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ABSTRACT

Against the backdrop of increasing signs of state-level divergence in social and labor market policies, this study sets out to capture the extent of variation of family income support across the 48 contiguous United States (all but Alaska and Hawaii), as well as how states' income protections have evolved since the 'devolution revolution' of the mid-1990s. To achieve this, simulations of family income support are calculated for working and jobless lone-parent families in each state in 1994 and 2014. The findings point to a common trend across states of declining income support for jobless families, but increasing net incomes for lone parents who work full-time at minimum wage. The simulations also reveal significant differences in the adequacy of protections offered to lone-parent families across the American states; moreover, the evidence suggests that states have increasingly diverged with respect to certain instruments of family income support between 1994 and 2014. As the study details, these trends emphasize a potential need for more dissected analyses of the United States when the country is embedded into comparative social policy research. Shifting the unit of analysis from the federal to state level challenges unitary conceptualizations of the nature of U.S. family policy institutions.

Keywords: family income support, minimum income protections, child poverty, family policy, welfare reform

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1. Introduction

In April 2016, two of the largest United States – California and New York – ratified legislation that would, over time, increase the statutory minimum wage for non-tipped workers to $15 per hour. Pending an increase in the federal minimum wage (set at $7.25 per hour since 2009) prior to the full phase-in of the two states' new laws, the shift will mark the first time in modern American history when statutory minimum wage levels in a particular state will more than *double* the federal standard (U.S. Department of Labor, 2015).

These deviations in the wage floor underscore the diversity of social and labor market policies among the 50 states. Since the beginnings of the post-New Deal welfare state, in fact, substantial cross-state differences have existed in the generosity and accessibility of social programs; in 1939, for example, benefit payoffs within the Aid to Dependent Children cash welfare program ranged from an average monthly allowance of $2.46 per child to a mother in Arkansas to $24.53 per child for a mother in New York (Cauthen & Amenta, 1996).

Signs of state-level social policy divergence have continued, and perhaps intensified, in more recent decades. In the mid-1990s, the federal government granted increasing administrative authority to the states with respect to cash assistance for vulnerable families (DeParle, 1994). This era of decentralization, part of the so-called 'devolution revolution' (Nathan & Gais, 2001), premised that each state, rather than the federal government, ought to be able to more effectively serve the interests of its constituents and thus, should have greater discretion over the allocation of public resources (Meyers, Gornick & Peck, 2001, pg. 459; Obinger, Leibfied, & Castles, 2005). In the two decades following, many states would increasingly exert control over social and labor market policies, ratifying state-level increases in the statutory minimum wage, supplements to federally-administered refundable tax credits, work-preparation programs, childcare subsidies, and even paid sick and family leave policies[1].

Despite these signs of increasing divergence across the United States, only a handful of studies in comparative social policy research have adopted the states, rather than the aggregate of them, as the primary unit of analysis in examining policy sets, social risks, or institutional changes across the country. From classifications of welfare state regimes (most prominently in Esping-Andersen's 1990 and 1999 works) to a range of cross-national evaluations of social outcomes, the U.S. is most often studied as a singular unit – a habit that may have been historically appropriate to produce country-wide generalizations, but one that becomes increasingly blurrier as state-level institutions and actors continue to guide the country's constituent parts toward different directions.

Shifting the focus to the state level, where many redistributive policies in the U.S. are negotiated and administrated, this analysis sets out to determine how a more dissected approach to studying the country might alter our understanding of its social policy landscape.

As a starting point, state-level family income protections are measured from 1994 to 2014 to empirically assess the extent of state-level diversity in the provision of family income support, as well as whether that diversity has intensified since the mid-1990s.

[1] Since 2012, the number of states offering paid sick leave policies has jumped from zero to five (Work & Family Legal Center, 2016).

Policy simulations are performed for a lone-parent, two-child household in each of the 48 contiguous states (all U.S. states except Alaska and Hawaii) in two scenarios: first, in which the lone parent is working full-time at the state's respective minimum wage (or federal minimum, if higher) and, second, in which the lone parent is out of work and relying on social assistance benefits. Certain assumptions made regarding age, ability, and sources of income are detailed in *Section 3*.

The set of calculations is performed first in 2014, the most recent year for which all data is available, to examine how the 48 United States rank relative to European Union Member States when assessed at the state level rather than federal level. To what extent does shifting the unit of analysis alter our understanding of U.S. family income protections relative to European counterparts?

Repeating the same simulations in 1994 -- two years prior to the legislation that further devolved family-oriented cash assistance to the states – helps to determine whether (and if so, to what extent) states have diverged with respect to their income support systems during the two decades after the devolution.

Evidence of divergence in family income protections may suggest an increasing relevance of a focus on the states and state-level policy decisions in evaluating and improving U.S. family income dynamics. The existence of increasing state-level variation may also provoke several other puzzles to be explored: to what extent do differences in social protections across states translate into different social outcomes? Does disaggregating the country into its constituent parts alter our understanding of how the U.S. should be embedded into comparative social policy analyses? And if divergence over time is evident among the states, can theories and concepts advanced in comparative social policy literature be applied to explain it?

This analysis merely serves as a starting point to such questions and proceeds as follows: Part 2 summarizes prior comparative research on U.S. family income support, while Part 3 explores whether signs of increased state-level divergence of social and labor market policies calls for a shift in the unit of analysis from the federal to state level. Part 4 explains the methods used to calculate the family income protections, and Part 5 presents the results and relevant findings for variance of income protections in 2014. Part 6 measures how these income protections have changed since 1994 and the extent to which states have diverged with respect to their social policy outputs. Finally, Part 7 concludes with a discussion of the findings and the pertinent challenges for future research that aims to include the U.S. into comparative social policy analyses.

2. Evaluations of Family Income Support in the United States

Comparative analyses of family policy and income support systems have been integral to understanding the mechanisms influencing family and child wellbeing across time and place. Comparative studies focused on child poverty, for example, have detailed the relative importance of tax and transfer polices in alleviating families' economic insecurity (Rainwater & Smeeding, 1995), the effect of demographic trends on poverty outcomes (Betson & Michael, 1997), the relationship between macroeconomic factors and family incomes (UNICEF, 2014), and a range of additional insights.

Relative to other OECD Member States, the U.S. is generally recognized as less generous in its provision of income support for vulnerable families (Rainwater & Smeeding, 1995; Smeeding & Thevenot, 2016). In 2014, for example, one in every five American children lived in a household with an income level less than half of the national equivalised median (a commonly used poverty

threshold), according to data from the Luxembourg Income Study. The proportion of children in the U.S. below the poverty line exceeded that of Germany (10%), the Netherlands (4.9%), France (11.4%), and other Western European countries, and was also higher than the rates found in Canada (14.4%), the United Kingdom (8.8%), and Australia (14.4%).

Analyses of family policy simulations – which capture the intended effects of wage standards, tax systems, and transfer programs on family incomes – have sought to understand the policy dynamics behind these variations in child poverty rates (as well as other family-related income trends). This focus on policy design, as opposed to outcomes, narrows in on the particular intent of the policies in each polity; thus, the resulting values provide a direct reflection of how social and labour market policies in a given place at a given time are designed to support and/or protect the financial situation of a household at the lower end of the income distribution.

One series of these studies focuses on 'minimum income protections', or the net value of income support that a household would receive if the head of household were jobless and without other sources of income. These 'last resort' benefits can help prevent spells of deep poverty and reduce income disparities at the bottom of the income distribution (Immervoll, 2009). Moreover, they're understood, at least in the European context, as a fundamental preserver of social rights and human dignity (ibid.).

Building off the assessments of minimum income protections, Cantillon & Marchal (2016) and Marchal & Marx (2016), among others, have also calculated the net value of income support for *working* families. Whereas the minimum income protections focus on the state's role in transferring income to the jobless, these assessments of net incomes for working families evaluate the adequacy of employment (in combination with any potential social transfers to which the working household may be still be entitled) in lifting households above their state's respective poverty threshold.

This study adopts both approaches, first assessing the family's net income if the lone parent were to be working full-time at the state's effective minimum wage and, secondly, calculating the minimum income protections for a jobless lone-parent family in each of the 48 contiguous United States.

This focus on family income protections within each of the United States differs from the singular portrait of the country that has typically been drawn in previous cross-country analyses. Among the existing datasets comparing minimum income protections across countries, for example, only one -- CSB MIPI[2] -- includes more than one of the United States (three, in fact: Nebraska, Texas, and New Jersey).

In one evaluation of the CSB MIPI data, these three states are ranked alongside EU Member States based on the adequacy of their minimum income protections to lift certain family types – such as a lone parent with two children – above the nation's respective poverty threshold, defined as 60% of equivalised national median household income (Cantillon & Marchal, 2016).

Compared to minimum income protections for lone parents across European welfare states, the three United States examined in their study each fall toward the bottom of the rank order, covering approximately a third of the U.S. poverty threshold for lone-parent families in 2012 (Ireland and Denmark, in the most distant contrast, provided minimum income protections that eclipsed their respective poverty thresholds).

[2] A data set hosted by the Herman Deleeck Centre for Social Policy at the University of Antwerp (Van Mechelen et al., 2011).

For lone parents at full-time minimum wage work, however, the rank order of the three American states is scattered among the European states in the authors' analysis, covering between 89% and 99% of the poverty threshold.

Notably, the three states that the authors selected do not represent the full extent of variation with respect to the 50 states' cash assistance values, minimum wages, or supplements to the Earned Income Tax Credit (EITC) – each of which can be expected to widen the differences among the states. Moreover, the latest wave of CSB MIPI data covers the year 2012, during which states' income protections were inflated due to several temporary benefit enhancements (passed as part of the American Recovery and Reinvestment Act, or ARRA, in 2009) that have since expired (Falk, 2014; Crandall-Hollick, 2012; Nord & Prell, 2011).

Considering the role of state legislatures in shaping wage-setting, work-supporting, and redistributive policies across the U.S., a more thorough and accurate accounting of state-level policy diversity, as well as how this diversity has evolved over time, is critical to evaluating family income and poverty trends within the country. This is especially true as states continue to show signs of divergence in their mechanisms for supporting low-income families.

3. Signs of Divergence in State-Level Family Income Support

That states vary in their sets of social and labor market policies is neither new nor unexpected. The differing nature of institutional conditions, political actors, and organized coalitions have shaped the evolution of state-administered social programs and family income protections since at least 1935, when Aid to Dependent Children (ADC) – one of the earliest federal cash assistance programs for American families – passed as part of the Social Security Act (Committee on Economic Security, 1935; Amenta & Carruthers, 1988).

Differences in racial legacies, patronage systems, and administrative capacities led to immediate and lasting differences in ADC provision (Cauthen & Amenta, 1996; Quadango, 1994). As noted in the *Introduction*, the variation showed not only in program quality, but also in the value of the cash assistance provided: average benefits in New York were 10 times greater than the average amount provided in Arkansas (Cauthen & Amenta, 1996).

