

Work and Welfare Participation Decisions among Poor Single Mothers: Results of Bivariate Probit Analysis

Using the 1992-1994 National Survey of Families and Households, this study examines factors affecting work and welfare program participation among poor single mothers. Assuming that work and welfare decisions are intertwined and are jointly considered, bivariate probit analysis is employed. Results provide a better understanding of poor single mothers and useful implication about the recent welfare reform.

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Over the past decades increasing unwed births and marital disruptions have seen an increase in growth of single mothers living with young children disproportionately constitute the population that has been the target of the recent welfare reforms and stigmatized as the undeserving poor. Politicians have repeatedly attacked this group for their behavior problems and work ethic. The Family Support Act of 1988 required all states to implement work-to-welfare programs for public assistance recipients. In 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), imposing a mandatory work requirement and time limit assistance on welfare recipients (Blank, 1997). Within a limited period of time, welfare mothers must leave welfare for work, and become economically self-sufficient and independent. Therefore, for poor single mothers who are eligible for public assistance programs, work and welfare become inseparable decisions.

Data for this study are taken from the 1992-94 round of the National Survey of Families and Households (NSFH2). The sample (N=385) consists of poor single mothers living with young children under age 18. All respondents are eligible for welfare, which is broadly defined as any kind of AFDC, general assistance, food stamp, or energy assistance. In this study, it is presumed that poor single mothers are involved in a joint decision process, since welfare and work decisions are not mutually exclusive (Fraker & Moffitt, 1988; Gensler & Walls, 1997). Earnings from work influences program participation decision because earned income reduces the potential welfare benefit (Moffitt, 1981). So, a bivariate probit model is employed.

About 70% of the poor single mothers in the sample received public assistance, although they were all eligible for welfare. The mean value of estimated welfare payment was \$178 per month without including non-cash benefits. Over 7% of the sample worked outside the home and the mean age of poor single mothers was 38. About one-third of single mothers had child support, alimony, and family support awards. Average annual family income was \$6,595. Welfare payment increased the likelihood of relying on welfare, while whites and college education decreased the probability of welfare program participation. Welfare payment was negatively related to the likelihood of working for pay outside the home. Meanwhile, being never-married and work experience were adversely associated with work decisions of poor single mothers.

References

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Endnotes

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