SOCIAL INSURANCE

Welfare Transfers in Two-Parent Families: Labor Supply and Welfare Participation under AFDC-UP, by Hilary Williamson Hoynes

An examination is made of the effect of cash transfers and food stamp benefits on family labor supply and welfare participation among two-parent families. The Aid to Families with Dependent Children-Unemployed Parent Program (AFDC-UP) has provided cash benefits to two-parent households since 1961. Despite recent expansions, little is known about the program's effect on labor supply and welfare participation. A model is developed of family labor supply in which hours of work for the husband and wife are chosen to maximize family utility subject to a family budget constraint accounting for AFDC-UP benefits and other tax and transfer programs. The husband's and wife's labor supply decisions are restricted to no work, part-time work, and full-time work. The results suggest that labor supply and welfare participation among two-parent families are highly responsive to changes in the benefit structure under the AFDC-UP program. *Econometrica,* March 1996, 64(2): 295–332. (Reprinted with permission of ABI/Inform, copyright UMI.)

SOCIAL INSURANCE

Patterns in Maryland Medicaid Enrollment Among Persons With AIDS, by Linda M. Bartnyska, Mark Schactman, and Julia Hidalgo

The percentage of persons with AIDS (PWA) enrolling in Medicaid is increasing by 3.7 percent annually. The trends in Medicaid enrollment among PWAs are examined and a Markov model is used to analyze the patterns in Medicaid eligibility as enrollees move between assistance categories. It is found that most Medicaid-eligible PWAs were Medicaid recipients prior to their AIDS diagnosis and differed significantly from non-Medicaid PWAs. The PWAs shifted considerably among various Medicaid eligibility categories and distinct, predictable patterns among different subpopulations were found. A high percentage of PWAs were enrolled in a state-funded category, which is detrimental to both the PWAs and the state. *Inquiry,* Summer 1995, 32(2): 184–195. (Reprinted with permission of ABI/Inform, copyright UMI.)

SOCIAL INSURANCE

The Effects of Differential Mortality Rates on the Progressivity of Social Security, by Daniel M. Garrett

The net returns of poor households are compared to the net returns of other households after taking into account differential longevity in order to determine whether the Old-Age and Survivors Insurance portion of Social Security becomes regressive once the shorter lifespan of poor people is taken into account. Earnings and Social Security tax and benefit histories are simulated for families of various