AFDC nefits we begin to understand the kinds of basic needs they have d what resources or options are available to them for their efforts meet those needs.

Among the 1,327 clients in October 1987, **Absent Parent** (56%) and **Separated-Divorced** (27%) are the categorical classifications defining the majority of family units receiving AFDC benefits. Thus, most respondents in the survey study sample were women, and AFDC clients in general are predominantly persons in their early adult years. Half (53%) of current clients are between 19 and 29 years of age, with another one fourth (26%) age 30 to 39 years (see Appendix Table A).

The Chamorro community has historically had a 'stem family' pattern where newly married couples set up their own residence dwellings rather than having multiple families in the same building. Other studies show that about one in five households (about 20%) island-wide have extended family relatives living with the family unit (Klimek, 1975; Workman, 1983). In large measure, these are very likely low-income people in need, such as elderly parents, widows, young single mothers, and the recently divorced or separated. Even so, AFDC families on welfare are no more likely than the general population to be found living in a mutiple family household arrangement.

WELFARE AS A LIFESTYLE

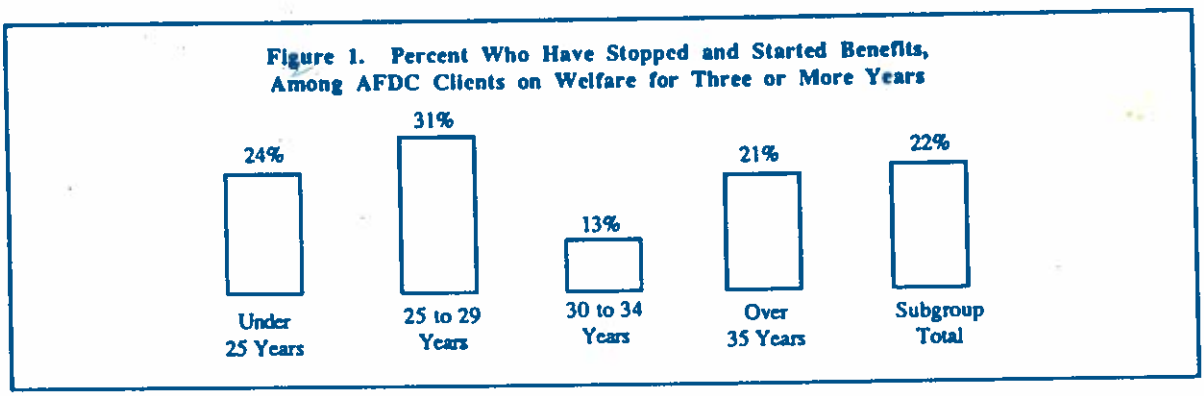
Has public assistance become a way of life among Guam's poor? This issue underlies the concern many decision makers on Guam discuss when they weigh the pros and cons for changing the social welfare system. It will be on the minds of elected and administrative officials who must be involved in getting any new standards implemented. The general community is sensitive to legislative debates over the government's budget, and officials will be held accountable in the island's forum of political commentary and public hearings. Thus, it will be useful to be able to inform the public debate with some understanding of the extent to which welfare has become a long term resource for low-income families.

History is important for interpreting these findings. Welfare assistance programs like those of today were not implemented on Guam until 1959; 28 years ago or about the time when the youngest client cohort was born and just about the length of a generation. Table 1 presents a cross-tabulation of this data identifying whether or not both the parents and siblings of current AFDC clients have received welfare.

Table 1. Welfare Dependency Within the Extended Family of AFDC Recipients

Parents Received Welfare?	Subtotals %s	(Total=426) Total %s
NO: First Generation Clients do		
Do Siblings Receive Welfare?		86%
NO	65%	
YES	21%	
YES: Second Generation Clients		
Do Siblings Receive Welfare?		14%
NO	7%	
YES	7%	
	100%	100%

We controlled for the effects of "age" and "years on welfare" to get a more accurate picture of people reporting that they had stop receiving welfare but were now, again, receiving benefits. Looking at those who have been on welfare for three or more years Figure 1), we found that 22 percent had stopped and then restarted welfare assistance at least once. This is still about one-fifth. surprising result was that age reverses its assoiciation with benefits in this restricted group.



One-fifth may not seem sizeable, but these people represent families who could be characterized as "the marginal welfare class." is, AFDC families whose status and resources are just at the edge of qualifying criteria, and their eligibility for assistance shifts their circumstances. It is noteworthy that, as shown in Figure 1 above, this marginal group is a larger proportion of the younger co of AFDC clientele (over one-fourth) than the older cohorts.

For a copy of the full report, write or call the authors, Dr. Randall L. Workman or Richard N. Prelosky, at (671)734-2506, at the Community Development Institute, Guam Cooperative Extension, University of Guam, UOG Station, Mangilao, Guam 96923.

