

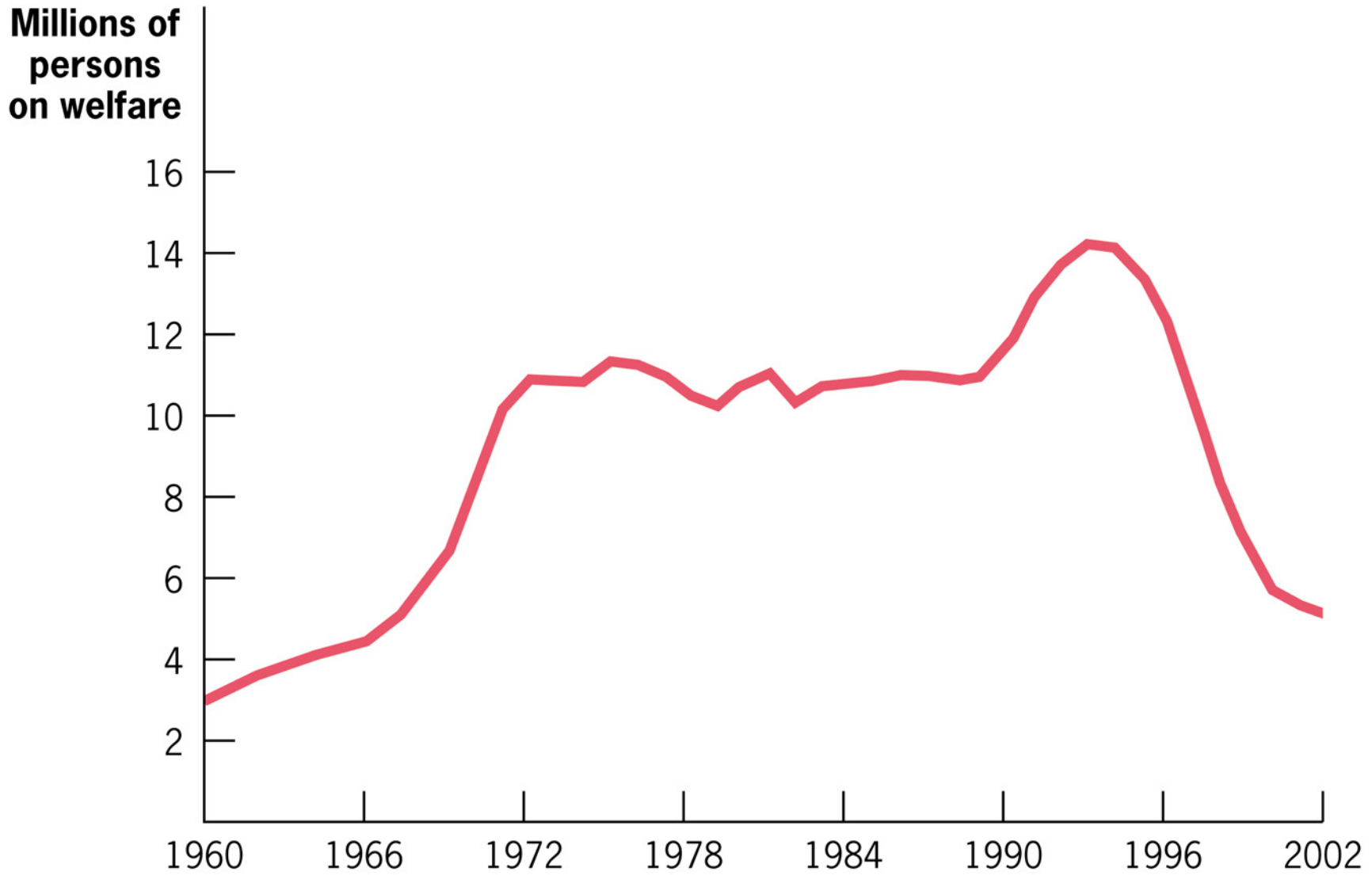
Jonathan Gruber

# **Public Finance and Public Policy**

**First Edition**

## **Chapter 17: Income Distribution and Welfare Programs**

Copyright © 2005 by Worth Publishers



**Figure 17.1** Welfare Caseloads in the United States, 1960–2002  
Gruber: Public Finance and Public Policy, First Edition  
Copyright © 2005 by Worth Publishers