In the 1990s, states would again be granted increasing authority over the provision of cash assistance for low-income families. The implementation of the Personal Responsibility and Work Opportunity Act (PRWORA) -- part of then-President Bill Clinton's campaign pledge to "end welfare as we know it" (DeParle, 1994) – included the introduction of the Temporary Assistance for Needy Families (TANF) program, which not only enacted stricter time limits and work participation requirements for welfare recipients, but also altered the "fundamental balance in the federal-state partnership" (Page & Larner, 1996, p.25). The devolution of authority mean that states would now control TANF's categorical eligibility requirements, work participation standards, and the allocation of a federally-provided 'block grant', which could be spent addressing any of the program's broadly defined goals – such as decreasing out-of-wedlock pregnancy or promoting the formation of two-parent families (Parolin & Wiseman, 2016).

Whether due to enhanced legislative authority or more intensive and localized political pressures, states would continue to demonstrate signs of social policy and labor market divergence throughout the subsequent two decades. In 2014, 22 states offered statutory minimum wage levels higher than the federal minimum, compared to only five such states in 1994 (U.S. Department of Labor, 2015).

Similarly, 23 states offered state-level supplements to the federally administered EITC in 2014, compared to just eight states in 1994 (Internal Revenue Service, 2015).

Markers of divergence exist even when a more comprehensive set of state-specific policies are considered. Conducting a latent-variable analysis of 148 state-level policies across eight decades, for example, Caughey & Warshaw (2015) find that variation in states' "policy liberalism" – a measure of leftward ideological orientation – has steadily increased from 1936 to 2014.

Collectively, these policy changes suggest a potentially widening gap between the most and least generous sets of minimum income protections and income levels for working lone-parent families. Indeed, this study hypothesizes that divergence among states will have occurred from 1994 to 2014 with respect to the adequacy of income protections across states.

Notably, a focus solely on income support captures just one element of cross-state social policy variation. Acknowledged but not directly measured in this analysis is the ongoing state-level divergence in policies such as paid sick leave, paid maternity leave, access to affordable healthcare (Medicaid expansion, in particular), childcare provisions, housing benefits, the adequacy and reach of job-training programs, and other elements that may not directly add to a household's income but frequently play a supporting role in the wellbeing of low-income families. Thus, this analysis is not meant to produce the definitive conclusion on the extent of state-level diversity of social policy but, instead, an evaluation of how direct income support varies across states, and how this variation has changed since 1994.

4. Methods & Data

This study follows the CSB MIPI framework (Van Mechelen et al., 2011) for calculating family income protections for the 48 contiguous states. As noted, the states are first assessed in 2014 to provide an account of income protections after the expiration of the ARRA benefit enhancements, and then in 1994 to assess whether and how states have diverged over the past two decades with respect to certain indicators of their family income protections.

Focusing solely on policy inputs, as the construction of such packages does, allows for a closer analysis of the particular policy design and choices regarding minimum income protections within each state (Van Mechelen et al., 2011; Cantillon & Marchal, 2016). Similar to other simulations of minimum income protections, this analysis uses the *typical case* (or *model family*) simulation approach to determine the particular policies and benefit values to include within the calculation (ibid.).

The model family used in the simulations is a lone parent household with two children. We assume that the lone parent[3] is 35 years old with children at the ages of 7 and 14. The practical implications of such assumptions mean the lone parent is an adult, but not eligible for pension benefits, while the children qualify as dependents, but do not deem the parent eligible for childcare subsidies. Lone-parent families tend to be at a greater risk of poverty than other family types and are the primary target of benefits such as TANF; thus, this particular model family makes for an appropriate fit in comparing income protections across states and countries (Marx, Marchal & Nolan, 2012).

[3] In practice, this lone parent is most often a female, but this distinction is generally not relevant to the income support provisions measured within this analysis.

Calculations of the minimum income package are conducted in two scenarios: first, in which the lone parent is working 40 hours per week at minimum wage, and second, in which the lone parent is jobless. In either scenario, it is assumed that the household has no savings, assets, or extraneous sources of income.

Table 1 outlines the policies and labor market characteristics included in the simulations. Relevant assumptions are listed below.

Table 1: Policies included in minimum income protection simulations

	Federal Policies	State-Level Policies
Working Family	• Minimum wage • Federal income tax (including deductions & exemptions) • Earned Income Tax Credit (EITC) • (Additional) Child Tax Credit • Payroll tax (FICA) • Food Stamps/SNAP	• Minimum wage (if higher than federal minimum) • State income tax (including deductions & exemptions) • State supplement to EITC • AFDC (1994), TANF (2014)
Jobless Family	• Food Stamps/SNAP	• AFDC (1994), TANF (2014)

Note that not all states offer each of the policies listed in the "State-Level Policies" column. Certain states, for example, do not charge an income tax, while fewer than half offer state supplements to the EITC, the federal wage-subsidy program that began in 1975 (Hungerford & Thiess, 2013). Though increasingly rare, some states (or cities and regions within states) offer General Assistance (GA) benefits for "those who are very poor and do not qualify for other public assistance (Schott & Hill, 2015). These benefits, however, are typically targeted at individuals without children, as most families would be able to access TANF or other assistance; thus, GA benefits are not included in the calculations presented.

When the lone parent is working, it is assumed that he or she is employed in a non-tipped profession and thus the standard minimum wage is used as opposed to the separate value for tipped employees.

Though considered a near-cash benefit, Supplemental Assistance Nutrition Program (SNAP, formerly known and commonly referred to as "Food Stamps") is typically included into assessments of income protections and is also included here (Hoynes, McGranahan, & Schanzenbach, 2014). The calculations factor in standard deductions in the benefit calculation for SNAP, but do not include housing-cost deductions. This may slightly understate the value of SNAP benefit awarded for families with higher housing costs. Though participation rate of SNAP varies widely among states, it is assumed that this model family elects to participate, when eligible, in each of the state simulations.

Aid to Families with Dependent Children (AFDC), the country's primary cash assistance program for low-income families, was changed to the more restrictive Temporary Assistance for Needy Families (TANF) program in 1996. With all TANF calculations, it is assumed that the family is in its third month of eligibility and, thus, not subject to benefit cuts or penalties that, for some states, might begin in subsequent months. It is assumed that the model family participates in TANF whenever he or she is financially entitled to do so (a generous assumption considering the very low coverage rate in certain states, as will be illustrated).

Unemployment Insurance support is not included into the minimum income calculations. If the individual had been working prior to the stint of unemployment, he or she may qualify for Unemployment Insurance, the length and value of which would vary by state. In practice, only 23.1% of unemployed workers in the U.S. received Unemployment Insurance in 2014 (McHugh & Kimball, 2015). Additional details on the methods and data sources can be found in the *Appendix.*

4.1. Setting the Poverty Threshold

The value of the income packages is expressed as a percentage of a 'relative' poverty threshold set at 60% of equivalised national median household income in 2014. This relative poverty threshold is selected for multiple reasons: first, it allows for more seamless comparison to EU and OECD countries, for which the relative measure tends to be the standard. Meanwhile, the official poverty measure used within the U.S. faces a range of conceptual and methodological detriments, which are detailed more thoroughly in Blank & Greenberg (2008) and Brady & Destro (2015), among other works.[4]

This study adopts a common federal threshold for each of the states as opposed to using state-specific thresholds (based on 60% of each state's median income)[5], as several methodological and conceptual issues exist in assigning each state its own poverty threshold.

From a methodological perspective, calculating reliable post-tax and post-transfer median incomes at the state level requires using multiple years of merged data to obtain adequate sample sizes for smaller states. Obtaining this average median income over a period of time (say, 2012-2014) can distort the study's aim of calculating the adequacy of income protections in a particular year.

On the conceptual front, it is difficult to make the case that the relative income situation of families in, say, Mississippi should *only* be compared to the income situation of other Mississippians; to do so would undermine the original conceptualizations of the 'relativeness' of poverty. Unlike the collection of nation-states of the EU and OECD, the 48 contiguous United States are comparatively homogenous with respect to "economic, trading, institutional, and cultural systems", as well as what are deemed to be "ordinary living patterns, customs and activities" – the reference points that Townsend (1979) establishes in his prominent advocacy of a relative conceptualization of poverty (pg. 50).

A counterexample from Europe may clarify this issue of relativity: Given the range of differences – from language to economic institutions – between Germany and neighboring country of Czech Republic, it is sensible that poverty rates in these two countries, like all other EU Member States, tend to be set relative to their own median income as opposed to an EU-wide threshold; the contiguous United States, however, share fewer of these cross-state differences and, more fundamentally, are bound by a common federal law, legal structure, and nationality.

This is not at odds with the claim, as evaluated in this paper, that the states have undergone different social policy trajectories that may have led to substantially different policy designs and

[4] While the Supplemental Poverty Measure offers a substantial improvement to the official poverty measure, it still does not allow for the cross-country comparisons that this study aims to evaluate.

[5] This is also the implicit process of nearly all poverty outcomes reported for the U.S.: comparing households in each state to a common nationwide poverty threshold. For those interested in the alternative, though, calculations of family income protections based on state-specific thresholds (using a 2012-2014 average of equivalised household median income) are available upon request to the author.

social outcomes. Though the historical underpinnings of states' political institutions certainly vary and deserve more focus, the states' modern-day social and cultural makeups appear to have more in common than not, especially relative to the differences across EU and OECD nation-states. Thus, this paper works on the premise that the relative income situation of households in each state should be compared a poverty threshold derived from the average income situation of households across all states.

Data from the Current Population Survey Annual Social and Economic Supplement (CPS ASEC) is used to calculate this federal median income. Disposable household income is assessed, accounting for federal and state taxes (including property taxes, payroll taxes and refundable credits), public assistance benefits (including SNAP/food stamps benefits and energy subsidies), and other forms of earned and unearned income as captured in the CPS ASEC (full details can be found in the *Appendix)*. The modified OECD equivalence scale is used to maximize the comparability of the U.S. minimum income packages to similar calculations for EU and OECD countries.