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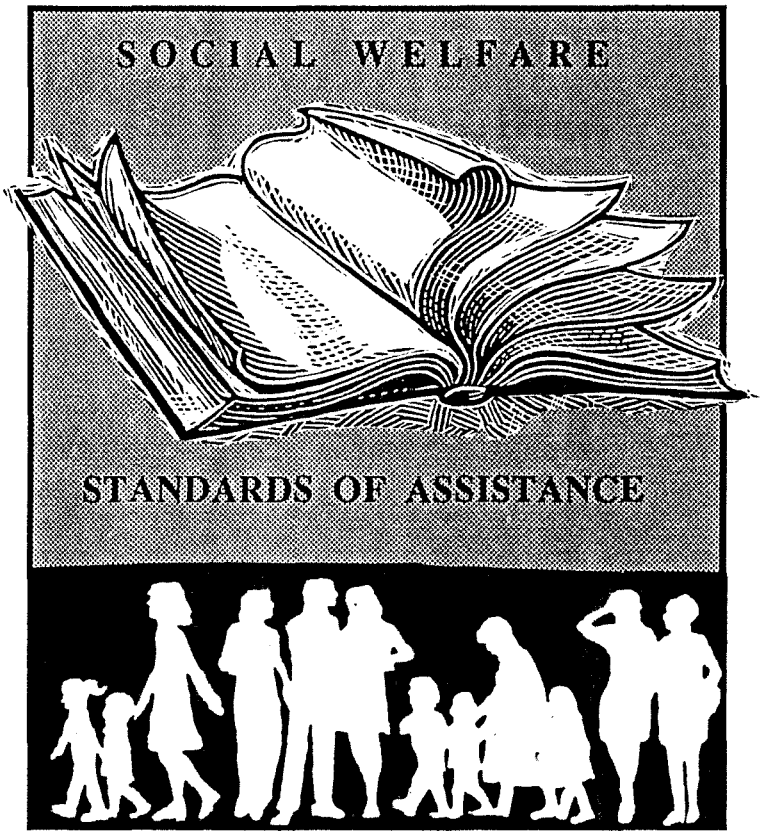

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ACKNOWLEDGEMENTS

The greatest value of this report is derived from the concern of the people who asked to have it done; the people who helped collect and take action; and most importantly, the people who will be affected by it -- the people who responded to the questionnaire. We wish to thank all of these people. In particular, this project was initiated through the efforts of John Leon Guerrero, Bureau of Management Support for the Program Supervisors of the Division of Welfare. This group, including Catherine Illarmo, Chief Human Services Administrator, Division of Public Welfare; Myrna San Nicolas, Bureau of Economic Security; Adoracion A. Solidum, Bureau of Health Care Financing; Mary Camacho, Bureau of Investigation and Benefit Recovery; Julita Lifoifoi, Bureau of Social Services Administration, who actively formulated the focus of the study and its survey instrument; and James Camacho, Extension Technical Assistant with Community Development Institute who collected the returned surveys and prepared them for computer processing and tabulation.

Any errors or false conclusions are the fault of the authors.

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There are people who cannot "afford" the costs of living on Guam. Those low-income families who qualify may receive welfare cash grant payments provided by public assistance programs. The amounts are based on "need standards" set for family households of different sizes. A **need standard** is that amount of money determined to be essential for a family household to meet a minimal standard of living, and includes such things as the cost of food, clothing, shelter, utilities, household items and other personal things (Viernes, 1985; Public Health and Social Services Internal Report, 1983).

The need standards currently used on Guam were set more than twenty years ago, in 1970. Yet, the cost of food alone rose 250 percent on Guam from 1974 to 1984, and in general over this time, "prices for those items normally purchased by consumers on Guam have increased more rapidly than prices for items normally pruchased by consumers on the (U.S. mainland) (Department of Commerce, 1985: p. 33)." This contradiction between an ever increasing cost of living on Guam and unchanging standards of assistance has troubled professionals at the Department of Public Health and Social Services since the early 1970s.

This report is the third in a series of administrative studies aimed at documenting the situation to help island leaders resolve this contradiction. The first study was conducted by a selected committee of social welfare professionals to determine actual cost of living expenses as a basis for setting new need standards (Public Health and Social Services Internal Report, 1983). The committee used the results to establish a proposed increase in Guam's Standards of Assistance. The second study was conducted to determine the impact of these proposed need standards on DPHSS and Guam's welfare system (Viernes, 1985).

Nonetheless, a perplexing question has troubled the professional supervisors of Guam's public assistance programs from the very start of this effort, if the current need standards are so inadequate, how is it that welfare recipients are continuing to meet their needs? This report begins to address the issue and provides insights to lifestyles among low-income families in need of welfare assistance.

There is no question Guam's poor are in need of some kind of public assistance, but the Division of Public Welfare does not want to promote a change that simply makes people more dependent on welfare and actually works as a disincentive to independence. As explained by Catherine Illarmo, Chief Human Services Administrator, the division sees its role, and the objective of its program efforts, as "helping a family provide for basic needs only until it can provide for itself." The division feels its decision to request budgetary increases and commit the Government of Guam to allocating a larger part of its tight budget to welfare services should be accountable to the well-being of their clients and the community.

Meanwhile, the contradiction between unchanging standards and the rising cost of living continues to contribute to an ever, widening gap. Yet,two past efforts to implement revised needs standards did not succeed, one in 1974, and a second in 1979-80 (Public Health and Social Services Internal Report, 1983). Two things combined to block and confuse earlier decisions to set new need standards-special interest pressures competing over a tight budget and insufficient information on the benefits, impacts and consequences to justify the cost increase to our local leaders.