■ TABLE 17-1

**Share of Aggregate Income Received by Quintile, 1967–2002**

Income Quintile	1967	1970	1975	1980	1985	1990	1995	2000	2002
Lowest 20%	4.0	4.1	4.4	4.3	4.0	3.9	3.7	3.6	3.5
Second 20%	10.8	10.8	10.5	10.3	9.7	9.6	9.1	8.9	8.8
Third 20%	17.3	17.4	17.1	16.9	16.3	15.9	15.2	14.8	14.8
Fourth 20%	24.2	24.5	24.8	24.9	24.6	24.0	23.3	23.0	23.3
Highest 20%	43.8	43.3	43.2	43.7	45.3	46.6	48.7	49.8	49.7

**Table 17.1**

Gruber: Public Finance and Public Policy, First Edition  
Copyright © 2005 by Worth Publishers

■ TABLE 17-2

Share of Aggregate Income Received by Quintile of Households for OECD Nations

Country (year)	Income Quintile				
	Lowest	Second	Third	Fourth	Highest
Austria (1995)	7.0	13.2	17.9	24.0	37.9
Belgium (1996)	8.3	14.1	17.7	22.7	37.3
Canada (1997)	7.3	12.9	17.4	23.1	39.3
Czech Republic (1996)	10.3	14.5	17.7	21.7	35.9
Denmark (1997)	8.3	14.7	18.2	22.9	35.8
Finland (1995)	10.1	14.7	17.9	22.3	35.0
France (1995)	7.2	12.6	17.2	22.8	40.2
Germany (1993)	5.7	10.5	15.7	23.4	44.7
Greece (1998)	7.1	11.4	15.8	22.0	43.6
Hungary (1998)	10.0	14.7	18.3	22.7	34.4
Italy (1998)	6.0	12.0	16.8	22.6	42.6
Korea (1998)	7.9	13.6	18.0	23.1	37.5
Luxembourg (1998)	8.0	12.8	16.9	22.5	39.7
Mexico (1998)	3.4	7.4	12.1	19.5	57.6
New Zealand (1997)	6.4	11.4	15.8	22.6	43.8
Norway (1995)	9.7	14.3	17.9	22.2	35.8
Poland (1998)	7.8	12.8	17.1	22.6	39.7
Portugal (1997)	5.8	11.0	15.5	21.9	45.9
Slovak Republic (1996)	8.8	14.9	18.7	22.8	34.8
Sweden (1995)	9.1	14.5	18.4	23.4	34.5
Turkey (2000)	6.1	10.6	14.9	21.8	46.7
United Kingdom (1995)	6.1	11.7	16.3	22.7	43.2
Unweighted average	7.6	12.7	16.9	22.5	40.3
United States (2002)	3.5	8.8	14.8	23.3	49.7

**Table 17.2**

Gruber: Public Finance and Public Policy, First Edition  
Copyright © 2005 by Worth Publishers

