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Public Health Insurance of Children and Parental Labor Market Outcomes

Konstantin Kunze*

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Abstract

This paper exploits variation resulting from a series of federal and state Medicaid expansions between 1979 and 2014 to estimate the effects of child's access to public health insurance on labor market outcomes of parents. The results imply that extended Medicaid eligibility of children leads to positive contemporaneous labor supply responses of both parents. The estimated effects are concentrated among mothers with non-white children and fathers with white children.

Keywords: Labor Supply, Medicaid, Simulated Eligibility, Spillover Effects

JEL Codes: I13, I18, I38, J18, J21, J22

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1 Introduction

Extensive literature demonstrates that access to public health insurance during childhood leads to positive short- and long-run effects on children's outcomes including health, educational, and labor market outcomes (Buchmueller et al., 2016). Existing work also documents that child's health status and access to healthcare can influence the economic well-being of parents (Aouad, 2021). Hence, it is natural to ask whether and to what extent child's access to Medicaid can affect parental outcomes.

In this paper, I answer this question and study the effects of extended child Medicaid eligibility on parental labor market outcomes between 1979 and 2014. Medicaid expansions during the analysis period expanded access to Medicaid for low-income children resulting in substantial variation in Medicaid eligibility by state, year, and age of children. I exploit this variation using the simulated eligibility strategy first developed by Currie and Gruber (1996a,b) and Cutler and Gruber (1996). This approach uses only legislative variation in public health insurance generosity specific to state, year, and child's age abstracting from characteristics of the child or family that may be correlated with both Medicaid eligibility and the outcome of interest. To account for eligibility of each child in the family and address differences in eligibility across race groups, I use a family-level and race-specific eligibility measure.

The main analyses are based on the Annual Social and Economic Supplement to the Current Population Survey from 1980 to 2015. This data set is very well suited for analyzing labor market decisions because these outcomes are characterized by substantial annual variation as opposed to stock measures such as marital or educational outcomes. Using this data, I estimate the effect of child's access to Medicaid on contemporaneous labor supply of parents. I use standard measures of labor supply, including hours worked per week, weeks worked per year, labor force participation, and earnings. To understand

the mechanisms of estimated effects on parental labor market outcomes, I examine Medicaid take-up of all children in the family.

The relationship between child's access to Medicaid and parental labor market outcomes is important from the perspective of the child, parent, and the policy maker. Child well-being crucially depends on material resources and time investments of their parents. Since parents invest financial means and their time into raising their children, parental labor supply is an important factor for cognitive and physical development of children.¹ Recent research highlights the importance of children in understanding gender inequality in labor markets (Kleven et al., 2019). Given the substantial child penalty documented across different demographic groups, there is growing interest in policies that can alleviate the negative consequences of motherhood (Rossin-Slater, 2017). Child's access to Medicaid has the potential to improve maternal earnings, employment, and career advancement thereby mitigating the child penalty. Finally from the perspective of the policy maker, increased labor supply can recoup some of the costs associated with implementation of Medicaid through increased tax revenue emphasizing the importance to analyze parental labor market outcomes.

The effects of Medicaid expansions are ambiguous since there are many potential mechanisms through which child Medicaid eligibility can affect labor market outcomes of their parents. On the one hand, access to Medicaid can improve health of children and hence lead to increased parental labor supply.² On the other hand, extended Medicaid eligibility which effectively translates into an increase in income, can result in reduced parental labor supply because parents face lower financial burden associated with uninsured children or out-of-pocket expenses for private insurance.³ Given that Medicaid is

¹See for example Blau and Grossberg (1992); Guryan et al. (2008); Del Boca et al. (2013); Heckman and Mosso (2014); Caucutt et al. (2020).

²Related literature finds that worse child health is associated with reduced parental labor supply (e.g, Frijters et al. 2009; Eriksen et al. 2021)

³There is substantial evidence that access to public health insurance can improve financial well-being

a means-tested program, parents might also only adjust intensive margin to qualify for Medicaid coverage of their children.⁴ In addition, as an alternative to an employer-based health insurance, Medicaid coverage of children may result in occupational or industrial mobility of their parents (Colman et al., 2019).

I first provide empirical evidence on first-order effects of child Medicaid take-up. These estimates are important in understanding the mechanism for parental outcomes because expanded eligibility only translates into improved health of children or reduced financial distress through a corresponding increase in program take-up. I find that extended child Medicaid eligibility leads to a meaningful increase in a family-level measure of Medicaid coverage that captures the number of children per family covered by Medicaid. Roughly third of a child per family is enrolled in public health insurance as a result of one more child per family becoming eligible. This estimated effect is equivalent to an elasticity of 0.47. Heterogeneous analysis by race suggest that the estimated effects on family-level Medicaid coverage are quantitatively bigger for parents with non-white children.

I then show that expanding Medicaid eligibility to children positively affects labor market outcomes of both parents. The results suggest striking differences between maternal and paternal labor supply responses. While effects on maternal labor supply are entirely driven by mothers with non-white children, the effects on paternal labor supply are concentrated among fathers with white children. Standard labor supply measures (usual hours worked per week, weeks worked per year, labor force participation) of mothers with non-white children (fathers with white children) increase by 3-5% (1-2%) relative to baseline average labor supply. I find that earnings in the lower end of the earnings distribution of mothers with non-white children increase as a result of extended

(e.g., Gross and Notowidigdo 2011; Mazumder and Miller 2016; Hu et al. 2018).

⁴Pei (2017), however, does not find evidence for strategic labor supply adjustments of parents in order to gain Medicaid eligibility for their children.

Medicaid eligibility. The estimates on earnings of fathers with white children are disproportionately large relative to labor supply responses and are affected throughout the earnings distribution. Although, I provide suggestive evidence that occupational choice and full-time employment might be driving these large effects, the earnings estimates of fathers with white children should be taken with caution. Effects on labor supply of mothers with white children and fathers with non-white children are very small and not precisely estimated.

This study connects to two strands of literature. First, this work contributes to literature analyzing the effect of child's access to Medicaid on contemporaneous labor supply responses of parents (Yelowitz 1995; Ham and Shore-Sheppard 2005a; Grossman et al. 2022).⁵ Existing studies either find imprecise (Ham and Shore-Sheppard, 2005a) or negative (Grossman et al., 2022) effects on parental labor supply. The difference in results stems from different time period, sample selection, or empirical approach. I advance this literature in several ways. I use a simulated eligibility measure that accounts for racial differences in eligibility levels which is particularly important when analyzing heterogeneous effects by race and ethnicity. The existing literature either focuses on the overall effects or does not use a race-specific eligibility measure. I also extend the analysis to the whole family and examine if Medicaid take-up of a potentially eligible child is affected by eligibility of other children in the family. Understanding if child's behavior is affected by eligibility of other siblings can help to understand what might be contributing to the magnitude of the effects on parental outcomes. Moreover, documenting the role of sibling's eligibility in child's own take-up is a contribution on its own because it allows to capture all indirect effects of access to Medicaid and to the best of my knowledge has not

⁵Ham and Shore-Sheppard (2005a) look at the same question as Yelowitz (1995) but estimate a more flexible specification and incorporate important institutional features. Grossman et al. 2022 is the only other paper besides my own that accounts for Medicaid eligibility of all children in the family. In comparison to my paper, they focus on different cohorts (parents born between 1957 and 1965) because they rely in part on the NLSY 79 (for which these are the birth cohorts sampled).

been documented in the Medicaid literature before.

Second, more broadly, my findings add to studies that examine short- and the long-run effects of child Medicaid eligibility.⁶ In general, this literature documents positive effects on children’s short- and long-run outcomes. Most of these studies are not able to identify the underlying mechanisms directly. However, empirical evidence on contemporaneous effects of Medicaid eligibility suggests that increased utilization of health care, improvements in health status, stable household finances, or changes in maternal well-being could play a crucial role for improved outcomes of children (Buchmueller et al., 2016). Since parental resources are important for child development, changes in parental labor market outcomes may help to understand why increase in childhood Medicaid eligibility has a positive effect on children’s health, education, and earnings established in the literature.

The rest of the paper is structured as follows. Section 2 provides the history and evolution of the Medicaid program. Data sources and sample selection are described in section 3. Section 4 explains the Medicaid eligibility measures. I introduce the identification strategy in section 5 and present the results in section 6. Section 7 discusses alternative specifications and robustness of the results. Section 8 concludes.

2 Background

Medicaid is a joint state and federal program that was signed into law in 1965 as Title XIX of the Social Security Amendments.⁷ Medicaid eligibility for non-disabled children was originally restricted to single-parent families receiving cash welfare payments under

⁶Examples from this literature include Currie and Gruber (1996a,b); Wherry and Meyer (2016); Cohodes et al. (2016); Brown et al. (2019); Miller and Wherry (2019)

⁷The focus of this review is legislation targeted at the eligibility of children between 1979 and 2014. Table B.1 provides an overview of federal and state legislation for this period. Sources for this section include Gruber (2003) and Buchmueller et al. (2016).

the Aid to Families with Dependent Children (AFDC) program or eligibility under three additional state optional programs. AFDC-Unemployed Parent (AFDC-UP) program extended Medicaid eligibility to families with an unemployed primary earner, the Ribicoff Children program provided Medicaid eligibility to children who did not meet the family structure requirements but met the income and resource requirements for AFDC, and the Medicaid's Medically Needy program extended Medicaid eligibility to those with high medical expenses whose income exceeded the maximum threshold but family structure satisfied the AFDC requirements. The income eligibility thresholds varied by state and family size, most of which were well below the federal poverty line (FPL). These stringent eligibility requirements meant that only few children of working mothers were eligible for Medicaid and if a women was to leave welfare her child would not be covered by Medicaid. Hence, in order for children to remain eligible for Medicaid, mothers were given the incentive not to participate in the labor force and cut their working hours.

In the mid-1980s legislation started to gradually separate Medicaid and AFDC by expanding eligibility to children not qualifying for AFDC. Initially Medicaid eligibility was extended to children in families that met the financial, but not the family structure requirements for AFDC. Beginning in 1984, the Deficit Reduction Act enabled access to health care for children under five years of age who were born after September 30, 1983 and who were living in families that were income and resource eligible for AFDC (regardless of family structure).

The link between Medicaid and AFDC was further weakened through substantial increases in the income limits for Medicaid eligibility. Omnibus Reconciliation Act (OBRA) 1986 and 1987 allowed states to raise the income cutoff for Medicaid eligibility above the AFDC thresholds for children under age 5. In addition, OBRA 1987 required states to cover all children less than seven years old born after September 30, 1983 living in families income and resource eligible for the AFDC regardless of the family composi-

tion. In 1988 Medicaid eligibility was further extended with the passage of the Medicare Catastrophic Coverage Act (MCCA) and Family Support Act (FSA). FSA required states to cover two-parent unemployed families meeting state AFDC income and resource standards and permitted the coverage for up to one year for families who lost AFDC benefits due to increase in their income. MCCA allowed coverage of children up to age eight and required states to cover infants and pregnant women in families with incomes up to 75% of the poverty line.

The largest federal expansions were embedded in OBRA 1989 and 1990. OBRA 1989 expanded Medicaid eligibility to pregnant women and children up to age six with family incomes below 133% of the federal poverty line and OBRA 1990 required states to cover children born after September 30, 1983 with family incomes below the federal poverty line. These children remained eligible until the age of 18. By introducing Temporary Assistance for Needy Families (TANF) program, Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) removed the link between AFDC and Medicaid completely since TANF did not provide Medicaid eligibility automatically. However “Section 1931 eligibility” required states to cover families that would have been eligible under AFDC before the welfare reform. The next milestone in the evolution of the Medicaid program was the Balanced Budget Act (BBA) in 1997. BBA created the State Children’s Health Insurance Program (SCHIP), allowing states to cover uninsured children in families ineligible for Medicaid and providing continuous coverage for up to twelve months regardless of increases of child’s family income.

The policy changes between 1979 and 2014 had a large effect on Medicaid eligibility and coverage of children. Figure 1 documents that the fraction of eligible children increased substantially from 0.14 in 1980 to 0.55 in 2015. The rise in eligibility was accompanied by an increase in Medicaid coverage - from 0.12 in 1980 to 0.39 in 2015. The biggest increase in eligibility happened with the passage of OBRA 1990 and the intro-

duction of SCHIP. The rise in Medicaid coverage corresponds to the expanded eligibility throughout the analysis period except after the welfare reform. The substantial increase in Medicaid eligibility after the introduction of SCHIP corresponded to a modest decrease in Medicaid coverage right after the Welfare Reform and only a modest increase in early 2000s. Existing literature documents the unintended consequence of the Welfare Reform leading to the reduction in Medicaid coverage that was mainly driven by children under age 19 (Klein and Fish-Parcham, 1999).⁸ After 2000 the trends of Medicaid eligibility and coverage were similar but coverage rate has never reached the level of eligibility.

3 Data

3.1 Current Population Survey

To analyze contemporaneous parental labor market responses, child's insurance coverage, and to impute Medicaid eligibility I use data from years 1980 to 2015 of the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS) obtained from the integrated public use microdata series (Flood et al. 2020). The CPS is a nationally representative survey interviewing approximately 60,000 households per month. The ASEC supplement - also known as the March supplement - provides a comprehensive body of data containing information on individuals' demographic characteristics, employment, health insurance coverage, and income. The ASEC supplement provides information on the family composition, educational attainment and demographic characteristics at the interview date, health insurance coverage at any time during the

⁸Three main reasons for reduction in Medicaid coverage after the Welfare Reform are provided in the literature. First, the welfare-to-work initiatives can result in parents becoming ineligible for Medicaid and false assumption that children becoming ineligible as well. Second, termination from welfare assistance often leads to disenrollment from Medicaid because caseworker and recipients consider Medicaid and cash welfare to be one program. Third, state administrations' efforts to deter individuals from applying for welfare (e.g., job search activities) can divert families to apply for Medicaid.

previous calendar year, income during the previous calendar year, and labor supply measures either with reference to last week or previous calendar year.⁹ The primary focus of the analysis is on Medicaid coverage of children and parental labor supply. Medicaid coverage of children is captured by number of covered children per family or child's own Medicaid coverage. With respect to labor market responses, the main outcomes of interest include usual hours worked per week, labor force participation last week, weeks worked last year, and annual earnings last year.¹⁰ In supplementary analysis, I examine parental educational attainment (no high school, high school, some college, college or more) and marital outcomes (married, never married, ever married, divorced).¹¹ The sample is restricted to children age 0-18 with working age parents between 20 and 64 years old.¹² On average, mothers worked 26 hours per week, earned \$24,345 (in \$2020), and were employed 31 weeks per year. At the extensive margin, 68 percent of mothers were in the labor force. Among mothers that worked at least one hour per week, 30% were employed part time and 70% were employed full time. Fathers have higher earnings as well as labor supply along all dimensions. During the analysis period, on average roughly half a child per family was covered by Medicaid which is equivalent to 22% of children being covered by Medicaid.

⁹When answering questions about health insurance coverage, some respondents might ignore the reference period and instead answer based on their status at the time of the interview (Klerman et al. 2009, Ziegenfuss and Davern 2011).

¹⁰Hours worked per week and weeks worked per year include zeros. I mainly focus on labor supply as of previous year. However, labor force participation is only measured as of last week.

¹¹CPS redefined the education variable from years of education to degree receipt in 1992. To attain comparable educational categories across the whole analysis period, I use the method proposed by Jaeger (1997).

¹²Since the eligibility calculator is able to impute Medicaid eligibility for children age 0-18, the sample is restricted to children age 0-18 when eligibility is determined. In addition, to avoid parents being eligible for Medicaid as minors and capture the working age, I restrict parental age to 20-64. Tables A.17-A.20 explore the sensitivity to alternative sample selection criteria.

3.2 Supplemental Data

I use supplemental data from various sources. State-level minimum wage, state-level welfare benefits, and state-level Earned Income Tax Credit (EITC) amounts are obtained from U.S. Department of Labor, Urban Institute, and Tax Policy Center respectively. State-level unemployment rate, Consumer Price Index, compensation of employees, and number of total non-farm employees come from the U.S. Bureau of Labor Statistics. I obtain Poverty guidelines and information about implementation of state welfare waivers from the Office of the Assistant Secretary for Planning and Evaluation.

4 Medicaid Eligibility

During the analysis period, changes to the Medicaid program provided substantial variation in the generosity of the eligibility limits by state, year, and age of child. I exploit this variation to identify the effects of childhood access to public health insurance. To impute Medicaid eligibility, I use a calculator that incorporates state and federal legislation described in section 2 based on rules for a given year, state of residence, age of the child, and family characteristics including family income and family structure.¹³ A child is considered eligible for public health insurance if the child's family meets eligibility requirements for AFDC, one of the state-optional programs (AFDC-UP, Ribicoff children program, Medicaid's medically needy program), or federal and state-optional Medicaid expansions. Medicaid eligibility of the child is measured contemporaneously to the reference period of the outcome variable of interest.

In survey year t , CPS ASEC provides information about income from calendar year $t-1$, family structure as of March of calendar year t , and age of the child as of March of

¹³I use a calculator from Miller and Wherry (2019). The calculator allows to impute eligibility for children age 0-18 for years 1979-2014. Appendix B explains in detail what sources and legislative parameters are used to impute Medicaid eligibility of children.

calendar year t . Hence, to calculate eligibility in calendar year t , I use data on income from calendar year t , family structure from calendar year $t+1$, and adjust the age of the child accordingly. Depending on the birth month and calendar month of eligibility determination, some children are treated as if they were the same age and others are treated as if they were a year younger during the previous calendar year.¹⁴ Child's age a is therefore defined as age at calendar month of eligibility determination. I construct two Medicaid eligibility measures - contemporaneous to outcome variables measured as of previous calendar year ("last year eligibility") and contemporaneous to outcome variables measured as of interview month ("last month eligibility"). To obtain Medicaid eligibility contemporaneous to outcome variables measured as of previous calendar year (e.g., insurance coverage, usual hours worked, weeks worked), I calculate eligibility during each month of the given year and use the average eligibility across all months in that year. Medicaid eligibility contemporaneous to outcome variables measured as of survey date (e.g., marital status, educational attainment) or last week (e.g., labor force participation, educational attainment, marital outcomes) is obtained by calculating eligibility during March of the given year.

To obtain the correct family structure and measure of total family income according to rules determining Medicaid eligibility, I construct nuclear families within a household. A family unit is defined as a parent, spouse (if present), and children. First spouses within a household are linked and then parents are linked to their children within a household. I obtain family income by combining parental income within the nuclear family. To determine eligibility of a child in calendar year t , I follow the legislative rules to calculate Medicaid eligibility and first divide family income (except applicable disregards) by the corresponding poverty guideline for the family size of the nuclear family, state s , and

¹⁴I randomly assign birth month because eligibility is imputed using the calendar month of eligibility determination and CPS does not provide the birth month of an individual.

calendar year t .¹⁵ I then compare this ratio to the eligibility limit for a child of age a , in state s , and calendar year t . Since the eligibility cutoffs depend on the age of the child, the number of children in the family that are eligible for Medicaid may vary for families with the same income and number of children, but with children of different ages.

Sociodemographic characteristics can affect the number of children who are eligible for Medicaid independent of legislative changes as well as outcomes of children and their parents resulting in an endogenous measure of child's actual Medicaid eligibility. For instance, improved economic conditions may increase average income for certain groups of the population and hence reduce the number of children who are income eligible for public health insurance. At the same time, changes in economic environment may also affect outcomes of parents and their children. To address this type of potential endogeneity, I follow the simulated eligibility approach first developed by Currie and Gruber (1996a,b) and Cutler and Gruber (1996). The goal of the simulated eligibility strategy is to create a measure of eligibility abstracting from omitted variables that may be correlated with both child's actual eligibility and parental or child outcomes, so that identification is based only on legislative variation.

The simulated eligibility is constructed by using all children of each age in each calendar year across the full sample period. Using this national data set, I construct simulated eligibility measures which vary at the state, calendar year, age, and race of the child level.¹⁶ I define race categories as white non-Hispanic and non-white or Hispanic.¹⁷ Following Ham and Shore-Sheppard (2005b), the simulated eligibility is obtained by using all children in the national data set except from the state for which the simulated eligi-

¹⁵Poverty guidelines depend on family size, year, and state of residence. All states except Alaska and Hawaii share the same poverty guidelines.

¹⁶Since this eligibility measure uses data from the year for which the eligibility is calculated, family characteristics which are used to determine eligibility may respond to eligibility rules changes. Section 7 explores this point in more detail.

¹⁷For simplicity, in the remaining part of the text I will refer to race groups as white and non-white.

bility is calculated. Each state-year-age-race simulated eligibility measure is hence the fraction of children in the national data set in state s except children from state s , calendar year t when outcome of interest is measured, of age a , and race r who would be eligible for Medicaid given the rules in each state s , calendar year t , and age a . Formally, the simulated eligibility for a given state, calendar year, age, and race of the child is given by the following equation:

$$SIM_{star} = \frac{\sum_{i=1}^{k_s} w_{i\bar{s}tar} \cdot e_{i\bar{s}tar}}{\sum_{i=1}^{k_s} w_{i\bar{s}tar}} \quad (1)$$

where k_s is the number of children in the national data set excluding children from state s , of age a , race r , and in calendar year t . $e_{i\bar{s}tar}$ and $w_{i\bar{s}tar}$ are individual-level eligibility and CPS ASEC weight of child i , not residing in state s , in calendar year t , of age a , and race r . Each child-specific simulated eligibility measure (last year and last month simulated eligibility) is then merged to each child based on child's state of residence, calendar year when outcome of interest is measured, age, and race of the child.