This report is intended to add to a set of documents that will at least reduce the lack of information for a third attempt asking that island leaders address the issue of Guam's Standards of Assistance. The time is opportune as national level changes by the U.S. Congress will soon force changes on Guam (Gueron, 1988).

A sizeable volume of related materials is actually available to administrative, legislative and agency personnel seeking additional information. In regard to making informed decisions, knowledge of how Guam's welfare system has evolved will give DPHSS administrators and Guam's leaders a better historical perspective of this issue. The following chronology was modified from "A Guide for the Development of Guam's Social Welfare Policies and Services (1982) prepared by the Guam Bureau of Planning.

AN ABRIDGED CHRONOLOGY OF SOCIAL WELFARE ON GUAM: 1916-1986

1916 American Red Cross was established and became the first private social service organization on Guam.

1920s Charity Board emerged as a unit within the Naval Executive Department and provided food rations to persons determined as needy.

1929 St. Vincent de Paul Society was established by the Catholic Church. Like the Charity Board, assistance was given in the form of material goods.

1935 Aid to Families with Dependent Children (AFDC) adopted by the United States as part of the Social Security Act and was regarded primarily as a means to provide assistance to poor children

1951 Helping Hands of Guam was established by a group of local businessmen and citizens replacing the St. Vincent de Paul Society. Assistance was given in the form of food, clothing and shelter.

1953 Public Law 2-51 created a Directorate of Welfare in the Department of Finance and established a fund to subsidize private welfare agencies at a 25:75 ratio.

1957 Public Law 4-4 assigned the administration of Public Welfare Programs to the Directorate of Welfare, ending the total delegation of social services to private organizations. With the advent of this law, a welfare unit was created within the Department of Finance and the first social workers were hired.

Helping Hands of Guam was disbanded.

Resolution 44 was passed requesting the Federal Government to extend the benefits of the Social Security Act of 1935 to Guam.

1959 Public Law 5-15 created the Division of Public Welfare within the Department of Finance and authorized the Government of Guam to participate in programs under the Social Security Act. The four categorical programs which were implemented included:

- Old Age Assistance (OAA)
- Aid to the Blind (AB)
- Aid to the Totally and Permanently Disabled (ATPD)
- **Aid to Families with Dependent Children (AFDC)**

- Need Standards first established on Guam.

Public Law 5-15 also created a local General Assistance Program to provide financial assistance to needy persons that did not qualify under any of the four categorical programs covered by the Social Security Act.

1961 Division of Welfare transferred to the Department of Medical Services.

1962 Public Laws 6-135 and 7-36 established the Guam Housing and Urban Renewal Authority (GHURA) to deal with the housing problems and homeless caused by typhoons Karen and Olive.

1964 Department of Public Health and Social Services was created.

1965 GHURA was reorganized and Resolution numbers 227 and 228 requested construction of 250 low-rent housing units.

1967 Standards of Assistance revised and implemented based on a cost of living study conducted by the Guam Welfare Association.

U.S Congress amends Social Security Act to reduce the rate at which welfare grants decreased (the implicit - marginal "tax" rate) when recipients go to work.

1968 Medicaid under Title XIX of the Social Security Act was approved for Guam. Prior to this time, indigents' hospital expenses were provided by the Guam Memorial Hospital Abatement Program.

The USDA Food Commodity Distribution Program began.

1970 Guam Standards of Assistance were revised by Executive Order.

1971 Work Incentive (WIN) program became mandatory in the United States whereby, as a condition of receiving AFDC benefits, all adult recipients with no preschool children or no specific problems that keep them at home are required to register with a state employment service to participate in job training or job-search activities and to accept employment.

1974 Food Stamp Program replaced Food Commodity Program.

A proposal to increase the Standards of Assistance, submitted as a memorandum to the Governor of Guam by the Director of DPHSS, was not implemented due to budgetary constraints at the time.

1975 Section 8 Rental Subsidy Community Block Grant Program was implemented through the Housing and Community Development Act of 1974.

1979/ 1980 A second attempt to revise the Standards of Assistance never materialized after DPHSS decided the background study lacked sufficient strength.

1982/ 1983 The Administrator of the Division of Social Services established a committee to review and propose an update to the Public Assistance Standards.

1984/ 1985 A study of impacts from implementing the proposed revised Public Assistance Standards was completed.

METHOD AND PROCEDURE

A general overview of the methods and procedures of this AFDC Survey follows. Additional information to assist the reader's interpretation of the empirical results appears in the appendices.

The Sample. Targeted respondents were identified by the Division of Welfare as those persons or families eligible to receive an AFDC benefit check for the month of October, 1987. A total of 1,327 clients were approved, and for the purpose of generalizing our findings, these constitute the total population of "low-income" families actually studied. It was determined that from this total population, at least 316 respondents were needed to enable generalization with a confidence level of plus or minus five percent from reported findings (see Appendix Tables B and C).