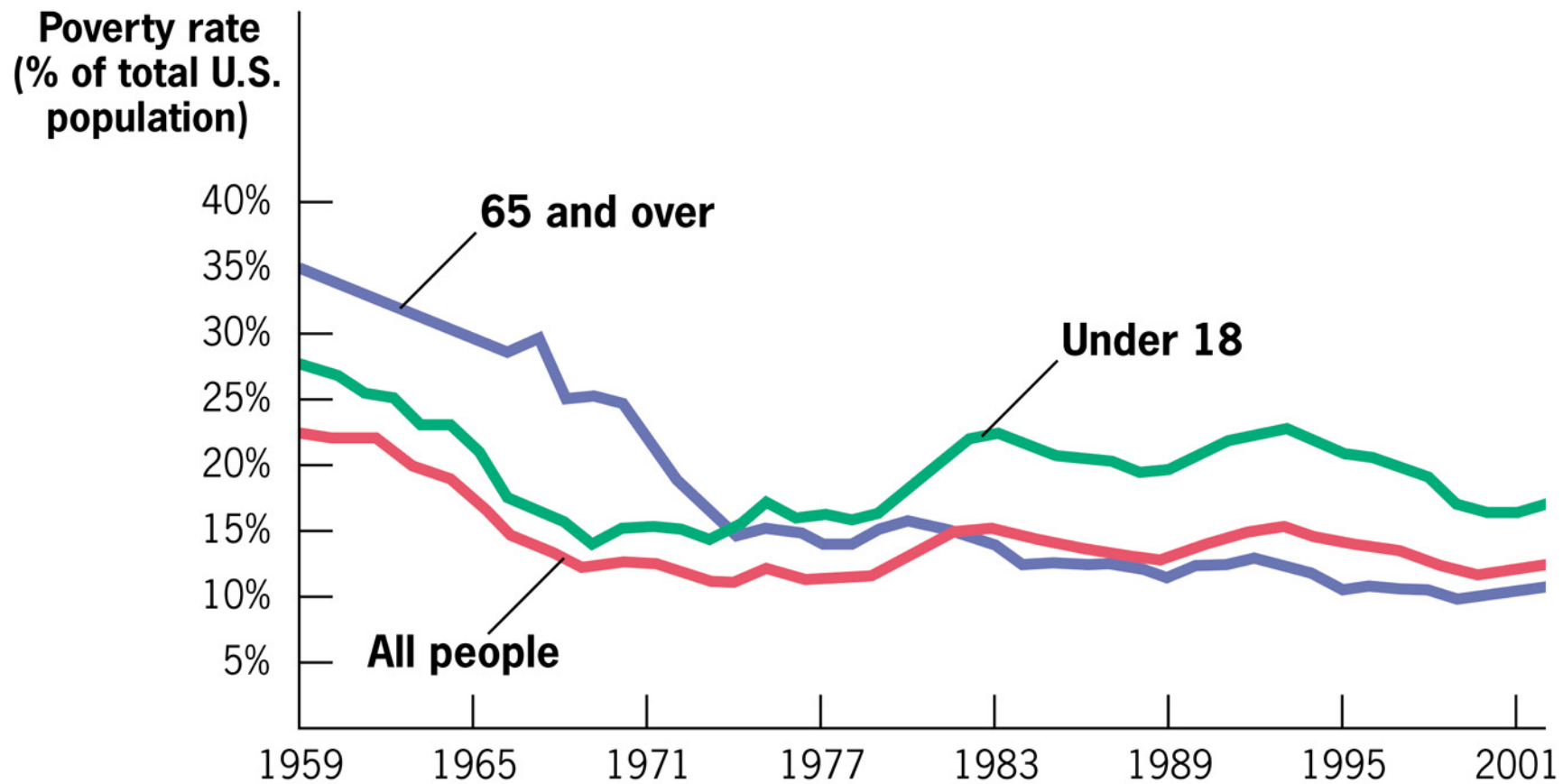
## ■ TABLE 17-3

### Poverty Lines by Family Size

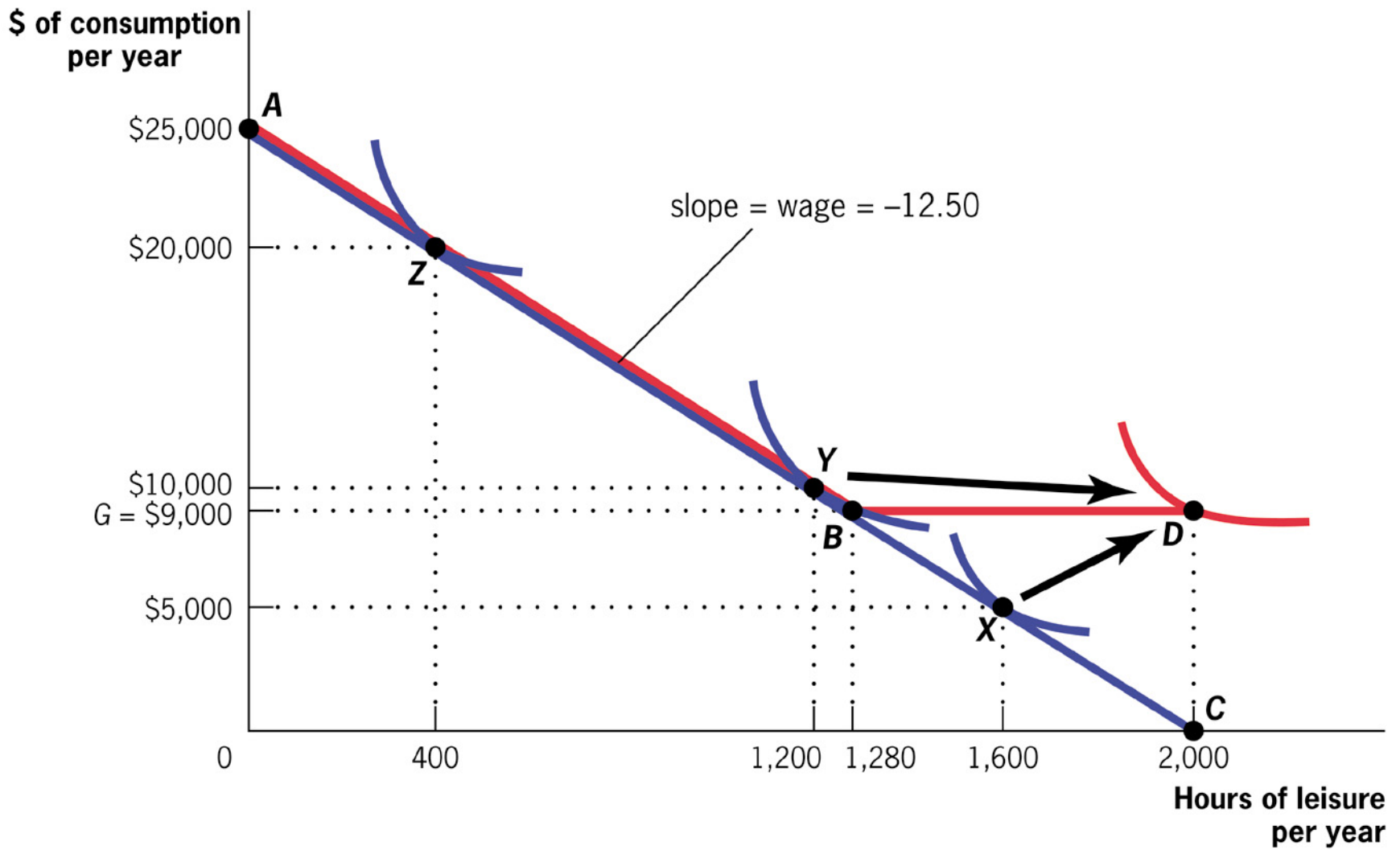
Size of family unit	Poverty line
1	\$9,310
2	\$12,490
3	\$15,670
4	\$18,850
5	\$22,030
6	\$25,210
7	\$28,390
8	\$31,570
For each additional person, add	\$3,140