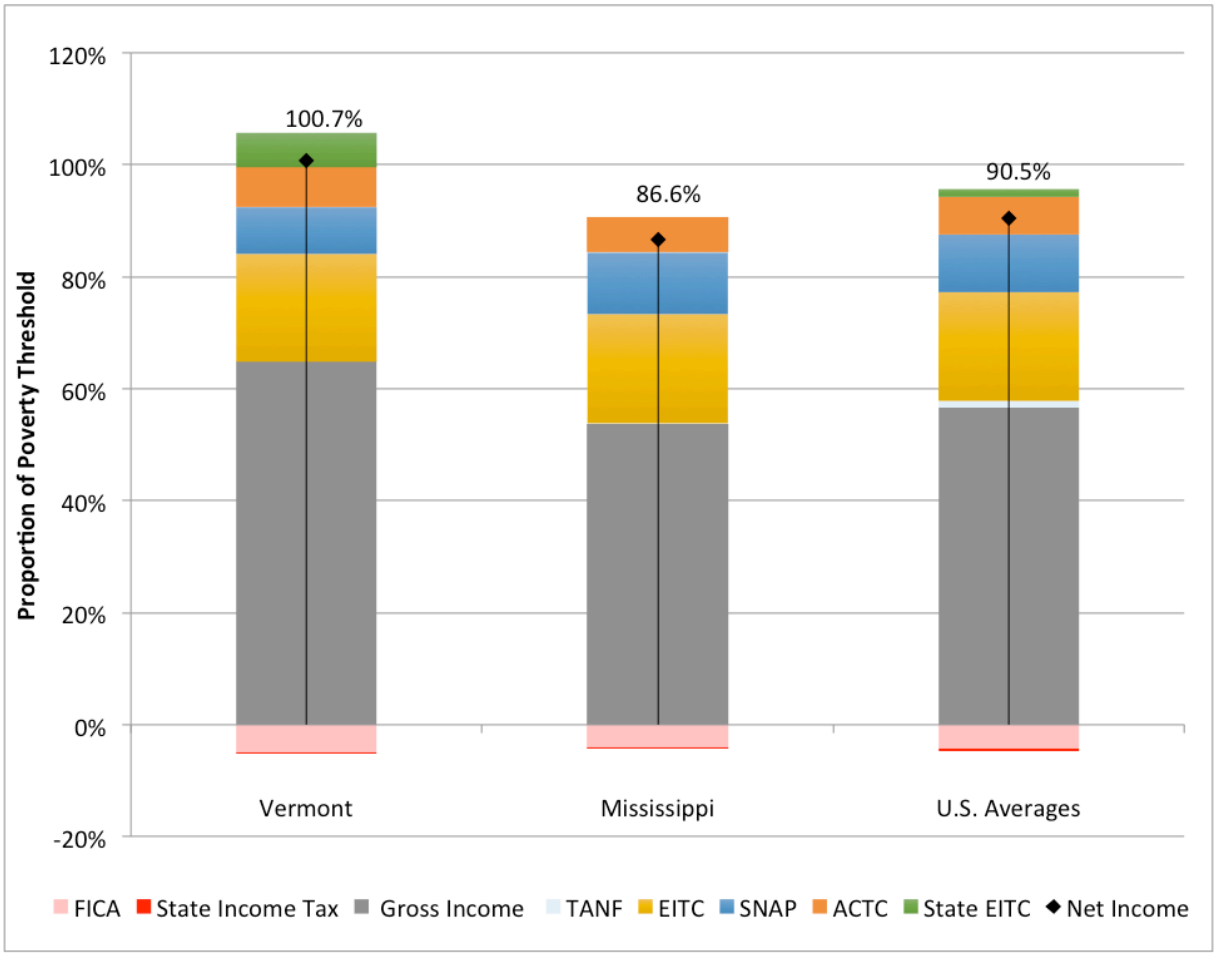
5. Family Income Support in 2014

Calculations of family income protections across the 48 states are first presented for the scenario in which the lone parent is working full-time at minimum wage, followed by the scenario in which the lone parent is without paid employment. The maximum, minimum, and mean values of states' protection packages are shown to provide a succinct illustration of variation across the 48 states examined, though Figure 5.3 presents the values for all states. Data for all states can also be found in the *Appendix.*

5.1. Net Income for Lone Parents Working at Minimum Wage

The tax-based subsidization of low-wage work is a hallmark of the American system and, indeed, is an approach that carries over into each of the states examined (Marchal & Marx, 2016; Kenworthy, 2015). As Figure 5.1 shows, the federally administered EITC and ACTC programs increased net income by more than 30 percentage-points (relative to the poverty threshold) on top of the income gained from work for a lone-parent, two-child family in 2014. These refundable tax credits, as well as SNAP benefits, increased net income to an average of 90.5% of the poverty threshold across the 48 states examined.

Figure 5.1: Decomposition of Family Income Protections for Lone Parent with Two Children, Full-Time Work at Minimum Wage (2014, Values Relative to Poverty Threshold)



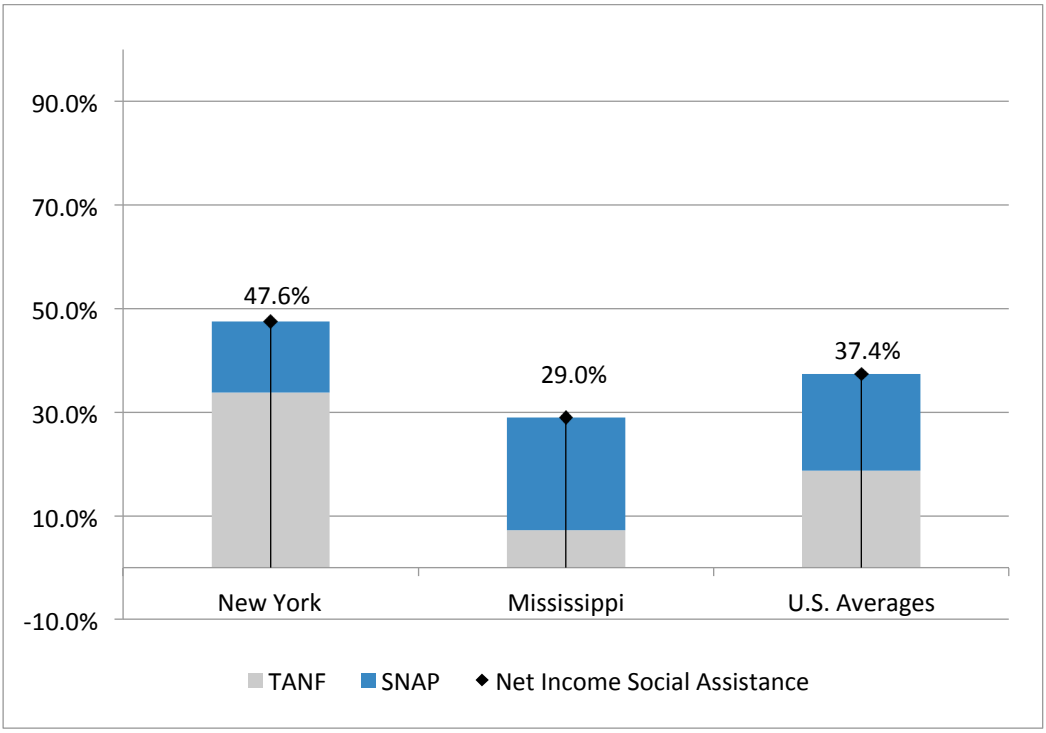
Still, state-level supplements to the EITC and differences in statutory minimum wage levels lead to notable differences across states' minimum income protections for working lone parents. Full-time work at the federal minimum wage ($7.25 in 2014, illustrated in the case of Mississippi in Figure 5.1) lifted the household to just over half of the poverty threshold prior to accounting for taxes and additional transfers. Vermont's $8.73 per hour minimum wage in 2014, on the other hand, lifted income to 65% for the working lone parent, prior to taxes and additional transfers.

Vermont was also one of 23 states in 2014 to offer a supplement to the EITC, matching, in this case, 32% of the federal benefit in the form of a refundable tax credit. As the figure above illustrates, Vermont's EITC supplement boosted net income for this working lone parent by an additional 6.2 percentage-points relative to the poverty threshold – making it one of only two states (Connecticut being the other) to offer income protections that push this family type across the poverty threshold at full-time, minimum wage work.

5.2. Minimum Income Protections for Jobless Families

In each state, a jobless lone parent of two children would initially be eligible for both TANF and SNAP.[6] Though the calculation for the federally funded SNAP benefit is the same across states, benefit values and certain eligibility restrictions for TANF are determined by each state individually.

Figure 5.2: Minimum Income Protections for Jobless Lone Parent with Two Children, U.S. States (2014, Values Relative to Poverty Threshold)



As Figure 2 shows, TANF values varied widely across the U.S. in 2014, ranging from about 8% of the poverty threshold ($170 per month) in Mississippi to about 33% of the poverty threshold ($770 per month) in New York.

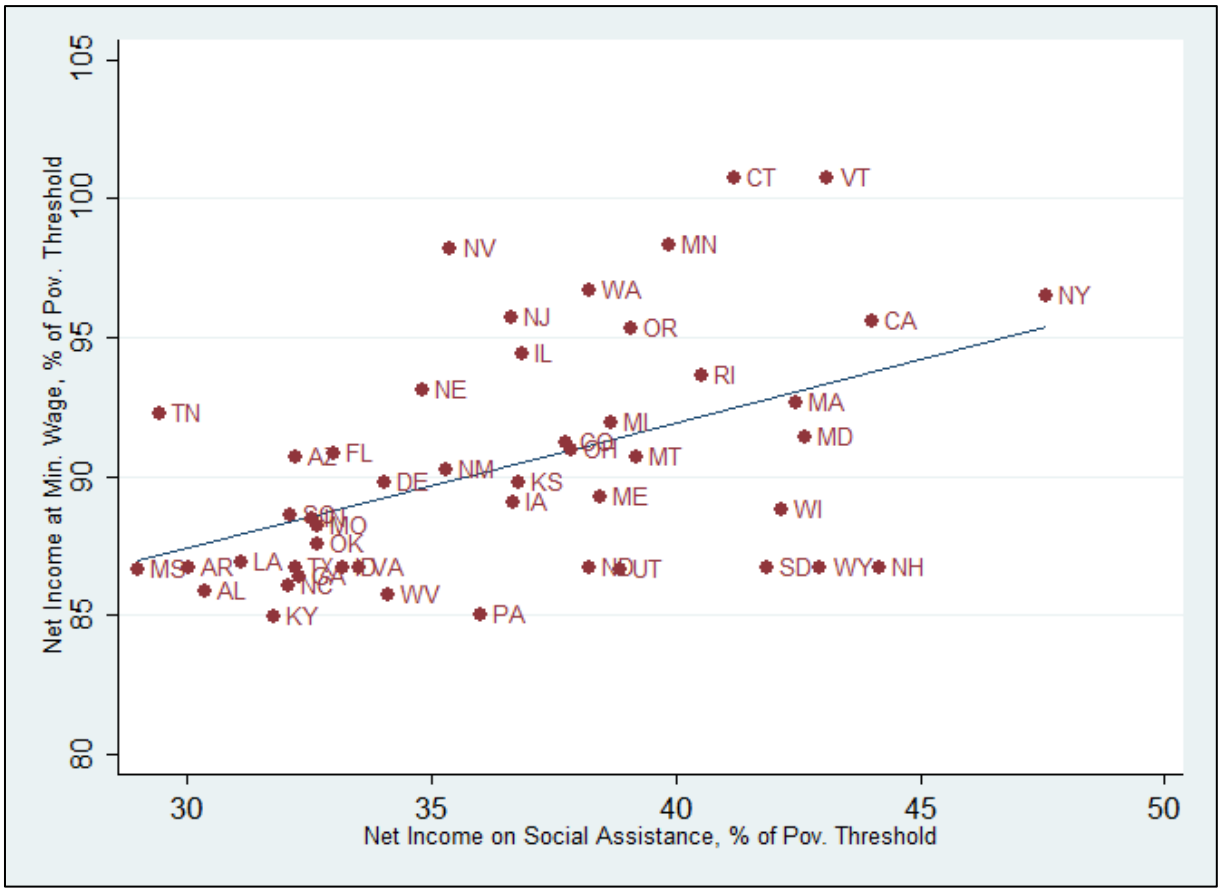
The maximum value of the federally-administered SNAP benefit is the same across the 48 contiguous states ($511 per month for a family of three in 2014), though the actual amount awarded is based on an income definition that takes into account the level of TANF cash assistance that a household has received (Falk, 2014). As a result, SNAP benefits are generally higher in states with lower TANF benefits, and vice versa; still, the differences in the allotted SNAP benefits are not sufficient to offset the vastly different TANF values in states such as New York and Mississippi, as Figure 5.2 shows. In 26 of the 48 states examined, food stamps from the federally-administrated SNAP program made up a larger proportion of minimum income protections than assistance from state-administered TANF.