The Aid To Families with Dependent Children (AFDC) is the largest monthly caseload among DPHSS welfare programs. The reader should be cautioned that generalizations made from this study's data are limited to characteristics of the AFDC client caseload and other island families living in similar circumstances. We do not wish to obviate the fact that the clientele of each welfare program are unique based on eligibility criteria specifying their particular need for assistance; for example Aid to the Blind and Old Age Assistance. Moreover, not all low-income families receive welfare assistance, and many have never received assistance. Nonetheless, these particular low-income families represent the largest segment of people who will be affected by any revision of Guam's Standards of Assistance.

Survey Instrument. The Division of Social Welfare and Community Development Institute staff developed the interview schedule through a series of meetings. By directing data collection at information helping these professionals clarify the unknown and questions needing to be answered, this procedure enhanced the utility of findings. The interview schedule was developed to be a "hand-in" form that maintained complete anonymity of the respondent.

Data Collection and Analysis. The questionnaire was included with the regular benefits check mailed to clients on the first day of October, 1987. Instructions stated that it was to be returned when, as part of requirements, they returned to revalidate eligibility for benefits. Personnel who staffed the reception areas at each office site (i.e., Northern, Central and Southern) were trained in the process of reviewing returned questionnaires for completeness and for coding the location where the form was received.

The majority of questionnaires received were returned within 20 days of delivery to clients. Only three calls were received fromt the telephone numbers listed for those with questions about the survey, and all were for reassurance and confirmation of instructions. A total of 437 surveys were returned (33 percent), with 430 having sufficient information for use. Thus an adequate number of surveys were obtained for confident generalization to the total AFDC population. After collection, the data were computer coded for processing by the "SURVTAB" survey analysis program designed for personal computers.

Validity and Reliability. The findings of this AFDC survey are both trustworthy and representative in their description of low-income families receiving AFDC. The survey sample represents the AFDC client population geographically and socially. The distributions of clientele who returned questionnaires are, as described in Appendix Table A, near identical to the total AFDC population in terms of age, ethnic culture and area of residence.

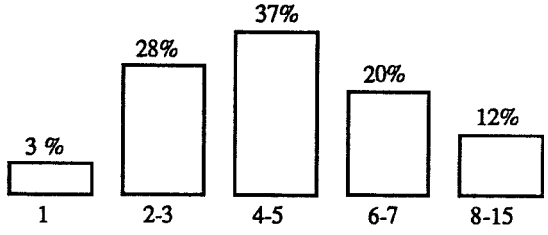
A PROFILE OF FAMILIES RECEIVING AFDC ASSISTANCE

Who is receiving AFDC assistance? For nearly all people the famiiy is the most important group of persons to which they belong. It provides intimate and enduring interaction that gives us physical nourishment, shelter and clothing, an identity of who we are in the community and resources to live within that community. We gain insight to how low-income family households provide for their basic needs by thinking of a "family," any family, as an organized group of people. But this organized group - **(the family)**- is characterized by marital and reproductive ties, cooperative pooling of resources, and includes both adults and children who share a common residence or through their extended family network may have access to several residences. By looking at the particular nature and structure of families receiving AFDC benefits we begin to understand the kinds of basic needs they have and what resources or options are available to them for their efforts to meet those needs.

Among the 1,327 clients in October 1987, **Absent Parent** (56%) and **Separated-Divorced** (27%) are the categorical classifications defining the majority of family units receiving AFDC benefits. Thus most respondents in the survey study sample were women, and AFDC clients in general are predominantly persons in their early adult years. Half (53%) of current clients are between 19 and 29 years of age, with another one fourth (26%) age 30 to 39 years (see Appendix Table A).

We are primarily looking at female-headed family units which we found to average about three to four persons. Examining Table 1, we found about one-third of AFDC households consist of two to three persons (39%) and another one third have four to five (31%). Large family households of six or more persons make up about one, fourth of AFDC client households. As shown in Figure 1, island-wide surveys reveal nearly the same distribution in household size for the general community.

Figure 1. Island-Wide Distribution of Household Size - Percent of All Housing Units 1985



Number of Members Per Household (source: Kasperbauer, Rapadas, and Workman 1985, p. 19)

The composition of AFDC recipient households includes both **dependents**, the very young and very old who depend on others, and **providers**, those adolescents and adults who produce and provide the resources meeting everyone's basic needs. Returning to the data displayed at the bottom of Table 1 we defined older dependents as persons over the age of 60 years, and primary providers as persons age 17 to 59 years. Only nine percent of these family units also have elders over the age of 60 years. Part of the policy determining eligibility criteria for AFDC is that help is provided to families lacking able-bodied human resources who can provide and interact with family dependents. Thus, the profile of AFDC families is also characterized by households with only one or fewer adults in the age range when they are most employable (74% report only one person age 17 - 59 years).