The child-specific simulated eligibility measure SIM_{star} is in spirit of earlier literature that examines the effects of child Medicaid eligibility on child's health insurance coverage and health outcomes (e.g., Cutler and Gruber 1996; Currie and Gruber 1996a,b; Shore-Sheppard 2008). The main difference to the eligibility measure used in these studies is the race component.¹⁸ Race and ethnicity plays an important role in the analysis of Medicaid expansions. White and non-white children might respond differently to the same level of simulated eligibility, which can be captured by analyzing heterogeneous responses across race groups. In addition, white and non-white children are distinguished by different levels of simulated eligibility because of systematic differences in characteristics relevant

¹⁸To the best of my knowledge, only Cohodes et al. (2016) used a race-specific simulated eligibility to analyze long-run effects of childhood access to Medicaid on educational attainment in adulthood.

for eligibility determination resulting in a measurement error in simulated eligibility if not accounted for. The simulated eligibility measure SIM_{star} addresses this concern by allowing the simulated eligibility measure to be race specific.

Since the primary focus is on parental outcomes, one has to account for the eligibility of each child in the family. Using eligibility of only one child in a family might underestimate the effects of extended Medicaid eligibility because having multiple children in the family eligible for Medicaid might affect parental outcomes in a way that is not fully captured by the eligibility of a single child. To construct family's total simulated eligibility (last year and last month), I sum the simulated eligibility fractions SIM_{star} (last year and last month, respectively) across all children in a family.¹⁹ The total simulated eligibility measures range from 0 to the maximum number of children in a family and are on average 0.8 eligible children per family.

To facilitate notation, I define family type by the number of children of any age between 0 and 18 in a family - $f := (n_{f_0}, \dots, n_{f_{18}})$ where n_{f_a} is the number of children of age a in family f .²⁰ Formally, the total simulated eligibility of a family in state s , calendar year t , and family type f is given by the following equation:

$$SIMT_{stf} = SIMT_{st(n_{f_0}, \dots, n_{f_{18}})} = \sum_{a=0}^{18} SIM_{star} * n_{f_a} \quad (2)$$

where SIM_{star} is the simulated eligibility measure defined in equation 1 and n_{f_a} is the number of children of age a in family f . Hence the level of variation of total simulated eligibility within a given state, year, and number of children is the distribution of possible combinations of child's ages in a family. In general, families in the same state, year, and of

¹⁹Consider for example a family with two children age 3 and 5. The child-specific simulated eligibility measure of the first and second child is 0.5 and 0.6 respectively. The family's total simulated eligibility is hence 1.1.

²⁰Take for instance a family with two one-year old, one three-year old, and two five-year old children. The family type is hence given by the vector $(0, 2, 0, 1, 0, 2, 0, \dots, 0)$.

the same family type (same number of children and same age of each child in the family) are characterized by the same total simulated eligibility measure.

Previous work uses the simulated eligibility as an instrument for actual eligibility in estimating the effects on insurance coverage, health status, and educational attainment among others (Cutler and Gruber 1996; Currie and Gruber 1996a,b; Cohodes et al. 2016; Miller and Wherry 2019). Instead, I estimate the reduced form effects of simulated Medicaid eligibility on outcomes of children and their parents for two reasons. First, the estimation of the reduced form is computationally less expensive than the instrumental variable approach. Second, since the first-stage estimates are very close to one (see table A.1 and A.2), the reduced form and instrumental variable specification will provide quantitatively similar results.

5 Empirical Approach

I estimate contemporaneous effects of increased Medicaid eligibility on insurance coverage of children and outcomes of their parents (labor market outcomes, educational attainment, marital outcomes) by running a child-level regression and regressing the outcome of interest on the total simulated eligibility measure as well as a set of controls. The regression is estimated at the child level because some measures of child's Medicaid coverage are captured at the child level. In addition, a child-level regression facilitates to control for child-specific characteristics and allows to test whether sibling spillovers play a role in affecting parental outcomes. In general child-level and parent-level empirical models would provide the same results if all the controls are at the family level (including children's age) and concordant weights are used. Specifically, I begin by estimating the model of the following functional form:

$$\begin{aligned}
y_{jistf} &= \beta_0 + \beta_1 SIMT_{stf} + X'_{ist}\beta_2 + W'_{jst}\beta_3 + Z'_{st}\beta_4 \\
&+ \tau_a + \delta_s + \gamma_t + \tau_g \times \tau_{\bar{g}} + \tau_o \times \tau_{\bar{o}} \times \mu + \varepsilon_{jistf}
\end{aligned} \tag{3}$$

where the dependent variable is either child's Medicaid coverage or an outcome of parent j of child i in state s , calendar year t , and in family type f .²¹ $SIMT_{stf}$ is the total simulated Medicaid eligibility for the family defined in equation 2. From the policy's perspective, the coefficient β_1 on total simulated eligibility captures the effect of an additional child in the family becoming eligible for Medicaid.

Equation 3 includes child's age, state of residence, calendar year, age of the youngest, and age of the oldest child in the family fixed effects, τ_a , δ_s , γ_t , τ_y , and τ_o respectively as well as state-by-year, state-by-age, and year-by-age fixed effects in some specifications. I also include a vector of child-level control variables, X_{ist} (sex, race and ethnicity), parent-level control variables, W_{jst} (parental age and number of children in the family fixed effects), and in models not containing state-by-year fixed effects annual state-specific economic and policy characteristics, Z_{st} (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level Earned Income Tax Credit (EITC) amounts measured as a percentage of the federal EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF).²² All control variables are interacted with a race group indicator.

Since child i can be the youngest or oldest child in the family, including child's age fixed effects as well age of the youngest, and age of the oldest child in the family fixed effects will result in two duplicate variables in the regression controlling for the age the

²¹See section 3 for a detailed description about the outcome variables.

²²Race and ethnicity is defined as white non-Hispanic and non-white or Hispanic. Parental educational attainment and marital status are not included as controls because these characteristics respond to simulated eligibility as shown in table A.3 and A.4 as well as figure A.7 and A.8.

child. Hence, to account for child i being the youngest or oldest child in the family, the age of youngest child in the family fixed effects are interacted with an indicator for not being the youngest child in the family and age of the oldest child in the family fixed effects are interacted with an indicator for not being the oldest child in the family. Similarly, to make sure that only one variable capturing age of the child is included in the regression for single-child families, age of the oldest child in the family fixed effects are interacted with an indicator for multiple children in the family.

Standard errors are clustered at the state level. The regression is weighted by parental weights divided by number of children in the family because the outcome is at the parent level but the data set is at the child level.²³ Using parental weights divided by number of children ensures the results to be parent representative.

The specification shown in equation 3 exploits plausibly exogenous variation that results from the state and federal Medicaid expansions during the analysis period. There are three main sources of variation - across states because of state differences in AFDC eligibility limits prior to the expansions and difference in state's implementation of optional expansions, over time as the expansions were implemented with different pieces of legislation, and across families with different family types since younger children are more likely to be eligible.²⁴ Figures 2 and 3 summarize the underlying variation. Figure 2 shows the difference in total simulated eligibility between 1979 and 2014 for each state for single-child and multiple-child families. While Medicaid eligibility increased over time, there is substantial heterogeneity across states. In some states Medicaid expansions resulted in an average increase in simulated eligibility on the order of two simulated eligible children per family whereas in other states on the order of only 0.2 simulated eligible

²³The results are robust to spitting parental weights proportionally to child's weights.

²⁴Changes in child's characteristics are also contributing to the identifying variation since the simulated eligibility measures are constructed using data from the year for which the eligibility is imputed. Alternative eligibility measures that abstract from this arguably non-exogenous part of the identifying variation are discussed in section 7.

children per family. This pattern is quite similar across single-child and multiple-child families implying that number of children per family is not driving the difference in simulated eligibility. Figure 3 shows the national trend of simulated eligibility between 1979 and 2014 by child's age for single-child and multiple-children families. All age groups saw a substantial increase in simulated Medicaid eligibility between 1979 and 2014. While families with younger children were mostly affected during the first half of the analysis period, families with older children were affected during the second half of the analysis period suggesting that the Medicaid program became more generous for older children over time.

Two main identifying assumptions in equation 3 are invoked for the validity of the empirical approach. The first identifying assumption is that no correlated shock differentially affects outcomes of children and their parents in the same state, during the same year, and in families with the same type. Hence omitted variables specific to families with the same type and state of residence that change over time and are correlated with both Medicaid legislation and outcomes of children or their parents would invalidate this empirical strategy. To address this potential confounder, I estimate a version of equation 3 with state-by-age linear time trends or include region-by-year-by-age fixed effects.

The second identifying assumption requires that public health insurance eligibility rules are not set based on outcomes of parents and their children or other state-level characteristics. The simulated eligibility approach will therefore fail if states phase in Medicaid expansions because of changing trends in parental or child outcomes. To test the validity of this identifying assumption, I regress the maximum Medicaid eligibility limits for children age 0-18 in a given state and year on contemporaneous and lagged (first and second order) state-level characteristics.²⁵ I use Medicaid eligibility limits as

²⁵For the years prior to state expansions (1979-1987), I use the maximum eligibility threshold for Medically Needy Program or AFDC. As an approximation for AFDC eligibility, I use the average ratio of the needs standard to the corresponding poverty guideline across all family sizes. For the years 1988-2014, I

opposed to state-level annual average simulated eligibility since state governments set eligibility levels and do not control simulated eligibility as a policy parameter. The results shown in table 1, suggest that generosity of Medicaid is not affected by outcomes of parents and their children or other state-level policy determinants. Baughman and Milyo (2009) also show that state Medicaid expansions are not driven by percentage of uninsured children in the state and Farooq and Kugler (2020) find no evidence that state demographic and economic characteristics are affecting Medicaid generosity. In addition, the second identifying assumption has been invoked repeatedly in the simulated eligibility literature (e.g., Currie and Gruber 1996a,b; Cutler and Gruber 1996; Gross and Notowidigdo 2011; Cohodes et al. 2016; East et al. 2017; Brown et al. 2019; Miller and Wherry 2019)

6 Results

6.1 Medicaid Coverage of Children

Medicaid coverage is an important dimension in understanding the relationship between child Medicaid eligibility and parental labor market decisions since it might explain the effects of extended Medicaid eligibility on child's health. Increased take-up means improved access to health care services which in turn results in improved health of the child. Parents with healthier children are able to supply more labor because they reduce the time spent on health related child activities. Since health of the child can explain the estimated effects of Medicaid eligibility on parental labor supply, estimates of take-up are an important first order effect.

Turning to the regression results, table 2 presents results for the estimated effects of use the maximum state-level Medicaid eligibility levels across all ages 0-18. Since states expanded eligibility for different age groups, it is more consistent to use eligibility limits across a broad age group and not focus on narrow defined age groups (e.g., children age 0-5).

simulated Medicaid eligibility on public health insurance coverage of children.²⁶ The estimates using the race-specific simulated eligibility measure are shown in the top panel. The first column provides the estimated effects of child's own eligibility (SIM) defined in equation 1 on child's own Medicaid coverage. In column two, the effect on child's own Medicaid coverage is decomposed into child's own and siblings' eligibility. The simulated eligibility of siblings (SIMS) is obtained by summing the child's own simulated eligibility across all siblings. The results presented in the second column suggest that the estimated treatment effect of siblings' eligibility on child's own coverage is roughly 30% of the effect of child's own eligibility emphasizing the importance to account for eligibility of each child in the family. The last column shows estimates based on a model where the dependent variable is the number of covered children in a family and the independent variable (SIMT) is the total simulated eligibility defined in equation 2. The point estimate implies that the number of covered children per family increases by one-third of a child as a result of one more child per family becoming eligible which is equivalent to an elasticity of 0.47 ($0.32 * 0.65 \div 0.44$).

To compare my estimates to the existing literature, I estimate the effect of non-race-specific simulate eligibility - a measure that is mostly used in the literature - on child's own and total Medicaid coverage. The bottom panel of table 2 shows estimates from models using non-race-specific simulated eligibility. The estimates are quantitatively and qualitatively very similar across the two simulated eligibility measures. Moreover, column one shows results from a specification that has been used in literature to estimate the effects of extended Medicaid eligibility on child's own outcomes (e.g., Currie and Gruber 1996a,b; Cutler and Gruber 1996; Shore-Sheppard 2008). The estimates are in line with

²⁶For 1979-1986 CPS collected information on health insurance coverage only for individuals age 15 and above and imputed coverage for children age 0-14. The effects of simulated eligibility on Medicaid coverage during the period when Medicaid coverage was collected from all children shown in table A.5 suggest that the results are not sensitive to imputing Medicaid coverage for children under 15.

the existing literature and indicate that the marginal take-up rate among children who became eligible over the 1979-2014 period is between eight and nine percent.

Table 3 shows the relationship between race-specific simulated eligibility and child's Medicaid coverage stratified by child's race. The effects of child's own simulated eligibility on child's own coverage are bigger for non-white children. One potential explanation are the greater barriers to Medicaid enrollment (e.g., insufficient knowledge about the programs, confusion about the eligibility, difficulties with the application) for non-white children (Stuber and Bradley 2005). Sibling spillovers of eligibility play a more important role in child's own Medicaid coverage for non-white children. The effect of siblings' eligibility is roughly 60% of child's own eligibility for non-white children compared to 12.5% for white children. This finding underlines the bigger importance of potential knowledge spillovers for non-white children. Once the eligibility of each child in the family is taken into account, the take-up of non-white children (elasticity of 0.57) is bigger than the take-up of white children (elasticity of 0.4).

6.2 Parental Labor Market Outcomes

Table 4 presents the estimated treatment effects of race-specific total simulated eligibility on parental labor market outcomes. The first and fourth column provide results for all mothers and fathers respectively. The estimates for maternal labor force participation and weeks worked per year are positive and significant at one and five percent level. The estimated effects suggest that increasing the number of simulated eligible children in the family by one child is associated with an increase of 0.42 weeks worked per year (1.7% relative to the baseline average weeks worked per year of 25.41) and one percentage points increase in labor force participation (1.8% relative to the baseline average labor force participation of 0.57). The estimates for maternal usual hours worked per week and annual earnings are not statistically significant at conventional levels. Except for labor

force participation, paternal labor supply responds positively to extended Medicaid eligibility of children. Usual hours worked per week increase by 1.3% and weeks worked per year increase by 1.0% relative to the baseline mean.

The remaining columns of table 4 provide estimated effects on parental labor market outcomes by race and ethnicity of the child.²⁷ The results reveal substantial differences between race groups. Focusing on maternal labor supply responses, we see that the estimated effects are entirely driven by mothers with non-white children. Usual hours worked ($p < 0.05$), labor force participation ($p < 0.01$), and weeks worked per year ($p < 0.01$) of mothers with non-white children increase by 3-5% whereas labor supply responses of mothers with white children are close to zero and not precisely estimated. In contrast, effects on paternal labor supply are entirely driven by fathers with white children. The impacts on labor supply of fathers with white children are quantitatively bigger and more precisely estimated than the impacts on fathers with non-white children. For both parents, the effects on hours worked are driven by working any hours and increasing full-time employment (≥ 35 hours) as shown in table A.6. The effect on part-time employment ($0 < \text{hours} < 35$) is a precise null for fathers with white children and imprecisely estimated for mothers with non-white children.²⁸ Weeks worked per year are affected across the whole distribution for both parents as a response to extended Medicaid eligibility (see figure A.2).

Table 5 shows the estimated effects on parental earned income (total earnings, wage earnings, and self-employment earnings). The increased labor supply of mothers with non-white children does not translate into higher average earnings - none of the point estimates are precisely estimated. The earnings in the lower part of the earnings distri-

²⁷Results are very similar when race and ethnicity of parents is used. However, since the race-specific simulated eligibility measure is created using child's race, it is more intuitive to use race of children for heterogeneous analysis.

²⁸Figure A.1 provides a more detailed break down of effects on usual hours worked per week across the distribution for both parents.

bution are, however, positively affected by expanded Medicaid eligibility. Figure 4 shows the effect of Medicaid eligibility on the distribution of mother's earnings. For reference average 100%, 200%, and 300% of the federal poverty line (FPL) are labeled. I find a significant increase in density below 100% of FPL where between 20% and 40% of non-white children are eligible for Medicaid as shown in figure A.5. Effects above 100% of FPL are small and statistically insignificant. Since some mothers with non-white children have earnings above 100% of FPL (see figure A.3), these are true zero-effects and not due to missing observations in this area of the earnings distribution. In line with small and imprecise effects on labor supply of mothers with white children, the effects on earnings are also small and not statistically significant at conventional levels.

Earnings of fathers with white children respond positively to extended eligibility. The results suggest that one additional eligible child per family leads to an increase of \$10,306 which represents 15.4% relative to baseline average earnings. As shown in middle panel of table 5, the effects are entirely driven by wage earners. This relatively big earnings effect in comparison to moderate labor supply responses (1.9% in usual hours worked per week and 1.4% in weeks worked per year) are puzzling. One potential explanation for the disproportionately large earnings effect is a switch to better paying jobs. More descriptively, table A.7 and A.8 presents estimated effects on occupational choice of parents.²⁹ Fathers with white children are two percentage points more likely to work in managerial and professional occupations as a response to expanding Medicaid eligibility. This is equivalent to 6.1% relative to baseline mean. At the same time, extended eligibility results in reduced probability (4.8%-8.7%) of fathers with white children working in manual occupations (farming, forestry, fishing; precision, craft, repair; operators, fabricators, laborers). Another explanation for relatively bigger earnings effect could be

²⁹To estimate the effect of simulated eligibility on parental occupational choice, the sample has to be restricted to parents in the labor force resulting in a selected sample. Hence the estimates should be viewed as descriptive.

the transition to full-time employment because the majority of full-time workers earn more per hour than part-time workers.³⁰ In line with this explanation, the results for hours worked per week presented in table A.6 suggest that fathers with white children are 1.1% ($p < 0.01$) more likely to work full time. The distributional effects also show a pattern that is not expected a priori. Figure 5 shows that paternal earnings responses are not concentrated in areas with most eligible children. As shown in figure A.6, around 1% of children with paternal earnings above 300% of FPL are eligible for Medicaid. Since only few children of fathers with high earnings are eligible for Medicaid, further analysis is needed to understand if 1% of children can drive these positive effects or if extended Medicaid pushes fathers into higher earnings levels. The estimated effects on earnings of fathers with non-white children are negative and marginally significant. The results are, however, not robust to inclusion of additional control variable as shown in figure A.13.

Putting all these results together, the analysis implies that the Medicaid expansion had precisely and robustly estimated impacts on labor supply and earnings of mothers with non-white children. The estimated treatment effects on labor market outcomes of fathers with white children show a positive relationship between extended Medicaid eligibility of children and usual hours worked per week, weeks worked per year, and earned income. However, increase in earned income is disproportionately big in comparison to the effect on hours worked per week and weeks worked per year. In addition, paternal earnings respond to extended eligibility in areas of the distribution with few eligible children. Hence the estimates on labor market outcomes of fathers should be taken with caution as additional analysis is needed to understand if the estimated effects on paternal labor supply can be interpreted as causal.

³⁰The full-time wage premium has been well documented in the literature for male and female workers across various demographic groups. See for example Brinkley (1994); Lettau (1997); Lettau and Buchmueller (1999); Aaronson and French (2004); Hirsch (2005); Pongrace and Zilberman (2009); Borowczyk-Martins and Lalé (2017); Nightingale (2019).

7 Robustness

Identifying Assumption

As discussed in section 5, one possible violation of the identifying assumption is the presence of omitted variables specific to state, year, and child's age that are correlated with both the outcome of interest and Medicaid expansions. To provide evidence that the identifying assumptions is likely to hold, I first show that the estimated effects are robust to inclusion of controls that flexibly control for omitted variables at the state-year, state-age, and age-year level.³¹ Figures A.9-A.13 show the point estimates and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on the main outcomes of interest. Model 1 shows the baseline specification used throughout the analysis. Model 2, 3, and 4 adds state-by-year-by-race, state-by-age-by-race, and age-by-year-by-race fixed effects to the baseline model one at a time. Model 5 includes controls used in the baseline model and all fixed effects combinations in one regression. We can see that the estimates are robust to the inclusion of pairwise interactions as well as to the most demanding specification with all fixed effects combinations. The magnitude of the point estimates and the size of the confidence intervals are very similar across the different models.

To further corroborate the identifying assumption, I show that the estimates are robust to inclusion of state-by-age-by-race linear time trends or region-by-year-by-age-by-race fixed effects. The results are shown in tables A.9 and A.10. For reference, columns 1 provide results from the specifications shown in model 5 in figures A.9-A.13. Columns 2 add state-by-age-by-race linear time trends and columns 3 add region-by-year-by-age-by-race fixed effects to the model including all fixed effect combinations. The estimated

³¹Shore-Sheppard (2008) for instance finds that age-specific time trends substantially reduce the estimated effects on Medicaid take-up and private insurance crowd-out.

effects are quantitatively and qualitatively very similar across the different specifications, supporting the identifying assumption.