[6] Again, we assume that the lone parent has not previously accessed SNAP or TANF for longer than three months, and that he or she has limited assets and no access to outside funding sources.

5.3. Balancing In-Work and Out-of-Work Protections

As shown in Figure 5.3, below, states that offer stronger income protections for jobless lone parents also tend to offer more generous income packages for lone parents at full-time work (correlation of 0.48).

Figure 5.3. Family Income Protections for Lone Parent with Two Children in 2014 (values relative to poverty threshold)



New York and Mississippi, again, represent the opposing sides. The former offers the strongest set of income protections for jobless lone parents, while also offering a package that pushes a working lone parent very near to the poverty threshold; the latter, grouped alongside several other Southern states, offers comparatively little support for low-income households.

Even between the extremity cases, substantial differences stand out. For a jobless, lone-parent household in 2014, the difference between living in California or its neighbor state of Arizona, for example, meant a difference of up to $270 per month -- the equivalent of nearly 17% of the poverty threshold. The difference in eligibility restrictions is substantial, as well: in 2014, Arizona restricted TANF recipients to a total of 24 months of lifetime assistance (cut to 12 months in legislation passed in 2015), whereas California offered 48 months of lifetime support with further exemptions for parental child-caring (Floyd, 2016).

5.4. Variance in Conditionality of Protections for Low-Income Families

Though much of the data presented focuses on the quantitative differences in direct income support for families, the case of California and Arizona reflects the significance of not overlooking the oft-substantial differences in conditionality of TANF benefit provisions across the states, including time limit and eligibility restrictions that may inhibit benefit access for many families.

These differences in the accessibility of TANF are reflected in the varying coverage rates of the program across states. As Table 5.1 shows, families with children living beneath the official U.S. poverty line[7] are significantly more likely to receive TANF benefits in California (65.5% coverage), the nation's largest state, compared to similar families in Texas (4.9% coverage), the second largest state.

Table 5.1: Estimated Coverage Rates of TANF and SNAP Benefits

TANF Coverage (2013/2014)			**SNAP (Food Stamps) Coverage (2012)**	
Estimate of proportion of families receiving TANF benefits relative to number of families with children in poverty			Estimate of proportion of people participating in SNAP divided by number of people eligible (95% confidence intervals in parentheses)	
Top Three				
(1)	Vermont	78.4%	Maine	100% (94 – 100%)
(2)	California	65.5%	Oregon	100% (94 – 100%)
(3)	Oregon	46.1%	Michigan	100% (95 – 100%)
Middle Three				
(23)	Colorado	20%	Minnesota	86% (81 – 91%)
(24)	Kentucky	19.3%	North Carolina	86% (82 – 90%)
(25)	Nebraska	19%	South Carolina	86% (81 – 90%)
Bottom Three				
(46)	Texas	4.9%	Nevada	66% (61 – 70%)
(47)	Wyoming	4.9%	California	63% (60 – 65%)
(48)	Louisiana	4.2%	Wyoming	56% (51 – 62%)
Data source: Floyd, Pavetti & Schott, 2015			Data source: USDA, 2012	

Even the coverage rate of the federally-administered SNAP benefit varies widely across states. California – despite its comparatively high TANF coverage – features one of the lowest estimated coverage rates for SNAP, as the table shows.

Wyoming also stands out: though the state offered the fifth highest level of TANF benefits in 2014 (enough to cover 27% of the poverty threshold for an eligible lone-parent family), only about 5% of Wyoming families living beneath the U.S. government's poverty threshold took advantage of the benefits in 2013/2014 (Floyd, Pavetti & Schott, 2015). Individuals within the state were also the least likely to take advantage of SNAP benefits.

Variation in state-level time limit and eligibility restrictions likely explain much of the variation of the TANF's coverage across states, but more investigation is warranted as to why participation in SNAP varies so significantly.

[7] Floyd, Pavetti & Schott (2015) calculate these numbers in relation to the U.S. federal poverty threshold, and not the "relative" poverty threshold employed throughout this study. The authors' statistics are not meant to represent a true assessment of the take-up rate among all eligible households in each state but, instead, a reflection of how many at-risk families utilize the TANF benefits in each state. Important to this study is not the precise calculations of coverage for each state, but the evidence of tremendous variation among them.

Regardless of the causes, these differences in conditionality are important to acknowledge when interpreting the minimum income protections presented here and in other works. In addition to directly affecting the link between the value of family income protections and realised social outcomes, the evolution of time limits and eligibility criteria also affect assessments of divergence over time. These challenges are addressed in *Section 6.2* of this paper.

5.5. In Comparative Perspective: American States and the European Union

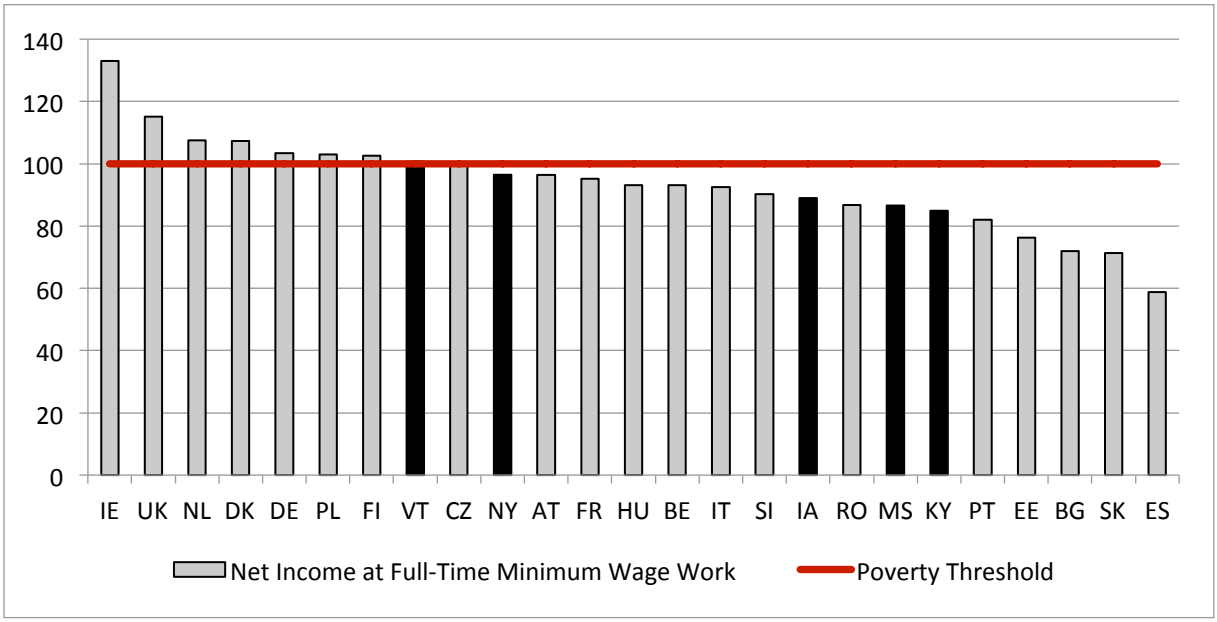
Does disaggregating the U.S. into its constituent parts alter our understanding of how its income protections compare to those of other countries, such as the member states of the European Union? The answer to this question, as posed in the *Introduction*, is largely dependent on whether the focus is on the net value of income protections, the particular structure of the income protections, or the processes by which each of the income components is negotiated and legislated. These are addressed in turn.

Using data from CSB MIPI, Figure 5.4 maps the net value of family income packages from 22 countries within the European Union alongside five American states -- Vermont, New York, Iowa, Mississippi and Kentucky -- which represent, in respective order, the two most generous states, the median state, and two least generous states in terms of income support. The countries and states are ordered in relation to the value of their protections (set relative to each country's respective poverty line) for lone-parent, two-child families working full-time at minimum wage.

For this family type, Vermont offers income support equivalent to 101% of the poverty threshold – just less than the comparable value offered for a similar family in Finland in 2012, the latest year for which CSB MIPI data is available. Even New York, a state with the population 30 times larger than that of Vermont, offered income protections equivalent to 96.5% of the poverty threshold in 2014 – higher than comparable income protections in Austria, France, or Belgium.

Kentucky, meanwhile, offers the lowest level of in-work support for this family type among the American states, boosting the income of a working lone-parent family to 85% of the poverty threshold. Nine EU Member States (Czech Republic, Austria, France, Hungary, Belgium, Luxembourg [not depicted], Italy, Slovenia, and Romania) offered minimum income packages that fell between the high and low U.S. values in 2012.

Figure 5.4: Net Income at Full-Time Minimum Wage Employment for Lone-Parent Family Across EU Member States (2012) and American States (2014) Relative to Each Country's Poverty Threshold



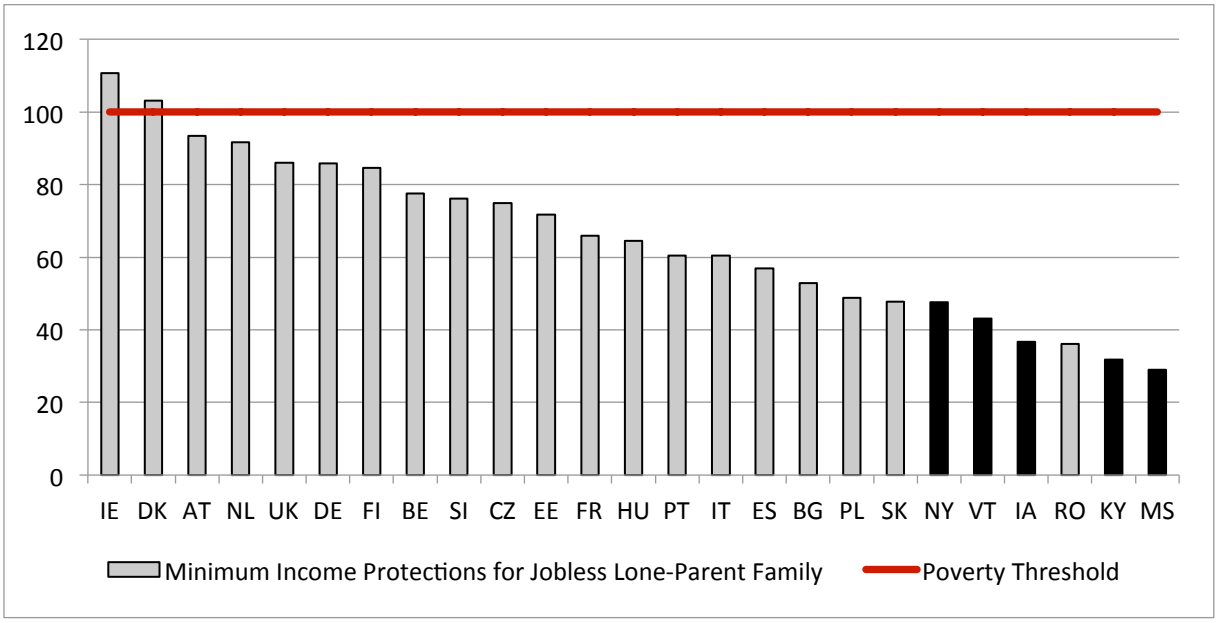
Black bars indicate American states (VT: Vermont, NY: New York, IA: Iowa, MS: Mississippi, KY: Kentucky)

This extent of cross-state variation in income support for working lone-parent families suggests that it does, indeed, matter whether the unit of analysis is New York (or Vermont, Connecticut, Oregon, California, and other comparably generous states), Kentucky (or other comparably ungenerous states), or the mean values of the United States as a whole when evaluating the net income of a working lone-parent family through a transatlantic lens.

