start only with the second child. Family allowances are ususlly financed by a tax on employers, or out of general governmental revenue. The amount of the family allowance is either the same for all children, or it increases progessively with the number of children in the family. Generally there is a cut-off point for eligible children, which ranges between 14 and 18 years; however, this cut-off point may be extended for children who are in school, or who are sick or handicapped. The family allowance is available to all families regardless of income; however, it may or may not, depending on the country, be subject to personal income taxation.

The merit of examining the family allowance as an anti-poverty measure is that it is used by all major industrial nations, with the exception of the United States, as an income guarantee to children with families. Unlike the negative income tax and the social dividend, which are other commonly recommended income guarantee devices, the family allowance is in current use and can be examined.

However, the family allowance does not appear to be a particularly efficient one when considered as an anti-poverty device. It would be rather foolish to use it for this purpose, unless it was limited to poor families, because it would be like spraying a forest to get at a few decayed trees. It could be made to apply directly to the problem of poverty by limiting it only to poor families.

The negative income tax, although not used by the five countries examined in this statement, appears to be the feasible solution to an income guarantee in the United States. It would cover all poor, not just families with children, and would be relatively easy to handle administratively.