Maternal Eligibility

A small proportion of women were directly affected by extended Medicaid eligibility during the analysis period because some legislations expanded Medicaid to pregnant women and children at the same time. Since Medicaid eligibility for pregnant women was also applicable for their newborns until the first birthday, parents with children age zero might change labor supply as a result of direct effect of extended Medicaid eligibility and not as a result of spillovers from their children. To understand if parental labor market outcomes are driven by direct effects of Medicaid, I test if the estimated effects are sensitive to using maternal eligibility for zero-year old children and dropping children of age zero. I use two different measures of maternal eligibility. Following Currie and Gruber (1996a,b), the first measure is constructed by using all women of reproductive age (15-44) in each calendar year across the full sample period. Using this national data set, I calculate the fraction of eligible women in each state, year, and race group. The second state-year-race maternal eligibility measure is obtained by using mothers with children of age zero. Similarly to child's simulated eligibility, I leave out women from the state for which the simulated eligibility is being estimated. The maternal eligibility measures are then assigned to zero-year old children based on the state, year, and race group. The results of this analysis are shown in tables A.11-A.12. Columns 1 show the estimates from the baseline model. Columns 2 (women age 15-44) and 3 (mothers with a child age zero) show the estimated effects of total simulated eligibility using maternal eligibility for children age zero. Columns 4 test the robustness of the results by dropping zero-year old children from the analysis. All estimates across different specifications are very similar in terms of magnitude and significance, suggesting that direct effects of expansions are not driving labor supply responses.

Simulated Eligibility Measure

Since the simulated eligibility measure used through out the analysis is constructed using all children from the year for which the simulated eligibility is estimated, one might be concerned that characteristics used to determine eligibility (e.g. family structure or family income) may respond to Medicaid expansions. For example, family income of children observed in in year t may have been impacted by Medicaid expansions in years prior to year t .³² To account for this potential endogeneity, I construct alternative simulated eligibility measures that use children from period before the analysis starts. To obtain the simulated fixed eligibility measures, I use all children from 1979 CPS ASEC and inflate the income to the year for which the eligibility is imputed. Changes in the national and regional Consumer Price Index for All Urban Consumers (CPI-U) as well as average wages are used to adjust the income.³³ The demographic characteristics of children in 1979 might however not reflect demographic characteristics of children observed in later years of the analysis period and inflation or wage growth might not fully capture changes in income over time. Using a fixed national data set from pre-analysis period to create simulated eligibility might therefore result in a mismeasured simulated eligibility for later years of the analysis period. Since changes in socio-demographic characteristics are also correlated with changes in the structure of the labor market and hence parental labor market outcomes, using a fixed eligibility measure might result in biased estimates.³⁴

Figure A.14 documents the differences between the simulated eligibility measures.

³²Policy endogeneity can arise because of a response to federal or state-level expansions. For instance, Deficit Reduction Act of 1984 could affect labor market outcomes of parents and hence the family income. Using family income of children observed in years after 1984 to determine eligibility in the same year would result in a biased estimate of the simulated eligibility measure.

³³Average wages are calculated as the ratio of compensation of employees to total non-farm employees.

³⁴Since immigration has a major influence on the size and demographic structure of the US population, immigration can be one factor leading to a change of socio-demographic characteristics of individuals observed in later years of the analysis period.

The changes across the simulated annual eligibility - the measure used throughout the analysis - and actual eligibility track quite well. The trends in simulated fixed eligibility measures, however, deviate from trends in actual eligibility, especially towards the end of the analysis period. The eligibility measures constructed by using CPI-U perform worse than the measure constructed by using average wages. Since the annual and fixed eligibility measures have advantages and disadvantages I check if the estimated effects are robust to type of the simulated eligibility measure. As shown in tables A.13 and A.14 the results are very similar across the different specifications.³⁵

Simulated Eligibility Structure

The simulated eligibility measure used so far might not account for systematic differences in family characteristics that are important determinants of child's eligibility and parental labor supply. For instance, income of single-child and multiple-child families could be different. At the same time labor supply of parents with one child could respond differently than labor supply of parents with multiple children. Income and labor market decisions of parents with children that are further apart (difference between the oldest and youngest child is bigger) might also be different than of parents with children that are closer together (difference between the oldest and youngest child is smaller). A simulated eligibility measure at the state, year, age, and race level might average out these systematic differences resulting in an endogenous measure. To account for this potential endogeneity, I create an alternative family-structure-specific eligibility measure by calculating the fraction of eligible children in each state, year, number of children group, age of the youngest child group, and age of the oldest child group.³⁶ The chosen variables and categories used to create the simulated eligibility measure should capture the systematic

³⁵Column 1,2,3, and 4 show results from models using simulated annual, simulate fixed (CPI), simulated fixed (RCPI), and simulated fixed (WAGE) eligibility, respectively.

³⁶Number of children groups are defined as single and multiple children. Age of youngest and oldest child groups are defined as 0-5, 6-12, and 13-18 years old.

differences in child's eligibility and parental labor market outcomes across families as well as allow to construct a precise eligibility measure.³⁷ As shown in tables A.15 and A.16, the estimated effects using the family-structure-specific simulated eligibility (column 3) are very similar to estimates from models using the non-race-specific (column 1) and race-specific (column 2) simulated eligibility measure.

Sample Selection

Finally tables A.18-A.20 explore estimation of equation 3 using alternative sample selection criteria. Column 1 reports estimates from the baseline specification. Since Arizona did not adopt a Medicaid program until 1982, I estimate a model that drops children from Arizona (column 2). Column 3 reports results from a specifications that restricts the sample to children with parents in prime working age (25-54). To account for the Great Recession, I drop children observed in 2008-2015. The results of this specification are shown in column 4. To understand if outliers are driving the results, I estimate a model that keeps only children with mothers that gave birth at reproducible age (column 5) and a model that drops children in families with nine or more children (column 6). Overall, the estimated effects are remarkably similar across different specifications, implying that the results are not sensitive to different sample selections.

8 Conclusion

United States has witnessed a substantial increase in public health insurance coverage of children between 1979 and 2014. Despite the extensive literature studying the consequences of expanded Medicaid coverage, the spillover effects on family members have been under-studied. This paper presents new evidence on the effects of child Medicaid

³⁷Choosing too many variables and categories will result in a simulated eligibility measure with small cell sizes and hence a noisy estimate of the true population mean.

eligibility on parental labor market outcomes. To identify the effects of Medicaid eligibility the empirical strategy exploits variation at the state, year, and age of the child level which resulted from Medicaid expansions between 1979 and 2014. To address endogeneity of actual eligibility I use the simulated eligibility strategy by estimating reduced form impacts of simulated child Medicaid eligibility on labor market outcomes of their parents.

I find that extended Medicaid eligibility of children leads to increased labor supply of both parents. Heterogeneous analysis by race reveals stark differences between race groups. The estimated effects for mothers with non-white children are quantitatively and qualitatively bigger than estimated effects for mothers with white children. In contrast, labor market outcomes of fathers with white children are stronger affected than labor supply of fathers with non-white children. Medicaid take-up of children increases as a response to extending Medicaid eligibility during the analysis period. This result suggests that increased access to health care and hence child's health is an influential factor for the positive labor market responses of parents.

This work may emphasize at least four policy implications. First, the findings of this study may have implications for the overall generosity of Medicaid eligibility since the general equilibrium effects may exceed the direct benefits of the public health insurance coverage. Second, focusing on disadvantaged population may provide guidance about targeting Medicaid to certain groups, for example about making Medicaid more generous for racial minorities. Third, the estimated treatment effects on labor market outcomes may help policy makers to decide about certain components of Medicaid eligibility, for example about Medicaid work requirement - one of the most controversial eligibility requirement which disproportionately affects women of color. Finally, examining long-term effects on labor supply, time-use responses, and mechanisms of the underlying effects may facilitate to better design policy since policy makers will be able to take into

account factors that have not been established previously in the literature.

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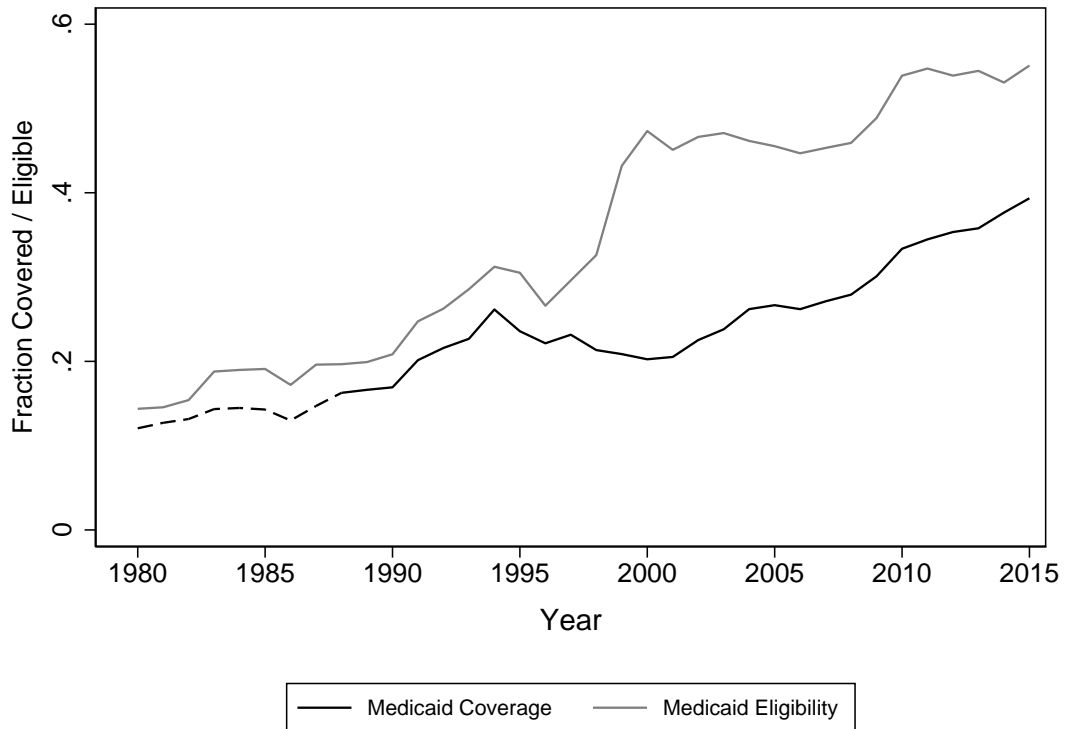
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Figures and Tables

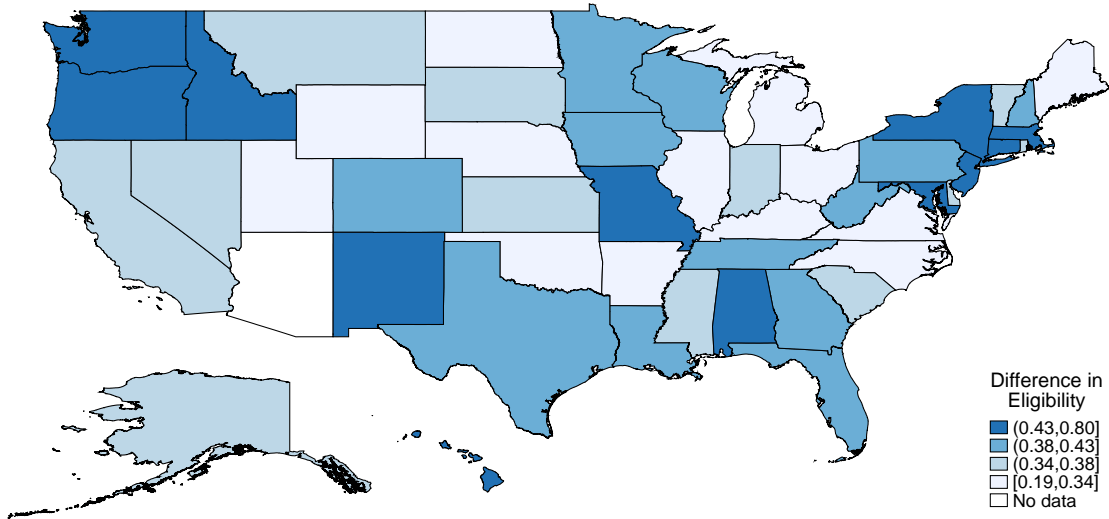
Figure 1:
National Variation in Medicaid Coverage and Eligibility



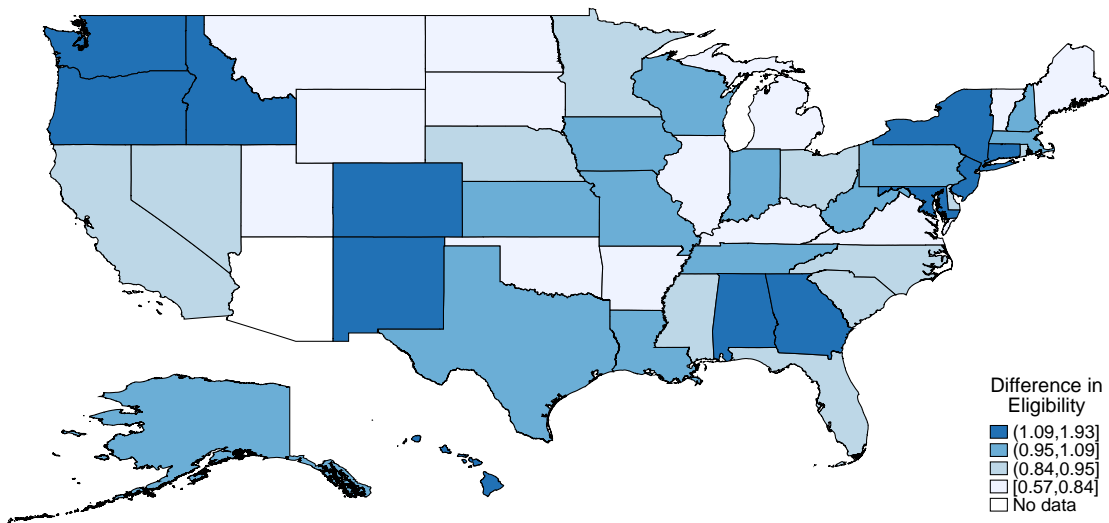
Notes: This figure shows the fraction of covered and eligible children between 1979 and 2014. The dashed line represents the period when Census Bureau allocated child's Medicaid coverage based on the responses of their parents. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. Arizona is not included because the state did not adopt a Medicaid program until 1982.

Figure 2:
State Variation in Race-Specific Total Simulated Eligibility

(a) Single-Child Families



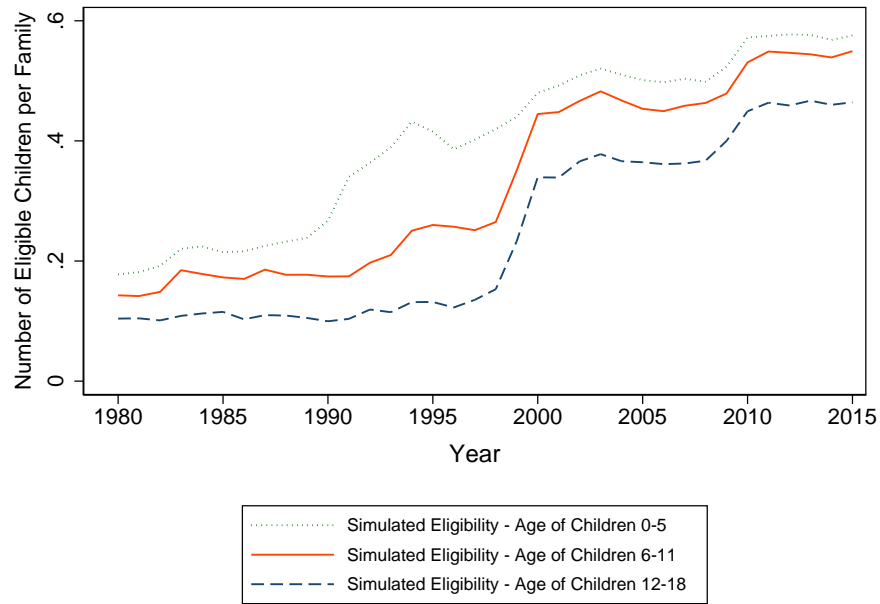
(b) Multiple-Child Families



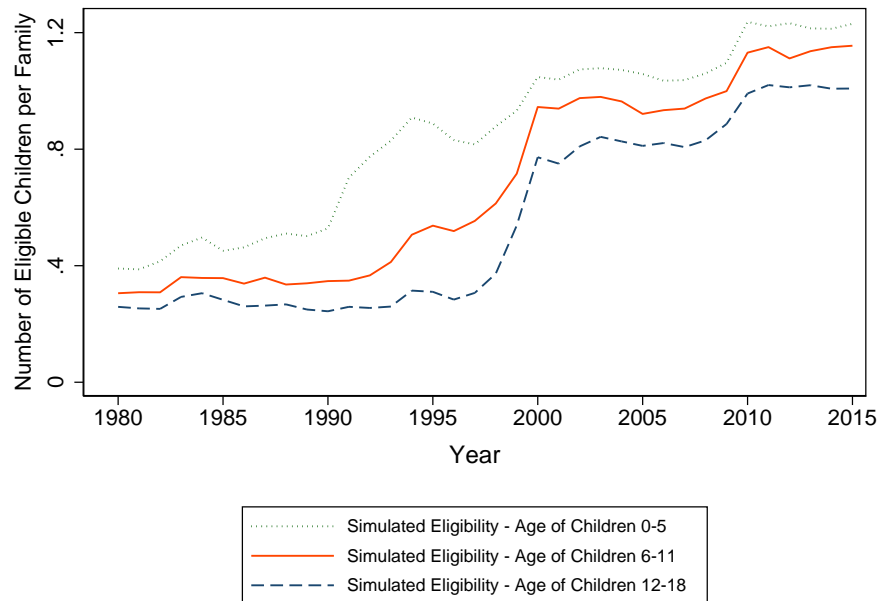
Notes: These figures show the difference in race-specific total simulated eligibility between 1979 and 2014 for (a) single- and (b) multiple-child families in each state. The quartiles represent the difference in total simulated eligibility between 1979 and 2014. These years are the start and end of the analysis period. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. Arizona is not included because the state did not adopt a Medicaid program until 1982.

Figure 3:
National Variation in Race-Specific Total Simulated Eligibility

(a) Single-Child Families



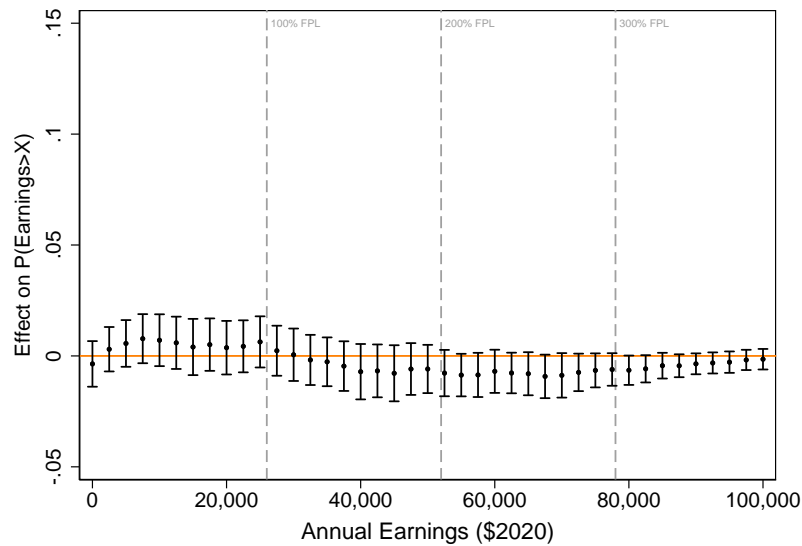
(b) Multiple-Child Families



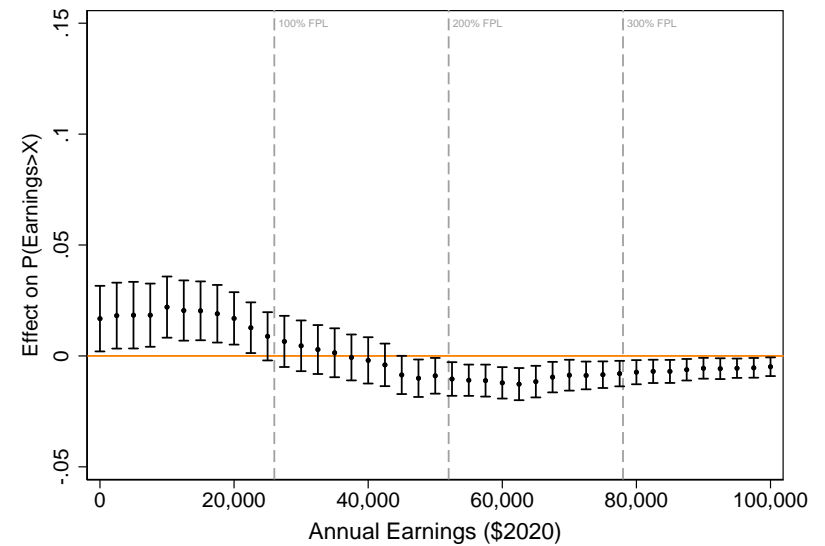
Notes: These figures show the average race-specific total simulated eligibility between 1979 and 2014 for (a) single- and (b) multiple-child families by child's age. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. Arizona is only included after 1982 because the state did not adopt a Medicaid program until 1982.