As Section 5.1 illustrated, though, the substantial contribution of federally-administered refundable tax credits to the net incomes of lone-parent families is a common American trend. This 'fiscalization' of family income support has become increasingly common among EU Member States, but still not to the extent found across the United States (Marx & Marchal, 2016).

Differences in U.S. income protections are also less pronounced when evaluating variations in protections for *jobless* households. As shown in Figure 5.5, below, the most and least generous U.S. states range from approximately 47% (New York) to 28% (Mississippi) of the poverty threshold, placing all American states in the relative territory of Poland, Romania, and Slovakia at the bottom of the generosity scale.

Figure 5.5: Minimum Income Protections for Jobless Lone-Parent Family Across EU Member States (2012) and American States (2014) Relative to Each Country's Poverty Threshold



Black bars indicate American states (VT: Vermont, NY: New York, IA: Iowa, MS: Mississippi, KY: Kentucky)

Hidden within this figure are the many differences in conditionality across countries' income protections. Across EU member states, benefits for jobless families are often provided as long as need persists, in contrast to the time limits imposed in each of the American states. On the rare occasion when time limits do apply in EU member states, such limits tend to affect the duration of a particular stint of social assistance receipt rather than eligibility over the course of a lifetime (Saraceno, 2010).

Additionally, no European country has institutionalized food stamps *a la* the near-cash SNAP benefit in the U.S., which factors into the income calculations for working and jobless families presented here. Thus, caution is necessary in comparing the relative generosity of income protection systems on quantitative projections alone; the U.S. states presented here are even more punitive than Figure 5.5 suggests.

In sum, notable differences exist in the net values of income support offered to lone parent families across the United States. Compared to European counterparts, these differences are most notable when exploring net income levels for *working* lone parents. Regardless of the state, minimum income protections for *jobless* lone parents in the U.S. are limited compared to the support offered in most EU Member States. Despite their common rank-order performance, though, great variation in the adequacy of minimum income protections clearly still exists across the American states.

To make sense of the direction and magnitude of changes in the U.S. income protections over time, however, a focus on the state level – where increases in the minimum wage and the decline of the social floor have largely been negotiated and legislated – is still warranted. This becomes more evident when evaluating the evolution of U.S. family income protections from the mid-1990s onward.

6. Evolution of Family Income Support from 1994 to 2014

The evolution of U.S. family income support from 1994 to 2014 is now explored from two perspectives. First, policy trends from 1994 to 2014 are examined to assess whether states have become more or less generous with respect to certain indicators of income packages for lone-parent families. Second, the variation among states in each year is explored to determine the extent to which states have diverged (or converged) with respect to certain indicators.

Tables 6.1 and 6.2, below, offer summary statistics for the 48 states in the two years of examination. The maximum, median, and minimum values of the states' income protections, as well as the 25th and 75th percentile values, are shown for each of the indicators calculated. Again, all values are presented in relation to the poverty threshold calculated at the federal level (60% of median income) in the respective year. The value of income protections for each state can be found in the *Appendix*.

The mean, standard deviation, and coefficient of variation (CV) are also presented. The CV, calculated as the ratio of the standard deviation to the mean, reflects the relative dispersion of each variable, while the standard deviation serves as a measure of absolute dispersion (Montanari, 2001, p.476). The CV is vulnerable, though, when the mean value of a variable (the denominator of the CV calculation) is close to zero – as is the case with at least one of the variables presented. Both the CV and standard deviation will be used to assess the dispersion of family income protections over time. This process is addressed in more detail in *Section 6.2.*

Table 6.1. Summary of U.S. Minimum Income Packages, 1994 (Values as Proportion of Net Income Relative to Poverty Threshold)

	Gross Earnings	Federal Taxes	State Taxes	(Near-) Cash Benefits	Net Income, Min Wage	AFDC	Food Stamps	Net Income, Jobless
Max.	62.6%	11.0%	3.8%	16.2%	81.1%	48.6%	21.1%	58.0%
75th %	52.7%	11.0%	0.0%	11.3%	75.0%	31.2%	17.7%	45.8%
Median	52.7%	11.0%	0.0%	11.3%	75.0%	25.9%	16.1%	42.0%
25th %	52.7%	11.0%	-0.2%	11.3%	74.9%	20.8%	14.5%	38.5%
Min.	52.7%	10.3%	-1.4%	8.9%	73.6%	8.6%	9.3%	29.7%
Mean	53.2%	11.0%	0.0%	11.4%	75.6%	27.1%	15.8%	42.8%
StDev	1.8%	0.1%	0.9%	1.1%	1.8%	9.5%	2.8%	6.7%
CV	0.03	0.01	(n/a)	0.10	0.02	0.35	0.18	0.16

National Equivalised Household Median Income in 1994: $17,475

As observed in Table 6.1, the mean value of minimum income packages covered 75.6% of the poverty threshold for a working lone-parent household and 42.8% for a jobless household in 1994. Variance among states is particularly evident in AFDC cash benefits for jobless households and, consequently, the net value of total social protection for a nonworking lone parent. The value of AFDC benefits ranged from 8.6% of the poverty threshold (Mississippi) to 48.7% of the poverty threshold (Connecticut) during this year.

Table 6.2, below, summarizes the minimum income indicators in 2014.

Table 6.2. Summary of U.S. Minimum Income Packages, 2014 (Values as Percentage of Poverty Threshold)

	Gross Earnings	Federal Taxes	State Taxes	(Near-) Cash Benefits	Net Income, Min Wage	TANF	Food Stamps	Net Income, Jobless
Max	69.2%	22.2%	7.1%	22.5%	100.7%	33.8%	21.7%	47.6%
75th %	59.4%	22.0%	2.0%	11.0%	92.7%	22.1%	20.2%	39.4%
Median	53.9%	21.9%	0.0%	11.0%	89.5%	18.2%	18.4%	36.6%
25th %	53.9%	21.9%	0.0%	9.6%	86.7%	12.5%	17.3%	32.6%
Min	53.9%	20.2%	-1.8%	7.3%	84.9%	7.3%	13.8%	29.0%
Mean	57.0%	21.8%	0.9%	10.6%	90.4%	18.1%	18.5%	36.6%
StDev	4.4%	0.4%	2.0%	2.3%	4.3%	6.5%	1.9%	4.5%
CV	0.08	0.02	2.08	0.21	0.05	0.36	0.11	0.12

National Equivalised Household Median Income in 2014: $29,156

As illustrated previously, only two states (Vermont and Connecticut) offered minimum income packages that boosted the net income of lone parent working full-time at minimum wage to the poverty threshold in 2014. The mean value for of minimum income packages covered 90.4% of the poverty threshold for a working family – higher than in 1994 – though the mean value for a jobless family was 36.6% of the poverty threshold, lower than in 1994. Additional trends in minimum income protections between the two years are now explored.

6.1. Trends in Minimum Income Protections

Table 6.3 summarizes the trends in the maximum, mean, and minimum value of each element of minimum income protections from 1994 to 2014.

Table 6.3. Percentage-Point Change in Maximum, Mean, and Minimum Values of Minimum Income Protections from 1994 to 2014 (Relative to Poverty Threshold)

	Gross Earnings	Federal Taxes	State Taxes	(Near-) Cash Benefits	Net Income, Min Wage	TANF	Food Stamps	Net Income, Jobless
Max.	6.6%	11.1%	3.4%	6.3%	19.6%	-14.9%	0.6%	-10.4%
Mean	3.8%	10.8%	0.9%	-0.8%	14.8%	-9.0%	2.7%	-6.3%
Min.	1.2%	9.9%	-0.3%	-1.6%	11.3%	-1.3%	4.4%	-0.7%

Increases in the real value of the minimum wage (reflected in gross earnings) and refundable federal tax credits, such as the EITC and ACTC, contributed significantly to the 14.8 percentage-point average jump in net income for a lone parent of two working full time at minimum wage.

In 2014, 21 states offered their own refundable supplement to the EITC, compared to only four states in 1994. This is reflected in the 3.4 percentage-point increase in the maximum contribution of net state taxes relative to the poverty threshold (as well as the 1 percentage-point jump in the mean value of state tax contributions).

Trends for jobless protections, though, moved in the opposite direction; on average, net income for this family type fell by 6.3 percentage-points of income relative to the poverty threshold, with the maximum value of jobless protections falling by 10.4 percentage-points. The change can be attributed almost entirely to the declining real value of TANF/AFDC benefits over the course of the two decades (as discussed below). The federally funded and administered SNAP benefits (food stamps) partially offset the decline in jobless protections, but not enough to prevent the net decreases.

Since the calculations in either year are set relative to that year's respective poverty threshold (which is tied to equivalised household median income), it should be noted that real median income increased from 1994 and 2014 and, thus, the real poverty threshold was higher in 2014 compared to 1994. Were a fixed poverty threshold to be used (carrying the 2014 median income back to 1994, adjusting only for deflation), the adequacy of the protections in 1994 would be slightly lower; consequently, the data would suggest slightly greater increases in the adequacy of the income protections between the two years. Nonetheless, the choice of a fixed threshold would not alter our understanding of cross-state variance in the two years examined.

6.1.1. Welfare Reform and the Decline of Net Income for Jobless Lone-Parent Families

The decline of AFDC/TANF benefits (and the consequent decline of net income for jobless lone-parent families) can be at least partially attributed to the administrative and funding changes that occurred with the implementation of PRWORA in 1996. As noted, this legislation replaced AFDC with the more restrictive TANF program and devolved much administrative authority to the states.