Table 1. Household Composition Among Guam's AFDC Clients

Number of Persons in the Household Unit	Percent Distribution (N=425)
1	6
2-3	39
4-5	31
6-7	16
8-14	8
	100%

Frequency of Children Under Age 5	(N=430)
0 (All are older)	35
1 Child	29
2-3 Children	28
4 or More	8
	100%

Frequency of Elders Over Age 60	(N=430)
0 (All Younger)	91
1 Elder	5
2 or More Elderly	4
	100%

Frequency of Able-Aged Adults 17 to 59 Years	(N=430)
0 (All Younger or Older)	3
1 Only	74
2 Persons	11
3 or More	12
	100%

We defined "young" dependents as preschool children under the age of five years. The profile of families receiving AFDC benefits is predominantly composed of young families having very young dependent children (36% have two or more preschool children). School age children between six to 16years are still dependent on others for meeting a good portion of their basic needs. Yet, they do provide some resources and require relatively less immediate attention. This makes the lifestyle of the "older family with all the children in shcool different from the "young" family with preschoolers and infants. A little more than one-third (35%) of AFDC clientele are older families with all the children in school.

What kinds of households do they have? Differences between families in lifestyle and the nature of basic needs is emphasized between younger and older families. In Table 2 we look at differences between "younger" and "older" AFDC families using the client repondents' age as a representative measure for classifying different life stages. As expected, older respondents were more likely to have school-age children (59% of respondents over 35 years, compared to only 14% of those under 25 year's, had no children under five years old). Because most are single women, it is noteworthy to emphasize the finding that over half of the young adults under age 25 who receive AFDC have two or more preschool children (58%).

The nature of their dwelling or "shelter need" was examined by looking at homeownership among AFDC clients, and also found to distinguish younger and older families. One-third (36%) of respondents over age 35 years either own or afford private rental homes/apartments, compared to only eight percent of clients under age 25 years (see Table 2). The majority of AFDC clients (55%) receive housing assistance through GHURA rental, with younger families being more dependent on their extended family network for shelter (46% among respondents under age 25) than older families (only 11% among respondents over age 35).

We found that a large number of the AFDC client families who are dependent on extended family for shelter are not necessarily sharing the same dwelling or living together. Only about one out of every ten AFDC clients (12%) reported that they lived with another family group, although this was up to 16 percent among respondents under age 25 years. This is consistent with the general pattern of housing arrangements for the island population as a whole. The Chamorro community has historically had a 'stem family' pattern where newly maried couples set up their own residence dwellings rather than having multiple families in the same building. Other studies show that about one in five households (about 20%) island-wide have extended family relatives living with the family unit (Klimek, 1975; Workman, 1983). In large measure, these are very likely low-income people in need, such as elderly parents, widows, young single mothers, and the recently divorced or separated. Even so, AFDC families on welfare are no more likely than the general population to be found living in a mutiple family household arrangement.

WELFARE AS A LIFESTYLE

Has public assistance become a way of life among Guam's poor? This issue underlies the concern many decision makers on Guam discuss when they weigh the pros and cons for changing the social welfare system. It will be on the minds of elected and administrative officials who must be involved in getting any new standards implemented. The general community is sensitive to legislative debates over the government's budget, and officials will be held accountable in the island's forum of political commentary and public hearings. Thus it will be useful to be able to inform the public debate with some understanding of the extent to which welfare has become a long term resource for low-income families

The survey study investigated this issue with a number of questions related to familial dependency on welfare. Table 3 presents data on how long AFDC clients have been receiving any kind of welfare and the extent such dependency is shared among their siblings and parents. Looking at Table 3, the study found a balanced distribution of AFDC families across the range between "short term" and "long term" welfare families (defined here as under one year versus over six years of assistance). This suggests a relatively stable "turn-over " in the rate of new clients starting and stopping benefits. Growth may be occurring in the number of clients but it appears to be moderate to low.

Table 2. Household Composition by Age of Adult AFDC Respondents

Frequency of Children Under 5 Years Old	Percentage Distribution Age of Adult AFDC Respondents				
	Under 25 Yrs.	25-29 Years	30-34 Years	Over 35 Yrs.	TOTAL (N=430)
- (All Older)	14	24	41	59	35
1 Child	29	28	35	24	29
2-3 Children	47	37	18	13	28
4 or More	11	11	6	4	8
	100%	100%	100%	100%	100%
Resience Provided by:					
Self Ownership	3	5	9	22	9
Private Rental	5	6	6	14	7
GHURA *	46	57	62	53	55
Parents	32	20	16	2	19
Family Relatives	5	6	3	3	4
Friends/Other	9	6	4	6	6
	100%	100%	100%	100%	100%
Multiple Family Units					
Yes	16	12	11	12	12
No	84	88	89	88	88
	100%	100%	100%	100%	100%

* Guam Housing and Urban Renewal Authority

Table 3. Household Composition by Age of Adult AFDC Respondents

	Percentage Distribution Age of Adult AFDC Respondents				
Years Since First Started to Receive Welfare Benefits	Under 25 Yrs.	25-59 Years	30-34 Years	Over 35 Yrs.	TOTAL (N=379)
1 Year or Less	38	22	24	19	27
1.5 to 3 Years	34	26	18	19	26
3 to 6 Years	26	32	27	20	25
Over 6 Years	2	20	31	42	22
	100%	100%	100%	100%	100%
Have You Ever Stopped Benefits for 6 Months or Longer!					(N=427)
YES	10	23	14	20	18
NO	90	77	86	80	82
	100%	100%	100%	100%	100%
Do Your Brothers/ Sisters Receive Benefits?					(N=427)
YES	35	32	29	16	28
NO	65	68	71	84	72
	100%	100%	100%	100%	100%
Did Your Parents Receive Welfare in the Past?					(N=428)
YES	25	10	10	9	14
NO	75	90	90	91	86
	100%	100%	100%	100%	100%