Figure 4:
Effect of Race-Specific Total Simulated Eligibility on Maternal Annual Earnings (\$2020)

(a) Mothers with White Children



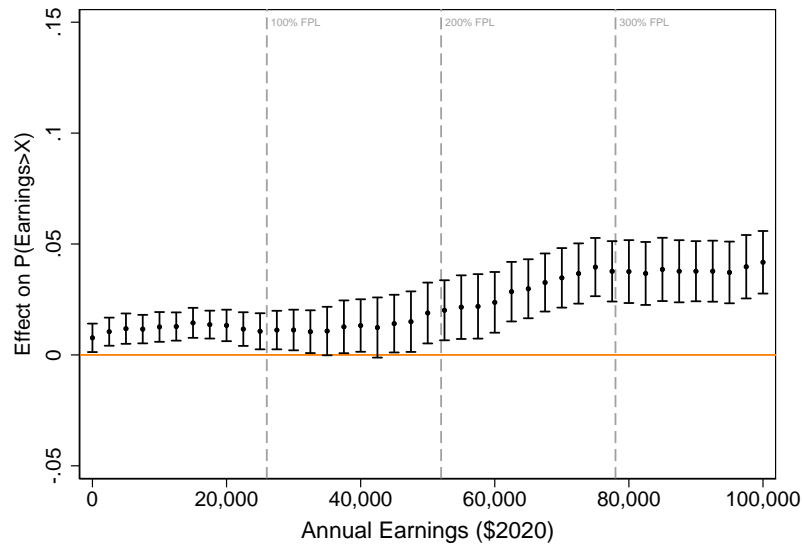
(b) Mothers with Non-White Children



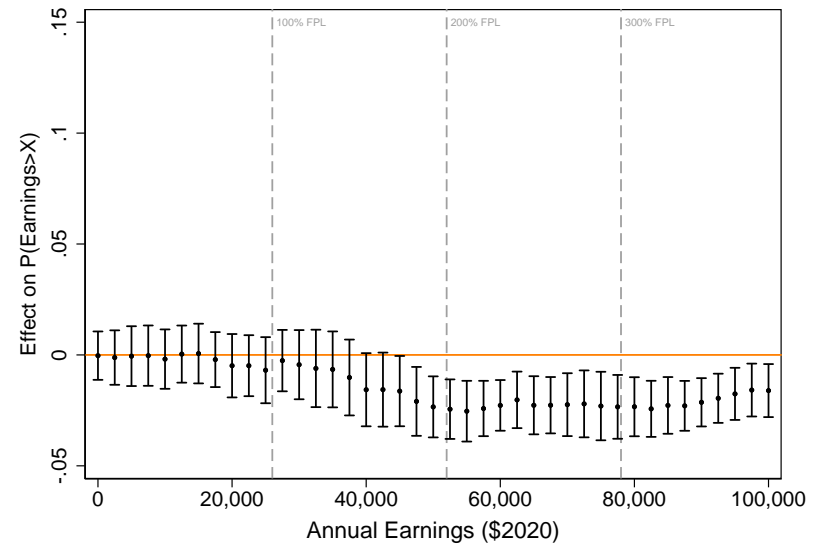
Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on maternal annual earnings (\$2020) last year. Each point estimate and confidence interval is obtained from a different regression where the dependent variable is an indicator equals to one if maternal annual earnings (\$2020) were at least as great as X (0,2500,...,100000) last year. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors are clustered at the state level. The first, second, and third dashed vertical line represent average 100%, 200%, and 300% of the federal poverty line (in \$2020) respectively. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure 5:
Effect of Race-Specific Total Simulated Eligibility on Paternal Annual Earnings (\$2020)

(a) Fathers with White Children



(b) Fathers with Non-White Children



Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on paternal annual earnings (\$2020) last year. Each point estimate and confidence interval is obtained from a different regression where the dependent variable is an indicator equals to one if paternal annual earnings (\$2020) were greater as X (0,2500,...,100000) last year. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors are clustered at the state level. The first, second, and third dashed vertical line represent average 100%, 200%, and 300% of the federal poverty line (in \$2020) respectively. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Table 1:
Effect of State-Level Characteristics on Medicaid Eligibility Limits

	(1)	(2)	(3)
Medicaid Coverage	43.96 (36.27)	23.15 (39.43)	-2.24 (40.96)
Labor Force Participation	47.53 (59.34)	24.70 (66.36)	18.40 (70.23)
Hours Worked per Week	0.11 (1.37)	0.06 (1.36)	0.50 (1.29)
State Earned Income Credit	36.72 (29.87)	33.24 (29.21)	29.07 (28.85)
State Minimum Wage	0.26 (3.23)	1.13 (3.18)	0.83 (2.97)
Income per Capita (\$2020)	0.00*** (0.00)	0.00*** (0.00)	0.00*** (0.00)
Welfare Benefit (\$2020)	0.01 (0.02)	0.01 (0.02)	0.01 (0.02)
Major Waiver or TANF	6.10 (10.72)	7.95 (11.63)	8.64 (9.53)
Observations	1,734	1,734	1,734
Adjusted R^2	0.85	0.85	0.85
Mean Y - Baseline	65	65	65
Mean Y - Overall	163	163	163
Demographic Controls	X	X	X
State Fixed Effects	X	X	X
Year Fixed Effects	X	X	X

Notes: This table shows results from regressions estimating the effect of state-level characteristics on the maximum Medicaid eligibility limit for children age 0-18. Column 1, 2, and 3 show models using contemporaneous, first-order lagged, and second-order lagged state-level characteristics, respectively. Demographic controls include fraction of population non-white, married, with high school completion or less, age 0-18, age 25-54, with one child, and with multiple children. Standard errors in parentheses are clustered at the state level. The data is from 1979-2014. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table 2:
Effect of Simulated Eligibility on Child's Medicaid Coverage

	Race-Specific Simulated Eligibility		
	Child-Level Medicaid Coverage	Child-Level Medicaid Coverage	Family-Level Medicaid Coverage
SIM	0.08*** (0.02)	0.07*** (0.02)	
SIMS		0.02** (0.01)	
SIMT			0.32*** (0.06)
Observations	1,418,012	1,418,012	1,418,012
Adjusted R^2	0.22	0.22	0.33
Mean Y - Baseline	0.10	0.10	0.23
Mean Y - Overall	0.22	0.22	0.44
	Non-Race-Specific Simulated Eligibility		
	Child-Level Medicaid Coverage	Child-Level Medicaid Coverage	Family-Level Medicaid Coverage
SIM	0.09*** (0.02)	0.08*** (0.02)	
SIMS		0.02** (0.01)	
SIMT			0.35*** (0.06)
Observations	1,418,012	1,418,012	1,418,012
Adjusted R^2	0.21	0.21	0.30
Mean Y - Baseline	0.10	0.10	0.23
Mean Y - Overall	0.22	0.22	0.44
Mean SIM - Overall		0.35	
Mean SIMS - Overall		0.30	
Mean SIMT - Overall		0.65	

Notes: This table shows results from regressions estimating the effect of simulated eligibility on child-level and family-level Medicaid coverage. SIM, SIMS, and SIMT refers to child's own, sibling's total, and family's total simulated eligibility, respectively. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF). The controls in regressions using race-specific simulated eligibility are interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table 3:
Effect of Race-Specific Simulated Eligibility on Child's Medicaid Coverage by Child's Race

	Child-Level Medicaid Coverage			Child-Level Medicaid Coverage			Family-Level Medicaid Coverage		
	All	White	Non-White	All	White	Non-White	All	White	Non-White
SIM	0.08*** (0.02)	0.09*** (0.03)	0.06*** (0.02)	0.07*** (0.02)	0.08*** (0.02)	0.05** (0.02)			
SIMS				0.02** (0.01)	0.01 (0.01)	0.03*** (0.01)			
SIMT							0.32*** (0.06)	0.26*** (0.06)	0.40*** (0.06)
Observations	1,418,012	889,854	528,158	1,418,012	889,854	528,158	1,418,012	889,854	528,158
Adjusted R ²	0.22	0.16	0.19	0.22	0.16	0.19	0.33	0.19	0.36
Mean Y - Baseline	0.10	0.06	0.21	0.10	0.06	0.21	0.23	0.13	0.52
Mean Y - Overall	0.22	0.14	0.34	0.22	0.14	0.34	0.44	0.27	0.73
Mean SIM - Overall				0.35	0.23	0.54			
Mean SIMS - Overall				0.30	0.19	0.49			
Mean SIMT - Overall				0.65	0.42	1.04			

Notes: This table shows results from regressions estimating the effect of simulated eligibility on child-level and family-level Medicaid coverage. SIM, SIMS, and SIMT refers to child's own, sibling's total, and family's total simulated eligibility, respectively. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table 4:
Effect of Race-Specific Total Simulated Eligibility
on Parental Labor Supply by Child's Race

	Maternal Labor Supply			Paternal Labor Supply		
	All	White	Non-White	All	White	Non-White
Usual Hours Worked per Week						
SIMT	0.23 (0.17)	-0.11 (0.26)	0.68** (0.26)	0.55*** (0.18)	0.82*** (0.22)	0.07 (0.24)
Observations	1,375,551	863,738	511,813	1,117,645	762,111	355,534
Adjusted R ²	0.07	0.08	0.06	0.04	0.03	0.03
Mean Y - Baseline	21.89	21.61	22.75	42.07	42.93	38.74
Mean Y - Overall	25.56	25.91	24.96	41.63	42.93	38.73
Weeks Worked per Year						
SIMT	0.42** (0.18)	0.02 (0.26)	0.93*** (0.32)	0.48** (0.18)	0.65*** (0.19)	0.16 (0.34)
Observations	1,375,551	863,738	511,813	1,117,645	762,111	355,534
Adjusted R ²	0.09	0.09	0.09	0.04	0.03	0.04
Mean Y - Baseline	25.41	25.60	24.86	46.53	47.32	43.45
Mean Y - Overall	31.44	32.43	29.71	46.08	47.04	43.93
Labor Force Participation						
SIMT	0.01*** (0.00)	0.00 (0.01)	0.03*** (0.01)	0.00 (0.00)	0.01* (0.00)	0.00 (0.00)
Observations	1,330,378	838,593	491,785	1,058,665	724,271	334,394
Adjusted R ²	0.07	0.07	0.07	0.04	0.03	0.04
Mean Y - Baseline	0.57	0.57	0.57	0.96	0.97	0.92
Mean Y - Overall	0.68	0.69	0.66	0.94	0.95	0.92

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table 5:
Effect of Race-Specific Total Simulated Eligibility
on Parental Annual Earnings by Child's Race

	Maternal Annual Earnings			Paternal Annual Earnings		
	All	White	Non-White	All	White	Non-White
Annual Total Earnings (\$2020)						
SIMT	-275 (409)	-311 (513)	-228 (561)	6,022*** (1,341)	10,306*** (1,679)	-1,757* (975)
Observations	1,375,551	863,738	511,813	1,117,645	762,111	355,534
Adjusted R ²	0.08	0.08	0.07	0.10	0.08	0.05
Mean Y - Baseline	14,868	14,724	15,298	62,721	66,825	46,755
Mean Y - Overall	24,345	25,980	21,507	65,333	72,492	49,345
Annual Wage Earnings (\$2020)						
SIMT	-387 (369)	-494 (466)	-246 (552)	6,057*** (1,374)	10,417*** (1,771)	-1,862* (937)
Observations	1,375,551	863,738	511,813	1,117,645	762,111	355,534
Adjusted R ²	0.07	0.07	0.06	0.08	0.07	0.05
Mean Y - Baseline	14,323	14,088	15,023	56,149	59,384	43,564
Mean Y - Overall	23,356	24,794	20,859	60,380	66,691	46,285
Annual Self-Employment Earnings (\$2020)						
SIMT	112 (68)	183 (110)	18 (49)	-35 (164)	-112 (219)	105 (203)
Observations	1,375,551	863,738	511,813	1,117,645	762,111	355,534
Adjusted R ²	0.01	0.00	0.00	0.01	0.01	0.01
Mean Y - Baseline	545	636	275	6,572	7,441	3,191
Mean Y - Overall	989	1,185	649	4,953	5,801	3,060

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental annual earnings (annual total earnings (\$2020) last year, annual wage earnings (\$2020) last year, and annual self-employment earnings (\$2020) last year). All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Appendices

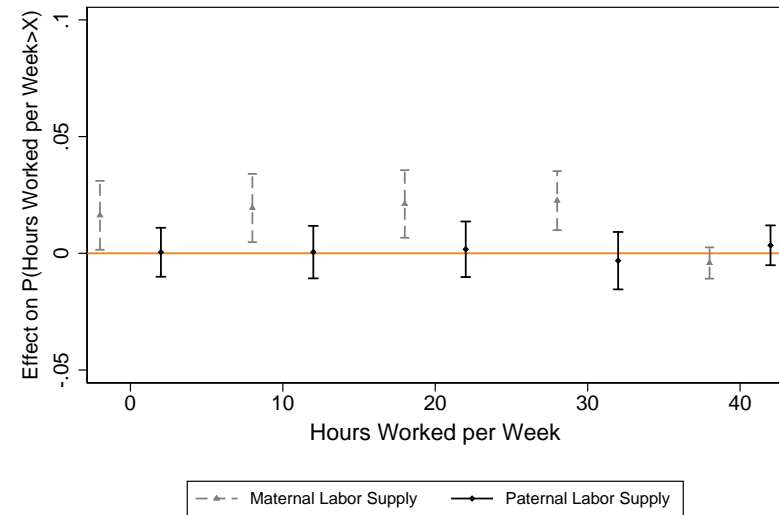
A Supplemental Figures and Tables

Figure A.1:
Effect of Race-Specific Total Simulated Eligibility on Parental Usual Hours Worked per Week

(a) Parents with White Children



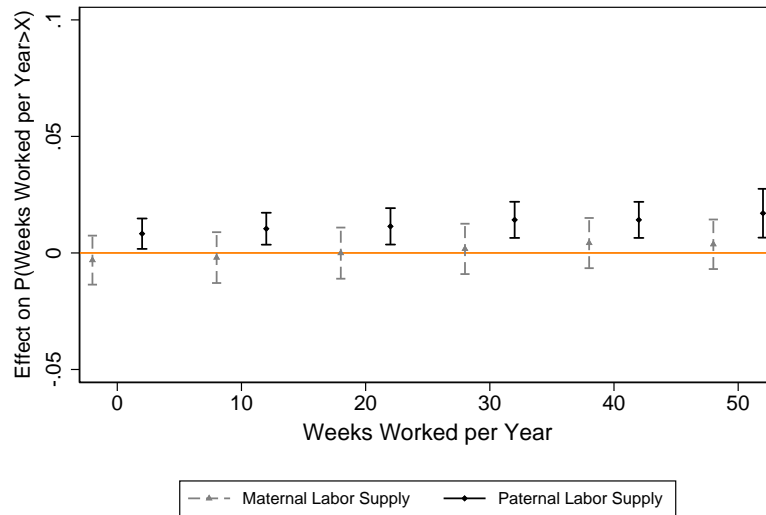
(b) Parents with Non-White Children



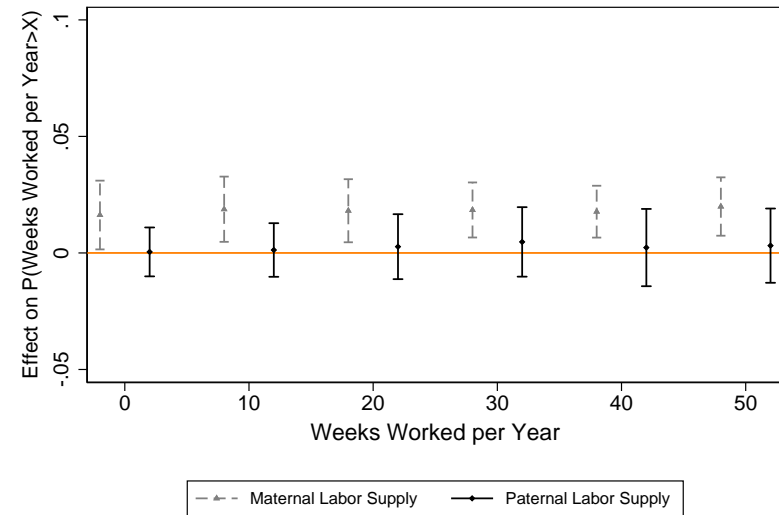
Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on parental usual hours worked per week last year. Each point estimate and confidence interval is obtained from a different regression where the dependent variable is an indicator equals to one if a parent usually worked more than X (0,10,...,40) hours per week last year. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.2:
Effect of Race-Specific Total Simulated Eligibility on Parental Weeks Worked per Year

(a) Parents with White Children



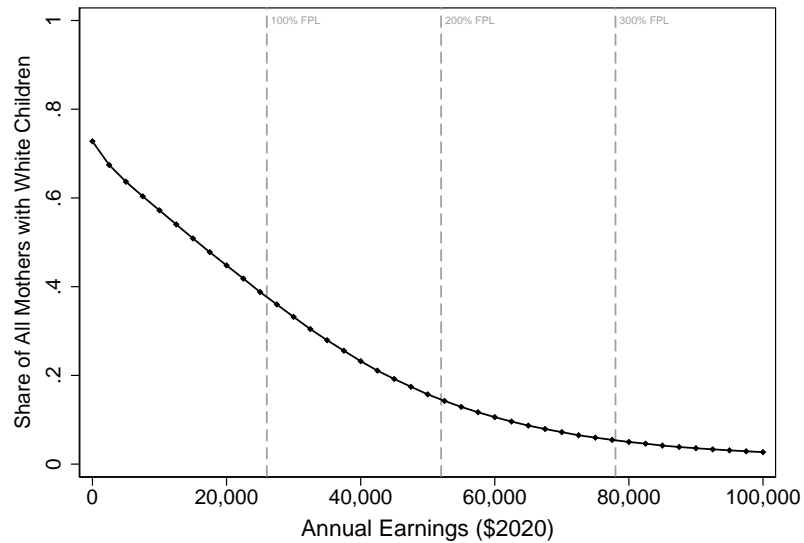
(b) Parents with Non-White Children



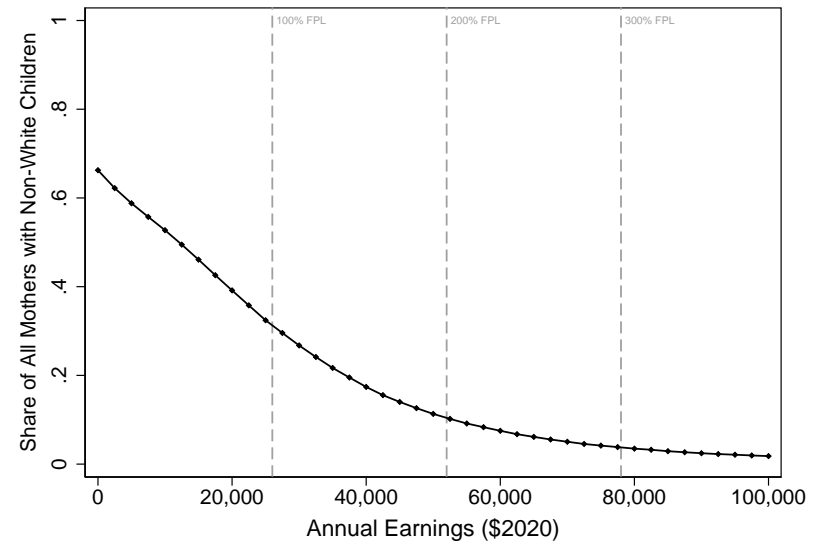
Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on parental weeks worked last year. Each point estimate and confidence interval is obtained from a different regression where the dependent variable is an indicator equals to one if a parent worked more than X (0,10,...,50) weeks last year. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.3:
Distribution of Maternal Annual Earnings (\$2020)