Spending on AFDC was split between states and the federal government with no established maximum to the budgetary allotment; the program was, after all, an entitlement to any household that happened to be eligible (Page & Larner, 1996). With the transition to TANF, however, the federal entitlement was replaced with a federal block grant (a fixed, non-indexed budgetary allotment) to each state. The value of the each state's block grant was based off spending levels during the years prior to the welfare reform (Falk, 2013). Due to the non-indexed nature of the block grant, though, the real value of federal TANF support in 2014 was approximately two-thirds of the support provided to states in 1996 (CBPP, 2014).[8]

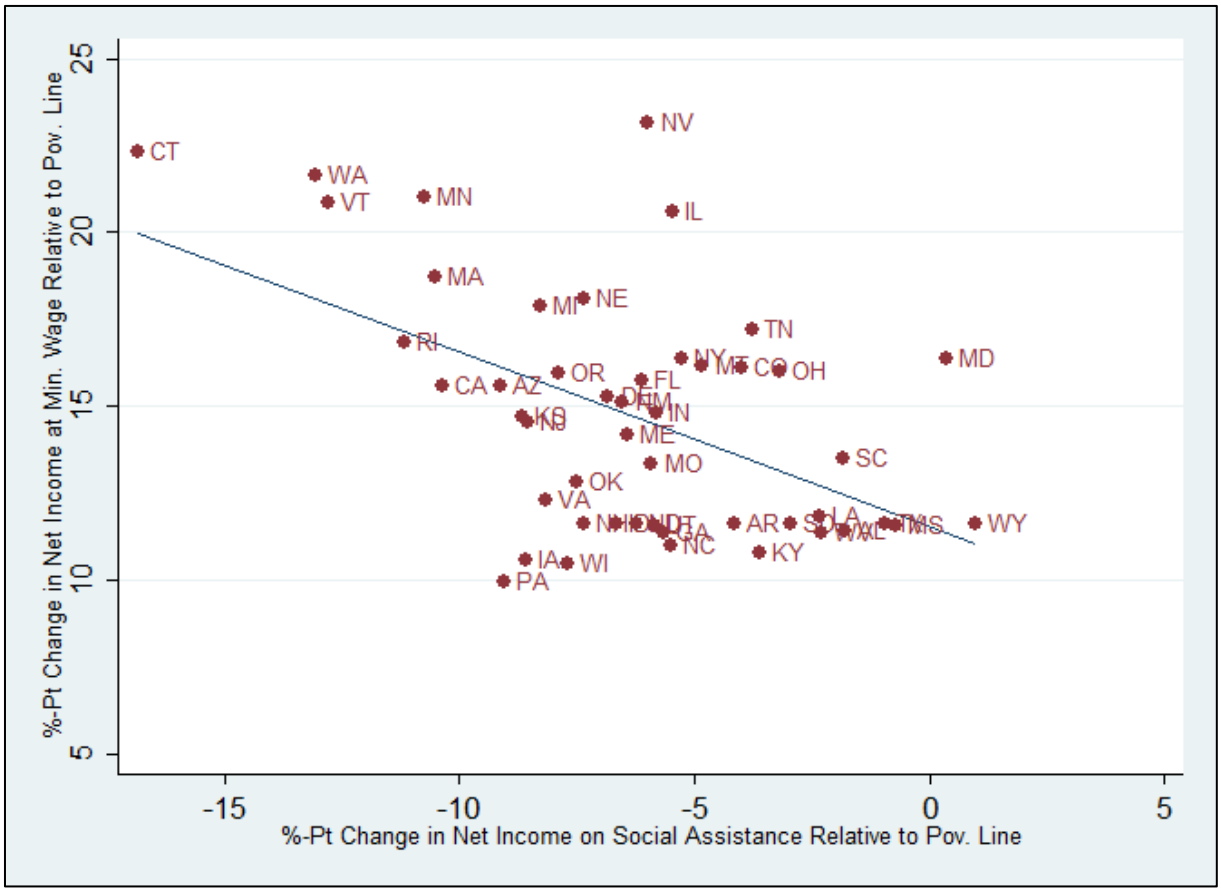
The nature of mandated state spending also changed with the introduction of TANF. Under AFDC, states were required to match each dollar of federal spending on cash benefits; under TANF, states are required (lest they face future federal funding decreases) to meet "maintenance of effort" (MoE) funding thresholds. The federal block grant and MoE spending, though, were not restricted to cash benefits; in fact, only about 25% of total TANF spending went to cash assistance in 2014, while the other three-quarters went to childcare support, work-related activities, family planning services, administrative costs, and miscellaneous spending (Schott, Pavetti & Floyd, 2015). In some states, such as North Carolina, for every dollar spent on cash assistance (only 9% of the state's TANF budget in 2014), two more dollars were spent on initiatives to encourage the "promotion and maintenance of two-parent families" and "prevention of unwanted pregnancies" (CBPP, 2015).

Amidst the changes, only two states – Maryland and Wyoming – increased the real value of TANF/AFDC benefits (and, thus, net income on social assistance) between 1994 and 2014. Seven states, meanwhile, reduced the *nominal* value of their maximum AFDC/TANF cash benefits, while 14 others left the nominal value unchanged.

[8] Germanis (2016) provides a more comprehensive critique of TANF block grants and accountability measures.

These trends are illustrated in Figure 6.1, below, which shows the association between changes from 1994 to 2014 in the value of working versus non-working income protections for a lone-parent household.

Figure 6.1. Change in Family Income Support for Jobless vs. Full-Time Employed Lone Parent by State, 1994 to 2014



States such as Connecticut, Washington, and Vermont, which increased income support for minimum wage workers at a greater level than other states, also saw greatest reductions in real value of benefits for jobless families. Though these three states still offered greater protections than most other states for jobless lone parents in 2014, the value of those protections nonetheless declined relatively substantially since 1994. In the case of Connecticut, the social floor fell from 55% of the poverty threshold to 41% during the 20-year period, while the adequacy of its protections for working lone parents jumped from 78% to 101% of the poverty threshold during that time.

These trends emphasize the necessity of understanding policy change on the state level in order to make sense of poverty and income dynamics of lone-parent families from the mid-1990s to today.

6.2. Measuring Dispersion of Family Income Protections from 1994 to 2014

Have states diverged with respect to their family income protections since the further decentralization of cash assistance policies in the mid-1990s? Resolving this question first requires clarity as to how “divergence” is to be conceptualized and assessed.

As this study is primarily concerned with the net value of income support for a specific family type, dispersion over time is measured from a quantitative perspective, calculating whether elements of the income protections have become more or less similar across the 48 states strictly in terms of their benefit values for a lone-parent, two-child family.

'Sigma convergence' is employed to assess divergence using, as noted previously, the change in coefficient of variation (CV) from 1994 to 2014.[9] An increase in the CV from the first year to the second would indicate divergence, whereas a decline would represent a convergence among states with respect to the particular indicator of family income support being assessed. Standard deviations are also presented to provide a measure of change in absolute dispersion.

As Nurminen (2015) documents, though, a narrow focus on quantitative changes over time can often overlook important qualitative and management-oriented changes and provide a misguided interpretation of the extent of relative dispersion. This is especially pertinent to changes in AFDC/TANF (and, consequently, net income for a jobless family), as states have imposed varying levels of restrictions on the TANF in recent years, as outlined in Section 5.4 of this paper. The effect of these management-oriented changes on the understanding of dispersion over time will be addressed.

6.2.1. Dispersion of Income Protections for Working Lone-Parent Families

Table 6.4, below, presents the change in measures of dispersion for each indicator of family income protections for a working lone-parent family from 1994 to 2014. The increases in the measures of dispersion suggest states varied more in each element of their protections for working lone parents in 2014 relative to 1994.

Table 6.4. Change in Levels of Dispersion of Family Income Indicators for Working Lone-Parent Family (1994 to 2014)

	Full-Time Work at Minimum Wage				
	Gross Earnings	**Federal Taxes**	**State Taxes**	**(Near-) Cash Benefits**	**Net Income**
Change in St. Dev.	0.026 (141% increase)	0.003 (195%)	0.010 (113%)	0.011 (96%)	0.024 (131%)
Change in Coeff. of Var.	0.043 (124% increase)	0.006 (49%)	-- --	0.112 (112%)	0.023 (93%)

As expected, changes in states' levels of the statutory minimum wage (reflected in "Gross Earnings") stand out as a primary source of divergence; both the standard deviation and coefficient of variation doubled from 1994 to 2014. As federal taxes are dependent on gross income, it is unsurprising that this variable, too, shows divergence over the same years.

Though a coefficient of variation cannot be calculated for the contribution of state taxes to net income (the mean in 1994 was zero), the data nonetheless suggest that it, too, stands out as a key source of divergence; the standard deviation more than doubled from 1994 to 2014. Furthermore, as the summary statistics in the previous section illustrated, the decision of many additional states to implement supplements to the federally-administered EITC during that time span meant that states,

[9] For a review on different measures of convergence, see Montanari (2001), Monfort (2008), Nurminen (2015), among others. Sigma convergence is most appropriate when measuring the extent of dispersion across states in different times.

on average, gave money back to working lone-parent families in 2014, which was not the case in 1994. The average contribution of state taxes to net income jumped from zero to 1% of the poverty threshold, while the maximum value jumped from 3.8% to 7.1% of the poverty threshold.

6.2.2. Dispersion of Income Protections for Jobless Lone-Parent Families

Evidence of divergence is mixed with respect to variance in protections for jobless families. The mean value and standard deviation of AFDC/TANF benefits declined from 1994 to 2014, as observed in Table 6.5, but the measure of relative dispersion showed a slight increase, suggesting that states still varied as much (in fact, slightly more) with respect to TANF benefits than they did in 1994 with AFDC.

Table 6.5. Change in Levels of of Dispersion of Minimum Income Indicators for Jobless Lone-Parent Family (1994 to 2014)

	Jobless (Social Assistance)		
	AFDC/TANF	**Food Stamps/ SNAP**	**Net Income**
Change in St. Dev.	-0.030 (-32% change)	-0.009 (-32%)	-0.021 (-32%)
Change in Coeff. of Var.	0.007 (2% change)	-0.075 (-41%)	-0.031 (-20%)

Due to a stronger convergence in SNAP benefits (the CV declined by 41%), though, the overall net income for a jobless family has converged across states (the CV decreased by 20%). We know from the analysis of trends in Section 6.1 that this happens to be a *downward* convergence in net benefit values, meaning that benefits, on average, decreased over time.

Despite convergence in net benefit *values* for jobless families, evidence demonstrates that the conditionality attached to receiving such benefits has grown stricter and more varied across states during the two decades of examination. Section 2.3 of this paper highlighted the variation in lifetime time limits imposed on TANF in 2014 – a feature that was not present in TANF's predecessor, AFDC. Other recently implemented (from 2010 to 2014) and state-specific barriers to jobless benefit access include mandatory drug tests or screenings (National Conference of State Legislatures, 2016), mandates on weekly job application submissions (Floyd, Pavetti & Schott, 2015), tightening of income eligibility rules (ibid.), and stricter sanctioning policies (ibid.).

This range of cross-state variation in conditionality is perhaps most succinctly reflected in TANF coverage rates. As illustrated in Section 5.4 and detailed further in the Floyd, Pavetti & Schott (2015) analysis, the proportion of low-income families that receive TANF assistance varies widely across states; furthermore, this dispersion of coverage rates has widened over time, as would be expected based on the range of conditionality restrictions imposed within states throughout the past two decades.

Thus, the story of change in minimum income protections for jobless lone-parent families is one of multiple dimensions: convergence across states has occurred in the net benefit values offered to jobless families, but the conditionality attached to TANF benefits appears to have varied more across states in 2014 than it did with AFDC in 1994.

