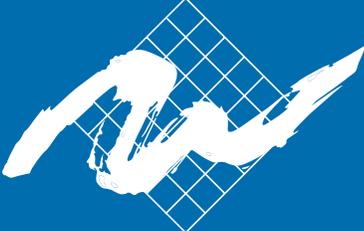


BEFORE & AFTER WELFARE REFORM:
The Work and Well-Being of Low-Income Single Parent Families

Institute for Women's Policy Research



About This Report

This report is the tenth in a series of IWPR reports examining the income sources and employment of low-income families. Beginning with *Low-Wage Jobs and Workers: Trends and Options for Change* in 1989, IWPR staff has used the U.S. Census Bureau's Survey of Income and Program Participation (SIPP) to evaluate the well-being of low-income parents and children.

The current report examines the employment, economic, and demographic characteristics of low-income single parent families before and after welfare reform. Utilizing longitudinal SIPP data, this report highlights the changing characteristics of low-income single parent families immediately before, and roughly three years after, the implementation of welfare reform.

This study was made possible by the generous support of the Ford Foundation, the Charles Stewart Mott Foundation, the Annie E. Casey Foundation, and the David and Lucile Packard Foundation.

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Before and After Welfare Reform: The Work and Well-Being of Low-Income Single Parent Families

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EXECUTIVE SUMMARY

The reauthorization of the Temporary Assistance to Needy Families (TANF) program provides the impetus for the first national welfare reform discussion and debate of the 21st century. Set in a context of increased unemployment, stalled economic growth, and constricted state and federal coffers, shaping welfare policy in a way that meets the needs of impoverished families becomes all the more challenging. In such an environment, a number of issues are key to the construction and implementation of fiscally sound policy that meets the varied needs of struggling American families. The welfare reform debate must explore such issues as: the value of “work first” strategies when they limit opportunities to acquire skills that can lead to higher-quality jobs; the feasibility of increasing work hours and participation requirements, particularly in the face of the likely increased demand for child care; reassessing the structure and implementation of time limits and sanctions, especially with regard to recipients who face multiple barriers to employment, including those who are themselves disabled or must care for disabled family members; and shifting the focus of welfare reform away from caseload reduction and toward poverty reduction so that the measure of success will be that of improving people’s lives.

The purpose of this report is to contribute to federal and state policy debates through an examination of the changing characteristics and economic well-being of low-income single parent families in the context of welfare reform. In so doing, this report examines the employment characteristics, income sources, poverty status, and demographic characteristics of low-income single parent families before and after the implementation of the 1996 welfare reform. In essence, this study finds that examining data collected some three years after the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), welfare recipients are less likely to be in college, less likely to have access to health insurance, and more likely to be concentrated in urban areas. It further finds that while more

low-income single parents are working, their earnings are low, and most—particularly single mothers—remain concentrated in low-wage occupations that do not provide health insurance. In addition, although income is significantly more likely to come from job earnings in the post-reform era, many families have seen little improvement in their overall economic well-being. These findings raise questions about the prudence of mandating increased work hours, particularly within a climate of stalled job growth and without increased education and training opportunities that could provide recipients with the necessary skills to acquire the type of jobs that would provide employment stability, a livable wage, and adequate health care coverage.

This executive summary provides an overview of key findings within each issue-area addressed in the larger report. Each section highlights major findings and provides a brief discussion of insights for state and federal TANF policy formation and implementation.

Data and Sample

This study uses data from the U.S. Census Bureau’s 1996 Survey of Income and Program Participation (SIPP), which provides information on the household and family structure, income sources, employment characteristics, and program participation of individuals, families, and households for the time period December 1995-February 2000. In order to compare the characteristics and well-being of low-income single parent families before and after the passage of PRWORA, this study uses data from the first and last waves of the 1996 SIPP (wave 1 and wave 12). The data from wave 1 cover a time period just prior to the passage of PRWORA (December 1995-June 1996), while the data from wave 12 cover a time period roughly three years after the passage of PRWORA (August 1999-February 2000).

This study examines the population of all low-income single parent families with children¹ with a

¹ A family is defined as a group of two or more persons related by birth, marriage, or adoption and residing together. In this study, the “children” in the family may include the child, grandchild, brother or sister (under 18), another relative (under 18), or a foster child of the referenced person. It is important to note that single parent families may include other adults as well as children. A family is defined as “low-income” if average family income, over the four months of the survey period, falls below 200 percent of the official poverty level. A parent is defined as “single” if they are widowed, divorced, separated, or never married in each of the four months in the survey period.

primary focus on the characteristics and well-being of low-income single parents who are “household heads” (or “householders”). Among low-income single parent household heads, comparisons are made between single mothers and single fathers, and between welfare recipients² and low-income non-welfare recipients.³

Also included in the analysis is an examination of the characteristics and well-being of low-income single parent “subfamilies”:⁴ 99 percent of whom are headed by females in the post-PRWORA time period. Due to the overwhelming over-representation of women in this population, the “subfamilies” sub-sample is restricted to single mothers.

Key Findings

Employment Characteristics and Outcomes

Increasing the employment of low-income single parents (particularly those receiving welfare) is an important goal of PRWORA, and has become a central issue in reauthorization discussions. This report uncovers four sets of findings on labor market characteristics and outcomes of low-income single parents pre- and post-PRWORA that are particularly relevant to TANF discussions surrounding issues of welfare and work:

- While a large share of low-income single parents participate in paid employment pre-PRWORA, work participation increases significantly post-PRWORA (60 to 69 percent), especially among low-income single mother household heads (59 to 68 percent). In addition to increased work participation, low-income single parents also experience increased attachment to their primary jobs as is evidenced by an increase in job tenure over the two time periods (18 months to 24 months).
- Although low-income single parents garner increased monthly earnings in the post-PRWORA period (roughly \$100 per month), no significant increase was found in the share that received health insurance through their employment. Furthermore, employed welfare recipients actually experience a *decline* in access to employment-based health insurance (21 to 14 percent post-PRWORA) in spite of increased work participation

- Over three-quarters (78 percent) of employed low-income single parents are concentrated in four typically low-wage occupation groups (service; administrative support and clerical; operators, fabricators, and laborers; and sales and related). The industrial distribution of employed single parents mirrors this trend as 44 percent work in services, and another 25 percent work in retail trade.

- Significant gender differences exist across a variety of employment characteristics. While low-income single mother household heads experience a much greater increase in work participation than their male counterparts (a 9 percentage point increase versus a 1 percentage point increase) post-PRWORA, single mothers do not experience the largest increases in average monthly earnings or primary job hourly wage rates, and continue to earn significantly less than low-income single fathers post-PRWORA. In addition, the occupational and industrial distribution is quite different for low-income single mothers and single fathers, with low-income single mothers concentrated in low-wage, traditionally “female” jobs.

These findings are consistent with the concerns of many that increases in employment do not necessarily result in moving low-income single parents toward long-term economic self-sufficiency. They highlight the need for policy to address the many problems of low-wage work in a broad and systematic way (through, for example, increases in the minimum wage and/or the establishment of living wages and the provision of necessary work supports). In particular, these findings emphasize the importance of public health insurance programs, such as Medicaid, and support calls for extending such programs to a wider range of low-income workers and families.

Regarding the issue of gender disparities, these findings highlight the need to expand opportunities for low-income single mothers to move out of low-wage traditionally female jobs, through education and training programs that allow them to acquire and develop the necessary skills and through equal opportunity policies that break down barriers in the labor market. In addition, these find-

² Welfare recipients are defined as families who receive AFDC/TANF for at least one month of the four-month survey period.

³ Low-income non-welfare recipients are defined as families that do not receive AFDC/TANF during any month of the four-month survey period.

⁴ A subfamily is defined as a nuclear family that is related to, but does not include, the household head.

ings reinforce the importance of pay equity legislation aimed at improving wages in traditionally female sectors of the economy, so that workers who are likely to remain in those sectors can adequately support their families through work.

Income Sources and Poverty Status

With the passage of PRWORA and the implementation of the TANF program, welfare reformers sought to increase the reliance of low-income single parent families on earnings and familial income sources (such as child support) and to reduce their reliance on public assistance income (particularly AFDC/TANF). Three sets of findings on the income sources and poverty status of low-income single parent families pre- and post-PRWORA are particularly relevant in informing any discussions regarding the future of TANF.

- There are increases in average monthly family incomes (\$114 per month) over the three years following the passage of PRWORA. In addition, low-income single parent families experience considerable changes in the importance of different income sources as earnings and child support replace a portion of AFDC/TANF income.
- Important differences are found in the changes in income sources and poverty status of different groups of low-income single parent families. Specifically, single mother subfamilies are particularly disadvantaged. The share that receives income from child support stagnates in this period, while the share that receives AFDC/TANF declines significantly (from 28 to 15 percent) along with average monthly subfamily incomes (from \$664 to \$647 per month). This results in a very high incidence of poverty for such families; more than 70 percent are poor in both time periods.
- Although the share of low-income single parent families with incomes below the official poverty line declines across the time periods included in this study (from 59 to 51 percent), the incidence of poverty remains very high. Roughly 3.1 million families live in poverty after welfare reform, including 1.5 million who live in dire poverty (income less than 50 percent of poverty). In addition, the poverty gap⁵ for poor single parent families does not decline in the post-PRWORA time period.

Although some groups of low-income single parent families experience the changes in income sources that would be expected, given the goals of recent welfare policy (such as the increased importance of income from earnings and child support and the decreased importance of income from AFDC/TANF), improvements in the average incomes of these families are modest, as is evidenced by an average \$114 monthly increase over this time period. This modest increase yields disappointing results in terms of changes in poverty status. Although there is a decline in the share of low-income single parent household heads that are poor (from 59 to 51 percent), fully one-half (roughly 3.1 million families) remain poor, including one-quarter (1.5 million families) who live in dire poverty, in the post-PRWORA time period.

Demographic Characteristics

The demographic characteristics of low-income single parent families provide insights into the situations and challenges these families face in a changing economic and policy environment. Three sets of findings on the demographic characteristics of low-income single parents pre- and post-PRWORA are particularly relevant to TANF discussions:

- While the vast majority of low-income single parents continue to be female, there are significant changes in the post-PRWORA racial/ethnic composition of low-income single parents, including those who are welfare recipients.
- The educational attainment of low-income single parents significantly changes across the two time periods included in this study. Most importantly, the share of low-income single parents who have acquired some college education decreases following the implementation of welfare reform.
- There are significant increases in the urban concentration of low-income single parents (from 70 to 82 percent) in the post-PRWORA time period. Likewise, substantial changes occur in the regional distribution of welfare recipients as caseloads radically decrease in the South (from 32 to 20 percent) of the total for the United States, and increase in the Northeast (from 17 to 26 percent).

⁵ The “poverty gap” is a measure of the depth of poverty and is defined as the average annual amount of income necessary to move a poor family up to the official poverty threshold.

Perhaps the most striking demographic change experienced, following the passage of PRWORA, is the significant shift in the racial/ethnic composition of low-income single parent families and welfare recipients. Although non-Hispanic whites constitute the largest share of low-income single parent household heads in both time periods (45 percent pre-PRWORA and 42 percent post-PRWORA), the share of non-Hispanic white welfare recipients declines significantly over the two time periods (34 vs. 24 percent post-PRWORA). Conversely, the proportion of Hispanic welfare recipients undergoes a dramatic increase (20 vs. 30 percent post-PRWORA). Interestingly, while the representation of blacks among welfare recipients remains stable over this time period (at roughly 43 percent), they are the only racial group to experience an increase in the percentage of non-welfare recipients who remain low-income between the two time periods (29 vs. 34 percent post-PRWORA). These findings are consistent with concerns that white single parents may be more able to move out of the low-income population than single parents from racial/ethnic minority groups and support calls for closer monitoring of the racial/ethnic impacts of welfare reform and the need to address racial/ethnic inequities in welfare policy and in the labor market.