(a) Mothers with White Children



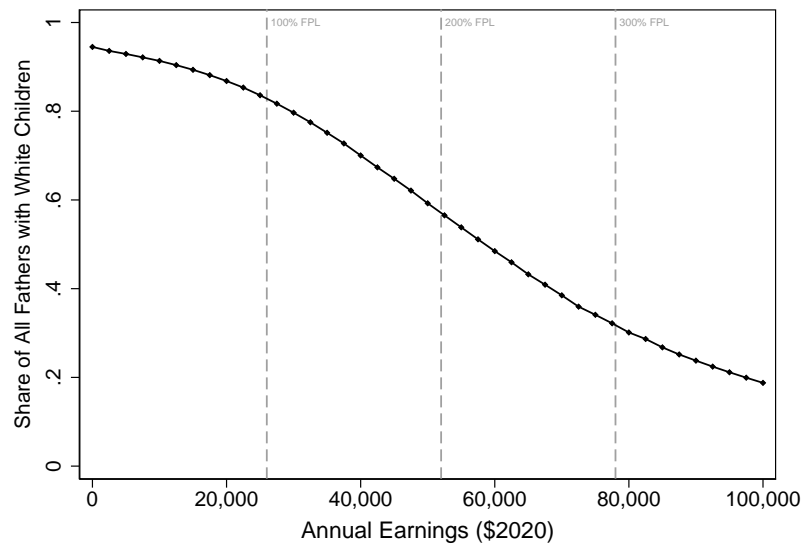
(b) Mothers with Non-White Children



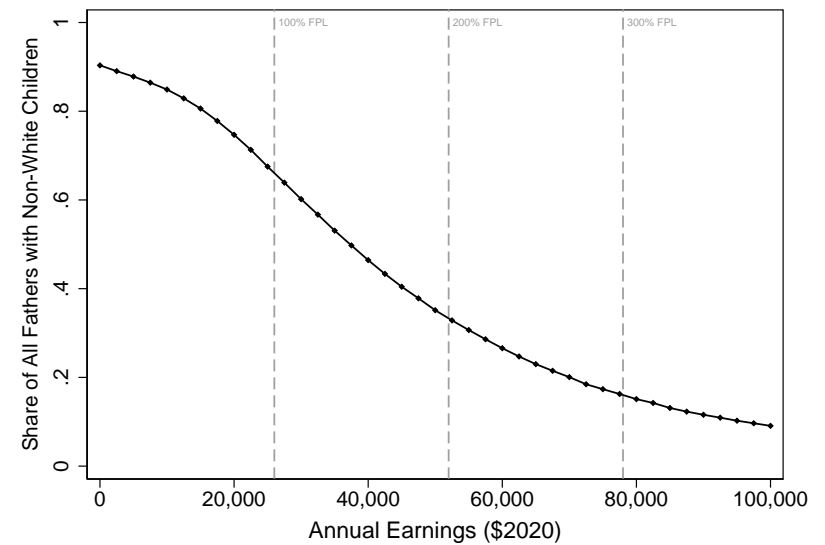
Notes: These figures show the truncated distribution of maternal annual earnings (\$2020) last year excluding zeros. The first, second, and third dashed vertical line represent average 100%, 200%, and 300% of the federal poverty line (in \$2020) respectively. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.4:
Distribution of Paternal Annual Earnings (\$2020)

(a) Fathers with White Children



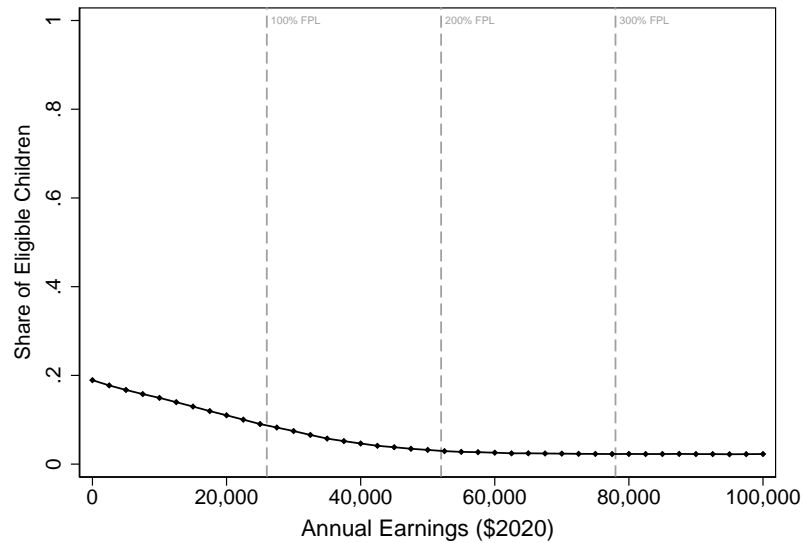
(b) Fathers with Non-White Children



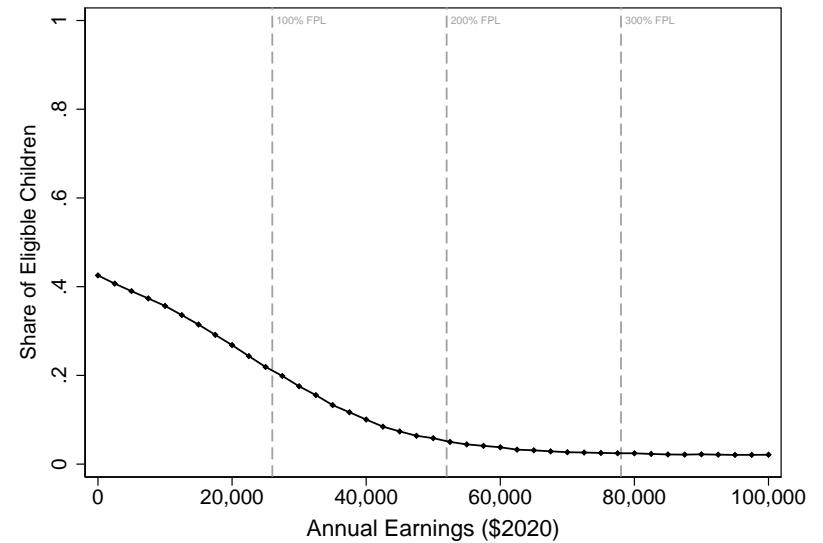
Notes: These figures show the truncated distribution of paternal annual earnings (\$2020) last year excluding zeros. The first, second, and third dashed vertical line represent average 100%, 200%, and 300% of the federal poverty line (in \$2020) respectively. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.5:
Share of Eligible Children across the Distribution of Maternal Annual Earnings (\$2020)

(a) Mothers with White Children



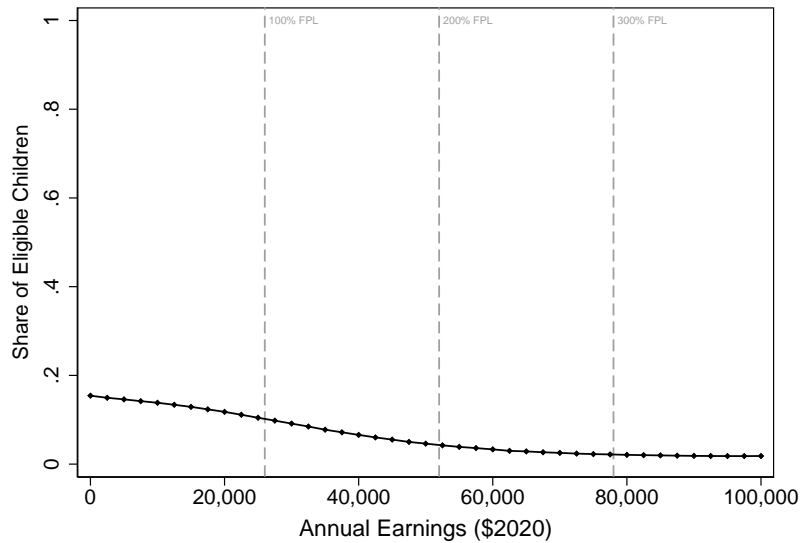
(b) Mothers with Non-White Children



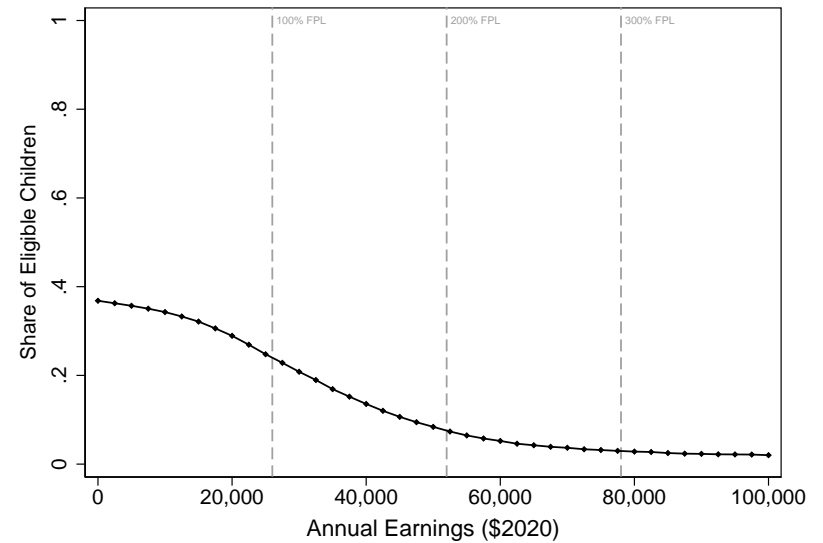
Notes: These figures show the share of white and non-white eligible children across the truncated distribution of maternal annual earnings (\$2020) last year excluding zeros. The first, second, and third dashed vertical line represent average 100%, 200%, and 300% of the federal poverty line (in \$2020) respectively. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.6:
Share of Eligible Children across the Distribution of Paternal Annual Earnings (\$2020)

(a) Fathers with White Children

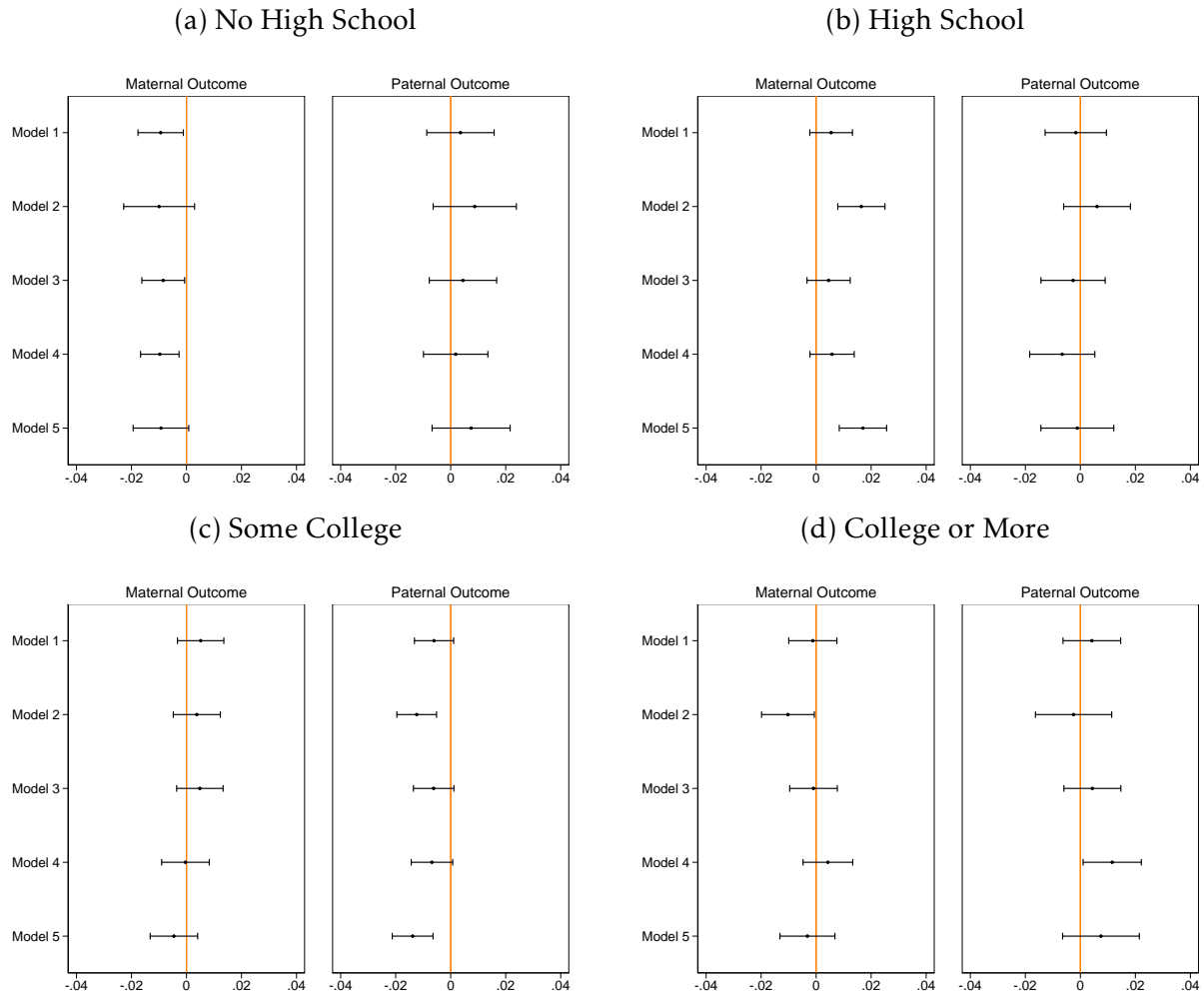


(b) Fathers with Non-White Children



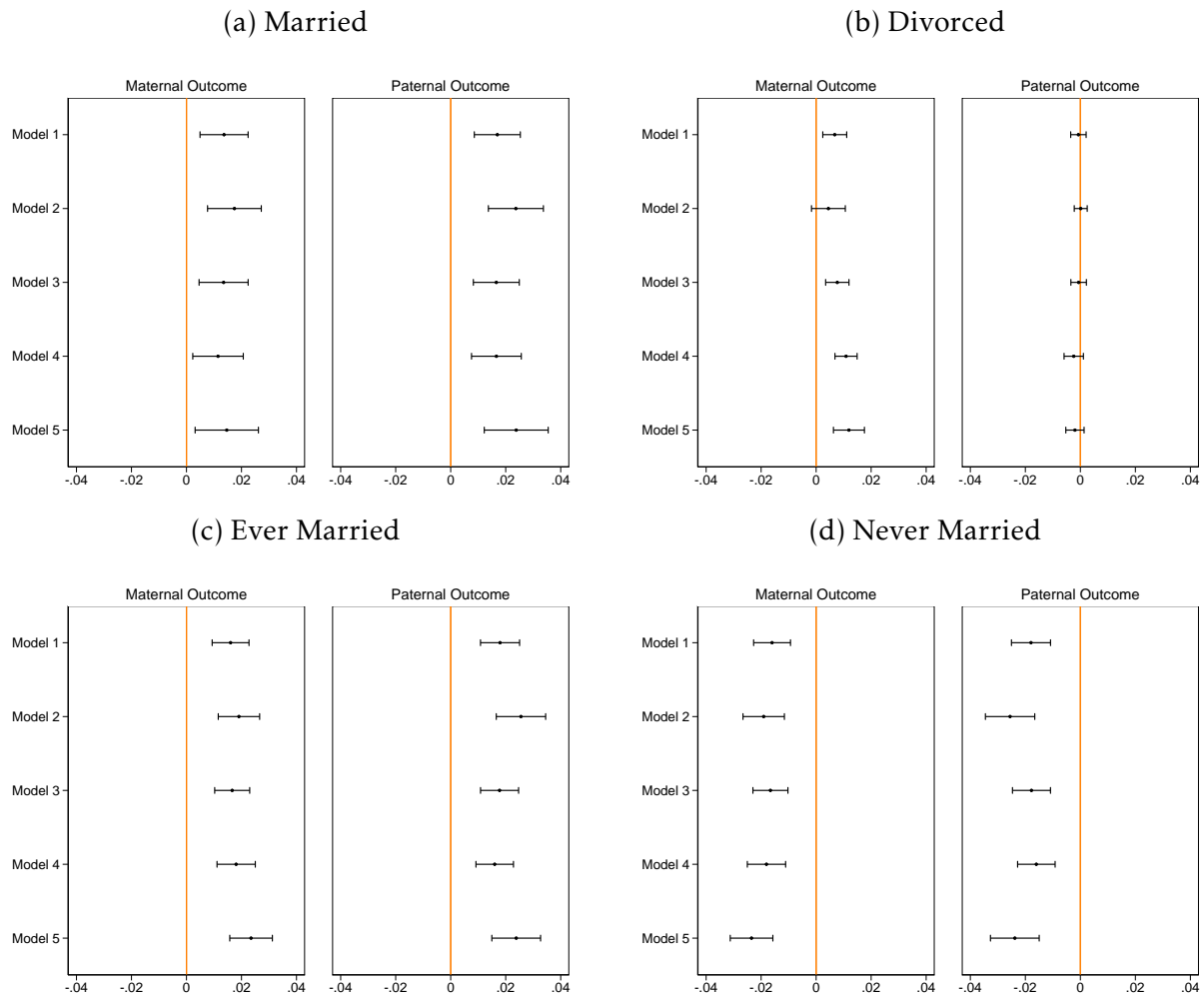
Notes: These figures show the share of white and non-white eligible children across the truncated distribution of paternal annual earnings (\$2020) last year excluding zeros. The first, second, and third dashed vertical line represent average 100%, 200%, and 300% of the federal poverty line (in \$2020) respectively. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.7:
Effect of Race-Specific Total Simulated Eligibility on Parental Educational Attainment
Robustness to Inclusion of Controls



Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on parental marital outcomes (indicator for no high school, high school, some college, college or more). All models include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year) and parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family) interacted with race indicator. All models except model 2 contain state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Model 2 includes state-by-year-by-race fixed effects. Model 3 includes state-by-age-by-race fixed effects. Model 4 includes year-by-age-by-race fixed effects. Model 5 includes state-by-year-by-race, state-by-age-by-race, and year-by-age-by-race fixed effects. Regressions are weighted with parental survey weights divided by number of children per family. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.8:
Effect of Race-Specific Total Simulated Eligibility on Parental Marital Outcomes
Robustness to Inclusion of Controls

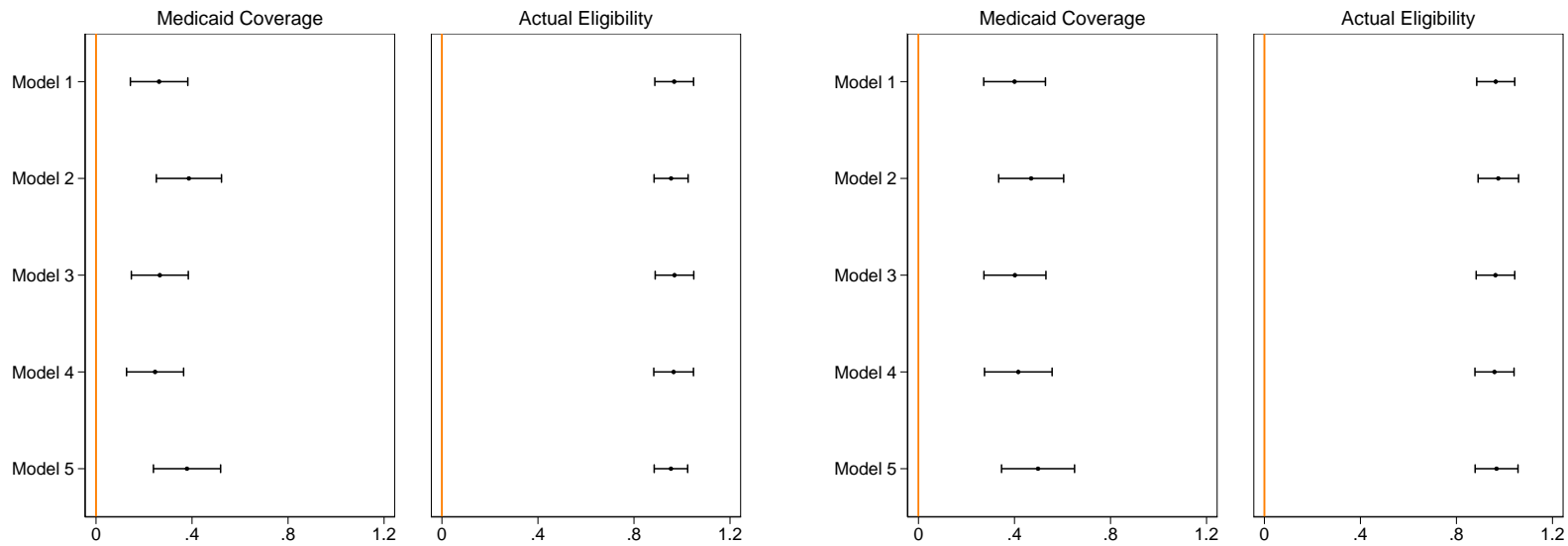


Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on parental marital outcomes (indicator for married, never married, ever married, divorced). All models include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year) and parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family) interacted with race indicator. All models except model 2 contain state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Model 2 includes state-by-year-by-race fixed effects. Model 3 includes state-by-age-by-race fixed effects. Model 4 includes year-by-age-by-race fixed effects. Model 5 includes state-by-year-by-race, state-by-age-by-race, and year-by-age-by-race fixed effects. Regressions are weighted with parental survey weights divided by number of children per family. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.9:
Effect of Race-Specific Total Simulated Eligibility on Medicaid Coverage and Eligibility
Robustness to Inclusion of Controls