**Table 17.3**

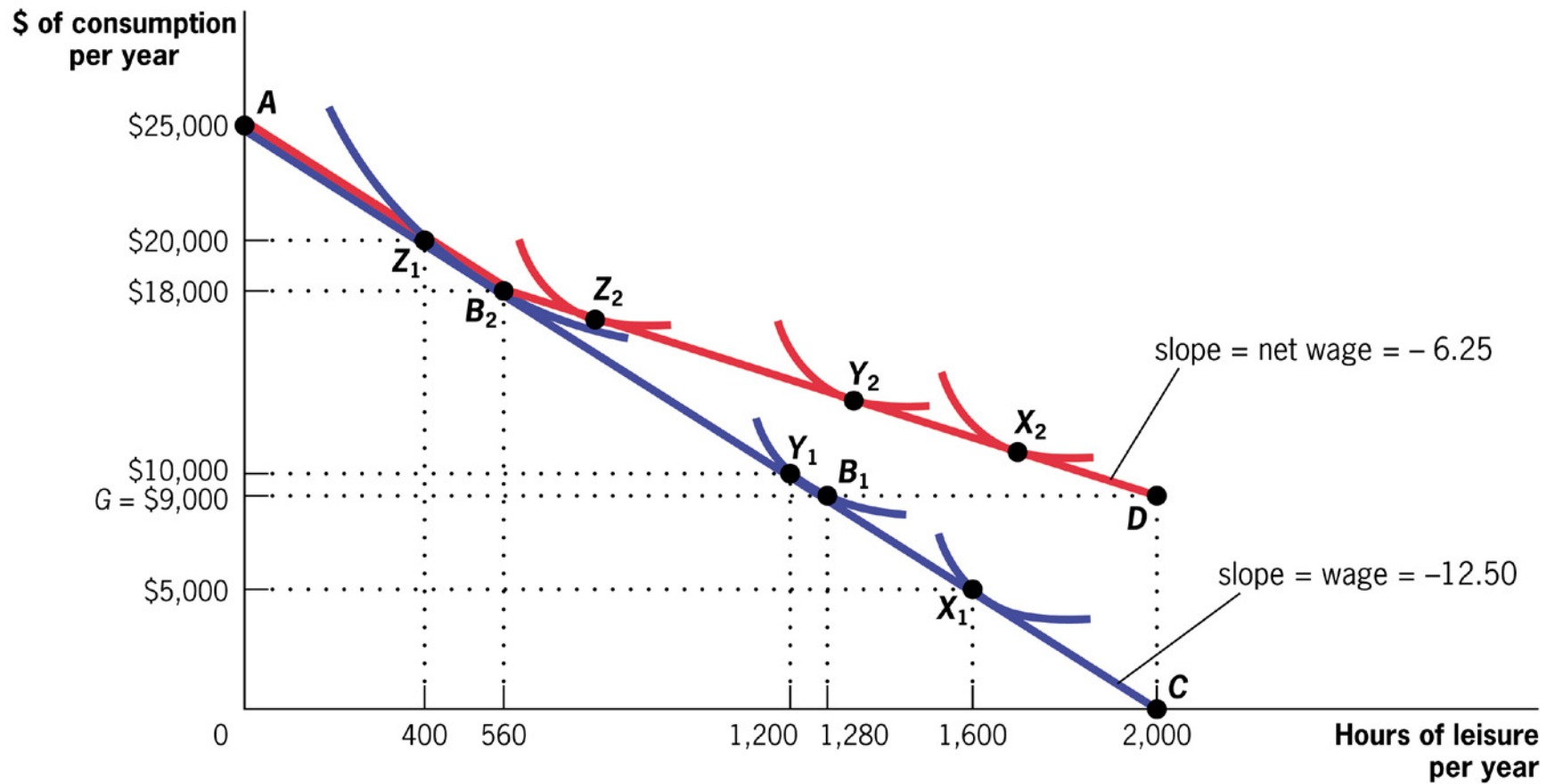
Gruber: Public Finance and Public Policy, First Edition  
Copyright © 2005 by Worth Publishers



**Figure 17.2** Poverty Rates over Time in the United States  
 Gruber: Public Finance and Public Policy, First Edition  
 Copyright © 2005 by Worth Publishers