The educational attainment of single parents also changes with the implementation of work-oriented welfare policies over this time period. Of most concern, the share of low-income single parents who have some college education declines, particularly among welfare recipients (from 24 to 17 percent). These findings raise questions about the ability of low-income single parents to acquire the skills they need for long run economic success in a “work first” policy environment, and support calls to redefine the role of education and training in welfare policy and to expand educational opportunities for low-income parents.

Recommendations for TANF Policy

Overall, the evidence presented in this report strongly supports calls to make poverty reduction the primary purpose of TANF. In so doing, federal and state welfare policies should address these key points:

■ In working towards poverty reduction, work and family supports must be expanded. This is partic-

ularly true if work hour requirements are increased. Support should include greater income supports, increased child care subsidies, and broader education and training opportunities, including expanded access to higher education, so that low-income single parents have an opportunity to acquire the skills they need to attain and maintain quality, stable employment.

- The changing face of welfare deserves special examination. Specifically, monitoring the racial/ethnic impacts of welfare reform could provide insight into possible racial/ethnic inequities in employment and educational opportunities and may shed light on the disparate levels of welfare transitioning success experienced by whites and people of color.
- The overwhelming over-representation of women among TANF recipients underscores the need to address issues of particular relevance to women, including occupational segregation in employment and education and gender inequities in social welfare policy and labor markets. Unless these issues are substantively addressed, opportunities to escape poverty will be severely limited for most TANF recipients.

Conclusions

This report provides strong evidence that increased participation in paid work for many low-income single parents has not resulted in increases in economic well-being for many families. An agenda for the future of welfare policy that prioritizes poverty reduction is a necessity. States must account for how TANF funds are spent and for the impact of welfare reform on different segments of the population (including the monitoring of racial/ethnic impacts). Placing poverty reduction at the top of the TANF reauthorization agenda also means seriously rethinking the structure and implementation of policies that restrict the access of vulnerable families to income support. If work-oriented welfare policies are to do more than swell the ranks of the working poor, emphasis needs to be placed on the *quality* of jobs available to low-income single parents. Greater access to work and family supports and education and training opportunities are necessary if employment is to provide a pathway to real economic security for low-income single parents and their children.

INTRODUCTION

The 1996 welfare reform legislation, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), replaced Aid to Families with Dependent Children (AFDC)—the federal cash public assistance program established in 1935 to serve poor single mothers and their children—with a state-level block grant, the Temporary Assistance to Needy Families (TANF) program. This legislation significantly changed the structure of income support for poor single parent families in the United States by eliminating the entitlement to cash assistance, imposing a time limit on federal aid, and granting broad discretion to states in designing a “work-based safety net” for poor families with children.

The purpose of this report is to contribute to discussions surrounding state, local, and federal TANF policy and implementation through an analysis of the characteristics, work, and well-being of low-income single parent families before and after welfare reform.

Research Questions

This report is organized around three primary research questions that address the demographic characteristics, income sources, poverty status, employment characteristics, and outcomes of low-income single parent families before and after the passage of PRWORA:

- What are the employment characteristics and outcomes of low-income single parents roughly three years after the passage of PRWORA, and how do they compare with the employment characteristics of this population in the time period just prior to the passage of this legislation?
- Are low-income single parent families economically better-off three years after the passage of PRWORA, a time period characterized by strong economic growth and economic gains for many families?
- What are the demographic characteristics of low-income single parent families roughly three years after the passage of PRWORA, and how do they

compare with the demographic characteristics of this population in the time period just prior to the passage of this legislation?

The report addresses these questions and discusses the relevance of the findings for federal and state TANF policy discussions. Chapter 2 examines the employment characteristics of low-income single parents before and after the passage of PRWORA, highlighting changes in work participation, labor market outcomes (such as earnings, hourly wages, and health insurance coverage) as well as the occupational and industrial distributions of different groups of working low-income single parents. In Chapter 3, changes in the average family incomes, income sources (such as earnings, government programs, child support, family members, etc.), and poverty status of the different groups of low-income single parent families are explored. Chapter 4 presents the key demographic characteristics of low-income single parents and their families (such as the parent’s gender, age, race/ethnicity, educational attainment, family size, and geographic location) and examines how these characteristics compare pre- and post-PRWORA across different groups of low-income single parents.

This study finds that, although the participation of many low-income single parents in market work increases three years after the passage of welfare reform, earnings and wages remain low with low-wage occupations and industries dominating employment, particularly among low-income single mothers. In addition, while significant changes are found in the income sources of low-income single parent families, this results in little (if any) improvement in their economic well-being. Although little change occurs in the representation of women among low-income single parents (this group remains overwhelmingly female), significant changes are observed in other key areas such as racial/ethnic composition, educational attainment, and geographic location of low-income families and welfare recipients following the implementation of welfare reform. While this study does not attempt

to distinguish the impacts of welfare reform from other policy changes and economic conditions, these findings provide insights into the experiences of low-income single parent families in this new policy context and are consistent with a number of policy concerns raised in TANF reauthorization discussions. The remainder of this introductory chapter describes the policy context (TANF reauthorization) and the data (the 1996 Survey of Income and Program Participation, Waves 1 and 12) for this study.

Policy Context: Federal TANF Policy and State Implementation

A number of issues and questions of critical importance to low-income single parents and their families have been debated in the context of TANF reauthorization. This section briefly identifies some of the key elements and impacts of TANF identified in early research. It also highlights some of the issues and goals for federal and state policy change and implementation, and provides the context for this study.

Key Elements of TANF

The changes associated with the formation of the TANF program were extensive, including change in federal and state law and state and local implementation practices. The provisions in federal law often identified as the key elements of TANF's "work-based safety net" include: the elimination of the entitlement to cash assistance, block grant funding, mandatory work requirements, sanctions, and a five-year time limit on cash assistance:

- ***Elimination of Cash Welfare Entitlement:*** Under the AFDC program, states were required to aid all families eligible under state income standards; this is no longer the case under TANF. It is now left up to the states to determine when, and under what conditions, they will provide cash public assistance to poor families (Committee on Ways and Means 2000; Greenberg et al. 2000).
- ***Block Grant Funding:*** The TANF block grant was established as an essentially fixed sum of \$16.5 billion per year for six years. Each state receives a lump sum of federal funds, representing roughly what the state received in AFDC and AFDC-related funds in (or near) 1994. Each state also has a

maintenance of effort requirement, which obligates it to continue spending 75 to 80 percent of the amount it spent on AFDC and AFDC-related expenditures in 1994 (Committee on Ways and Means 2000; Greenberg and Laracy 2000).

- ***Work Requirements:*** The 1996 law requires that a specified and rising percentage of the total caseload be engaged in specific work activities that are listed in the law. States must require recipients to participate in these work activities after they have received no more than two years of assistance; all recipients must participate, except those with a child under 12 months, if the state chooses to exempt them. In the federal law, education and training activities count toward the work participation requirements, but only to a very limited extent. Most states have adopted a "work first" approach, where the primary goal of welfare-to-work programs is the rapid placement of recipients into jobs for which they are currently qualified (Committee on Ways and Means 2000, 353; Greenberg and Laracy 2000; Pavetti 2000).
- ***Sanctions:*** Under the TANF program, states must reduce the cash TANF benefit of adults who fail to meet the work requirement designed by the state. Thirty-seven states have chosen to implement "full-family sanctions," meaning they can end the entire cash TANF benefit of families who fail to meet work requirements. In addition, the federal government will reduce the block grant of states that fail to have the specified percentage of their caseload engaged in work activities (Pavetti 2000; Haskins, Sawhill, and Weaver 2001a, 2001b).
- ***Five Year Time Limit:*** States may not use federal TANF funds to provide assistance to a family that includes an adult who has received federally-funded TANF assistance for five years. States may allow exceptions for up to 20 percent of families receiving assistance. They also have the option of adopting a shorter time limit, or using their own funds to continue cash assistance beyond the five-year limit (Committee on Ways and Means 2000; Greenberg et al. 2000; Haskins, Sawhill, and Weaver 2001b).

Impacts of Welfare Reform

The most widely cited impact of welfare reform is the decline in the number of families

receiving cash public assistance. The national welfare caseload reached its peak in 1994, with five million families receiving cash public assistance. By the time of welfare reform's passage in August of 1996, caseloads had declined to 4.4 million families; after welfare reform, the rate of decline in the caseload escalated, falling to 2.5 million families by June 1999—a 50 percent decline from the peak in 1994 (Committee on Ways and Means 2000; Greenberg and Laracy 2000).

Another widely cited impact of welfare reform is the increase in the employment rates of various groups of single mothers. National labor force data indicate that, after a decade of little change, the number of single mothers participating in paid work rose by 25 percent between 1993 and 1999, including a 50 percent increase in the number of never married mothers who were employed (Haskins, Sawhill, and Weaver 2001a). State and national studies consistently show that roughly 60 percent of those who have left the TANF program are employed shortly after leaving the program (Bernstein and Greenberg 2001; Haskins, Sawhill, and Weaver 2001a).⁶

The findings on other indicators—such as earnings, income, and poverty—are less striking than those on welfare caseloads and employment. Research on “welfare leavers,” for example, consistently finds that those leaving welfare for employment typically enter jobs paying belowpoverty-level wages and do not receive employer-provided benefits, such as health insurance and paid sick or vacation leave. In addition, many of these families fail to receive key public income supports—including Medicaid, child care assistance, and Food Stamps—even though their incomes are low enough to meet eligibility requirements (Committee on Ways and Means 2000; Greenberg and Laracy 2000; Greenberg et al. 2000; Pavetti 2000; Bernstein and Greenberg 2001).

The growth in the total incomes of these families also has been disappointing, particularly in light of the significant increases in employment. Even

though the increase in employment has augmented the aggregate earnings of poor single mothers as a group, many of these families have had their average income increase very little, if at all, since any increase in their earnings has been offset by the loss of their welfare benefits (Primus and Daugirdas 1999; Committee on Ways and Means 2000; Pavetti 2000; Haskins, Sawhill, and Weaver 2001).

Despite early predictions that welfare reform would increase poverty, official poverty statistics show that poverty rates have declined since the passage of PRWORA (Haskins, Sawhill, and Weaver 2001a). Yet, caseload declines have greatly exceeded declines in poverty; substantially reducing the share of poor families who receive public assistance (Primus and Daugirdas 1999; Committee on Ways and Means 2000; Greenberg 2000; Lyter, Sills, and Oh 2002). In addition, “dire” or “deep” poverty (i.e., family income below 50 percent of the poverty level) has increased among some single mother families. This means that some groups of poor single mothers and children not only have remained poor over this time period, but have actually become poorer (Porter and Dupree 2001; Pavetti 2000; Haskins, Sawhill, and Weaver 2001b; Lyter, Sills, and Oh 2002).