Together, these findings suggest that, in 2014 more so than in 1994, the particular state in which a lone-parent family lived and/or worked was bound to meaningfully affect its relative income situation; this is especially true for a jobless family that lived in a state that positioned itself on the harsher end of the TANF conditionality spectrum.

7. Discussion & Conclusion

Against the backdrop of increasing signs of state-level divergence in social and labor market policies, this study set out to capture the extent of variation of family income protections across the United States, as well as how the income protections have changed across states since 1994.

Shifting the unit of analysis from the country level to the state level reveals significant differences in protections offered to a lone-parent, two-child family. For a lone parent working full time at minimum wage in 2014, net income ranged from 85% to 101% of the poverty line depending on the particular state in which the family lived and worked – a gap comparable[10] in quantitative (and purely relative) terms to the difference between net incomes offered for a similar family type in Finland (102.7% of the poverty threshold) versus Romania (87%), according to data from Cantillon & Marchal (2016).

For a non-working lone parent family, income protections ranged from 29% to 48% of the poverty threshold in 2014. While these values for all states tend to fall near the bottom of the range of similar calculations for EU Member States in 2012, the 19 percentage-point gap between the most and least generous U.S. states is noteworthy nonetheless.

Between 1994 and 2014, the value of net income for lone parents working full-time at minimum wage increased and became more variant across the 48 states examined. State-level increases in statutory minimum wage levels and the contribution of state income taxes to a working family's net income drove much of the variance among states.

Income support from AFDC/TANF, meanwhile, fell in 46 of the 48 states examined, contributing to a downward convergence across states in the value of minimum income protections for jobless lone-parent families (though the evidence suggests the relative accessibility of such benefits grew stricter and more varied across states after the transition to TANF). Interestingly, the states that saw the greatest increases in income supports for working families also experienced the largest decreases in support for non-working families.

This collection of findings point to at least three pertinent takeaways and challenges for future studies of social policy within and among the United States.

First, the variation among states' family income protections, as this study documented, emphasizes a potential need for more dissected analyses of the U.S. when the country is embedded into comparative social policy research. While the fundamental components of income protections across the states are similar (consider the federal-level emphasis on tax credits as a mechanism for redistribution), the level of income support that these policies offer varies substantially based on the particular state in which a lone mother or father lives. These differences remain stark even when

[10] If the American minimum income protections were set relative to state-level poverty thresholds as opposed to the federal U.S. threshold, the gap between the most and least generous states would increase to percentage-points (109% of the poverty threshold in MS to 65% in NH) in 2014.

adjusting for state-level purchasing power or evaluating the income protections relative to a regional poverty threshold.[11]

That the diverse institutional histories of the states has led to different social and labor market policy outputs should not come as a surprise, especially following greater devolutions of policy-administration authority from the federal to state level; nonetheless, much of comparative social policy research (as well as U.S.-centric social policy research, as Brady, Baker & Finnegan (2013) point out) tends to overlook the substantial interstate variation within the U.S. The extent to which this shift in unit of analysis alters the generalizability of claims about U.S. social policy may be case specific, but certainly deserves greater attention.

A call for a rethinking of how the U.S. is typically included in comparative research is not original. In 2001, Smeeding and Rainwater noted that "breaking down the U.S. into its component parts is an interest in more precise comparisons to the nation states of the EU". Similarly, Rifkin (2005) made the case that "rather than thinking of Germany in comparison to the U.S., we should think of it in comparison to California" (p.65). This study provides one step in that direction while acknowledging that many more are still needed.

Secondly, more work should be dedicated toward asking *why* these variations and divergence of states' minimum income protections have occurred. Can the same concepts and theories advanced to explain the development, resilience, and recalibration of welfares in rich democracies (particularly within Europe) also explain the variation and increasing divergence of social policies across the U.S. states? The states provide adequate, yet relatively untapped ground to further test the credibility of theories relating to power resources, post-industrialism, or other explanations of welfare state change.

Finally, attempts to capture variance in social and labor market policies across the U.S. should expand beyond indicators of family income protections and include elements such as paid leave policies, childcare support, access to affordable healthcare, and other relevant measures of the support offered to low-income families.

Developing a more comprehensive picture of state-level variance in social policy will enable researchers to more accurately assess the relationship of social policy outputs and social outcomes within and among the United States; furthermore, it opens the possibility of including specific states, as opposed to the aggregate of all of them, into comparative social policy analyses. As this study suggests, an analysis of the parts – in this case, the 48 contiguous states – may offer a different story than an analysis of their sum.

If future research reveals that these cross-state differences in policy design do, indeed, translate into notable differences in social outcomes, then subsequent integrations of the country into analyses of social policy might be wise to not simply adopt *the* United States, but, instead, challenge *which* United States should be the focal point of analysis.

[11] Income protections based on the regional price parities or state-level thresholds are available upon request.

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Appendix

Appendix A: Methodology and Calculation of Family Income Protections

This appendix details the calculation process for the family income protections presented for each of the 48 states in 1994 and 2014.

Policy rules were collected from a range of data sources (see below) to determine the net value of income protections. Calculations were programed using standard spreadsheet software after importing policy rules and variables for each year and state.

Rules for tax calculations were inserted the model and performed by hand. To verify the accuracy of the calculations, tax simulations were also run through the TAXSIM Model (version 9), hosted by the National Bureau of Economic Research.

The policies below were computed into the income calculations in order of their appearance.

Hourly Minimum Wage Rate:

Calculation Notes: The value of each state's statutory minimum wage for non-tipped employees was used in the calculations; if states did not offer a minimum wage higher than the federal minimum, then the federal version was used ($7.25 per hour in 2014; $4.25 in 1994). Gross income (the value before adjusting for taxes and transfers) for the working version of the model families was calculated by multiplying the state's respective minimum wage value by 40 -- the maximum number of hours one can work before overtime pay is legally obliged.

Data Source: U.S. Department of Labor: Changes In Basic Minimum Wages In Non-Farm Employment Under State Law: Selected Years 1968 To 2016 (2016)

Federal Insurance Contributions Act (FICA) Payroll Tax:

Calculation Notes: Payroll taxes mandate a deduction of 6.2% of gross income for the Old-Age, Survivors, and Disability Insurance (OASDI) program, plus 1.45% of gross income for Medicare's Hospital Insurance program. The rate for dependent employees, rather than self-employed workers, is used in this calculation of payroll taxes. The payroll tax rates were identical in 2014 and 1994. The employers' share of payroll taxes was not assigned to the individual employees in these calculations.

Data Source: Social Security Administration: Social Security & Medicare Tax Rates, 1937 to Present (2016)

Federal income tax liabilities:

Calculation Notes: Within the simulations of minimum income protections, federal income tax liabilities are dependent on the lone parent's gross earnings and family structure. Two types of nonrefundable tax deductions apply to the simulations: first, a standard deduction ($9,100 in 2014; $5,600 in 1994) for the household head and, second, a personal exemption for each the household head and the two children assumed to live within the simulated households ($3,950 for each individual in 2014; $2,450 for each in 1994).

None of the simulated households in any state or either year of the simulations had federal tax liabilities remaining after the deductions were applied.

Data Source: Internal Revenue Service: Federal Tax Rates, Personal Exemptions, and Standard Deductions (2014); Internal Revenue Service, Publication 501: Exemptions, Standard Deduction, and Filing Information for Use in Preparing 1994 Returns (1994)

Federal income tax credits:

(Additional) Child Tax Credit (ACTC/CTC)

Calculation Notes: Introduced in 1997, the Child Tax Credit features a refundable and non-refundable benefit to low-income families with children. The refundable portion is known as the Additional Child Tax Credit (ACTC) and is applied when the value of the non-refundable portion exceeds the value of federal tax liabilities for a particular tax filer. As noted above, the standard deduction and personal exemptions were sufficient to eliminate federal tax liabilities for the working lone-parent household in all states; thus, the value of the Child Tax Credit, set at $1,000 per child in 2014, exceeds liabilities and is converted in the refundable ACTC.

The ACTC offers a refundable credit to 15% of gross earnings in excess of $3,000, with a maximum benefit cap of $2,000 for the lone-parent, two-child family type simulated in this study (Crandall-Hollick, 2016). For families working full-time at minimum wage, then, the value of the ACTC was set to an annual value of $1,812 in 2014 *[0.15*((40*52*$7.25)-$3,000)].* In most states with minimum wage levels higher than the federal standard, the ACTC reached its cap of $2,000.

Data Source: Crandall-Hollick, M (2016). The Child Tax Credit: Current Law and Legislative History. Congressional Research Services; Internal Revenue Service (2014). Publication 972: Child Tax Credit.

Earned Income Tax Credit (EITC)

Calculation Notes: The Earned Income Tax Credit (EITC) offers refundable tax credits to households reporting low levels of earnings. The calculations for the value of the EITC are based on four levers: the rate of the credit (40% for the simulated family type in 2014), the income credit phase-out start ($17,830), the benefit phase-out rate (21.06%), and the maximum value of the benefit ($5,460). In 1994, these levers were set at 30%, $11,000, 17.68%, and $2,528, respectively.

In most states in 2014, the gross income of a lone parent working full-time at minimum wage did not eclipse the phase-out market of $17,830; thus, the maximum benefit of $5,460 was applied (as 40% of gross earnings exceeds the maximum benefit value). In states with a higher minimum wage, such as California, gross income exceeded the phase-out start ($17,830); thus, each dollar of gross income greater than this amount was multiplied by the phase-out rate and deducted from the maximum value to produce the final benefit value.

Data Source: Internal Revenue Service (2014). EITC Income Limits, Maximum Credit Amounts, and Tax Law Updates; U.S. Government Accountability Office (1998). 'EARNED INCOME CREDIT: IRS' Tax Year 1994 Compliance Study and Recent Efforts to Reduce Noncompliance'

State income tax liabilities:

Calculation Notes: Each state sets its own income tax brackets and its own deduction/exemptions rules. The *Tax Foundation* aggregates this information for all states; this data was used to calculate the simulated tax values for the lone-parent, two-child family in each state in 2014 and 1994.

Due to the arduous and error-prone nature of calculating tax liabilities for 48 sets of tax brackets and rules, all values were cross-checked with TAXSIM simulation software (version 9) available through the National Bureau of Economic Research.

Data Source: Tax Foundation (2014). State Personal Income Tax Rates and Brackets; TAXSIM, Version 9. National Bureau of Economic Research.

State income tax credits:

Calculation Notes: Several states offered supplements to the federally-administered EITC refundable tax credits in 1994 and 2014. In almost all cases, the value of the state-level EITC supplements is set as a percentage of the federal EITC benefit (Massachusetts, for example, tied the value of its supplement to 15% of the federal EITC refund in 2014). In 1994, Wisconsin determined the value using its own benefit calculation, which was taken into account in the values presented in this study. Minnesota also operates under different rules, which are accounted for here. Certain states offer non-refundable supplements to the EITC, which are included in the model.

Data Source: NBER (2015). State EITC Provisions, 1977-2015.

Aid to Families with Dependent Children (AFDC) / Temporary Assistance for Needy Families (TANF)

Calculation Notes: AFDC calculations were used in 1994. As the paper details, AFDC was converted to TANF in 1997 (thus, TANF calculations are included in the 2014 income protections). For both programs, benefit values and eligibility determinations vary by state.