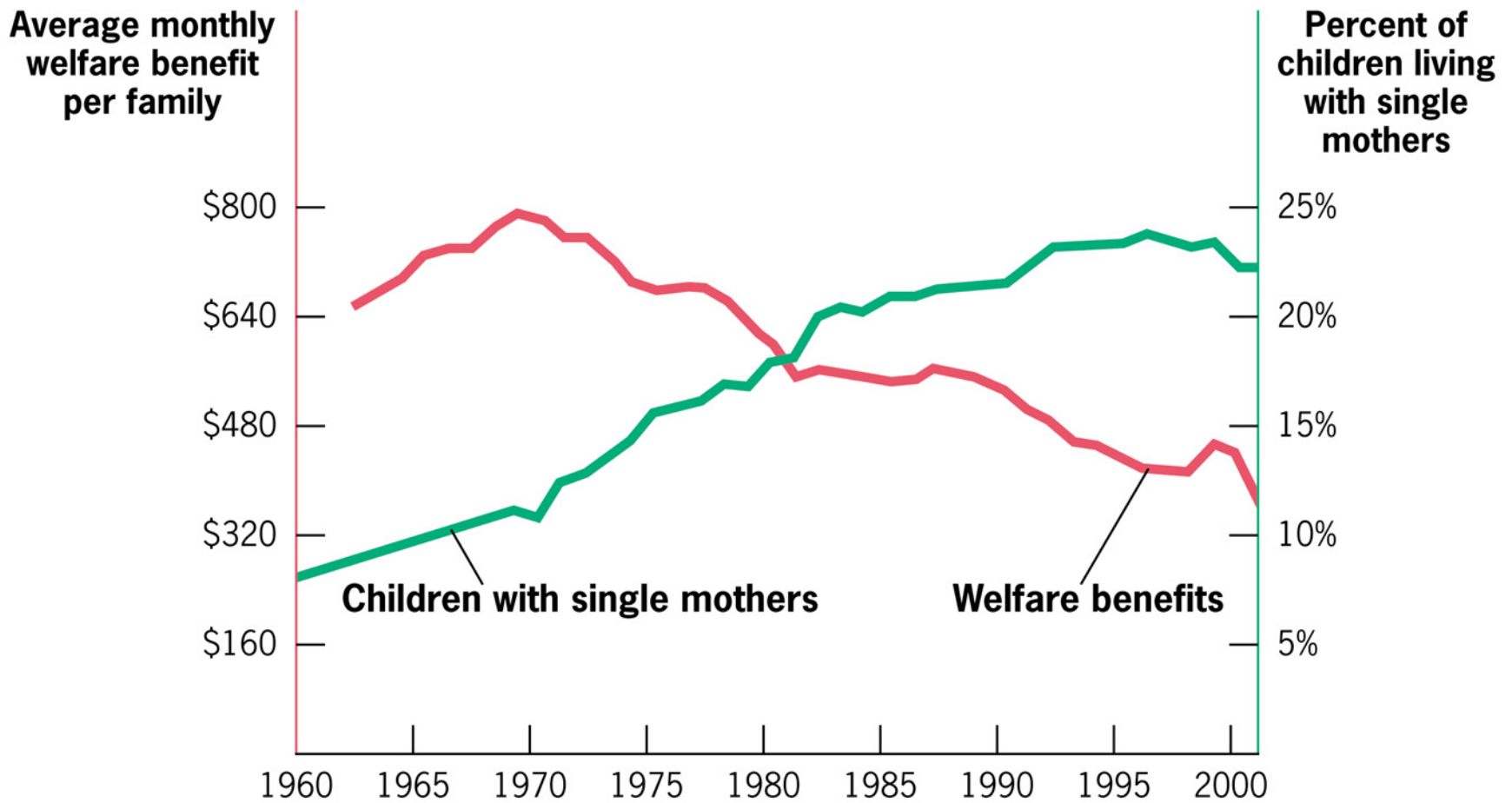


**Figure 17.3** Labor Supply Decisions with a 100% Benefit Reduction Rate (BRR)  
 Gruber: Public Finance and Public Policy, First Edition  
 Copyright © 2005 by Worth Publishers