Federal TANF Policy Issues

Poverty Reduction

Perhaps the most fundamental issue to be addressed through federal policy-making is the primary purpose of TANF (and welfare reform in general). Welfare advocates, and many progressive welfare researchers, place changing the central focus of TANF from caseload reduction to poverty reduction as the top priority for shaping policy design and implementation. This includes changing the criteria used to reward states for success, such as basing the “high performance bonus” on poverty reduction (Edelman 2000; Harrington and Rozell 2000; Bernstein and Greenberg 2001; Gordon 2001). Making poverty reduction the primary goal of TANF has important implications for all other facets of

⁶ The question of how much of the decline in caseloads and the increase in employment is due to welfare reform, and how much is due to the strong economy or other policy changes is an important one, particularly in the context of a weakening economy. Unfortunately, existing studies do not provide a definitive answer (Haskins, Sawhill, and Weaver 2001a), but many indicate that the economy has played a substantial role (accounting for at least half of the change) in both the decline in caseloads and increase in employment (Bernstein 2001).

welfare policy, including funding levels and state accountability, time limits, sanctions, and “work first” welfare-to-work strategies.

Welfare and Work

One of the most critical features of federal TANF poverty is that of work hour requirements. As a prelude to TANF reauthorization, President Bush released a plan detailing his vision to significantly increase work and participation requirements for families assisted by TANF (Office of the President 2002). Bush’s “work first/work more” approach gives highest priority to finding a job, working longer hours, and limiting the extent to which education and training can count as work activity. Findings that welfare leavers generally have low earnings, face high levels of job instability, and have little upward mobility have raised serious concerns about the sensibility of this approach (Van Lare and Griener 2000; Instead, many researchers argued for the redefinition of “work activities” to place more emphasis on education and training and to expand education and training opportunities for low wage workers (Edelman 2000; Greenberg 2000; Harrington and Rozell 2000; Tally 2002; Lyter 2002). Further, it is argued that nontraditional job training opportunities should be made more available for welfare recipients to enhance their ability to move into jobs paying living wages (Negrey et al. 2002; NOW LDEF 2001).

TANF Funding Levels

Increasing work hour requirements leads to increased program expenses, most notably due to the increased need for child care (Greenberg et al. 2002). According to one study, doubling weekly work participation requirements for single parents with children under six would require over \$15 billion in additional TANF funding. Roughly half of these costs (\$7.9 billion) would be used for the extra child care necessary for TANF recipients to increase their time at work. However, the economic downturn that began at the dawn of the new millennium has persisted in recent years, leaving both state and federal coffers severely strained. Adequate TANF funding appears more and more distant as the economy continues to stall (Greenberg et al. 2002).

Some policymakers argue that because welfare caseloads have declined since the pre-TANF era, states should require less TANF funding (Haskins,

Sawhill, Weaver 2001b, 2). But research indicates that the remaining caseload has many unmet needs and much more should be done to assist the working poor, as well as poor parents with severe and multiple barriers to employment (Blank 2000; Greenberg et al. 2000; Greenberg and Laracy 2000; Van Lare and Griener 2000; Edelman 2000).

Although it is true that welfare caseloads remain below pre-TANF levels, they have started creeping up in most states across the country. Between June 2000 and June 2001 for example, 17 states saw their TANF caseload increase. By June of 2002, the number of states had increased by roughly 75 percent, with 29 states reporting increased TANF caseloads. These increases were rather substantial; averaging just over 9 percent, with the hardest hit states reporting increases well into the double-digits (e.g., Nevada at 66 percent; Indiana at 19 percent; and Colorado at 15 percent). Such figures foreshadow an increasing need for assistance, whether or not adequate funding is provided (Center for Law and Social Policy 2002).

In an environment of fiscal constraint, states are expected to be held more accountable for the way they spend their block grants, for example, by expanding their reporting and tracking requirements to more adequately assess the impacts of welfare reform (Edelman 2000; Harrington and Rozell 2000; Bernstein and Greenberg 2001; Gordon 2001). Many researchers and advocates are particularly concerned by evidence of racial/ethnic disparities in the implementation and impacts of TANF and suggest that states should be required to explicitly monitor outcomes for welfare leavers by race and ethnicity (Carroll 2001; Gordon 2001; Rockey Moore and Cox 2002; Savner 2000).

Time Limits

Seen by many as the “hallmark of welfare reform,” time limits remain one of the most controversial features of the program. Although supporters of time limits argue that they play “an enormous symbolic role” (Rector 2001, 267), many researchers and advocates argue that, in the context of mandatory and strictly enforced work requirements, there is no rationale for placing arbitrary time limits on welfare receipt. Many argue that, at the very least, the federal time limit structure should be revised to provide more flexibility in assisting working fami-

lies—for example by “stopping the clock” when a parent is employed, caring for young children, or going to school—and increasing exemptions for those who cannot find and maintain employment due to barriers such as caring for a chronically ill or disabled child, or experiencing domestic violence (Edelman 2000; Greenberg 2000; Greenberg et al. 2000; Harrington and Rozell 2000; Van Lare and Griener 2000; Haskins, Sawhill, and Weaver 2001b).

Supporters of strict sanctions argue that they “send an important message that the state is serious about changing behavior” (Rector 2001) and are necessary for the implementation of mandatory work requirements. Research shows that, in fact, sanctions are widely and routinely used. In some states, as many as one-third of TANF cases are under sanction or have received a sanction (Haskins, Sawhill, and Weaver 2001b). Critics of current sanction policies report research findings showing many families who have lost assistance through sanctions are among those with the least education and most severe barriers to employment and often do not understand why they are being sanctioned (Bernstein and Greenberg 2001; Pavetti and Bloom 2001; Haskins, Sawhill, and Weaver 2001b). Welfare advocates call for increased state and local accountability in terms of sanctioning policies, federal protections against arbitrary sanctions, and increased outreach and services to promote compliance and resolve obstacles prior to sanctioning (Edelman 2000; Greenberg 2000; Greenberg et al. 2000; Harrington and Rozell 2000).

Data and Sample

This study uses data from the U.S. Census Bureau’s 1996 Survey of Income and Program Participation (SIPP), which provides information on

the household and family structure, income sources, employment characteristics, and program participation of individuals, families, and households for the time period December 1995-February 2000.

In order to compare the characteristics and well-being of low-income single parent families before and after the passage of PRWORA, this study uses data from two “waves”—wave 1 and wave 12—of the 1996 SIPP.⁷ The data from wave 1 (including information for the December 1995-June 1996 time period) are the earliest data in the 1996 SIPP and cover a time period just prior to the passage of PRWORA;⁸ the data from wave 12 (including information for the August 1999-February 2000 time period) are the most recent data available in the 1996 SIPP and cover a time period roughly three years after the passage of PRWORA.⁹

Study Population: Low-Income Single Parent Families with Children

The population examined in this study is all low-income single parent families with children.¹⁰ A family is defined as “low-income” if average family income falls below 200 percent of the official poverty level across four months in the survey period. Parents are defined as “single” if they are widowed, divorced, separated, or never married over the four months of the survey period.

The population of all low-income single parent families with children was selected (instead of only the welfare caseload) because many welfare experts believe that the changes associated with PRWORA are so fundamental they will be felt throughout low-income communities (Institute for Research on Poverty 2001). Recent studies find there is a great deal of movement between the population of welfare

⁷ Interviews for the SIPP take place in “waves;” each wave covers four months. Survey respondents are divided into four “rotation groups,” and each rotation group is interviewed once during a wave. For most survey items, information is collected for each of the four calendar months prior to the interview date. In wave 1, interviews were held April 1996-July 1996 collecting data for December 1995-June 1996; in wave 12, interviews were held December 1999-March 2000 collecting data for August 1999-February 2000.

⁸ PRWORA was passed in August 1996 and the policy changes stipulated in this legislation officially took effect in October 1996. States, however, report TANF implementation dates ranging from September 1996-July 1997. In addition, 29 states were granted major welfare waivers prior to PRWORA, with dates ranging from October 1992-March 1996.

⁹ Throughout this report, “pre-PRWORA” will be used to refer to the wave 1 (December 1995-June 1996) time period and “post-PRWORA” will be used to refer to the wave 12 (August 1999-February 2000) time period.

¹⁰ In the SIPP, a “family” is defined as a group of two or more persons related by birth, marriage, or adoption and residing together; all such persons (including related subfamily members) are considered members of one family. In this study, the “children” in the family may include the child, grandchild, brother or sister (under age 18), another relative (under age 18), or a foster child of the reference person. It is important to note that single parent families may include other adults as well as children.

recipients and the non-welfare low-income population. Therefore, welfare reform policies are likely to impact a wide range of low-income families. In addition, recent literature suggests that, as the welfare system becomes increasingly work oriented, the distinction between welfare recipients and other low-income workers and families becomes less and less meaningful. While this study examines the characteristics and well-being of all low-income single parent families with children, it also distinguishes between “welfare recipients” and “non-welfare recipients” in each time period to determine if the characteristics and well-being of these two populations become more or less similar as the number of families receiving public assistance decreases.

This study focuses on low-income single parent families (instead of all low-income families), because this is the population most directly impacted by PRWORA and continues to be the focus of welfare reform discussions. Although “welfare” is typically associated with cash assistance to poor single mothers, low-income single fathers are receiving increasing attention in welfare policy discussions. Due to the increased policy interest in low-income single fathers, they are included in this study and compared with low-income single mothers. In addition, the characteristics and well-being of low-income single mothers and single fathers are compared to spotlight the significance of gender differences among low-income single parents.

Studies of the changing characteristics and economic well-being of low-income single parent families tend to focus on the families of single parents who are “household heads” (or “householders”). This study focuses primarily on the characteristics and well-being of this population, but also examines the characteristics and well-being of low-income single parent “subfamilies” (i.e., a parent and her/his children who live, and are related to, the household head). The presence of subfamilies in larger family households challenges the perception of single parents as lone adults living only with their children, and provides a context for examining the role that familial relationships play in the economic survival strategies of some low-income single parents. In addition, this study seeks to determine if this subpopulation of low-income single parents differs from the larger population of low-income single parent household heads in important ways.

Study Subpopulations

Within the population of low-income single parent families there are many important subpopulations whose situations should be considered in assessing the impacts of welfare reform (Institute for Research on Poverty 2001). This study’s various sub-populations are defined below:

Household heads

In the 1996 SIPP, the “household head” (or “householder”) is the person in whose name the house is owned or rented. For this subpopulation, “low-income singleparents” are defined as household heads of families with children whose average family income falls below 200 percent of the official poverty level, and who are single (i.e., widowed, divorced, separated, or never married) in each of the four months in the survey period. In the pre-PRWORA (December 1995-June 1996) sample, there are 2,798 low-income single parent families representing a population of roughly 6.7 million; in the post-PRWORA (August 1999-February 2000) sample, there are 1,612 low-income single parent families representing a population of roughly 6.1 million.

Single mothers and single fathers:

The sample of low-income household heads is stratified by gender in both time periods. In the pre-PRWORA (December 1995-June 1996) sample, there are 2,458 low-income single mother families, representing a population of roughly 5.8 million, and 340 low-income single father families, representing a population of roughly 880,000. In the post-PRWORA (August 1999-February 2000) sample, there are 1,428 low-income single mother families, representing a population of roughly 5.2 million, and 184 low-income single father families, representing a population of roughly 800,000.

Welfare recipients and non-welfare recipients:

The sample of low-income household heads is also stratified by welfare reciprocity status in both time periods. “Welfare recipients” are defined as families of low-income single parent household heads who receive income from AFDC/TANF for at least one month of the four month survey period. “Non-welfare recipients” are defined as families who do not receive AFDC/TANF during any month of the

survey period.¹¹ It is important to note that this definition of “welfare recipients” and “non-welfare recipients” is for a particular point in time and does not address questions of welfare history. During both time periods under study, some of the welfare recipients may be receiving AFDC/TANF for the first time, while others may be long-term recipients; some of the non-welfare recipients may never have received AFDC/TANF, while others may be recent “welfare leavers.” Recent research suggests that “welfare leavers” are a very diverse population that includes both the “most job ready” and “better-off” former welfare recipients as well as the “least job ready” and “most disadvantaged” former welfare recipients (see, for example, Research Forum on Children, Families and the New Federalism 2001).