(a) White Children

(b) Non-White Children

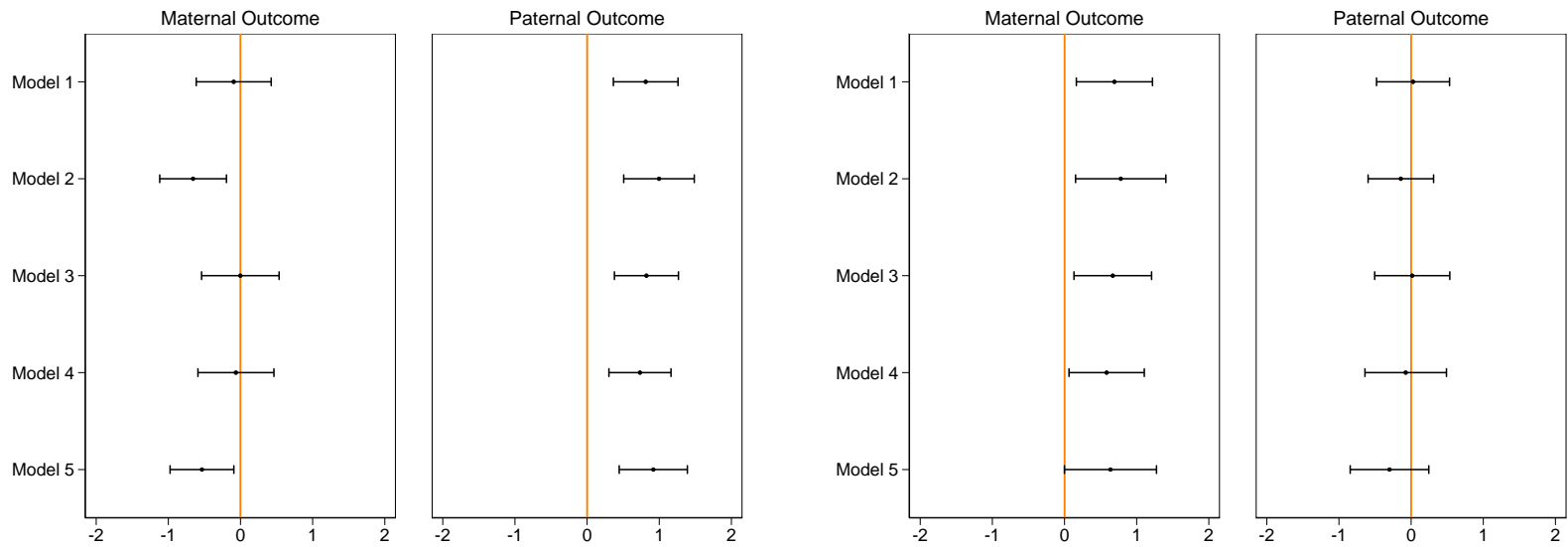


Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on Medicaid coverage and actual eligibility of children. All models include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year) and parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family) interacted with race indicator. All models except model 2 contain state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Model 2 includes state-by-year-by-race fixed effects. Model 3 includes state-by-age-by-race fixed effects. Model 4 includes year-by-age-by-race fixed effects. Model 5 includes state-by-year-by-race, state-by-age-by-race, and year-by-age-by-race fixed effects. Regressions are weighted with parental survey weights divided by number of children per family. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.10:
Effect of Race-Specific Total Simulated Eligibility on Parental Usual Hours Worked per Week
Robustness to Inclusion of Controls

(a) Parents with White Children

(b) Parents with Non-White Children

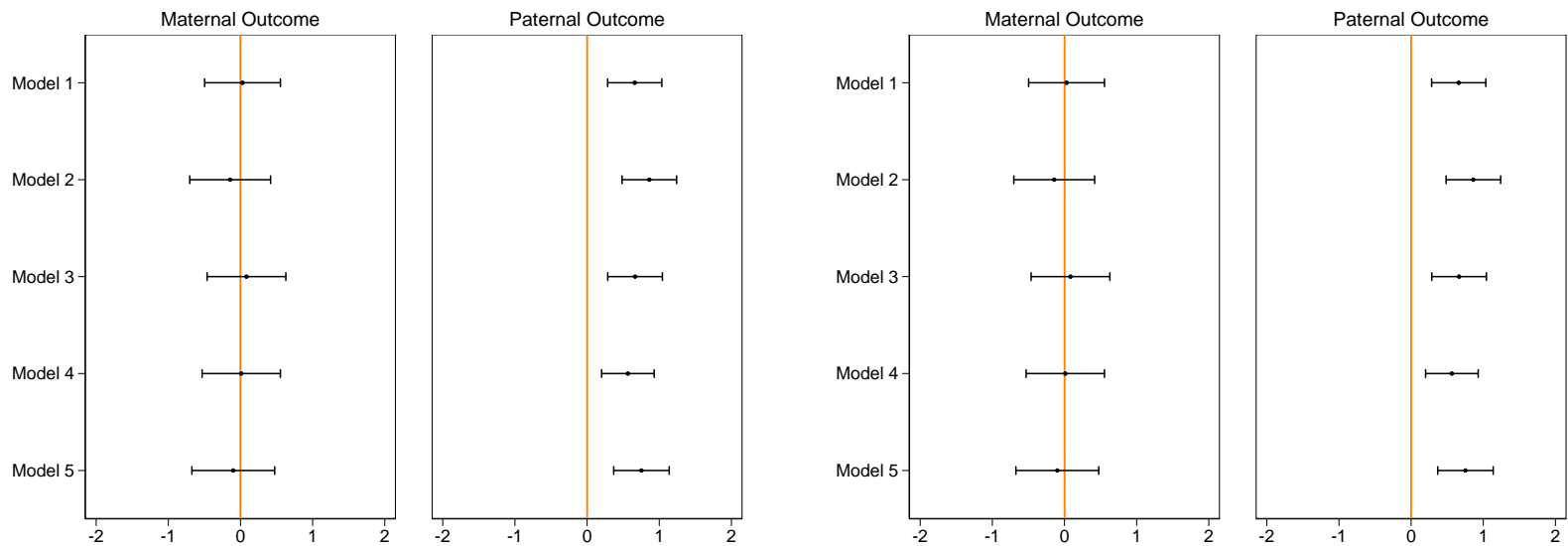


Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on parental usual hours worked per week last year. All models include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year) and parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family) interacted with race indicator. All models except model 2 contain state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Model 2 includes state-by-year-by-race fixed effects. Model 3 includes state-by-age-by-race fixed effects. Model 4 includes year-by-age-by-race fixed effects. Model 5 includes state-by-year-by-race, state-by-age-by-race, and year-by-age-by-race fixed effects. Regressions are weighted with parental survey weights divided by number of children per family. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.11:
Effect of Race-Specific Total Simulated Eligibility on Parental Weeks Worked per Year
Robustness to Inclusion of Controls

(a) Parents with White Children

(b) Parents with Non-White Children

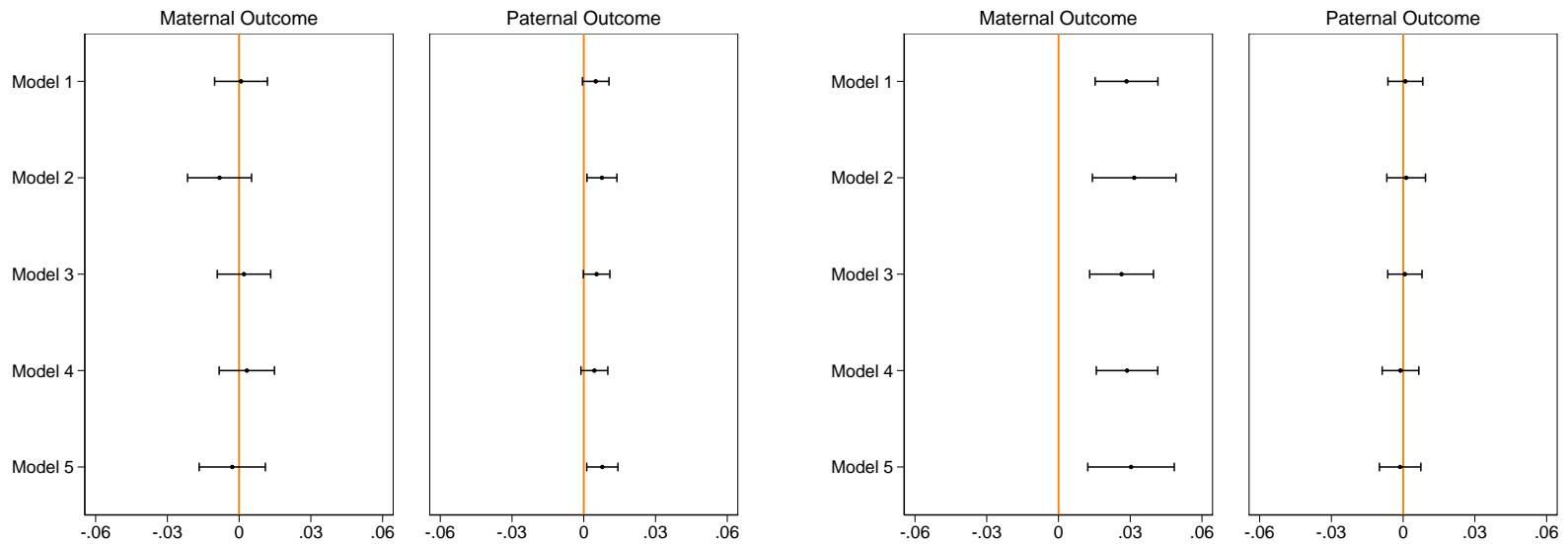


Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on parental weeks worked last year. All models include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year) and parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family) interacted with race indicator. All models except model 2 contain state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Model 2 includes state-by-year-by-race fixed effects. Model 3 includes state-by-age-by-race fixed effects. Model 4 includes year-by-age-by-race fixed effects. Model 5 includes state-by-year-by-race, state-by-age-by-race, and year-by-age-by-race fixed effects. Regressions are weighted with parental survey weights divided by number of children per family. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.12:
 Effect of Race-Specific Total Simulated Eligibility on Parental Labor Force Participation
 Robustness to Inclusion of Controls

(a) Parents with White Children

(b) Parents with Non-White Children

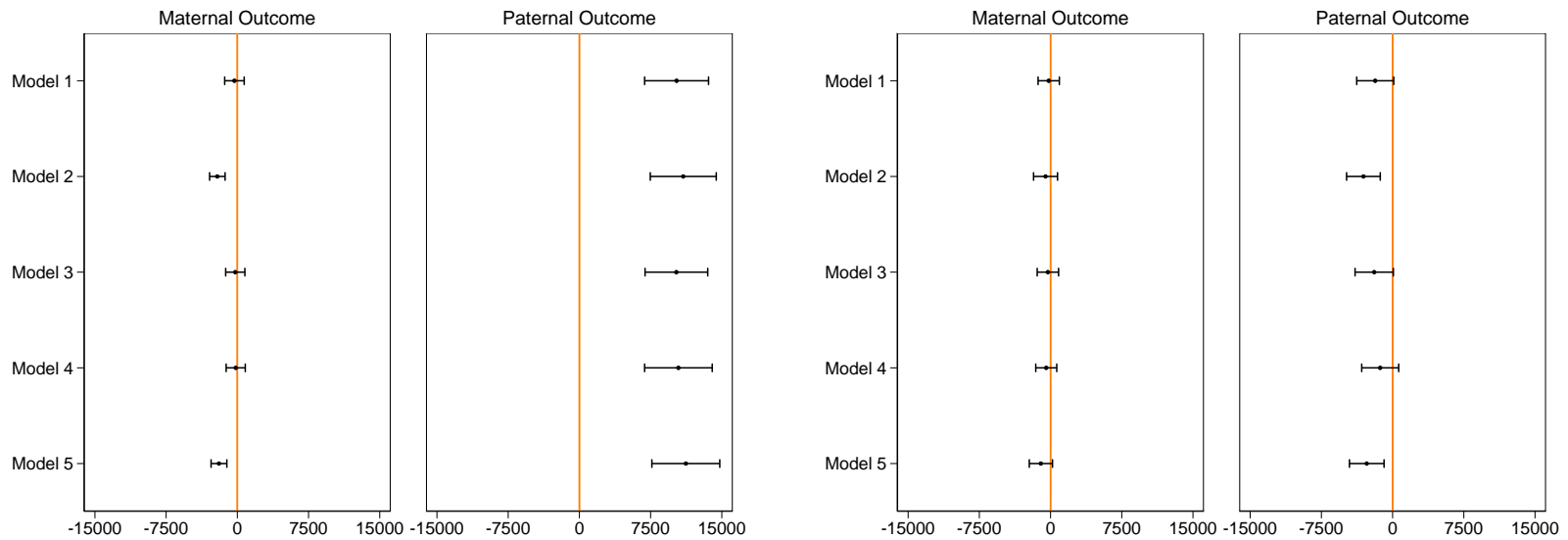


Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on parental labor force participation last week. All models include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year) and parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family) interacted with race indicator. All models except model 2 contain state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Model 2 includes state-by-year-by-race fixed effects. Model 3 includes state-by-age-by-race fixed effects. Model 4 includes year-by-age-by-race fixed effects. Model 5 includes state-by-year-by-race, state-by-age-by-race, and year-by-age-by-race fixed effects. Regressions are weighted with parental survey weights divided by number of children per family. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.13:
 Effect of Race-Specific Total Simulated Eligibility on Parental Annual Earnings (\$2020)
 Robustness to Inclusion of Controls

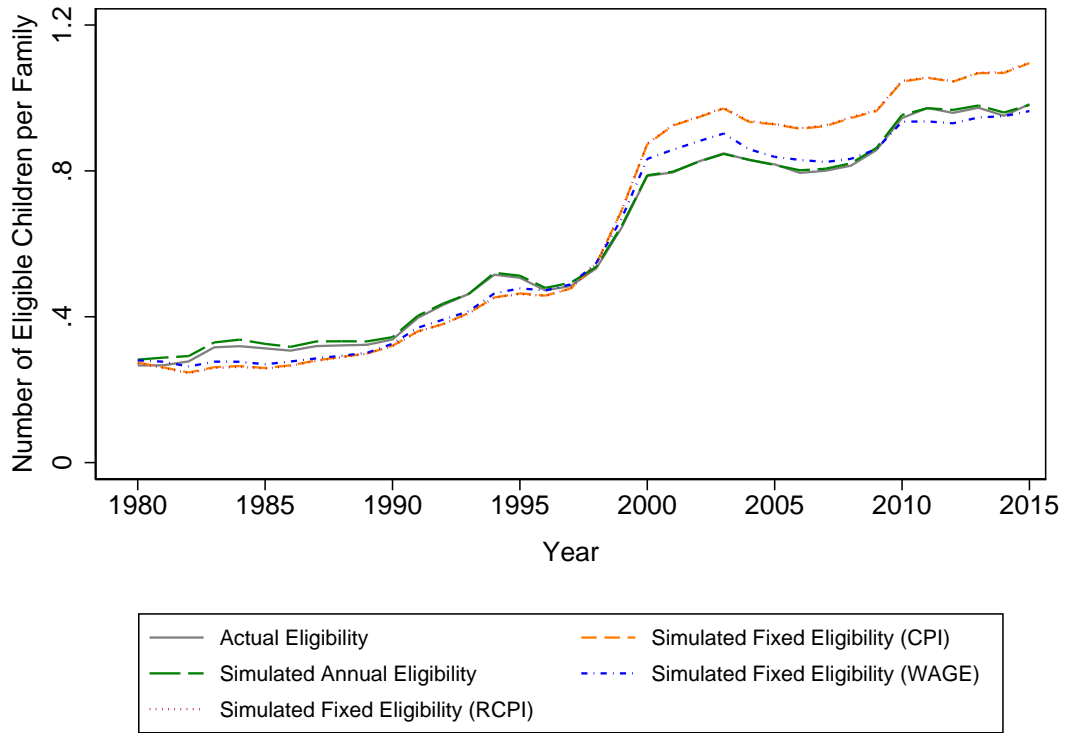
(a) Parents with White Children

(b) Parents with Non-White Children



Notes: These figures show the coefficients and 95% confidence intervals from regressions estimating the effect of race-specific total simulated eligibility on parental annual earnings (\$2020) last year. All models include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year) and parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family) interacted with race indicator. All models except model 2 contain state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Model 2 includes state-by-year-by-race fixed effects. Model 3 includes state-by-age-by-race fixed effects. Model 4 includes year-by-age-by-race fixed effects. Model 5 includes state-by-year-by-race, state-by-age-by-race, and year-by-age-by-race fixed effects. Regressions are weighted with parental survey weights divided by number of children per family. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64.

Figure A.14:
National Variation in Alternative Simulated Eligibility Measures



Notes: This figure shows different total simulated eligibility measures between 1979 and 2014. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. Arizona is not included because the state did not adopt a Medicaid program until 1982.

Table A.1:
Effect of Simulated Eligibility on Child's Actual Eligibility

	Race-Specific Simulated Eligibility		
	Child-Level Medicaid Eligibility	Child-Level Medicaid Eligibility	Family-Level Medicaid Eligibility
SIM	0.95*** (0.04)	0.94*** (0.04)	
SIMS		0.01*** (0.00)	
SIMT			0.97*** (0.03)
Observations	1,418,012	1,418,012	1,418,012
Adjusted R^2	0.89	0.89	0.95
Mean Y - Baseline	0.13	0.13	0.27
Mean Y - Overall	0.34	0.34	0.64
	Non-Race-Specific Simulated Eligibility		
	Child-Level Medicaid Eligibility	Child-Level Medicaid Eligibility	Family-Level Medicaid Eligibility
SIM	0.96*** (0.05)	0.95*** (0.05)	
SIMS		0.00*** (0.00)	
SIMT			0.97*** (0.03)
Observations	1,418,012	1,418,012	1,418,012
Adjusted R^2	0.91	0.91	0.96
Mean Y - Baseline	0.14	0.14	0.26
Mean Y - Overall	0.34	0.34	0.63

Notes: This table shows results from regressions estimating the effect of simulated eligibility on child-level and family-level actual Medicaid eligibility. SIM, SIMS, and SIMT refers to child's own, sibling's total, and family's total simulated eligibility, respectively. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF). The controls in regressions using race-specific simulated eligibility are interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.2:
Effect of Race-Specific Simulated Eligibility on Child's Actual Eligibility by Child's Race

	Child-Level Medicaid Eligibility			Child-Level Medicaid Eligibility			Family-Level Medicaid Eligibility		
	All	White	Non-White	All	White	Non-White	All	White	Non-White
SIM	0.95*** (0.04)	0.96*** (0.06)	0.92*** (0.03)	0.94*** (0.04)	0.96*** (0.06)	0.92*** (0.03)			
SIMS				0.01*** (0.00)	0.01*** (0.00)	0.00* (0.00)			
SIMT							0.97*** (0.03)	0.97*** (0.04)	0.96*** (0.04)
Observations	1,418,012	889,854	528,158	1,418,012	889,854	528,158	1,418,012	889,854	528,158
Adjusted R^2	0.89	0.86	0.78	0.89	0.86	0.78	0.95	0.93	0.94
Mean Y - Baseline	0.13	0.08	0.29	0.13	0.08	0.29	0.27	0.15	0.59
Mean Y - Overall	0.34	0.23	0.54	0.34	0.23	0.54	0.64	0.41	1.03

Notes: This table shows results from regressions estimating the effect of simulated eligibility on child-level and family-level actual Medicaid eligibility. SIM, SIMS, and SIMT refers to child's own, sibling's total, and family's total simulated eligibility, respectively. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.3:
Effect of Race-Specific Total Simulated Eligibility
on Parental Educational Attainment

	Maternal Education	Paternal Education
	No High School	
SIMT	-0.01** (0.00)	0.00 (0.01)
Observations	1,331,513	1,081,834
Adjusted R^2	0.13	0.11
Mean Y - Baseline	0.23	0.22
Mean Y - Overall	0.15	0.14
	High School	
SIMT	0.01 (0.00)	-0.00 (0.01)
Observations	1,331,513	1,081,834
Adjusted R^2	0.06	0.04
Mean Y - Baseline	0.45	0.35
Mean Y - Overall	0.35	0.33
	Some College	
SIMT	0.01 (0.00)	-0.01* (0.00)
Observations	1,331,513	1,081,834
Adjusted R^2	0.02	0.02
Mean Y - Baseline	0.19	0.20
Mean Y - Overall	0.27	0.24
	College or More	
SIMT	-0.00 (0.00)	0.00 (0.01)
Observations	1,331,513	1,081,834
Adjusted R^2	0.16	0.11
Mean Y - Baseline	0.13	0.23
Mean Y - Overall	0.23	0.28

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental educational attainment (indicator for no high school, high school, some college, and college or more). All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.4:
Effect of Race-Specific Total Simulated Eligibility
on Parental Marital Outcomes

	Maternal Marital Outcomes	Paternal Marital Outcomes
	Married	
SIMT	0.01*** (0.00)	0.02*** (0.00)
Observations	1,331,513	1,081,834
Adjusted R ²	0.13	0.07
Mean Y - Baseline	0.80	0.97
Mean Y - Overall	0.72	0.90
	Never Married	
SIMT	-0.02*** (0.00)	-0.02*** (0.00)
Observations	1,331,513	1,081,834
Adjusted R ²	0.21	0.11
Mean Y - Baseline	0.04	0.01
Mean Y - Overall	0.11	0.04
	Ever Married	
SIMT	0.02*** (0.00)	0.02*** (0.00)
Observations	1,331,513	1,081,834
Adjusted R ²	0.21	0.11
Mean Y - Baseline	0.96	0.99
Mean Y - Overall	0.89	0.96
	Divorced	
SIMT	0.01*** (0.00)	-0.00 (0.00)
Observations	1,331,513	1,081,834
Adjusted R ²	0.04	0.03
Mean Y - Baseline	0.09	0.01
Mean Y - Overall	0.10	0.04

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental marital outcomes (indicator for married, never married, ever married, and divorced). All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.5:
Effect of Simulated Eligibility on Child's Medicaid Coverage 1987-2014