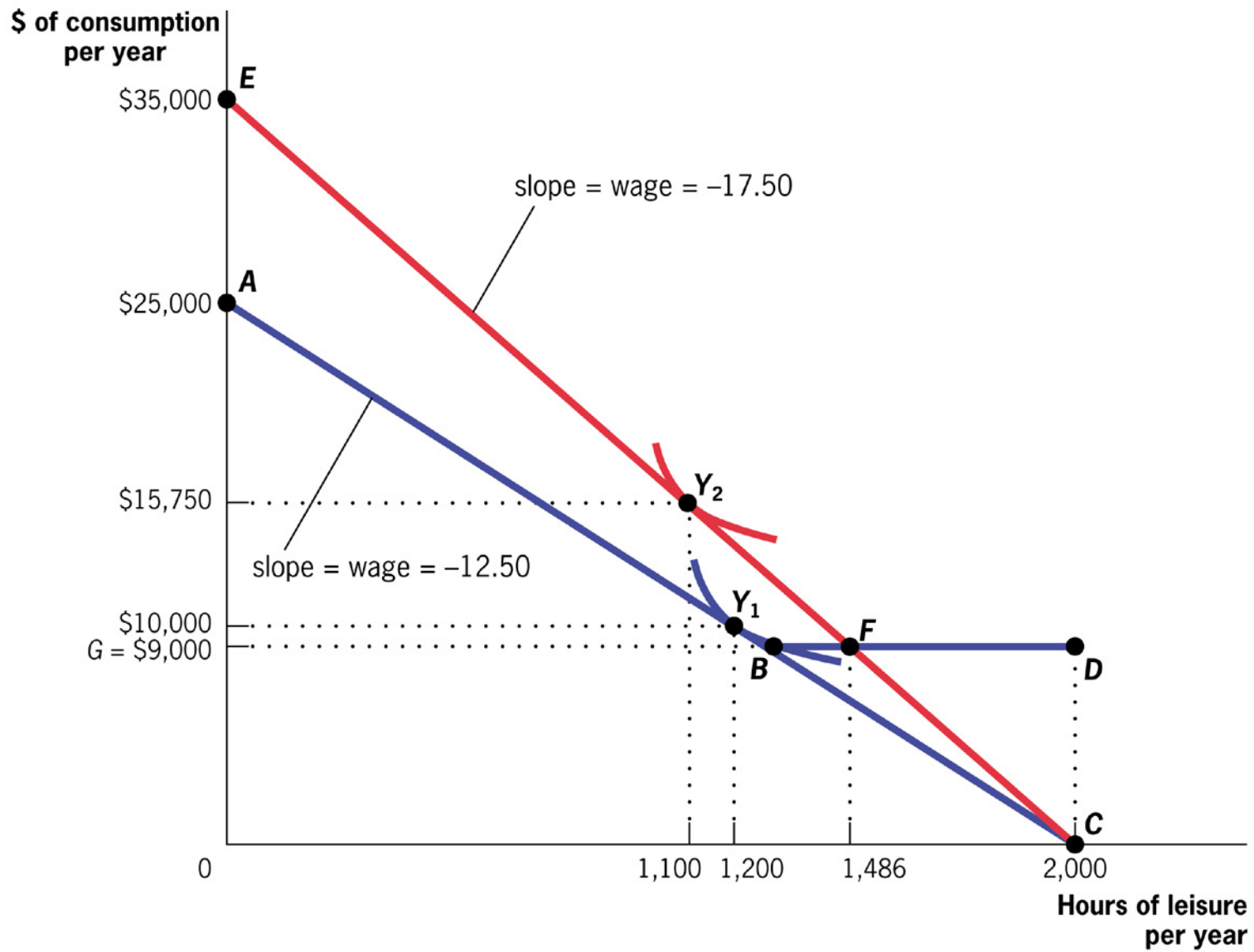


**Figure 17.4** Labor Supply Decisions with a 50% Benefit Reduction Rate  
 Gruber: Public Finance and Public Policy, First Edition  
 Copyright © 2005 by Worth Publishers