In this study, the pre-PRWORA (December 1995-June 1996) sample includes 971 welfare recipients, representing a population of roughly 2.2 million families, and 1,827 non-welfare recipients, representing a population of roughly 4.5 million families. In the post-PRWORA (August 1999-February 2000) sample, there are 281 welfare recipients, representing a population of roughly 1.1 million families, and 1,331 non-welfare recipients, representing a population of roughly 5.0 million families.

Subfamily heads

In the 1996 SIPP, a “related subfamily” is defined as a nuclear family that is related to, but does not include, the household head (householder or household reference person); a subfamily head is the head of a related subfamily. For this subpopulation, “low-income single parents” are those whose average subfamily family income falls below 200 percent of the official poverty level and who are single (i.e., widowed, divorced, separated,

or never married) in each of the four months of the survey period. In the pre-PRWORA (December 1995-June 1996) sample there are 596 low income single parent subfamilies, representing a population of roughly 1.6 million. In the post-PRWORA (August 1999-December 2000) sample there are 391 low-income single parent subfamilies, representing a population of roughly 1.4 million. Pre-PRWORA, low-income single parent subfamilies account for 19.5 percent of all low-income single parent families; this falls slightly to 18.9 percent in the post-PRWORA time period.

As illustrated in Table 1.1, the vast majority of low-income single parent subfamily heads are the children of the primary family head. This percentage increases over the two time periods (from 81 to 87 percent). Low-income single parent subfamily heads are not, as popular discussion might suggest, predominately teen parents: fewer than one-fifth (roughly 18 percent) are teens in both time periods. Low-income single parent subfamily heads are, however, overwhelmingly female. The share of low-income single parent subfamily heads who are single mothers increases from 90 percent to nearly 99 percent over the two time periods. Given the small sample size for low-income single father subfamily heads, this study examines low-income single mother subfamilies only.¹² In the pre-PRWORA (December 1995-June 1996) sample there are 547 low income single mother subfamilies, representing a population of roughly 1.5 million. In the post-PRWORA (August 1999-December 2000) sample there are 385 low-income single mother subfamilies, representing a population of roughly 1.4 million.

Throughout this study, differences between two groups or between two time periods are statistically significant unless otherwise noted.

¹¹ Because the cash public assistance program most associated with “welfare” changes from AFDC to TANF over the course of this study, these programs will be referred to as “AFDC/TANF” throughout this report.

¹² The fact that such a very small share of low-income single family subfamily heads are male suggests that the “private safety net” for single parents that may exist through family members differs for single fathers and single mothers. This is an issue that needs careful research in light of the increasing policy emphasis on single fathers.

Table 1.1
Low-Income Single Parent Subfamily Heads, Pre- and Post-PRWORA^a

	<u>December 1995 – June 1996 (Wave 1)</u>	<u>August 1999 – February 2000 (Wave 12)</u>
Sample Size (unweighted)	596	391
Sample Size (weighted) ^b	1,620,497	1,415,932
Relationship to Primary Family Heads		
Child	81.0%	87.0%
Grandchild	2.7%	2.4%
Parent	4.0%	0.3%
Brother/Sister	7.3%	5.0%
Other Relative	5.0%	5.3%
Teen Parents^c	18.2%	18.2%
Gender		
Male	10.0%	1.3%
Female	90.0%	98.7%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line. A subfamily head is the head of a related subfamily; a related subfamily is a nuclear family that is related to, but does not include, the household head.

^b All descriptive statistics presented are based on weighted data, which are representative of the national population.

^c Teen parents are those who are under age 20.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

EMPLOYMENT CHARACTERISTICS AND OUTCOMES OF LOW-INCOME SINGLE PARENTS, PRE- AND POST-PRWORA

A previous study by the Institute for Women's Policy Research (IWPR) found that, contrary to popular stereotypes of "idle welfare mothers," the majority of welfare recipients in the late 1980s participated in the labor force, either by working for pay or actively looking for work. Those who found employment, however, often worked in low-wage "women's occupations," which lacked employment stability and health insurance benefits (Spalter-Roth et al. 1995). Little has changed since the implementation of welfare reform. Factors on both the supply and demand side of the labor market drive low-income women into unstable, low-wage—often stereotypically "female"—jobs that hinder their efforts to achieve economic self-sufficiency through market work. On the supply side of the labor market, many low-income women lack the skills necessary to move into better-paying more stable jobs. And, with the "work first" approach dominating current welfare policy, the opportunities for poor single mothers to acquire skills while receiving public assistance are further limited. Recent research by IWPR finds that welfare leavers are most likely to be trained for low-paying "women's work" in service and clerical occupations (Negrey et al. 2001).

On the demand side, low-income women face a gender and race segregated labor market that often relegates them to jobs in the lowest paying occupations and industries (Hartmann, Allen, and Owens 1999). Despite this labor market reality, increasing the employment of low-income single parents (particularly those receiving welfare) has become a central issue in state and national policy debates. This chapter contributes to this debate by examining the implications of welfare reform as they relate to various employment characteristics of low-income single parents. Specifically, it focuses on the key employment characteristics and outcomes of low-income single parents and their primary jobs,¹³ before and after the passage of PRWORA, by addressing the following questions:

- In which occupations and industries do low-income single parents hold their primary jobs? Does this vary across different groups of working low-income single parents?
- How does the work participation of low-income single parents change in the context of welfare reform? Do these parents experience changes in compensation (e.g., earnings and health insurance coverage) associated with this work?
- Are there changes in the measures of attachment working low-income single parents have to their primary jobs (such as work hours, job tenure, and union membership) or in the hourly wages they receive from these jobs?

Employment Measures

This chapter examines several measures of "work participation" to provide information on the extent to which low-income single parents are involved in paid (wage and salary) employment. A measure of "self-employment" is also reported to capture work activity outside of wage and salary employment. Furthermore, the share of low-income single parents with a work-limiting or work-prohibiting disability is included in the analysis to capture information on this important barrier to employment. In order to provide measures of the types of compensation available through employment, monthly personal earnings are reported as well as the share of parents receiving health insurance coverage.

The characteristics of the primary jobs held by employed low-income single parents are reported to provide more detailed information on the stability and quality of their employment. Average work hours, job tenure, hourly wage rates (calculated for all wage and salary workers), and union membership provide insight into how much low-income single parents work; how attached they are to their jobs; and how well they are compensated for their work. The occupational and industrial dis-

¹³ A worker's primary job is defined as the job lasting the longest or the job with the highest earnings.

tribution provides further information on the nature of these jobs and the possibility of further labor market advancement for these workers.

The first section of this chapter examines the employment characteristics and outcomes of low-income single parent household heads, looking first at general employment characteristics (Tables 2.1 and 2.2), then at the characteristics of the primary jobs held by those who are employed (Tables 2.3 and 2.4). The characteristics and outcomes of low-income single mother and single father household heads (Tables 2.1 and 2.3), and welfare recipient and low-income non-welfare recipient household heads (Tables 2.2 and 2.4), are also compared. The second section examines the employment characteristics and outcomes for low-income single mother subfamily heads, and compares them with those of low-income single mother household heads (Tables 2.5 and 2.6). The final section identifies key findings of particular relevance for TANF reauthorization discussions.

Employment Characteristics and Outcomes of Low-Income Single Parent Household Heads¹⁴

General Employment Characteristics

Work Participation

As illustrated in Table 2.1, a large share of low-income single parents participated in paid employment before the passage of welfare reform. Slightly more than 60 percent report working at some time during the four month survey period (“ever worked”) and 50 percent report working in all four months of the survey period (“always worked”). In the post-PRWORA period, however, there is a significant increase in work participation; as 69 percent of low-income single parents report working at some time during the survey period, and 60.1 percent report working in all four months. Additionally, the average number of weeks worked increased from 9 to 11 weeks during the four-month survey period post-PRWORA.

The increase in work participation is particularly high among low-income single mothers. Among this cohort, the share who work for pay at

some time during the survey period increases from 58.5 to 68.1 percent, and the share who work in all four months of the survey period increases from 48.0 to 58.6 percent. In addition, the average number of weeks with work for these single mothers increases from 8.7 to 10.7 (of a possible 14.0). Low-income single fathers remain more likely than low-income single mothers to work for pay, and work a higher average number of weeks, but these differences become smaller in the context of welfare reform.

As illustrated in Table 2.2, there is an increase in the work participation of both welfare recipients and low-income non-welfare recipients over the two time periods; however, the increase is larger for welfare recipients. Nevertheless, a much smaller share of low-income single parents who are welfare recipients participate in paid employment during the survey period, and have fewer weeks in which they work, than low-income non-welfare recipients. In the post-PRWORA time period, 36.4 percent of welfare recipients report having worked at some time during the survey period, as compared with 76.0 percent of low-income non-welfare recipients; roughly one-quarter (25.8 percent) of welfare recipients report having worked in all four months of the survey period, as compared with nearly two-thirds (67.4 percent) of low-income non-welfare recipients. On average, welfare recipients worked in 5 weeks of the survey period in the post-PRWORA time period, while low-income non-welfare recipients worked in 12 weeks. Although work participation rates of welfare recipients lag behind those of non-welfare recipients, as Figure 2.1 displays, welfare recipients have substantially increased their work participation rates in the context of welfare reform.

Self-employment

Overall, a very small share of the low-income single parents in this study is self-employed; the share who are declines over the two time periods (from 5.5 to 4.6 percent). Low-income single fathers are more likely to be self-employed than single mothers in both time periods. While the share of single fathers who are self-employed remains fairly constant over time (at roughly 12 percent), the share of single mothers who are self-employed

¹⁴ Throughout this sub-section, “single parents” will be used to refer to single parent household heads and “single parent families” will be used to refer to the families of single parent household heads.

Table 2.1
Employment Characteristics of Low-Income Single Parent Household Heads:
Single Mothers and Single Fathers, Pre- and Post-PRWORA^a

	<u>December 1995 – June 1996 (Wave 1)</u>			<u>August 1999 – February 2000 (Wave 12)</u>		
	All	Single Mothers	Single Fathers	All	Single Mothers	Single Fathers
Sample Size (unweighted)	2,798	2,458	340	1,612	1,428	184
Sample Size (weighted) ^b	6,695,09	5,818,302	876,789	6,062,818	5,261,364	801,454
Work participation						
Percent never worked	39.6%	41.5%	27.0%	31.0%	31.9%	25.6%
Percent ever worked	60.4%	58.5%	73.0%	69.0%	68.1%	74.4%
Percent always worked	50.0%	48.0%	63.2%	60.1%	58.6%	69.6%
Average no. of weeks with work	9.1	8.7	11.4	10.9	10.7	12.2
Percent self-employed^c	5.5%	4.4%	12.6%	4.6%	3.3%	12.9%
Percent disabled^d	17.6%	17.9%	15.3%	15.8%	15.4%	17.8%
Monthly personal earnings^e	\$1,072.28	\$1,028.96	\$1,308.75	\$1,173.18	\$1,130.01	\$1,442.23
Percent covered by health insurance through employer/union^f	46.4%	45.8%	49.1%	46.6%	45.2%	54.1%

Notes:

^a Low-income single parents are single of all four months for the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b All descriptive statistics presented are based on weighted data, which are representative of the national population.

^c A person is considered self-employed if he/she owns one or more businesses during the survey period.

^d A person is defined as disabled if he/she has a physical, mental, or other health condition that limits the kind or amount of work the person can do or prevents the person from working.