	Race-Specific Simulated Eligibility		
	Child-Level Medicaid Coverage	Child-Level Medicaid Coverage	Family-Level Medicaid Coverage
SIM	0.06*** (0.02)	0.05*** (0.02)	
SIMS		0.02** (0.01)	
SIMT			0.24*** (0.05)
Observations	1,107,618	1,107,618	1,107,618
Adjusted R^2	0.21	0.21	0.33
Mean Y - Baseline	0.14	0.14	0.30
Mean Y - Overall	0.24	0.24	0.49
	Non-Race-Specific Simulated Eligibility		
	Child-Level Medicaid Coverage	Child-Level Medicaid Coverage	Family-Level Medicaid Coverage
SIM	0.06*** (0.02)	0.05*** (0.02)	
SIMS		0.01 (0.01)	
SIMT			0.24*** (0.05)
Observations	1,107,618	1,107,618	1,107,618
Adjusted R^2	0.20	0.20	0.30
Mean Y - Baseline	0.14	0.14	0.30
Mean Y - Overall	0.24	0.24	0.49
Mean SIM - Overall		0.39	
Mean SIMS - Overall		0.34	
Mean SIMT - Overall		0.73	

Notes: This table shows results from regressions estimating the effect of simulated eligibility on child-level and family-level Medicaid coverage. SIM, SIMS, and SIMT refers to child's own, sibling's total, and family's total simulated eligibility, respectively. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF). The controls in regressions using race-specific simulated eligibility are interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1988-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.6:
Effect of Race-Specific Total Simulated Eligibility on
Parental Usual Hours Worked per Week by Child's Race

	Maternal Labor Supply			Paternal Labor Supply		
	All	White	Non-White	All	White	Non-White
	Positive Hours					
SIMT	0.00 (0.00)	-0.00 (0.01)	0.02** (0.01)	0.01* (0.00)	0.01** (0.00)	0.00 (0.01)
Observations	1,375,551	863,738	511,813	1,117,645	762,111	355,534
Adjusted R ²	0.06	0.06	0.06	0.03	0.02	0.03
Mean Y - Baseline	0.65	0.65	0.62	0.94	0.95	0.91
Mean Y - Overall	0.72	0.74	0.67	0.94	0.95	0.91
	Part-Time Employment					
SIMT	-0.00 (0.00)	-0.00 (0.00)	-0.01 (0.00)	-0.00 (0.00)	-0.00** (0.00)	0.00 (0.00)
Observations	1,375,551	863,738	511,813	1,117,645	762,111	355,534
Adjusted R ²	0.03	0.02	0.01	0.01	0.01	0.01
Mean Y - Baseline	0.21	0.24	0.13	0.02	0.02	0.03
Mean Y - Overall	0.20	0.24	0.15	0.04	0.03	0.05
	Full-Time Employment					
SIMT	0.01* (0.00)	-0.00 (0.01)	0.02*** (0.01)	0.01* (0.00)	0.01*** (0.00)	-0.00 (0.01)
Observations	1,375,551	863,738	511,813	1,117,645	762,111	355,534
Adjusted R ²	0.06	0.06	0.05	0.03	0.02	0.03
Mean Y - Baseline	0.43	0.41	0.49	0.92	0.93	0.88
Mean Y - Overall	0.51	0.50	0.53	0.90	0.92	0.86

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on likelihood of parents working any hours last year, working part time last year (>0 and <35 hours per week), and working full time last year (≥ 35 hours per week). All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.7:
Effect of Race-Specific Total Simulated Eligibility
on Parental Occupational Choice by Child's Race

	Maternal Occupations			Paternal Occupations		
	All	White	Non-White	All	White	Non-White
	Managerial, Professional					
SIMT	0.01** (0.00)	0.02*** (0.01)	-0.00 (0.01)	0.01* (0.00)	0.02*** (0.00)	-0.01* (0.01)
Observations	951,941	624,490	327,451	1,054,332	728,273	326,059
Adjusted R^2	0.09	0.09	0.06	0.08	0.06	0.05
Mean Y - Baseline	0.20	0.22	0.13	0.30	0.33	0.17
Mean Y - Overall	0.30	0.34	0.22	0.29	0.33	0.19
	Technical, Sales, Administrative					
SIMT	0.01** (0.01)	0.00 (0.01)	0.03*** (0.01)	0.00 (0.00)	0.00 (0.00)	-0.00 (0.01)
Observations	951,941	624,490	327,451	1,054,332	728,273	326,059
Adjusted R^2	0.02	0.02	0.02	0.01	0.01	0.01
Mean Y - Baseline	0.43	0.46	0.35	0.13	0.14	0.11
Mean Y - Overall	0.39	0.41	0.36	0.18	0.18	0.16
	Farming, Forestry, Fishing					
SIMT	-0.00** (0.00)	-0.00** (0.00)	-0.00 (0.00)	-0.01*** (0.00)	-0.02*** (0.00)	-0.00 (0.01)
Observations	951,941	624,490	327,451	1,054,332	728,273	326,059
Adjusted R^2	0.00	0.00	0.00	0.02	0.02	0.01
Mean Y - Baseline	0.02	0.01	0.02	0.23	0.23	0.22
Mean Y - Overall	0.02	0.02	0.02	0.21	0.21	0.20

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on the probability of parents reporting being in a one-digit occupation last year. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.8:
Effect of Race-Specific Total Simulated Eligibility
on Parental Occupational Choice by Child's Race

	Maternal Occupations			Paternal Occupations		
	All	White	Non-White	All	White	Non-White
	Service					
SIMT	-0.01*** (0.01)	-0.01** (0.01)	-0.02* (0.01)	0.00*** (0.00)	0.00 (0.00)	0.01* (0.00)
Observations	951,941	624,490	327,451	1,054,332	728,273	326,059
Adjusted R^2	0.04	0.03	0.02	0.02	0.01	0.01
Mean Y - Baseline	0.19	0.17	0.26	0.06	0.05	0.10
Mean Y - Overall	0.20	0.16	0.26	0.08	0.06	0.13
	Precision Production, Craft, Repair					
SIMT	-0.00** (0.00)	-0.00** (0.00)	-0.00 (0.00)	-0.01*** (0.00)	-0.02*** (0.00)	-0.00 (0.01)
Observations	951,941	624,490	327,451	1,054,332	728,273	326,059
Adjusted R^2	0.00	0.00	0.00	0.02	0.02	0.01
Mean Y - Baseline	0.02	0.01	0.02	0.23	0.23	0.22
Mean Y - Overall	0.02	0.02	0.02	0.21	0.21	0.20
	Operators, Fabricators, Laborers					
SIMT	-0.01* (0.00)	-0.00 (0.00)	-0.01 (0.01)	-0.00 (0.00)	-0.01** (0.00)	0.01 (0.01)
Observations	951,941	624,490	327,451	1,054,332	728,273	326,059
Adjusted R^2	0.04	0.03	0.04	0.04	0.04	0.03
Mean Y - Baseline	0.14	0.12	0.22	0.24	0.21	0.35
Mean Y - Overall	0.08	0.06	0.12	0.19	0.17	0.25

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on the probability of parents reporting being in a one-digit occupation last year. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.9:
Effect of Race-Specific Total Simulated Eligibility
on Labor Supply of Parents with White Children
Robustness to Identifying Assumption

	Maternal Labor Supply			Paternal Labor Supply		
	(1)	(2)	(3)	(1)	(2)	(3)
Usual Hours Worked per Week						
SIMT	-0.55**	-0.56**	-0.59***	0.93***	0.91***	0.91***
	(0.22)	(0.22)	(0.22)	(0.24)	(0.23)	(0.22)
Observations	863,738	863,738	863,738	762,111	762,111	762,111
Adjusted R^2	0.08	0.08	0.09	0.03	0.03	0.04
Mean Outcome - Baseline	21.61	21.61	21.61	42.93	42.93	42.93
Mean Outcome - Overall	25.91	25.91	25.91	42.93	42.93	42.93
Labor Force Participation						
SIMT	-0.00	-0.00	-0.00	0.01**	0.01**	0.01**
	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)
Observations	838,593	838,593	838,593	724,271	724,271	724,271
Adjusted R^2	0.08	0.08	0.08	0.03	0.04	0.04
Mean Outcome - Baseline	0.57	0.57	0.57	0.97	0.97	0.97
Mean Outcome - Overall	0.69	0.69	0.69	0.95	0.95	0.95
Weeks Worked per Year						
SIMT	-0.11	-0.13	-0.14	0.76***	0.74***	0.73***
	(0.29)	(0.30)	(0.30)	(0.19)	(0.19)	(0.19)
Observations	863,738	863,738	863,738	762,111	762,111	762,111
Adjusted R^2	0.09	0.10	0.10	0.04	0.04	0.04
Mean Outcome - Baseline	25.60	25.60	25.60	47.32	47.32	47.32
Mean Outcome - Overall	32.43	32.43	32.43	47.04	47.04	47.04

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.10:
Effect of Race-Specific Total Simulated Eligibility on
Labor Supply of Parents with Non-White Children
Robustness to Identifying Assumption

	Maternal Labor Supply			Paternal Labor Supply		
	(1)	(2)	(3)	(1)	(2)	(3)
Usual Hours Worked per Week						
SIMT	0.61*	0.60*	0.60*	-0.27	-0.31	-0.25
	(0.31)	(0.32)	(0.31)	(0.26)	(0.26)	(0.27)
Observations	511,813	511,813	511,813	355,534	355,534	355,534
Adjusted R^2	0.07	0.07	0.07	0.04	0.04	0.05
Mean Outcome - Baseline	22.75	22.75	22.75	38.74	38.74	38.74
Mean Outcome - Overall	24.96	24.96	24.96	38.73	38.73	38.73
Labor Force Participation						
SIMT	0.03***	0.03***	0.03***	-0.00	-0.00	-0.00
	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)
Observations	491,785	491,785	491,785	334,394	334,394	334,394
Adjusted R^2	0.07	0.07	0.08	0.05	0.05	0.06
Mean Outcome - Baseline	0.57	0.57	0.57	0.92	0.92	0.92
Mean Outcome - Overall	0.66	0.66	0.66	0.92	0.92	0.92
Weeks Worked per Year						
SIMT	0.93**	0.94**	0.93**	-0.00	-0.04	0.02
	(0.37)	(0.37)	(0.36)	(0.36)	(0.36)	(0.36)
Observations	511,813	511,813	511,813	355,534	355,534	355,534
Adjusted R^2	0.09	0.09	0.10	0.05	0.05	0.06
Mean Outcome - Baseline	24.86	24.86	24.86	43.45	43.45	43.45
Mean Outcome - Overall	29.71	29.71	29.71	43.93	43.93	43.93

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.11:
Effect of Race-Specific Total Simulated Eligibility
on Labor Supply of Parents with White Children
Robustness to Maternal Eligibility

	Maternal Labor Supply				Paternal Labor Supply			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Usual Hours Worked per Week								
SIMT	-0.11 (0.26)	-0.18 (0.25)	-0.25 (0.26)	-0.16 (0.25)	0.82*** (0.22)	0.86*** (0.23)	0.82*** (0.22)	0.88*** (0.24)
Observations	863,738	863,738	812,682	863,738	762,111	762,111	713,723	762,111
Adjusted R ²	0.08	0.08	0.08	0.08	0.03	0.03	0.03	0.03
Mean Y - Baseline	21.61	21.61	21.43	21.61	42.93	42.93	42.93	42.93
Mean Y - Overall	25.91	25.91	25.89	25.91	42.93	42.93	42.93	42.93
Weeks Worked per Year								
SIMT	0.02 (0.26)	-0.04 (0.25)	-0.10 (0.25)	-0.04 (0.25)	0.65*** (0.19)	0.67*** (0.19)	0.65*** (0.18)	0.68*** (0.20)
Observations	863,738	863,738	812,682	863,738	762,111	762,111	713,723	762,111
Adjusted R ²	0.09	0.09	0.09	0.09	0.03	0.03	0.03	0.03
Mean Y - Baseline	25.60	25.60	25.78	25.60	47.32	47.32	47.35	47.32
Mean Y - Overall	32.43	32.43	32.74	32.43	47.04	47.04	47.01	47.04
Labor Force Participation								
SIMT	0.00 (0.01)	0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	0.01* (0.00)	0.01* (0.00)	0.00 (0.00)	0.01* (0.00)
Observations	838,593	838,593	788,756	838,593	724,271	724,271	678,446	724,271
Adjusted R ²	0.07	0.07	0.07	0.07	0.03	0.03	0.03	0.03
Mean Y - Baseline	0.57	0.57	0.58	0.57	0.97	0.97	0.96	0.97
Mean Y - Overall	0.69	0.69	0.70	0.69	0.95	0.95	0.95	0.95

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using the baseline model. Column 2 reports estimates using maternal eligibility (women age 15-44) for zero-year old children. Column 3 reports estimates using maternal eligibility (mothers with children of age zero) for zero-year old children. Column 4 reports estimates dropping children age zero. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.12:
Effect of Race-Specific Total Simulated Eligibility on
Labor Supply of Parents with Non-White Children
Robustness to Maternal Eligibility

	Maternal Labor Supply				Paternal Labor Supply			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Usual Hours Worked per Week								
SIMT	0.68**	0.66**	0.57**	0.67**	0.07	0.07	0.14	0.06
	(0.26)	(0.26)	(0.25)	(0.26)	(0.24)	(0.24)	(0.26)	(0.24)
Observations	511,813	511,813	483,931	511,813	355,534	355,534	334,463	355,534
Adjusted R^2	0.06	0.06	0.06	0.06	0.03	0.03	0.03	0.03
Mean Y - Baseline	22.75	22.75	22.89	22.75	38.74	38.74	38.93	38.74
Mean Y - Overall	24.96	24.96	25.19	24.96	38.73	38.73	38.67	38.73
Weeks Worked per Year								
SIMT	0.93***	0.91***	0.79**	0.93***	0.16	0.17	0.23	0.16
	(0.32)	(0.32)	(0.32)	(0.32)	(0.34)	(0.33)	(0.32)	(0.33)
Observations	511,813	511,813	483,931	511,813	355,534	355,534	334,463	355,534
Adjusted R^2	0.09	0.09	0.08	0.09	0.04	0.04	0.04	0.04
Mean Y - Baseline	24.86	24.86	25.36	24.86	43.45	43.45	43.63	43.45
Mean Y - Overall	29.71	29.71	30.23	29.71	43.93	43.93	43.88	43.93
Labor Force Participation								
SIMT	0.03***	0.03***	0.03***	0.03***	0.00	0.00	0.00	0.00
	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Observations	491,785	491,785	464,819	491,785	334,394	334,394	314,575	334,394
Adjusted R^2	0.07	0.07	0.06	0.07	0.04	0.04	0.04	0.04
Mean Y - Baseline	0.57	0.57	0.58	0.57	0.92	0.92	0.92	0.92
Mean Y - Overall	0.66	0.66	0.67	0.66	0.92	0.92	0.92	0.92

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using the baseline model. Column 2 reports estimates using maternal eligibility (women age 15-44) for zero-year old children. Column 3 reports estimates using maternal eligibility (mothers with children of age zero) for zero-year old children. Column 4 reports estimates dropping children age zero. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.13:
Effect of Race-Specific Total Simulated Eligibility
on Labor Supply of Parents with White Children
Robustness to Simulated Eligibility Measure

	Maternal Labor Supply				Paternal Labor Supply			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Usual Hours Worked per Week								
SIMT	-0.11 (0.26)	-0.00 (0.22)	-0.00 (0.22)	-0.02 (0.26)	0.82*** (0.22)	0.61*** (0.16)	0.62*** (0.16)	0.63*** (0.18)
Observations	863,738	863,738	863,738	863,738	762,111	762,111	762,111	762,111
Adjusted R^2	0.08	0.08	0.08	0.08	0.03	0.03	0.03	0.03
Mean Y - Baseline	21.61	21.61	21.61	21.61	42.93	42.93	42.93	42.93
Mean Y - Overall	25.91	25.91	25.91	25.91	42.93	42.93	42.93	42.93
Weeks Worked per Year								
SIMT	0.02 (0.26)	0.10 (0.22)	0.11 (0.21)	0.05 (0.25)	0.65*** (0.19)	0.50*** (0.14)	0.50*** (0.14)	0.49*** (0.15)
Observations	863,738	863,738	863,738	863,738	762,111	762,111	762,111	762,111
Adjusted R^2	0.09	0.09	0.09	0.09	0.03	0.03	0.03	0.03
Mean Y - Baseline	25.60	25.60	25.60	25.60	47.32	47.32	47.32	47.32
Mean Y - Overall	32.43	32.43	32.43	32.43	47.04	47.04	47.04	47.04
Labor Force Participation								
SIMT	0.00 (0.01)	0.00 (0.00)	0.00 (0.00)	0.00 (0.01)	0.01* (0.00)	0.00* (0.00)	0.00* (0.00)	0.00 (0.00)
Observations	838,593	838,593	838,593	838,593	724,271	724,271	724,271	724,271
Adjusted R^2	0.07	0.07	0.07	0.07	0.03	0.03	0.03	0.03
Mean Y - Baseline	0.57	0.57	0.57	0.57	0.97	0.97	0.97	0.97
Mean Y - Overall	0.69	0.69	0.69	0.69	0.95	0.95	0.95	0.95

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using simulated annual eligibility. Column 2 reports estimates using total simulated fixed eligibility (CPI). Column 3 reports estimates using total simulated fixed eligibility (RCPI). Column 4 reports estimates using total simulated fixed eligibility (WAGE). Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.14:
Effect of Race-Specific Total Simulated Eligibility on
Labor Supply of Parents with Non-White Children
Robustness to Simulated Eligibility Measure

	Maternal Labor Supply				Paternal Labor Supply			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Usual Hours Worked per Week								
SIMT	0.68** (0.26)	0.83*** (0.23)	0.85*** (0.23)	0.80*** (0.24)	0.07 (0.24)	0.12 (0.23)	0.13 (0.23)	0.04 (0.25)
Observations	511,813	511,813	511,813	511,813	355,534	355,534	355,534	355,534
Adjusted R ²	0.06	0.06	0.06	0.06	0.03	0.03	0.03	0.03
Mean Y - Baseline	22.75	22.75	22.75	22.75	38.74	38.74	38.74	38.74
Mean Y - Overall	24.96	24.96	24.96	24.96	38.73	38.73	38.73	38.73
Weeks Worked per Year								
SIMT	0.93*** (0.32)	1.13*** (0.28)	1.15*** (0.27)	1.07*** (0.30)	0.16 (0.34)	0.25 (0.32)	0.26 (0.32)	0.18 (0.32)
Observations	511,813	511,813	511,813	511,813	355,534	355,534	355,534	355,534
Adjusted R ²	0.09	0.09	0.09	0.09	0.04	0.04	0.04	0.04
Mean Y - Baseline	24.86	24.86	24.86	24.86	43.45	43.45	43.45	43.45
Mean Y - Overall	29.71	29.71	29.71	29.71	43.93	43.93	43.93	43.93
Labor Force Participation								
SIMT	0.03*** (0.01)	0.03*** (0.01)	0.03*** (0.01)	0.03*** (0.01)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Observations	491,785	491,785	491,785	491,785	334,394	334,394	334,394	334,394
Adjusted R ²	0.07	0.07	0.07	0.07	0.04	0.04	0.04	0.04
Mean Y - Baseline	0.57	0.57	0.57	0.57	0.92	0.92	0.92	0.92
Mean Y - Overall	0.66	0.66	0.66	0.66	0.92	0.92	0.92	0.92

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using simulated annual eligibility. Column 2 reports estimates using total simulated fixed eligibility (CPI). Column 3 reports estimates using total simulated fixed eligibility (RCPI). Column 4 reports estimates using total simulated fixed eligibility (WAGE). Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.15:
Effect of Race-Specific Total Simulated Eligibility
on Labor Supply of Parents with White Children
Robustness to Simulated Eligibility Structure

	Maternal Labor Supply			Paternal Labor Supply		
	(1)	(2)	(3)	(1)	(2)	(3)
SIMT	-0.31 (0.23)	-0.11 (0.26)	-0.27 (0.20)	0.99*** (0.21)	0.82*** (0.22)	0.84*** (0.19)
Observations	863,738	863,738	863,738	762,111	762,111	762,111
Adjusted R^2	0.08	0.08	0.08	0.03	0.03	0.03
Mean Y - Baseline	21.61	21.61	21.61	42.93	42.93	42.93
Mean Y - Overall	25.91	25.91	25.91	42.93	42.93	42.93
Weeks Worked per Year						
SIMT	-0.01 (0.25)	0.02 (0.26)	0.08 (0.23)	0.83*** (0.18)	0.65*** (0.19)	0.75*** (0.16)
Observations	863,738	863,738	863,738	762,111	762,111	762,111
Adjusted R^2	0.09	0.09	0.09	0.03	0.03	0.03
Mean Y - Baseline	25.60	25.60	25.60	47.32	47.32	47.32
Mean Y - Overall	32.43	32.43	32.43	47.04	47.04	47.04
Labor Force Participation						
SIMT	-0.00 (0.01)	0.00 (0.01)	0.00 (0.00)	0.01*** (0.00)	0.01* (0.00)	0.01*** (0.00)
Observations	838,593	838,593	838,593	724,271	724,271	724,271
Adjusted R^2	0.07	0.07	0.07	0.03	0.03	0.03
Mean Y - Baseline	0.57	0.57	0.57	0.97	0.97	0.97
Mean Y - Overall	0.69	0.69	0.69	0.95	0.95	0.95