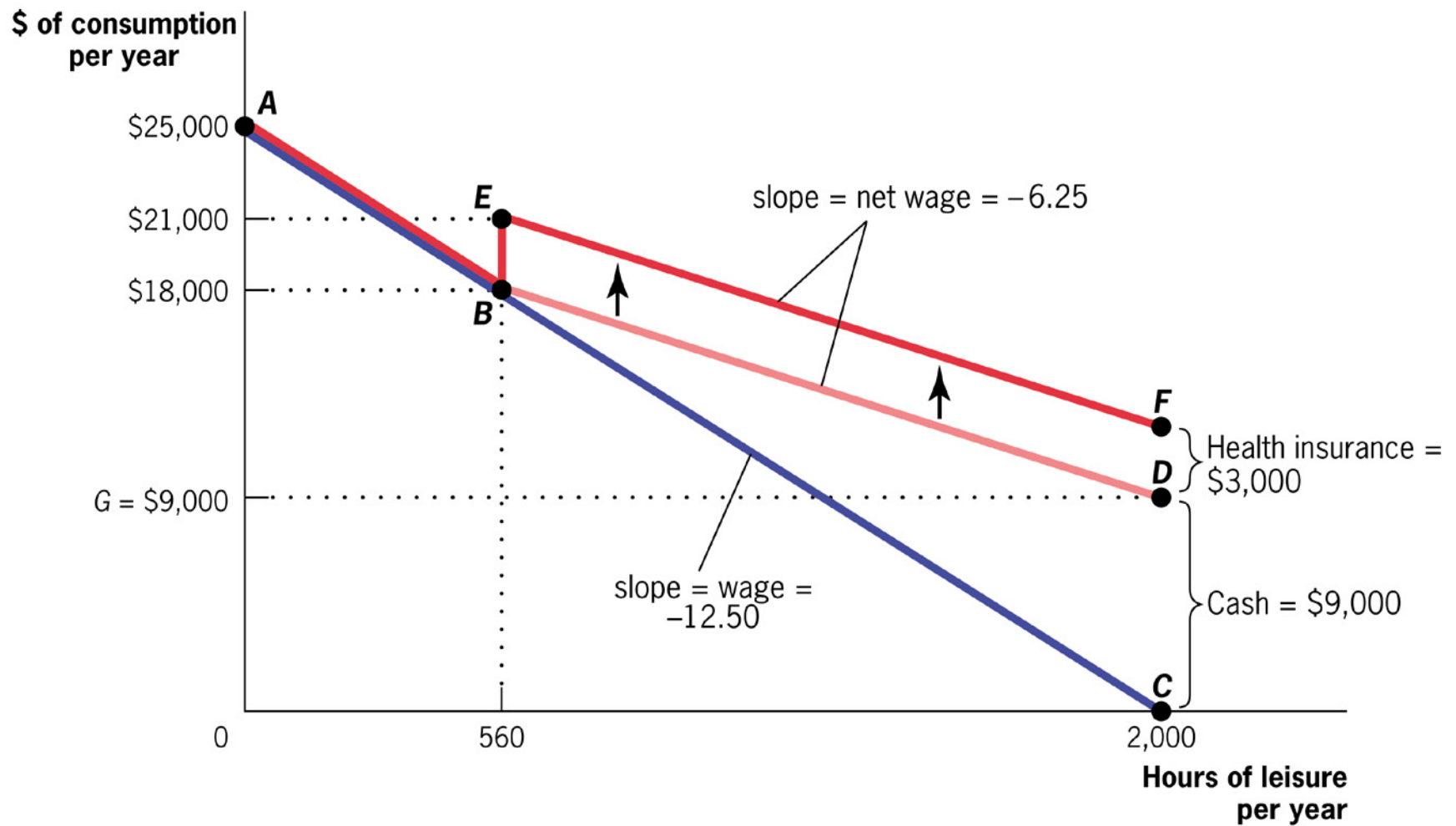




**Figure 17.5** Welfare Benefits and Single Motherhood, 1960–2001  
 Gruber: Public Finance and Public Policy, First Edition  
 Copyright © 2005 by Worth Publishers



**Figure 17.6** Increasing the Cash Welfare Opportunity Set  
 Gruber: Public Finance and Public Policy, First Edition  
 Copyright © 2005 by Worth Publishers



**Figure 17.7** Tying Health Insurance to Cash Welfare  
 Gruber: Public Finance and Public Policy, First Edition  
 Copyright © 2005 by Worth Publishers