^e Monthly personal earnings are averaged across the four months of the survey period and are in August 1999 dollars. The calculation includes only those who have positive earnings during the survey period.

^f A person is defined as being covered by health insurance through his/her employer/union if he/she has private health insurance coverage in his/her own name and the health insurance is offered by his/her current or previous employer/union. Only those who have ever worked during the survey period are included in the calculation.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

declines (from 4.4 to 3.3 percent). A larger share of low-income non-welfare recipients than welfare recipients are self-employed in both time periods (5.2 vs. 1.8 percent post-PRWORA), although this share declines slightly over the two time periods.

Disability

A larger share of welfare recipients than low-income non-welfare recipients report a work limiting or work prohibiting disability in both time periods (29.1 vs. 12.9 percent post-PRWORA). Interestingly, the share of welfare recipients with a disability increases after the implementation of welfare reform despite the fact that, during this same period, welfare recipients experience an increase in work participation.

The proportion of low-income single parents with a work limiting or work prohibiting disability declines in the post-PRWORA period (from 17.6 to 15.8 percent). This decrease reflects a reduction in the share of single mothers with a disability; the change among single fathers is not statistically significant.

Monthly Personal Earnings

Following TANF implementation, employed low-income single parents earn an average of \$1,173 per month (in August 1999 dollars); an increase of \$100 per month from the pre-PRWORA time period. While average monthly personal earnings increase for both employed low-income single mothers and single fathers, low-income single mothers earn con-

Table 2.2
Employment Characteristics of Low-Income Single Parent Household Heads:
Welfare Recipients and Non-Welfare Recipients, Pre- and Post-PRWORA^a

	<u>December 1995 – June 1996 (Wave 1)</u>			<u>August 1999 – February 2000 (Wave 12)</u>		
	All	Welfare Recipients^b	Non-Welfare Recipients^b	All	Welfare Recipients^b	Non-Welfare Recipients^b
Sample Size (unweighted)	2,798	971	1,827	1,612	281	1,331
Sample Size (weighted) ^c	6,695,09	2,199,577	4,495,514	6,062,818	1,071,748	4,991,070
Work participation						
Percent never worked	39.6%	68.1%	25.6%	31.0%	63.6%	24.0%
Percent ever worked	60.4%	31.9%	74.4%	69.0%	36.4%	76.0%
Percent always worked	50.0%	20.2%	64.6%	60.1%	25.8%	67.4%
Average no. of weeks with work	9.1	4.1	11.5	10.9	5.0	12.2
Percent Self-employed^d	5.5%	2.7%	6.9%	4.6%	1.8%	5.2%
Percent Disabled^e	17.6%	24.2%	14.3%	15.8%	29.1%	12.9%
Monthly personal earnings^f	\$1,072.28	\$656.86	\$1,158.52	\$1,173.18	\$831.86	\$1,208.66
Percent covered by health insurance offered by employer/union^g						
	46.4%	20.7%	50.2%	46.6%	13.6%	49.3%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b Welfare recipients received AFDC for at least one month during the survey period; non-welfare recipients never received AFDC during the four months.

^c All descriptive statistics presented are based on weighted data, which are representative of the national population.

^d A person is considered self-employed if he/she owns one or more businesses during the survey period.

^e A person is defined as disabled if he/she has a physical, mental, or other health condition that limits the kind or amount of work the person can do or prevents the person from working.

^f Monthly personal earnings are averaged across the four months of the survey period and are in August 1999 dollars. The calculation includes only those who have positive earnings during the survey period.

^g A person is defined as being covered by health insurance through his/her employer/union if he/she has private health insurance coverage in his/her own name and the health insurance is offered by his/her current or previous employer/union. Only those who have ever worked during the survey period are included in the calculation.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

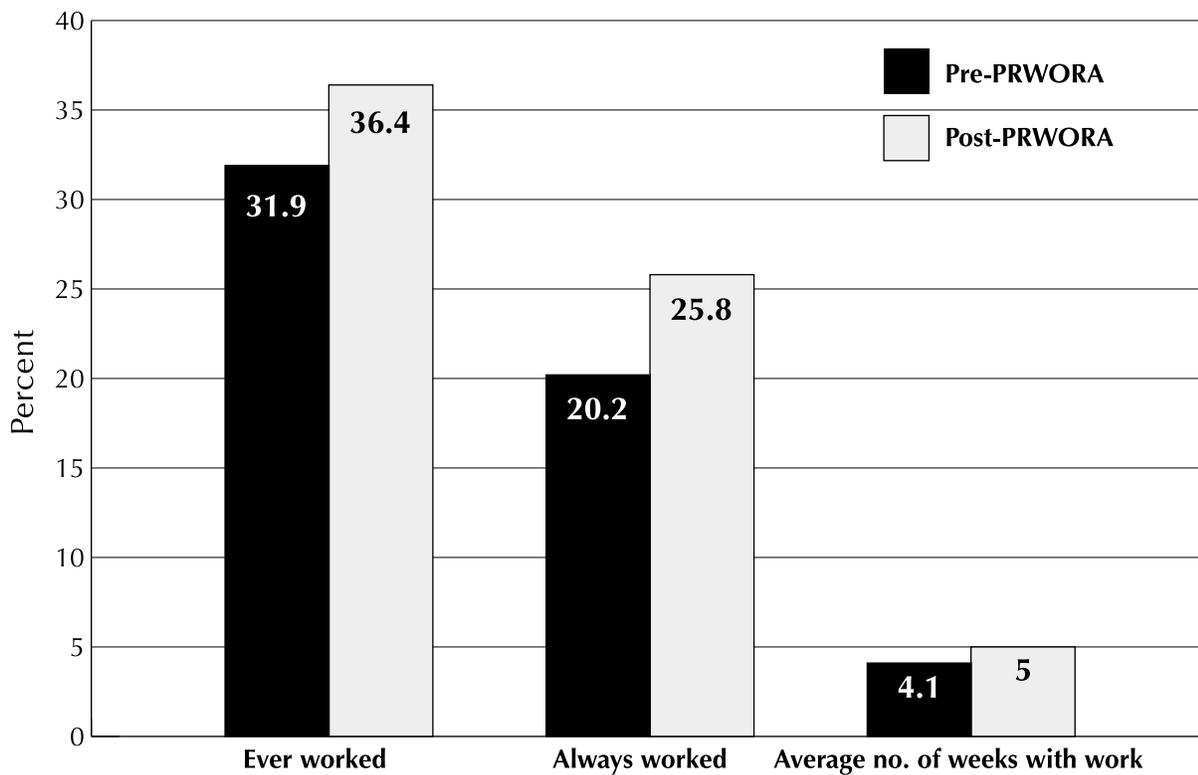
siderably less, on average, than their male counterparts (\$1,130 vs. \$1,442).

Average monthly personal earnings for employed welfare recipients and employed non-welfare recipients also increase over the two time periods, with welfare recipients experiencing a greater increase than non-welfare recipients. Despite out-pacing non-welfare recipients in earnings increases, welfare recipients continue to receive much lower average monthly personal earnings than low-income non-welfare recipients (\$832 vs. \$1,209 post-PRWORA).

Health Insurance Coverage

In the post-PRWORA time period, 46.6 percent of employed low-income single parents are covered by health insurance offered by their current or previous employer or union. Interestingly, a much larger share of employed low-income single fathers are covered by health insurance than are employed low-income single mothers (54.1 vs. 45.2 percent). While the share of employed low-income single parents covered by such insurance remains fairly constant across the two time periods, especially among single mothers, changes in coverage are not statistical-

Figure 2.1 Work Participation Rates of Welfare Recipients Pre- and Post-PRWORA



Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12, which includes data collected in December 1995-June 1996 and August 1999-February 2000.

ly significantly for either group of single parents. Employed welfare recipients are much less likely than employed low-income non-welfare recipients to be covered by health insurance offered by their current or previous employer or union. While roughly one-half of employed low-income non-welfare recipients are covered by such health insurance in both time periods, the share of welfare recipients covered declines from 20.7 to 13.6 percent (Figure 2.2).

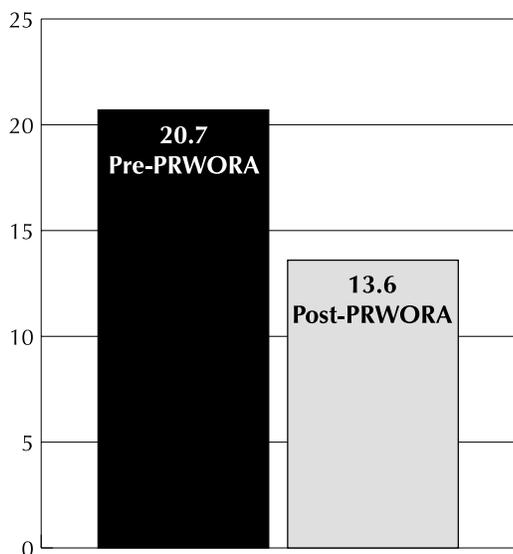
The low coverage rates among welfare recipients, and the stagnant share of employed low-income single mothers who receive health insurance coverage through their employment supports concerns about (1) the quality of jobs low-income single mothers take as their work participation increases and (2) the extent to which the mandatory work requirements of TANF encourage taking such jobs. These findings highlight the importance of efforts to expand access to health insurance—public and private—to all low-wage workers and families.

Primary Job Characteristics

Work Hours

As illustrated in Table 2.3, roughly three-quarters (75.9 percent) of employed low-income single parents work full time in their primary jobs in the post-PRWORA time period, averaging roughly 36 work hours per week. This reflects an increase in the share of these parents working full time, up from 72.2 percent pre-PRWORA. In both time periods, a larger share of employed low-income single fathers work full time than employed low-income single mothers (89.5 vs. 73.8 percent post-PRWORA). The share of employed low-income single mothers working full time, however, increases across the two time periods (change for single fathers is not statistically significant). Employed low-income single fathers also work more weekly hours on average than low-income single mothers (40.0 vs. 35.9 hours per week post-PRWORA), but the average weekly work hours do not change significantly for either group over the two time periods.

Figure 2.2
Employer-Provided Health Insurance Coverage Among Welfare Recipients, Pre- and Post-PRWORA



Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12, which includes data collected in December 1995-June 1996 and August 1999-February 2000.

More than half (55.7 percent) of employed welfare recipients work full time in their primary jobs and work an average of 32.0 hours a week, while 77.9 percent of employed low-income non-welfare recipients work full time and work an average of 36.9 hours per week post-PRWORA. The hours worked in primary jobs did not change significantly for either group after the implementation of welfare reform (Table 2.4).

Job Tenure

The median (primary) job tenure among employed low-income single parents also increases over the two time periods (18 vs. 24 months post-PRWORA). In the post-PRWORA time period, 31.8 percent of employed low-income single parents are in their primary job for less than one year, down from 36.3 percent pre-PRWORA. The median (primary) job tenure increases for both single mothers and single fathers after the implementation of welfare reform, but the increase is higher for single fathers than single mothers in both time periods (39

vs. 22 months post-PRWORA). The share who are in their primary job for less than one year also falls for both employed low-income single mothers and employed low-income single fathers, with a smaller share of single fathers than single mothers spending less than one year in their primary job in both time periods (23.2 vs. 33.1 percent post-PRWORA).

The median (primary) job tenure increases for employed welfare recipients and employed low-income non-welfare recipients over the two time periods, but remains much lower for welfare recipients (9 vs. 26 months post-PRWORA). In addition, a larger share of employed welfare recipients than employed low-income non-welfare recipients spends less than one year in their primary job (54.3 vs. 29.7 percent post-PRWORA).