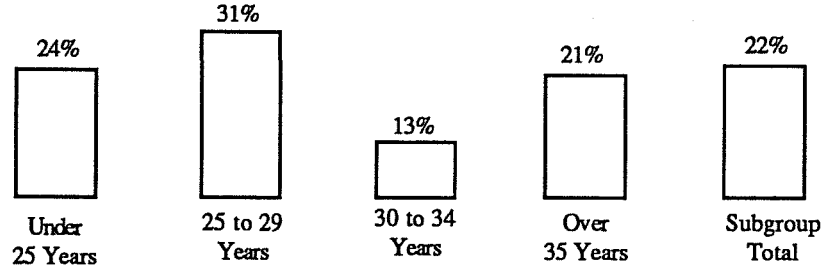
*Totals will differ from 430 due to no response for some respondents.

Age and its implied distinction between younger and older families was positively associated withyears on welfare. This is due, in part, to the fact that older clients over age 35 years have had greater opportunity to be long-term welfare recipients than young clients (42% compared to only 2 %). Yet one reason some older families are on wefare is that they too suffer separations from divorce, abandonment or death. Older families who have become newly dependent on AFDC assitstance may account for as much as one-fourth of clients age 30 to 34 years (24% on welfare less than one year) or those over 35 years (19% on welfare less than one year).

Most current AFDC clients have not gotten off welfare for any significant period of time (defined as six months or longer in this study). Yet among respondents about one out of five (18%) reported that they had stopped receiving assistance for a while. We examined this finding more closely, because short-term clients have had less time during which they might have gotten off welfare than those who have received benefits for some years.

We controlled for the effects of "age" and "years on welfare" to get a more accurate picture of the percentage reporting that they had stopped receiving welfare for a notable period of time but were now, again, receiving benefits. When the same analysis was restricted to those who have been on welfare for three or more years (see Figure 2), we found that 22 percent had stopped and then restarted welfare assistance at least once. This is still about one-fifth. The surprising result was that age reverses its association with benefits in this restricted group.

Figure 2. Percent Who Have Stopped and Started Benefits, Among AFDC Clients on Welfare for Three or More Years



One, fifth may not seem sizeable, but these people represent families who could be characterized as "the marginal welfare class." This is, AFDC families whose status and resources are just at the edge of qualifying criteria, and their eligibility for assistance shifts with their circumstances. It is noteworthy that, as shown in Figure 2 above, this marginal group is a larger proportion of the younger cohorts of AFDC clientele (over one-fourth) than the older cohorts. Even so, the first interpretation of these results needs to be repeated before continuing. Nearly three-fourths of AFDC clients receiving benefits for any appreciable length of time (78%). Once eligible and receiving benefits, the fact is most AFDC families maintain this public assistance as their children grow and mature.

Are there generations of welfare recipients? The extent to which welfare dependency is a shared trait within extended families was examined by asking clients if their parents have received benefits when they were younger, and if they had brothers or sisters who were also receiving benefits. Results are displayed in the bottom panels of Table 3. Over all, about one-fourth (28%) of AFDC clients also have siblings receiving welfare benefits, but only 14 percent reported that their parents had received welfare in the past. The respondent's age influences these proportions and the data suggest that the younger cohort of clients under 25 years are more likely to answer yes to these questions than older clients.

Table 4. Welfare Dependency Within the Extended Family of AFDC Recipients

Parents Received Welfare?	Subtotals %s	(Total=426) Total %s
NO: First Generation Clients		
Do Siblings Receive Welfare?		86%
NO	65%	
YES	21%	
YES: Second Generation Clients		
Do Siblings Receive Welfare?		14%
NO	7%	
YES	7%	
	100%	100%

History is important for interpreting these findings. Welfare assistance programs like those of today were not implemented on Guam until 1959; 28 years ago or about the time when the youngest client cohort was born and just about the length of a generation. Table 4 presents a cross-tabulation of this data identifying whether or not both the parents and siblings of current AFDC clients have received welfare. The worst case scenario for welfare dependency would be the situation where younger sisters/brothers get on the welfare rolls, just like their older siblings and like their parents before them. The indication in Table 4 is that this situation is very low among Guam's AFDC population. Only seven percent or less one-out-of-ten cases are "second generation" clients with siblings also receiving benefits. The majority of AFDC clients (65%) are "first timers" and the only recipient within their extended family. Even among second generation clients, there is an equal division between those whose siblings are not receiving welfare and those whose siblings are on welfare.