For simulations in which the lone parent is jobless, the maximum AFDC/TANF values for the respective state are applied. For simulations in which the family is working, eligibility and benefit determination policies for the respective state are applied. In most states, full-time work at minimum wage renders the lone parent ineligible for AFDC/TANF benefits; the exceptions, of course, are accounted for in the calculations presented.

Data Source: National Research Council (1995). Measuring Poverty: A New Approach; Falk, G. (2014). Temporary Assistance for Needy Families (TANF): Eligibility and Benefit Amounts in State TANF Cash Assistance Programs. Congressional Research Service.; Urban Institute (2014). The Welfare Rules Database.

Supplemental Nutrition Assistance Program (SNAP; food stamps)

Calculation Notes:

The maximum food stamp benefit was $511 across the 48 states examined in 2014, and $295 in 1994. Determining the final benefit value, however, requires information about benefit deductions and net income.

For both working and non-working family simulations, the standard SNAP deduction ($155 in 2014, $131 in 1994) was applied. For the working family simulations, the earnings deduction

(20% of earned income) was also included. Household deductions were not included in these benefit calculations. The final benefit value is obtained by subtracting the maximum benefit value by 30% of the net income (which, for a jobless family, includes any benefits from TANF) remaining after deductions are applied.

Data Source: Center for Budget & Policy Priorities (2016). A Quick Guide to SNAP Eligibility and Benefits; Aussenberg, R.A. (2014). Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits. Congressional Research Service.

Appendix B: Family Income Protections for 48 States in 2014

All values are set relative to the poverty threshold in the given year. As detailed in the paper, the poverty threshold is set at 60% of national equivalised household median. The Modified OECD equivalence scale is used in comparing net household incomes to the poverty threshold.

	Jobless	**Full-Time Work at Minimum Wage**				
	Net Income	**Net Income**	**Gross Income**	**Federal Taxes**	**State Taxes**	**(Near-) Cash Benefits**
Alabama	30.3%	85.9%	53.9%	21.9%	-0.8%	11.0%
Arizona	32.2%	90.6%	58.7%	22.2%	0.0%	9.8%
Arkansas	30.0%	86.7%	53.9%	21.9%	0.0%	11.0%
California	44.0%	95.6%	66.9%	20.9%	0.0%	7.9%
Colorado	37.8%	91.2%	59.4%	22.1%	0.0%	9.6%
Connecticut	41.2%	100.7%	68.0%	20.5%	4.6%	7.6%
Delaware	34.0%	89.8%	57.6%	22.1%	0.0%	10.1%
Florida	33.0%	90.8%	58.9%	22.1%	0.0%	9.8%
Georgia	32.3%	86.3%	53.9%	21.9%	-0.3%	11.0%
Idaho	33.2%	86.7%	53.9%	21.9%	0.0%	11.0%
Illinois	36.9%	94.4%	61.3%	22.0%	2.0%	9.2%
Indiana	32.5%	88.4%	53.9%	21.9%	1.8%	11.0%
Iowa	36.7%	89.0%	53.9%	21.9%	2.3%	11.0%
Kansas	36.8%	89.7%	53.9%	21.9%	3.0%	11.0%
Kentucky	31.8%	84.9%	53.9%	21.9%	-1.8%	11.0%
Louisiana	31.1%	86.9%	53.9%	21.9%	0.2%	11.0%
Maine	38.4%	89.2%	55.7%	22.0%	1.0%	10.5%
Maryland	42.6%	91.4%	53.9%	21.9%	4.7%	11.0%
Massachusetts	42.4%	92.6%	59.4%	22.1%	1.5%	9.6%
Michigan	38.7%	91.9%	60.5%	22.0%	0.0%	9.4%
Minnesota	39.9%	98.3%	59.4%	22.1%	7.1%	9.6%
Mississippi	29.0%	86.6%	53.9%	21.9%	-0.1%	11.0%
Missouri	32.7%	88.2%	55.7%	22.0%	0.0%	10.5%
Montana	39.2%	90.6%	58.7%	22.2%	0.0%	9.8%
Nebraska	34.8%	93.1%	59.4%	22.1%	2.0%	9.6%
Nevada	35.4%	98.2%	53.9%	21.9%	0.0%	22.5%

New Hampshire	44.1%	86.7%	53.9%	21.9%	0.0%	11.0%
New Jersey	36.6%	95.7%	61.3%	22.0%	3.2%	9.2%
New Mexico	35.3%	90.2%	55.7%	22.0%	2.0%	10.5%
New York	47.6%	96.5%	59.4%	22.1%	5.3%	9.6%
North Carolina	32.1%	86.0%	53.9%	21.9%	-0.6%	11.0%
North Dakota	38.2%	86.7%	53.9%	21.9%	0.0%	11.0%
Ohio	37.8%	90.9%	59.1%	22.1%	0.0%	9.7%
Oklahoma	32.7%	87.5%	53.9%	21.9%	0.9%	11.0%
Oregon	39.1%	95.3%	67.6%	20.7%	-0.7%	7.7%
Pennsylvania	36.0%	85.0%	53.9%	21.9%	-1.7%	11.0%
Rhode Island	40.5%	93.6%	59.4%	22.1%	2.4%	9.6%
South Carolina	32.1%	88.5%	53.9%	21.9%	0.0%	12.8%
South Dakota	41.9%	86.7%	53.9%	21.9%	0.0%	11.0%
Tennessee	29.4%	92.2%	53.9%	21.9%	0.0%	16.5%
Texas	32.2%	86.7%	53.9%	21.9%	0.0%	11.0%
Utah	38.8%	86.6%	53.9%	21.9%	-0.1%	11.0%
Vermont	43.1%	100.7%	64.9%	21.4%	6.1%	8.3%
Virginia	33.5%	86.7%	53.9%	21.9%	0.0%	11.0%
Washington	38.2%	96.7%	69.2%	20.2%	0.0%	7.3%
West Virginia	34.1%	85.7%	53.9%	21.9%	-1.0%	11.0%
Wisconsin	42.1%	88.8%	53.9%	21.9%	2.1%	11.0%
Wyoming	42.9%	86.7%	53.9%	21.9%	0.0%	11.0%

Equivalised Household Median Income (2014): $29,166
Equivalised Poverty Threshold for Lone Parent with Two Children (2014): $27,990

Appendix C: Family Income Protections for 48 States in 1994

All values are set relative to the poverty threshold in the given year. As detailed in the paper, the poverty threshold is set at 60% of national equivalised household median income. The Modified OECD equivalence scale is used in comparing net household incomes to the poverty threshold.

	Jobless	**Full-Time Work at Minimum Wage**				
	Net Income	**Net Income**	**Gross Income**	**Federal Taxes**	**State Taxes**	**(Near-) Cash Benefits**
Alabama	32.1%	74.4%	52.7%	11.0%	-0.6%	11.3%
Arizona	41.3%	75.0%	52.7%	11.0%	0.0%	11.3%
Arkansas	34.1%	75.0%	52.7%	11.0%	0.0%	11.3%
California	54.3%	79.9%	52.7%	11.0%	0.0%	16.2%
Colorado	41.7%	75.0%	52.7%	11.0%	0.0%	11.3%
Connecticut	58.0%	78.3%	52.9%	11.0%	0.0%	14.4%
Delaware	40.8%	74.4%	52.7%	11.0%	-0.6%	11.3%
Florida	39.1%	75.0%	52.7%	11.0%	0.0%	11.3%
Georgia	37.9%	74.9%	52.7%	11.0%	-0.1%	11.3%
Idaho	39.8%	75.0%	52.7%	11.0%	0.0%	11.3%
Illinois	42.3%	73.7%	52.7%	11.0%	-1.3%	11.3%
Indiana	38.3%	73.6%	52.7%	11.0%	-1.4%	11.3%
Iowa	45.2%	78.4%	57.7%	10.7%	0.0%	10.1%
Kansas	45.4%	75.0%	52.7%	11.0%	0.0%	11.3%
Kentucky	35.3%	74.1%	52.7%	11.0%	-0.9%	11.3%
Louisiana	33.4%	75.0%	52.7%	11.0%	0.0%	11.3%
Maine	44.8%	75.0%	52.7%	11.0%	0.0%	11.3%
Maryland	42.2%	75.0%	52.7%	11.0%	0.0%	11.3%
Massachusetts	52.9%	73.9%	52.7%	11.0%	-1.1%	11.3%
Michigan	46.9%	74.0%	52.7%	11.0%	-1.0%	11.3%
Minnesota	50.5%	77.3%	52.7%	11.0%	2.3%	11.3%
Mississippi	29.7%	75.0%	52.7%	11.0%	0.0%	11.3%
Missouri	38.5%	74.8%	52.7%	11.0%	-0.2%	11.3%
Montana	44.0%	74.4%	52.7%	11.0%	-0.6%	11.3%
Nebraska	42.1%	75.0%	52.7%	11.0%	0.0%	11.3%
Nevada	41.3%	75.0%	52.7%	11.0%	0.0%	11.3%
New Hampshire	51.5%	75.0%	52.7%	11.0%	0.0%	11.3%
New Jersey	45.1%	81.1%	62.6%	10.3%	-0.7%	8.9%
New Mexico	41.8%	75.0%	52.7%	11.0%	0.0%	11.3%
New York	52.8%	80.1%	52.7%	11.0%	0.8%	15.6%
North Carolina	37.5%	75.0%	52.7%	11.0%	0.0%	11.3%
North Dakota	44.4%	75.0%	52.7%	11.0%	0.0%	11.3%
Ohio	41.0%	74.9%	52.7%	11.0%	-0.1%	11.3%
Oklahoma	40.1%	74.7%	52.7%	11.0%	-0.3%	11.3%
Oregon	46.9%	79.2%	58.9%	10.6%	0.0%	9.8%
Pennsylvania	45.0%	75.0%	52.7%	11.0%	0.0%	11.3%

Rhode Island	51.7%	76.7%	55.2%	10.8%	0.0%	10.7%
South Carolina	33.9%	75.0%	52.7%	11.0%	0.0%	11.3%
South Dakota	44.8%	75.0%	52.7%	11.0%	0.0%	11.3%
Tennessee	33.2%	75.0%	52.7%	11.0%	0.0%	11.3%
Texas	33.1%	75.0%	52.7%	11.0%	0.0%	11.3%
Utah	44.6%	75.0%	52.7%	11.0%	0.0%	11.3%
Vermont	55.9%	79.8%	52.7%	11.0%	3.8%	12.3%
Virginia	41.6%	74.4%	52.7%	11.0%	-0.6%	11.3%
Washington	51.3%	75.0%	52.7%	11.0%	0.0%	11.3%
West Virginia	36.4%	74.3%	52.7%	11.0%	-0.7%	11.3%
Wisconsin	49.8%	78.3%	52.7%	11.0%	3.3%	11.3%
Wyoming	41.9%	75.0%	52.7%	11.0%	0.0%	11.3%

Equivalised Household Median Income (1994): $17,476
Equivalised Poverty Threshold for Lone Parent with Two Children (1994): $16,760