Hourly Wage Rates

Employed low-income single parents experience an increase in their average (primary job) hourly wage rate across the two time periods, from \$7.53 to \$8.20 (in August 1999 dollars). While both employed low-income single mothers and single fathers experience increases in their primary job hourly wages, wages remain much lower for single mothers than single fathers (\$8.03 vs. \$9.42 post-PRWORA). Hourly (primary job) wage rates increase for employed welfare recipients and employed low-income non-welfare recipients over the two time periods, with a larger increase among welfare recipients. These changes help to close the gap between employed welfare recipients and non-recipients as the wage rate differential between the two was not statistically significant in the Post-PRWORA period (\$8.01 and \$8.22).

Union Membership

Although a larger share of low-income single fathers were union members pre-PRWORA, in the post-PRWORA time period there is no significant gender difference in union membership. Prior to welfare reform, a smaller share of employed welfare recipients than employed low-income non-welfare recipients were union members or covered by a union contract (6.2 vs. 11.2 percent). After union membership among employed low-income non-welfare recipients declined following the implementation of welfare reform, no significant difference was found in union membership between employed welfare recipients and employed low-income non-welfare recipients.

Table 2.3
Characteristics of Primary Jobs of Low-Income Single Parent Household Heads:
Single Mothers and Single Fathers, Pre- and Post-PRWORA^a

	<u>December 1995 – June 1996 (Wave 1)</u>			<u>August 1999 – February 2000 (Wave 12)</u>		
	All	Single Mothers	Single Fathers	All	Single Mothers	Single Fathers
Ever Worked Sample Size (unweighted)	1,527	1,321	206	1,027	909	118
Ever Worked Sample Size (weighted) ^b	3,754,544	3,208,888	545,656	3,951,135	3,438,364	512,771
Work hours						
Percent full-time	72.2%	69.9%	85.6%	75.9%	73.8%	89.5%
Percent part-time	27.8%	30.1%	14.4%	24.1%	26.2%	10.5%
Average weekly hours	36.1	35.4	39.7	36.4	35.9	40.0
Job tenure						
Median (in months)	18	18	33	24	22	39
Percent less than one year in this job	36.3%	37.0%	32.3%	31.8%	33.1%	23.2%
Hourly wage rate^c	\$7.53	\$7.36	\$8.57	\$8.20	\$8.03	\$9.42
Percent union member/union contract	10.4%	9.9%	13.1%	7.3%	7.0%	9.1%
Percent in Occupation^d						
Managerial/Executive	4.9%	4.6%	6.4%	5.2%	5.0%	6.8%
Professional	4.1%	4.6%	1.5%	6.8%	7.3%	3.0%
Technician	2.7%	2.7%	2.6%	2.1%	2.2%	1.9%
Sales and Related	12.5%	13.7%	5.2%	12.6%	13.6%	6.4%
Administrative Support & Clerical Service	19.2%	21.6%	4.9%	20.8%	23.1%	5.1%
Service	28.9%	31.3%	14.7%	26.8%	28.4%	15.7%
Farming and Forestry	1.6%	1.2%	4.3%	3.0%	2.0%	9.4%
Precision Production, Craft, and Repair	5.8%	3.0%	22.2%	4.8%	2.5%	20.1%
Operators, Fabricators, and Laborers	20.3%	17.3%	38.1%	18.0%	15.9%	31.7%
Armed Forces	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent in Industry^e						
Agriculture, Forestry, and Fisheries	1.7%	1.3%	4.1%	2.5%	1.7%	7.7%
Mining	0.2%	0.0%	1.2%	0.0%	0.0%	0.0%
Construction	3.2%	1.2%	15.2%	2.9%	1.7%	10.4%
Manufacturing – Nondurable Goods	8.7%	8.7%	8.8%	7.6%	7.7%	6.9%
Manufacturing – Durable Goods	7.4%	6.1%	15.5%	6.6%	6.0%	10.6%
Transportation, Communication, and Other Public Utilities	3.5%	2.9%	6.6%	3.1%	2.9%	4.6%
Wholesale Trade	2.2%	1.8%	4.4%	2.0%	1.9%	2.8%
Retail Trade	24.3%	25.6%	16.6%	24.9%	26.0%	17.9%
Finance, Insurance, and Real Estate Services	4.0%	4.3%	2.3%	4.4%	4.5%	3.8%
Services	41.3%	44.3%	23.7%	43.7%	45.0%	35.2%
Public Administration	3.5%	3.9%	1.6%	2.3%	2.6%	0.0%
Armed Forces	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b All descriptive statistics presented are based on weighted data, which are representative of the national population.

^c Hourly wage rate is averaged across the four-month survey period and is in August 1999 dollars. The calculation includes those who are not paid by the hour; their hourly wage rate is monthly earnings divided by monthly work hours.

^d The occupation information is for month four of the survey period. The categories are based on the Census of Population Occupation Classification System.

^e The industry information is for month four of the survey period. The categories are based on the Census of Population Industry Classification System.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

Table 2.4
Characteristics of Primary Jobs of Low-Income Single Parent Household Heads:
Welfare Recipients and Non-Welfare Recipients, Pre- and Post-PRWORA^a

	December 1995 – June 1996 (Wave 1)			August 1999 – February 2000 (Wave 12)		
	All	Welfare Recipients ^b	Non-Welfare Recipients	All	Welfare Recipients	Non-Welfare Recipients
Ever Worked Sample Size (unweighted)	1,527	288	1,239	1,027	96	931
Ever Worked Sample Size (weighted) ^c	3,754,544	657,619	3,096,925	3,951,135	370,589	3,580,546
Work hours						
Percent full-time	72.2%	51.8%	76.5%	75.9%	55.7%	77.9%
Percent part-time	27.8%	8.2%	23.5%	24.1%	44.3%	22.1%
Average weekly hours	36.1	31.3	37.1	36.4	32.0	36.9
Job tenure						
Median (in months)	18	6	21	24	9	26
Percent less than one year in this job	36.3%	55.1%	32.8%	31.8%	54.3%	29.7%
Hourly wage rate^d						
	\$7.53	\$6.40	\$7.78	\$8.20	\$8.01	\$8.22
Union member/union contract						
	10.4%	6.2%	11.2%	7.3%	8.0%	7.2%
Percent in Occupation^e						
Managerial/Executive	4.9%	1.8%	5.6%	5.2%	5.1%	5.2%
Professional	4.1%	3.2%	4.3%	6.8%	8.1%	6.6%
Technician	2.7%	1.4%	2.9%	2.1%	0.6%	2.3%
Sales and Related	12.5%	17.7%	11.4%	12.6%	16.9%	12.2%
Administrative Support & Clerical	19.2%	13.9%	20.3%	20.8%	21.3%	20.7%
Service	28.9%	41.7%	26.2%	26.8%	33.4%	26.1%
Farming and Forestry	1.6%	1.9%	1.6%	3.0%	3.3%	2.9%
Precision Production, Craft, and Repair	5.8%	1.0%	6.8%	4.8%	2.1%	5.0%
Operators, Fabricators, and Laborers	20.3%	17.4%	21.0%	18.0%	9.2%	18.9%
Armed Forces	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent in Industry^f						
Agriculture, Forestry, and Fisheries	1.7%	1.9%	1.6%	2.5%	2.2%	2.5%
Mining	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%
Construction	3.2%	1.1%	3.6%	2.9%	2.6%	2.9%
Manufacturing – Nondurable Goods	8.7%	4.2%	9.7%	7.6%	4.4%	7.9%
Manufacturing – Durable Goods	7.4%	3.4%	8.3%	6.6%	4.8%	6.8%
Transportation, Communication, and						
Other Public Utilities	3.5%	2.1%	3.7%	3.1%	2.4%	3.2%
Wholesale Trade	2.2%	2.2%	2.2%	2.0%	0.7%	2.2%
Retail Trade	24.3%	27.9%	23.6%	24.9%	26.7%	24.8%
Finance, Insurance, and Real Estate	4.0%	3.1%	4.2%	4.4%	5.0%	4.4%
Services	41.3%	51.2%	39.2%	43.7%	49.7%	43.1%
Public Administration	3.5%	2.9%	3.7%	2.3%	1.5%	2.4%
Armed Forces	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b Welfare recipients received AFDC/TANF for at least one month during the survey period; non-welfare recipients did not receive AFDC/TANF during the four months.

^c All descriptive statistics are weighted to be representative of the national population.

^d Hourly wage rate is averaged across the four-month survey period and is in August 1999 dollars. The calculation includes those who are not paid by the hour; their hourly wage rate is monthly earnings divided by monthly work hours.

^e The occupation information is for month four of the survey period. The categories are based on Census of Population Occupation Classification System.

^f The industry information is for month four of the survey period. The categories are based on Census of Population Industry Classification System.

Source: The table reflects the authors' analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

Overall, the share of employed low-income single parents who are union members (or are covered by a union contract) is fairly low and falls over the time period examined in this study (from 10.4 to 7.3 percent). Because union membership typically results in greater job quality, increased job security, and higher wages, this trend spells misfortune for many low-income single parents.

Occupations

Overall, employed low-income single parents are concentrated in a small number of typically low-wage occupations. In the post-PRWORA time period, four occupational categories employ more than three-quarters (78.2 percent) of employed low-income single parents: 26.8 percent of low-income single parents work in service occupations, 20.8 percent work in administrative support and clerical occupations, 18.0 percent work as operators, fabricators, and laborers, and 12.6 percent work in sales and related occupations. Pre-PRWORA, these four occupational categories also employed the vast majority (80.9 percent) of these workers.

Gender differences in the occupational distribution of low-income single parents are notable. Among employed low-income single mothers, the four largest occupations are service, administrative support and clerical, operators, fabricators and laborers, and sales and related. These occupations employ 81.0 percent of working low-income single mothers post-PRWORA, with service occupations employing the largest share of these workers in both time periods. Among employed low-income single fathers, however, the largest occupational category in both time periods is operators, fabricators, and laborers: post-PRWORA, 31.7 percent of employed low-income single fathers work in this occupation, compared with 15.9 percent of employed low-income single mothers. One-fifth (20.1 percent) of employed low-income single fathers work in precision production, craft, and repair occupations (compared with 2.5 percent of employed low-income single mothers) and 15.7 percent work in service occupations (compared with 28.4 percent of employed low-income single mothers) in the post-PRWORA time period. These findings are consistent with concerns that gender-based occupational segregation limits the employment opportunities of low-income single mothers.

The evidence presented here supports calls to increase opportunities for low-income women outside of low-wage, traditionally female work through the expansion of education and training opportunities and the reduction of occupational barriers.

As is the case for low-income single parents in general, both welfare recipients and non-welfare recipients are concentrated in a small number of occupations, most particularly service, administrative support and clerical, sales and related, and operators, fabricators and laborers. These four occupations account for 80.8 percent of employed welfare recipients and 77.9 percent of employed low-income non-welfare recipients post-PRWORA. Service occupations employ the largest share of welfare recipients and low-income non-welfare recipients in both time periods. Pre-PRWORA, a much larger share of welfare recipients than low-income non-welfare recipients are in service occupations, but the share of employed welfare recipients in these occupations declines over the two time periods. While a similar share (roughly 21 percent) of welfare and low-income non-welfare recipients work in administrative support and clerical occupations post-PRWORA, a larger share of welfare recipients than low-income non-welfare recipients works in sales and related occupations (16.9 vs. 12.2 percent) and a smaller share works as operators, fabricators, and laborers (9.9 vs. 18.9 percent).

Industries

The industrial distribution of employed low-income single parents also highlights the importance of service employment for these workers: post-PRWORA, 43.7 percent of employed low-income single parents are in service industries. The second largest industry for employed low-income single parents is retail trade, which employs 24.9 percent of these workers post-PRWORA.