At least at the present time, welfare dependency has not become a "lifestyle" among any large segment of Guam's low-income families. There appears to be a fairly steady turn-over in clientele, with about one-fifth of clients being marginal to eligibilty criteria and thus stopping/starting benefits depending on their circumstances. Although the proportion may grow in the future, Guam does not yet have any sizeable number of families dependent on welfare from generation to generation. The data indicate that this trait may have begun to develop now that Guam's welfare system has been an available resource for a generation or so. Younger AFDC clients were more likely than older clients to report either siblings or parents as recipients of welfare benefits.

PROVIDING FOR BASIC NEEDS

How do low-income families afford the cost of living? The analysis of data up to this point has confirmed that AFDC welfare families tend to be female headed households with about four family members living together, usually only one person of employable age between 17 and 59 years of age, and over half in GHURA housing. Few (12%) share their residence with another family group, although just under one-third are dependent on parents, family or friends for providing their shelter needs.

Younger and older AFDC families differ in their basic needs and resource requirements. The families of younger clientele are characterized by preschool children, often two or more, whereas older AFDC families are mainly composed of school age children. Although half of older AFDC clients live in GHURA housing, the others tend to have more independent resources for providing shelter, with many over 35 years of age owning their home (22%). In contrast, younger clients are more dependent on parents or family for their shelter needs if they are not in GHURA housing.

For low-income families who qualify, welfare programs provide cash grant assistance above and beyond their income to help cover designated cost-of-living expenses, such as shelter, utilities, clothing, and food. This gives the family unit some level of independence, and allows them to pay for these needs rather than becoming obligated to extended family or others. Yet families do not just provide and survive from the "commercial cash market." Non-commercial exchange networks exist where people produce food by gardening and fishing, and they help each other out by trading or donating clothes and household items. The "hand me down" of little children's clothes, which may be transferred between two or three families before wearing out, is a good example. The present study asked these clients to what extent they practice subsistence gardening and fishing, and how much help they received from relatives or friends for needs such as food, daily living, shelter and mobility.

The findings displayed in Table 5 were cross-tabulated by respondents' age. We found that few of these AFDC households actively practice subsistence gardening or fishing. Interestingly it was either the younger (under 25 years) or older clients (over 35 years) who tended to indicate subsistence activities. However, a notably larger proportion of clients (19%) stated that they received outside help from family or friends who contributed by produce from gardening,variety poultry or fishing, and 16 percent said they got help by sharing meals.

This pattern of reciprocity, where just about one out of very six or seven clients (i.e., 15 percent) get some kind of help form other families, was fairly constant for various needs. Shelter needs were one exception, with fewer clients getting outside help with expenses for rent/mortgage (7%) or for utilities (9%). Another exception was transportation, with over a third (35%) reporting that they depend on family and friends to travel around island.

Differences appearing between younger and older AFDC families are compatible with observed differences in the general nature of these households and their resources. For example, young clients under age 25 years were more likely to report getting help with childcare (25%) than older clients (6% among those over age 35 years). Also, the younger the client the greater the help needed for furniture needs. Although the results are mixed, in a number of instances these differences are limited to contrasts between those over 35 years versus all the others. This is illustrated by percentages reporting help with meal sharing, clothing, and transportation. Moreover, there are no age differences in reporting of help by receiving garden food, appliance needs and shelter needs.

Without over speculation, this mixture of findings in the association between age and receipt of help illustrates an important aspect of different kinds of basic family needs. Some needs simply decrease as a family ages (childcare) or accumulates its material possessions (furniture). Other needs remain constant, such as the cost of utility or mortgage/rent payments, the costs of major

Table 5. The Practice of Subsistence and Reciprocity Among AFDC Families by Age of Adult Respondent

	Percentage Responding Affirmative* Age of Adult AFDC Respondents				
	Under 25 Yrs.	30-29 Years	30-34 Years	Over 35 Years	TOTAL (N=430)
Do You Practice:					
Subsistence Agriculture	9	2	3	7	7%
Fishing/Reef Harvesting	9	6	6	13	9%
Do Relatives Help With:					
Food Needs					
Garden, Poultry, Fish	14	23	23	17	19%
Meal Sharing	19	23	18	7	16%
Daily Living Needs					
Clothing	21	20	19	11	18%
Furniture	20	17	14	8	15%
Appliance	14	14	18	11	14%
shelter Needs					
Housing Rent/Mortgage	7	13	3	7	7%
Utility Payments	13	7	4	9	9%
Mobility Needs					
Transportation	45	32	46	23	35%
Child Care	25	16	13	6	15%

* An affirmative response consisted of a mark for "a lot" or "some" (rather than "very little or none").

Table 6. Percent of AFDC Clients Reporting Other Forms of Assistance Contributing to Their Household

Program	Percent Yes
Food Stamps	73%
WIC (Women, Infants, Children)	29%
General Assistance	10%
Old Age Assistance	1%
Aid to the Disabled	0.5%
Aid to the Blind	0.0%

appliances and their repair, or the cost of food. Still other needs may remain constant, yet the nature of the need itself and the capacity of the family group may change when the family changes into its more "elderly" years. For example, the older family with school aged children, or couples caring for grandchildren, or the widowed/separated older family with accumulated resources, may not have the same needs as early and midlife families, and may have more resources for meals, clothing , and transportation.