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using non-race-specific total simulated eligibility. Column 2 reports estimates using race-specific total simulated eligibility. Column 3 reports estimates using family-structure-specific total simulated eligibility. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.16:
Effect of Race-Specific Total Simulated Eligibility on
Labor Supply of Parents with Non-White Children
Robustness to Simulated Eligibility Structure

	Maternal Labor Supply			Paternal Labor Supply		
	(1)	(2)	(3)	(1)	(2)	(3)
SIMT	0.81*** (0.27)	0.68** (0.26)	0.69*** (0.23)	0.55* (0.29)	0.07 (0.24)	0.50* (0.30)
Observations	511,813	511,813	511,813	355,534	355,534	355,534
Adjusted R ²	0.06	0.06	0.07	0.03	0.03	0.03
Mean Y - Baseline	22.75	22.75	22.75	38.74	38.74	38.74
Mean Y - Overall	24.96	24.96	24.96	38.73	38.73	38.73
Weeks Worked per Year						
SIMT	1.25*** (0.32)	0.93*** (0.32)	1.06*** (0.30)	0.60 (0.41)	0.16 (0.34)	0.58 (0.39)
Observations	511,813	511,813	511,813	355,534	355,534	355,534
Adjusted R ²	0.09	0.09	0.09	0.04	0.04	0.04
Mean Y - Baseline	24.86	24.86	24.86	43.45	43.45	43.45
Mean Y - Overall	29.71	29.71	29.71	43.93	43.93	43.93
Labor Force Participation						
SIMT	0.03*** (0.01)	0.03*** (0.01)	0.03*** (0.01)	0.01 (0.00)	0.00 (0.00)	0.01 (0.01)
Observations	491,785	491,785	491,785	334,394	334,394	334,394
Adjusted R ²	0.07	0.07	0.08	0.04	0.04	0.04
Mean Y - Baseline	0.57	0.57	0.57	0.92	0.92	0.92
Mean Y - Overall	0.66	0.66	0.66	0.92	0.92	0.92

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using non-race-specific total simulated eligibility. Column 2 reports estimates using race-specific total simulated eligibility. Column 3 reports estimates using family-structure-specific total simulated eligibility. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.17:
Effect of Race-Specific Total Simulated Eligibility
on Labor Supply of Mothers with White Children
Robustness to Sample Selection

	(1)	(2)	(3)	(4)	(5)	(6)
Hours Worked per Week						
SIMT	-0.11 (0.26)	-0.13 (0.26)	0.00 (0.26)	-0.44 (0.35)	-0.09 (0.26)	-0.10 (0.26)
Observations	863,738	854,210	853,560	656,150	851,896	862,573
Adjusted R^2	0.08	0.08	0.08	0.09	0.08	0.08
Mean Y - Baseline	21.61	21.58	21.72	21.61	21.64	21.61
Mean Y - Overall	25.91	25.91	25.97	25.62	25.95	25.92
Weeks Worked per Year						
SIMT	0.02 (0.26)	0.01 (0.26)	0.13 (0.27)	-0.19 (0.33)	0.06 (0.27)	0.05 (0.26)
Observations	863,738	854,210	853,560	656,150	851,896	862,573
Adjusted R^2	0.09	0.09	0.09	0.10	0.09	0.09
Mean Y - Baseline	25.60	25.60	25.71	25.60	25.66	25.60
Mean Y - Overall	32.43	32.44	32.48	31.78	32.49	32.44
Labor Force Participation						
SIMT	0.00 (0.01)	-0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)
Observations	838,593	829,299	829,042	655,688	827,311	837,498
Adjusted R^2	0.07	0.07	0.07	0.08	0.07	0.07
Mean Y - Baseline	0.57	0.57	0.57	0.57	0.57	0.57
Mean Y - Overall	0.69	0.69	0.69	0.68	0.69	0.69

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using the baseline model. Column 2 reports estimates using a model that drops children from Arizona. Column 3 reports estimates using a model that restricts the sample to children with parents in prime working age (25-54). Column 4 reports estimates using a model that drops children observed between 2008 and 2015. Column 5 reports estimates using a model that keeps only children with mothers that gave birth at reproductive age (15-44). Column 6 reports estimates using a model that drops children in families with nine or more children. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.18:
Effect of Race-Specific Total Simulated Eligibility on
Labor Supply of Mothers with Non-White Children
Robustness to Sample Selection

	(1)	(2)	(3)	(4)	(5)	(6)
Hours Worked per Week						
SIMT	0.68** (0.26)	0.77*** (0.25)	0.79*** (0.26)	0.64** (0.30)	0.70** (0.27)	0.67** (0.26)
Observations	511,813	500,482	504,672	358,176	499,140	510,846
Adjusted R^2	0.06	0.06	0.06	0.07	0.06	0.06
Mean Y - Baseline	22.75	22.81	22.94	22.75	22.80	22.77
Mean Y - Overall	24.96	25.01	25.05	24.87	25.03	24.96
Weeks Worked per Year						
SIMT	0.93*** (0.32)	1.03*** (0.31)	1.05*** (0.32)	1.01** (0.41)	0.96*** (0.33)	0.93*** (0.32)
Observations	511,813	500,482	504,672	358,176	499,140	510,846
Adjusted R^2	0.09	0.09	0.09	0.10	0.09	0.09
Mean Y - Baseline	24.86	24.94	25.04	24.86	24.94	24.89
Mean Y - Overall	29.71	29.78	29.79	29.03	29.80	29.72
Labor Force Participation						
SIMT	0.03*** (0.01)	0.03*** (0.01)	0.03*** (0.01)	0.03*** (0.01)	0.03*** (0.01)	0.03*** (0.01)
Observations	491,785	480,990	485,024	357,877	479,631	490,846
Adjusted R^2	0.07	0.07	0.07	0.08	0.07	0.07
Mean Y - Baseline	0.57	0.57	0.57	0.57	0.57	0.57
Mean Y - Overall	0.66	0.66	0.66	0.65	0.66	0.66

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using the baseline model. Column 2 reports estimates using a model that drops children from Arizona. Column 3 reports estimates using a model that restricts the sample to children with parents in prime working age (25-54). Column 4 reports estimates using a model that drops children observed between 2008 and 2015. Column 5 reports estimates using a model that keeps only children with mothers that gave birth at reproductive age (15-44). Column 6 reports estimates using a model that drops children in families with nine or more children. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.19:
Effect of Race-Specific Total Simulated Eligibility
on Labor Supply of Fathers with White Children
Robustness to Sample Selection

	(1)	(2)	(3)	(4)	(5)	(6)
Hours Worked per Week						
SIMT	0.82*** (0.22)	0.83*** (0.23)	0.82*** (0.22)	0.61** (0.26)	0.77*** (0.22)	0.87*** (0.23)
Observations	762,111	753,813	736,632	577,507	722,473	761,029
Adjusted R ²	0.03	0.03	0.02	0.03	0.02	0.03
Mean Y - Baseline	42.93	42.93	43.18	42.93	43.00	42.93
Mean Y - Overall	42.93	42.94	43.16	43.22	43.21	42.93
Weeks Worked per Year						
SIMT	0.65*** (0.19)	0.66*** (0.19)	0.60*** (0.18)	0.52** (0.23)	0.61*** (0.17)	0.67*** (0.19)
Observations	762,111	753,813	736,632	577,507	722,473	761,029
Adjusted R ²	0.03	0.03	0.02	0.03	0.03	0.03
Mean Y - Baseline	47.32	47.32	47.60	47.32	47.47	47.32
Mean Y - Overall	47.04	47.04	47.27	47.19	47.33	47.04
Labor Force Participation						
SIMT	0.01* (0.00)	0.01** (0.00)	0.01** (0.00)	0.00 (0.00)	0.00 (0.00)	0.01* (0.00)
Observations	724,271	716,412	700,063	564,636	686,566	723,259
Adjusted R ²	0.03	0.03	0.01	0.04	0.03	0.03
Mean Y - Baseline	0.97	0.97	0.97	0.97	0.97	0.97
Mean Y - Overall	0.95	0.95	0.96	0.96	0.96	0.95

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using the baseline model. Column 2 reports estimates using a model that drops children from Arizona. Column 3 reports estimates using a model that restricts the sample to children with parents in prime working age (25-54). Column 4 reports estimates using a model that drops children observed between 2008 and 2015. Column 5 reports estimates using a model that keeps only children with mothers that gave birth at reproductive age (15-44). Column 6 reports estimates using a model that drops children in families with nine or more children. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A.20:
Effect of Race-Specific Total Simulated Eligibility on
Labor Supply of Fathers with Non-White Children
Robustness to Sample Selection

	(1)	(2)	(3)	(4)	(5)	(6)
Hours Worked per Week						
SIMT	0.07 (0.24)	0.02 (0.25)	0.13 (0.24)	-0.03 (0.26)	0.19 (0.25)	0.08 (0.24)
Observations	355,534	346,744	341,267	246,425	327,910	354,900
Adjusted R^2	0.03	0.03	0.02	0.03	0.03	0.03
Mean Y - Baseline	38.74	38.71	39.10	38.74	39.14	38.74
Mean Y - Overall	38.73	38.73	39.05	38.98	39.28	38.73
Weeks Worked per Year						
SIMT	0.16 (0.34)	0.16 (0.35)	0.26 (0.33)	-0.15 (0.33)	0.34 (0.35)	0.17 (0.33)
Observations	355,534	346,744	341,267	246,425	327,910	354,900
Adjusted R^2	0.04	0.04	0.03	0.04	0.03	0.04
Mean Y - Baseline	43.45	43.41	43.92	43.45	44.06	43.46
Mean Y - Overall	43.93	43.92	44.28	43.95	44.63	43.94
Labor Force Participation						
SIMT	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Observations	334,394	326,208	320,956	240,791	308,197	333,797
Adjusted R^2	0.04	0.04	0.01	0.04	0.04	0.04
Mean Y - Baseline	0.92	0.92	0.94	0.92	0.93	0.92
Mean Y - Overall	0.92	0.92	0.93	0.92	0.93	0.92

Notes: This table shows results from regressions estimating the effect of race-specific total simulated eligibility on parental labor supply (usual hours worked per week last year, weeks worked last year, and labor force participation last week). Usual hours worked per week and weeks worked last year include zeros. All regressions include child-level controls (indicators for sex, race and ethnicity, age, state of residence, calendar year), parental-level controls (indicators for parental age, age of the youngest, age of the oldest child, and number of children in the family), and state-level controls (unemployment rate, minimum wage, inflation-adjusted maximum welfare benefit for a family of 4, state-level EITC, implementation of six types of welfare waivers, implementation of any waiver or TANF) interacted with race indicator. Column 1 reports estimates using the baseline model. Column 2 reports estimates using a model that drops children from Arizona. Column 3 reports estimates using a model that restricts the sample to children with parents in prime working age (25-54). Column 4 reports estimates using a model that drops children observed between 2008 and 2015. Column 5 reports estimates using a model that keeps only children with mothers that gave birth at reproductive age (15-44). Column 6 reports estimates using a model that drops children in families with nine or more children. Regressions are weighted with parental survey weights divided by number of children per family. Standard errors in parentheses are clustered at the state level. The data is from CPS ASEC 1980-2015. The sample is restricted to children age 0-18 with parents age 20-64. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

B Medicaid Eligibility

This section describes the underlying legislative rules used to calculate Medicaid eligibility for children in the U.S. for the period 1980-2015. Medicaid eligibility is imputed using the calculator from Miller and Wherry (2019).³⁸ Eligibility calculations can be broadly categorized into two groups - before and after the Personal Responsibility and Work Opportunity Act (PRWORA). To determine Medicaid eligibility of children, rules under Aid to Families with Dependent Children (AFDC), state-optional programs (AFDC-Unemployed Parents (AFDC-UP), Ribicoff children, Medically Needy), Medicaid “Section 1931”, State Children’s Health Insurance Program (SCHIP), as well as federal and state Medicaid expansions are used.³⁹ In general eligibility is imputed using applicable rules based on the date of eligibility determination, the child’s age, and the child’s birthday, family structure, family income, and information on parental employment.

To check how well the calculator estimates eligibility of children, I examine the percentage of non-eligible children reporting Medicaid coverage or living in families receiving welfare payments since these children should be eligible for Medicaid. For the period 1980-2015, 3.78% of children imputed to be not eligible, report coverage by Medicaid and 0.56% of children live in families where a parent reports receiving cash benefits under the AFDC program, although these children are not eligible for Medicaid based on the calculator.

Eligibility Calculations before PRWORA (1980-1996)

Eligibility under AFDC

³⁸This section summarizes the most important steps to determine Medicaid eligibility. See appendix and calculator documentation in Miller and Wherry (2019) for more information about legislative information, data sources and methodology used to impute eligibility.

³⁹Table B.1 shows the major mandatory and state optional legislations that affected Medicaid eligibility of children during the analysis period.

Historically, Medicaid eligibility was restricted to children in families receiving cash welfare benefits. To determine eligibility under AFDC, it is assumed that the child care deduction is not used by eligible families and that the parent has spent one month working. The first set of rules to assess whether the family is eligible for AFDC, are rules regarding family income and earned income disregards. Total family income is calculated by summing all sources of income except public assistance or welfare of each parent. To determine if any earned income disregards are applicable, months spent working are compared to number of months that disregards are allowed based on state rules. The applicable disregards are then calculated by using state rules. In order to be financially eligible for AFDC, the child's family has to satisfy three tests. First, the family must be eligible for a non-zero AFDC benefit amount based on state rules, monthly total family income, and family size. Second, total family income less applicable disregards must be below the state need's standard. Third, total family income must not exceed a given percentage of the state need's standard. Special rules are implemented for Connecticut and Minnesota. As a second set of rules, the family has to satisfy two family structure requirements. First, eligibility under AFDC requires the child to reside in a single-parent family. Second, the child has to be age 0-17 at date of eligibility determination and either a primary or subfamily member, but not a head or spouse of primary family or subfamily.

Eligibility under AFDC-UP

Prior to the federal mandate effective in October 1990, AFDC-UP - a state-optional program - extended eligibility to children in two-parent families where the primary earner was unemployed. To be classified as unemployed, the parent must work less than 100 hours per month. A child is assumed to be eligible under AFDC-UP if AFDC-UP program was effective in state and year, child's family is financially eligible for AFDC, maximum hours worked by any individual in the family do not exceed 1200 per year, and the child resides in a family with married parents.

Eligibility under Medically Needy Program

The medically needy program provides states the option to extend Medicaid eligibility to individuals with high medical expenses whose income exceeds the maximum income eligibility threshold, but who satisfy all other eligibility criteria for Medicaid. Income limits could be set no higher than 133% of the state's needs standard for AFDC. However families could use the medical expenditures to reduce the applicable income through spent-down provisions. Since there is no information about medical expenditures in the CPS, the eligibility limits are set to the Medically Needy levels in states with this program as an approximation. A child is eligible under the medically needy program if the family's income except public assistance or welfare is below the applicable eligibility thresholds.

Eligibility under the Ribicoff Children Program

Under the Ribicoff Children Program, states are allowed to cover children who would qualify for cash welfare program given income criteria alone but who do not qualify based on family structure. Hence a child is eligible for Medicaid under the Ribicoff Children Program if the Ribicoff Children Program is present in state and year, child's family is income eligible for AFDC, and the child lives in a family with married parents. In addition, the child is eligible under the Ribicoff Children Program if federally-mandated expansions of Ribicoff Children Program are applicable (Deficit Reduction Act, 1984; Omnibus Budget Reconciliation Act, 1987).

Poverty-related Eligibility

Beginning in 1984 states were required or given the option to expand Medicaid eligibility for children living in families with incomes below the eligibility limit. To impute eligibility under federal and state expansions child care deduction is assumed to be zero. All sources of income except public assistance or welfare of each parent are summed up to calculate the total family income. A child is eligible for Medicaid if the total fam-

ily income minus the work expense deduction used in the net income calculations under AFDC is less than the applicable federal or state eligibility level in the given state, year, and age.

Eligibility Calculations after PRWORA (1997-2015)

Eligibility under Medicaid “Section 1931”

Medicaid “Section 1931” requires states to provide Medicaid coverage to children in families who meet eligibility requirements under AFDC and AFDC-UP effective on July 16, 1996 in the state of residence. To impute eligibility under “Section 1931”, it is assumed that child care deduction is not used by eligible families and that the parent has spent one month working. Eligibility of a child is then determined using the eligibility rules for AFDC programs in effect for the state in July 1996. The procedure to calculate eligibility under AFDC and AFDC-UP is explained above. This calculator does not incorporate state optional “Section 1931” rules under which states have the option to set income and asset standards differently from those in effect under state AFDC program on July 16, 1996. Since eligibility requirements are presumably less restrictive under all other eligibility pathways after the welfare reform, omitting optional “Section 1931” eligibility will not bias the eligibility estimates.

Eligibility under Separate State Programs under SCHIP

Balanced Budget Act of 1997 allowed states to create separate state programs. Eligibility under separate state programs is imputed assuming that child care deductions and child support income are zero. To obtain the total family income all sources of income except public assistance or welfare of each parent are summed up. A child is eligible if the total family income minus the state- and SCHIP-specific work expense deduction per worker is less than SCHIP eligibility limit in the given state, year, and age.

Poverty-related and Targeted Medicaid Eligibility

After PRWORA two different pathways can determine eligibility under expansion-related rules. The poverty-related pathway is defined by a series of federal and state Medicaid expansions which extended eligibility for certain ages and income levels. The second path is given by targeted Medicaid expansions embedded in the Balanced Budget Act of 1997 which allow states to expand the state Medicaid programs. Technically, different income disregards are applied for the two pathways. However the calculator uses poverty-related disregards for both pathways. To impute eligibility, child care deductions and child support income are assumed to be zero. Total family income is calculated by summing all sources of income except public assistance or welfare of each parent. If the total family income minus the state- and Medicaid-specific work expense deduction per worker are less than the corresponding cutoffs in a given state, year and age, the child is assumed to be eligible.

Table B.1:
Medicaid and CHIP Legislation Expanding Eligibility of Children 1980-2015

Year	Legislation	Mandatory Expansion	State Option
1984	Deficit Reduction Act	Coverage of children under age 5 born after September 30, 1983 whose families are income and resource eligible for AFDC	
1986	Omnibus Budget Reconciliation Act		Increase age level by 1 year each FY for all children under age 5 with incomes below 100% FPL. Infants in families with incomes below 100% FPL
1987	Omnibus Budget Reconciliation Act	Coverage of children under age 7 born after September 30, 1983 whose families are income and resource eligible for AFDC	Coverage of infants in families with incomes below 185% FPL and children under age 2, 3, 4, or 5 and born after September 30, 1983 in families with incomes below 100% FPL. Coverage of children under age 8 born after September 30, 1983 whose families are income and resource eligible for AFDC and children under age 8 born after September 30, 1983 with incomes below 100% FPL.
1988	Medicare Catastrophic Coverage Act	Coverage of infants in families with incomes below 75% FPL (1-Jul-89) and infants in families with incomes below 100% FPL (1-Jul-90)	Coverage of children up to eight years of age with family incomes below 75% FPL
1988	Family Support Act of 1988	Extension to twelve months transitional Medicaid coverage to families leaving AFDC rolls due to earnings from work. Coverage of two-parent unemployed families meeting state AFDC income and resource standards.	
1989	Omnibus Budget Reconciliation Act	Coverage of children under age 6 with family incomes below 133% FPL	
1990	Omnibus Budget Reconciliation Act	Coverage of children under age 19 born after September 30, 1983 with incomes below 100% FPL.	
1996	Personal Responsibility and Work Opportunity Act	Coverage of families meeting AFDC eligibility standards as of July 16, 1996 ("Section 1931")	Coverage of higher-income families.
1997	Balanced Budget Act		Coverage of children under age 19 in families with incomes below 200% FPL or higher

Notes: Buchmueller et al. (2016) and Miller and Wherry (2019)

C Occupation Classification

This section describes the occupational coding scheme. I use a modified version of the 1990 Census Bureau occupational classification created by Autor and Dorn (2013). This coding scheme offers a consistent and balanced panel of occupations. The categories of one-, two- and three-digit occupations are shown in table C.1.

Table C.1:
Occupational Classification

One-Digit Occupation	Two-Digit Occupation	Occupational Codes
Managerial and Professional Specialty Occupations	Executive, Administrative, and Managerial Occupations	3-22
	Management Related Occupations	23-37
	Professional Specialty Occupations	43-199
Technical, Sales and Administrative Support Occupations	Technicians and Related Support Occupations	203-235
	Sales Occupations	243-283
	Administrative Support Occupations	303-389
Service Occupations	Private Household Occupations	405-408
	Protective Service Occupations	415-427
	Other Service Occupations	433-472
Farming, Forestry and Fishing Occupations	Farm Operators and Managers	473-475
	Other Agricultural and Related Occupations	479-498
Precision Production, Craft and Repair Occupations	Mechanics and Repairers	503-549
	Construction Trades	558-599
	Extractive Occupations	614-617
	Precision Production Occupations	628-699
Operators, Fabricators and Laborers	Machine Operators, Assemblers, and Inspectors	703-799
	Transportation and Material Moving Occupations	803-889