Service and retail trade are the two largest industries for employed low-income single mothers and single fathers, but single mothers are far more concentrated in these two industries: post-PRWORA, 71.0 percent of employed single mother household heads work in the service and retail industries versus 53.1 percent of employed low-income single father household heads. The share of employed low-

income single fathers in services does, however, increase across the two time periods. The third and fourth largest industries for employed low-income single mother household heads are nondurable and durable goods manufacturing but account for a much smaller share of these workers (7.7 and 6.0 percent post-PRWORA). The third and fourth largest industries for employed low-income single father household heads are durable goods manufacturing and construction (accounting for 10.6 and 10.4 percent of these workers post-PRWORA).

The industrial concentration of welfare recipients and low-income non-welfare recipients demonstrates the dominance of service and retail trade employment for these workers. Post-PRWORA, these two industrial categories account for 76.4 percent of employed welfare recipients and 67.9 percent of employed low-income non-welfare recipients.

The findings on the occupations and industries employing the vast majority of low-income single parents show the jobs available to this population do not provide pathways to economic self-sufficiency. The very high concentration of low-income single parents in a very small number of generally low-paying occupations and industries—and in particular, the differences that exist between the types of jobs held by employed low-income single mothers and single fathers—call for a reassessment of not only the “work first” approach, but also the type of education and training programs available to welfare recipients and other low-income single mothers. Much more must be done to enable welfare recipients and other low-income single mothers to enter “nontraditional” occupations and industries that offer greater possibilities for earning a living wage and maintaining stable employment (Negrey et al. 2002). In addition, wages, employer-provided benefits, and income supports for the workers who have no other choice but to labor in low-wage employment should be increased and expanded.

Employment Characteristics and Outcomes of Low-Income Single Mother Subfamily Heads

The previous section highlights findings indicating that while low-income single parent households increase their participation in paid work and job attachment, it is in jobs offering poor compen-

sation and limited opportunities for advancement. This section examines the employment characteristics and outcomes for low-income single mother subfamily heads, and finds that, while the employment characteristics of these single mothers differ from those of household heads in some important ways, they differ in ways that further reinforce the concerns about the ability of single mothers to achieve economic security through market work.

General Employment Characteristics

Work Participation, Self-Employment, and Disability

As illustrated in Table 2.5, there is a significant increase in the share of low-income single mother subfamily heads who report work in all four months of the survey period (from 40.8 to 46.7 percent) and in the average number of weeks worked (from 7.6 to 8.7 weeks). In both periods, the increases in work participation among low-income single mother subfamily heads are smaller than those for single mother household heads. Moreover, a smaller share of low-income single mother subfamily heads works for pay, and these mothers work fewer weeks on average, than low-income single mother household heads in both time periods. In addition, a smaller share of low-income single mother subfamily heads are self-employed, and a smaller share report a work-limiting or prohibiting disability in both periods.

Monthly Personal Earnings and Health Insurance Coverage

Like low-income single mothers who are household heads, low-income single mother subfamily heads experience an increase in average monthly personal earnings (from \$914 to \$1,024), although they earn less than low-income single mother household heads in both time periods (\$1,024 vs. \$1,130 post-PRWORA). A smaller share of employed low-income single mother subfamily heads are covered by health insurance provided by an employer or union than low-income single mother household heads, although the difference is not statistically significant in either time period.

Primary Job Characteristics

Work Hours and Job Tenure

As illustrated in Table 2.6, a smaller share of low-income single mother subfamily heads work full-

Table 2.5
Employment Characteristics of Low-Income Single Mother Subfamily Heads, Pre- and Post-PRWORA^a

	<u>December 1995 – June 1996 (Wave 1)</u>		<u>August 1999 – February 2000 (Wave 12)</u>	
	Subfamily Heads	Household Heads	Subfamily Heads	Household Heads
Sample Size (unweighted)	547	2,458	385	1,428
Sample Size (weighted) ^b	1,458,079	5,818,302	1,396,891	5,261,364
Work participation				
Percent never worked	46.9%	41.5%	43.6%	31.9%
Percent ever worked	53.1%	58.5%	56.4%	68.1%
Percent always worked	40.8%	48.0%	46.7%	58.6%
Average no. of weeks with work	7.6	8.7	8.7	10.7
Percent Self-employed^c	1.0%	4.4%	2.0%	3.3%
Percent Disabled^d	9.9%	17.9%	8.4%	15.4%
Monthly personal earnings^e	\$914.09	\$1,028.96	\$1,024.27	\$1,130.01
Percent covered by health insurance through employer/union^f	42.8%	45.8%	44.9%	45.2%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average subfamily income over the four months is below 200 percent of the poverty line. A related subfamily is a nuclear family that is related to, but does not include, the household head; a subfamily head is the head of a related subfamily.

^b All descriptive statistics are weighted to be representative of the national population.

^c A person is considered self-employed if he/she owns one or more businesses during the survey period.

^d A person is defined as disabled if he/she has a physical, mental, or other health condition that limits the kind or amount of work the person can do or prevents the person from working.

^e Monthly personal earnings are averaged across the four-month survey period and are in August 1999 dollars. The calculation only includes those who have positive earnings during the survey period.

^f A person is defined as being covered by health insurance through his/her employer/union if he/she has private health insurance coverage in his/her own name and the health insurance is offered by his/her current or previous employer/union. Only those who have ever worked during the survey period are included in the calculation.

Source: The table reflects the authors' analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

time in their primary job (64.7 vs. 73.8 percent post-PRWORA), and they work fewer hours per week on average (34.0 vs. 35.9 weeks post-PRWORA) than low-income single mother household heads. Like household heads, the average weekly work hours of low-income single parent subfamily heads do not change significantly over the two time periods.

Although the median (primary) job tenure increases (from 12 to 15 months) for low-income single mother subfamily heads, it is shorter than that for low-income single mother household heads in both time periods (15 vs. 22 months post-PRWORA). In addition, a larger share of single mother subfamily heads than household heads is in their primary job for less than one year.

Hourly Wage Rates and Union Membership

Low-income single mothers who are subfamily heads earn lower hourly wages in their primary job than those who are household heads in both time periods (\$7.13 vs. \$8.03 post-PRWORA). Unlike

household heads, their hourly wages do not change significantly after welfare reform. In the pre-PRWORA time period, a smaller share of low-income single mother subfamily heads than household heads have access to union membership. But, unlike household heads, the share of low-income single parent subfamily heads who are union members does not decline, but slightly exceeds household heads (8.4 vs. 7.0 percent) in the post-PRWORA period.

Occupations and Industries

Like single mothers who are household heads, the largest share of employed single mother subfamily heads are in service occupations. The four largest occupational categories are service, administrative support and clerical, sales and related, and operators, fabricators, and laborers. Low-income single mother subfamily heads are even more concentrated in these four occupational categories than household heads, and this concentration

Table 2.6
Characteristics of Primary Jobs of Low-Income Single Mother Subfamily Heads, Pre- and Post-PRWORA^a

	<u>December 1995 – June 1996 (Wave 1)</u>		<u>August 1999 – February 2000 (Wave 12)</u>	
	<u>Subfamily Heads</u>	<u>Household Heads</u>	<u>Subfamily Heads</u>	<u>Household Heads</u>
Ever Worked Sample Size (unweighted)	276	1,321	213	909
Ever Worked Sample Size (weighted) ^b	767,603	3,208,888	762,511	3,438,364
Work hours				
Percent full-time	62.8%	69.9%	64.7%	73.8%
Percent part-time	37.2%	30.1%	35.3%	26.2%
Average weekly hours	33.5	35.4	34.0	35.9
Job tenure				
Median (in months)	12	18	15	22
Percent less than one year in this job	45.8%	37.0%	42.6%	33.1%
Hourly wage rate^c	\$6.86	\$7.36	\$7.13	\$8.03
Percent union member/union contract	7.2%	9.9%	8.4%	7.0%
Percent in Occupation^d				
Managerial/Executive	4.3%	4.6%	2.4%	5.0%
Professional	2.0%	4.6%	3.4%	7.3%
Technician	4.0%	2.7%	2.3%	2.2%
Sales and Related	19.9%	13.7%	22.5%	13.6%
Administrative Support & Clerical	21.9%	21.6%	21.5%	23.1%
Service	32.7%	31.3%	32.9%	28.4%
Farming and Forestry	1.0%	1.2%	0.3%	2.0%
Precision Production, Craft, and Repair	2.5%	3.0%	0.7%	2.5%
Operators, Fabricators, and Laborers	11.7%	17.3%	13.9%	15.9%
Armed Forces	0.0%	0.0%	0.0%	0.0%
Percent in Industry^e				
Agriculture, Forestry, and Fisheries	2.2%	1.3%	0.3%	1.7%
Mining	0.0%	0.0%	0.0%	0.0%
Construction	0.9%	1.2%	0.7%	1.7%
Manufacturing – Nondurable Goods	7.0%	8.7%	5.7%	7.7%
Manufacturing – Durable Goods	4.3%	6.1%	3.2%	6.0%
Transportation, Communication, and Other Public Utilities	2.1%	2.9%	2.9%	2.9%
Wholesale Trade	1.6%	1.8%	0.5%	1.9%
Retail Trade	36.2%	25.6%	39.3%	26.0%
Finance, Insurance, and Real Estate	6.3%	4.3%	6.4%	4.5%
Services	36.6%	44.3%	39.9%	45.0%
Public Administration	3.1%	3.9%	1.0%	2.6%
Armed Forces	0.0%	0.0%	0.0%	0.0%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average subfamily income over the four months is below 200 percent of the poverty line. A related subfamily is a nuclear family that is related to, but does not include, the household head; a subfamily head is the head of a related subfamily.

^b All descriptive statistics are weighted to be representative of the national population.

^c Hourly wage rate is averaged across the four-month survey period and is in August 1999 dollars. The calculation includes those who are not paid by the hour; their hourly wage rate is monthly earnings divided by monthly work hours.

^d The occupation information is for month four of the survey period. The categories are based on Census of Population Occupation Classification System.

^e The industry information is for month four of the survey period. The categories are based on Census of Population Industry Classification System.

Source: The table reflects the authors' analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

increases over the two time periods (from 86.2 to 90.8 percent).

The largest industry for low-income single mother subfamily heads is also services, accounting for 39.9 percent of employed low-income single mother subfamily heads post-PRWORA (as compared with 45.0 percent of employed low-income single mother household heads). Retail trade is the second largest industry among employed low-income single mothers who head subfamilies, as it is for those who are household heads, but a much larger share of subfamily heads than household heads works in the retail trade industry (39.3 vs. 26.0 percent post-PRWORA). In addition, the share of subfamily heads in retail trade shows a significant increase over the two time periods, while it remains the same for household heads.

Key Findings

Returning to the research questions stated at the beginning of this chapter, four findings stand out as particularly relevant to federal and state policy discussions:

- While a large share of low-income single parents participate in paid employment pre-PRWORA, work participation increased significantly post-PRWORA (60.4 to 69.0 percent), with sharp increased work participation among low-income single mother household heads (58.5 to 68.1 percent). In addition to increased work participation, low-income single parent household heads also experienced increased attachment to their primary jobs over the two time periods, with increases in work hours and job tenure.
- Although low-income single parents garner increased monthly earnings in the post-PRWORA period (roughly \$100 per month), no significant increase is found in the share who receive health insurance through their employment. Furthermore, employed welfare recipients actually experience a *decline* in access to employment-based health insurance in spite of increased work participation (from 20.7 to 13.6 percent post-PRWORA).
- More than three quarters (78.2 percent) of employed low-income single parents are concentrated in four typically low-wage occupations (service; administrative support and clerical;

operators, fabricators, and laborers; and sales and related). Industrial distributions mirror this trend; more than two-thirds of employed single parents work in services or retail trade.