How many kinds of welfare do these families receive? An answer to this question is more complex than it appears and will require additional study beyond this exploratory beginning. subsistence is not the only means families have for supplementing money provided them in the form of a welfare grant. Although the standards have been unchanged, several additonal assistance programs are available that were not in existence in 1967 when the standards of assistance were established. These include the Food Stamp Program, Low-Income Housing Assistance Programs (GHURA), and the Women, Infant, and Children Program (WIC). There is a need to study the way these additional programs may be supplementing the present standards.

Clients were presented a list of welfare programs and asked to check all of the public benefits they receive. As shown in Table 6, three-fourths of the AFDC clientele also qualify for and receive Food Stamps (73%). This is a big boost in a family budget because the AFDC grant is released for other, nonfood expenses. Almost a third (29%) are on the WIC program which provides commodity coupons for food items rather than cash-equivalent food stamps. Having either (or both) of these supplements to AFDC benefits can make a great deal of difference to a household of a mother and several children. In addition, about one percent of the total AFDC population (i.e., approximately 130 households) receive Old Age Assistance, and about half that number (0.5%) receive benefits from the Aid to the Disabled program.

As noted at the start of this presentation of findings, half of the client population on AFDC receives housing assistance from GHURA. Yet these low-income GHURA households may find themselves in an extremely tight budget condition if a main provider becomes unemployed or a major expense depletes all savings. A shortcoming of this study was that it failed to ask clients if anyone was receiving unemployment assistance. However, General Assistance is a similar program established on Guam to provide short-term assistance (up to 3 months) to families not qualifying for the other public welfare programs (AFDC, FS, etc.). The findings reveal that as many as ten percent of the AFDC population may be associated or living with others in the household qualifying for General Assistance during any given month.

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Appendix

Table A. Comparison of Personal Traits Between the Study Sample and Total AFDC Population

Total Usable Returns = 430

	STUDY SAMPLE		ALL AFDC CLIENTS *	
	Number	Percent	Number	Percent
Sex				
Male	40	9		
Female	371	86		
No Response	19	5		
	430	100%		
Age				
40 or Older	67	16	243	18
30 to 39 Years	109	25	346	26
19 to 29 Years	203	47	701	53
16 to 18 Years	5	1	35	2
Under 16 Years **	0	0	2	1
No Response	46	11	0	0
	430	100%	1327	100%
Residence ***				
Northern Central Area	145	34	487	39
Central Center Area	214	50	617	49
Southern Center Area	71	16	146	12
No Response	0	0	(77)	0
	430	100%	1250	100%

* Head of household data for the month of October, 1987.

** To maintain the definition of age to be the adult head of house for the study, data, cases who listed the minor child's age rather than that of the guardian were listed as missing data.

*** The sample survey was coded by Department of Public Health and Social Services office where surveys were received, and "All AFDC Clients" were classified according to village as follows:

Northern: Dededo, Harmon, Tamuning and Tumon

Central: Agana, Agana Heights, Agat, Anigua, Apra Heights, Asan, Chalan Pago, Maina, Maite, Mangilao, Ordot, MongMong, Piti, Santa Rita, Sinajana, Toto, and Yona

Southern: Inarajan, Merizo, Talofofo and Umatac

Appendix

Table B. suggested Sample Sizes for Selected Population Sizes

TOTAL Number of Households in the Population*	Number of Households Needed in the Sample	TOTAL Number of Households in the Population	Number of Households Needed in the Sample
100	80	6,000	375
120	92	7,000	378
140	104	8,000	381
160	114	9,000	383
180	124	10,000	386
200	133	More than 10,000	400
220	142		
240	150		
260	158		
280	165		
300	171		
320	178		
340	184		
360	189		
380	195		
400	200		
420	205		
440	210		
260	214		
480	218		
500	222		
600	240		
700	255		
800	267		
900	277		
1,000	286		
1,250	303		
1,500	316		
1,750	326		
2,000	333		
2,500	345		
3,000	353		
3,500	359		
4,000	364		
4,500	367		
5,000	370		

* Make sure that you have added together all the households.

Appendix

Table C. Confidence Limits for Sample Proportions (Total Sample size = 400)

Sample Proportion Percentage	Lower Limit Percentage	Upper Limit Percentage	Lower Limit Percentage	Upper Limit Percentage
5	3.1	7.6	2.6	8.5
10	7.2	13.4	6.5	14.5
15	11.7	18.9	10.7	20.1
20	16.2	24.3	15.1	25.6
30	25.6	34.8	24.3	36.2
40	35.2	45.0	33.7	46.5
50	45.0	55.0	43.5	56.5
60	55.0	64.8	53.5	66.3
70	65.2	74.4	63.8	75.7
80	75.7	83.8	74.4	84.9
85	81.1	88.3	79.9	89.3
90	86.6	92.8	85.5	93.5
95	92.4	96.9	91.5	97.4

Note: Interpretation of Table C. In this study, approximately 55% of respondents lived in housing approved for GHURA housing assistance. At the 95% level of confidence, it may be concluded that the "real" proportion of AFDC clients receiving GHURA housing assistance falls between the 50% to 60% range (i.e., plus/minus 5%).