- Significant gender differences exist across a variety of employment characteristics. While low-income single mother household heads experience a much greater increase in work participation than their male counterparts (9.6 versus 1.4 percent), single mothers experience lower increases in average monthly earnings and hourly primary job wage rates than their male counterparts, and continue to earn significantly less than low-income single fathers post-PRWORA. In addition, the occupational and industrial distributions are quite different for low-income single mothers and single fathers, with low-income single mothers concentrated in low-wage, traditionally “female” jobs.

These findings substantiate concerns that increases in employment do not necessarily move low-income single parents toward long-term economic self-sufficiency. They highlight the need for policies to address the many problems of low-wage work in a broad and systemic way (through, for example, increases in the minimum wage and/or the establishment of living wages and the provision of necessary work supports). In particular, these findings emphasize the importance of public health insurance programs, like Medicaid, and support calls for extending such programs to a wider range of low-income workers and families.

It is important to note that the labor market experiences of the different groups of low-income single parents in this study are diverse, particularly along gender lines. The findings presented here highlight the need for low-income single mothers to have more opportunities to move out of low-wage, traditionally female jobs, both through education and training programs, which allow them to acquire and develop necessary skills, and through equal opportunity policies, which break down labor market barriers. Finally, these findings reinforce the importance of pay equity legislation aimed at improving wages in traditionally female sectors of the economy so that the many workers likely to remain in those sectors can adequately support their families through their work efforts.

INCOME SOURCES AND POVERTY STATUS OF LOW-INCOME SINGLE PARENT FAMILIES, PRE- AND POST-PRWORA

With the passage of PRWORA and the implementation of the TANF program, welfare reformers sought to increase the reliance of low-income single parent families on earnings and familial income sources (such as child support and income from other family members) and to reduce their reliance on public assistance income (particularly AFDC/TANF). In light of these policy goals, it is important to examine the extent to which the incomes and income sources of low-income single parent families have changed and to assess changes in the economic well-being of these families since the passage of PRWORA. This chapter examines changes in the economic well-being of low-income single parent families in terms of changes in family income (both the average amounts and sources of income) and poverty status (both the incidence and depth of poverty) by addressing the following questions:

- Does average monthly family income increase for low-income single parent families in the context of welfare reform? Are there significant changes in the shares of low-income single parents receiving income from various sources (such as earnings, AFDC/TANF, child support, etc.) over this time period?
- What do changes in the average amounts and sources of income pre- and post-PRWORA mean for the poverty status of low-income single parent families? Specifically, how do the share of low-income single parent families in poverty and the poverty gap for poor single parent families change over this time period?
- Have different groups of low-income single parent families had similar experiences in the context of welfare reform, or have some groups fared better than others in terms of their income and poverty status?

The first section of this chapter examines the average monthly family income and income sources of the families of low-income single parent house-

hold heads pre- and post-PRWORA, comparing low-income single mother and single father families (Table 3.1) and welfare recipient and low-income non-welfare recipient families (Table 3.2), as well as the average monthly subfamily income and income sources of low-income single mother subfamilies (Table 3.3). The second section of this chapter examines the poverty status (incidence and depth of poverty) of the families of low-income single parent household heads, comparing single mothers and single fathers (Table 3.4) and welfare recipients and low-income non-welfare recipients (Table 3.5), as well as the poverty status of low-income single mother subfamilies (Table 3.6). The final section identifies key findings of particular relevance for TANF reauthorization discussions.

Family Income and Income Sources

Average monthly family income is a basic indicator of family economic well-being, providing a measure of the financial resources families have available, on average, to meet their needs in different time periods. Changes in the average amounts of income, and the shares of families receiving income—from earnings, means-tested government programs (i.e., AFDC/TANF and Food Stamps), and familial sources (i.e., child support and income from other family members)—are of particular interest, given the current policy emphasis on increasing market work and family support and decreasing public assistance.

Low-Income Single Parent Household Heads and Family Income¹⁵

As illustrated in Tables 3.1 and 3.2, the average monthly family incomes (in August 1999 dollars) of low-income single parent families increase by \$115 per month over the course of three years (from \$1,106 to \$1,221). Although some increase in average monthly family income is observed regardless of the gender of the household head or the welfare reciprocity status of the family, some significant dif-

¹⁵ Throughout this sub-section, “single parents” will be used to refer to single parent household heads and “single parent families” will be used to refer to the families of single parent household heads.

Table 3.1
Income Sources of Low-Income Single Parent Families: Single Mothers and Single Fathers, Pre- and Post-PRWORA^{a, b}

	December 1995 – June 1996 (Wave 1)			August 1999 – February 2000 (Wave 12)		
	All	Single Mothers	Single Fathers	All	Single Mothers	Single Fathers
Sample Size (unweighted)	2,798	2,458	340	1,612	1,428	184
Sample Size (weighted) ^c	6,695,091	5,818,302	876,789	6,062,818	5,261,364	801,454
Family Earnings						
Including families with no income	\$713.22	\$664.74	\$1,034.91	\$884.39	\$832.31	\$1,226.28
Percent with earnings ^d	66.5%	64.7%	78.1%	73.3%	72.6%	78.3%
Excluding families with no income	\$1,133.48	\$1,084.31	\$1,403.63	\$1,259.64	\$1,202.66	\$1,606.15
Percent with AFDC/TANF^d	32.9%	36.3%	10.1%	17.7%	19.6%	5.0%
AFDC/TANF ^e	\$383.56	\$382.48	\$409.32	\$350.17	\$345.55	\$469.19
Percent with Federal SSI^d	7.1%	7.2%	6.2%	9.6%	10.3%	4.9%
Federal SSI ^e	\$454.79	\$462.93	\$391.60	\$495.62	\$498.53	\$456.01
Percent with Food Stamps^d	48.1%	52.3%	20.0%	36.6%	40.3%	12.2%
Food Stamps ^e	\$247.51	\$248.83	\$224.66	\$221.33	\$221.65	\$214.52
Percent with Social Security^d	12.8%	13.1%	11.4%	12.4%	12.7%	10.0%
Social Security ^e	\$658.94	\$657.99	\$666.16	\$634.90	\$631.38	\$664.19
Percent with State UI^d	4.3%	3.9%	6.6%	2.5%	2.8%	0.4%
State UI ^e	\$516.23	\$489.25	\$622.53	\$496.84	\$496.62	\$508.50
Percent with Child Support^d	24.9%	28.1%	3.6%	29.1%	33.1%	3.2%
Child Support ^e	\$280.90	\$282.92	\$175.84	\$286.96	\$289.28	\$128.86
Percent with Income from Other Family Members^d	22.6%	22.0%	26.5%	23.2%	22.2%	30.4%
Income from Other Family Members ^{e, f}	\$745.86	\$719.97	\$888.38	\$839.93	\$810.56	\$980.53
Monthly Family Income^g	\$1,106.33	\$1,076.59	\$1,303.64	\$1,220.57	\$1,193.81	\$1,396.21

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b All dollar amounts are averaged across the four-month survey period and are in August 1999 dollars.

^c All descriptive statistics presented are based on weighted data, which are representative of the national population.

^d Including families who receive income from this source for at least one month during the four-month survey period.

^e Average monthly income excluding 0s (i.e., calculated only for those months with this income source).

^f Income from other family members is total family income minus the householder's total personal income.

^g Monthly family income includes 0s (i.e., calculated across all four months of the survey period).

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

ferences exist across different groups of families: low-income single mother families experience a larger increase in average monthly family income than low-income single father families, and welfare recipient families experience a larger increase than low-income non-welfare recipient families. It remains the case, however, that low-income single mother families have significantly lower average monthly incomes than low-income single father families (\$1,194 vs. \$1,396 post-PRWORA), and welfare recipient families have significantly lower aver-

age monthly incomes than non-welfare recipient families (\$927 vs. \$1,284 post-PRWORA).

Income sources also changed substantially for these families (Figure 3.1). As expected, given the strong economy and work-oriented welfare policies of this time period, there are increases in the share of low-income single parent families receiving income from earnings (from 67 to 73 percent) and in the average monthly income from earnings (from \$1,133 to \$1,260 for families with earnings) across the two time periods. The increase in the share of

low-income single parent families with earnings reflects significant increases among single mother families (from 65 to 73 percent) and welfare recipient families (from 38 to 43 percent), while the share of single father families and low-income non-welfare recipient families with earnings remains fairly constant (at 78 and 80 percent, respectively).

Although the average monthly income from earnings increases for both low-income single mother and single father families, single fathers experience the largest increase in earnings and receive significantly higher earnings than do single mothers (\$1,606 vs. \$1,203 post-PRWORA). The

average amount of income from earnings also increases for both welfare recipients and low-income non-welfare recipients, with a larger increase among welfare recipients. In both time periods, however, average monthly earnings are higher for non-welfare recipients (\$1,301 vs. \$901 post-PRWORA).

As would be expected in light of the restrictions placed on the receipt of public assistance over this time period, the share of low-income single parent families receiving income from AFDC/TANF declines significantly (from 32.9 to 17.7 percent) and the average monthly income from this

Table 3.2
Income Sources of Low-Income Single Parent Families:
Welfare Recipients and Non-Welfare Recipients, Pre- and Post-PRWORA^{a, b}

	December 1995 – June 1996 (Wave 1)			August 1999 – February 2000 (Wave 12)		
	All	Welfare Recipients ^c	Non-Welfare Recipients	All	Welfare Recipients	Non-Welfare Recipients
Sample Size (unweighted)	2,798	971	1,827	1,612	281	1,331
Sample Size (weighted) ^d	6,695,091	2,199,577	4,495,514	6,062,818	1,071,748	4,991,070
Family Earnings						
Including families with no income	\$713.22	\$245.62	\$942.01	\$884.39	\$345.69	\$1,00.07
Percent with earnings ^e	66.5%	38.0%	80.4%	73.3%	42.7%	79.9%
Excluding families with no income	\$1,133.48	\$734.19	\$1,225.72	\$1,259.64	\$900.82	\$1,300.82
Percent with AFDC/TANF^e	32.9%	100.0%	0.0%	17.7%	100.0%	0.0%
AFDC/TANF ^f	\$383.56	\$383.56	\$0.00	\$350.17	\$350.17	\$0.00
Percent with Federal SSI^e	7.1%	10.3%	5.5%	9.6%	18.7%	7.6%
Federal SSI ^f	\$454.79	\$482.25	\$429.89	\$495.62	\$590.44	\$445.36
Percent with Food Stamps^e	48.1%	92.9%	26.2%	36.6%	91.0%	24.9%
Food Stamps ^f	\$247.51	\$265.68	\$215.95	\$221.33	\$227.85	\$216.22
Percent with Social Security^e	12.8%	10.6%	13.9%	12.4%	10.5%	12.8%
Social Security ^f	\$658.94	\$521.44	\$710.13	\$634.90	\$466.80	\$664.55
Percent with State UI^e	4.3%	2.8%	5.0%	2.5%	2.1%	2.6%
State UI ^f	\$516.23	\$432.83	\$538.67	\$496.84	\$442.06	\$506.34
Percent with Child Support^e	24.9%	18.8%	27.9%	29.1%	18.8%	31.3%
Child Support ^f	\$280.90	\$125.44	\$332.23	\$286.96	\$119.07	\$308.53
Percent with Income from Other Family Members^e	22.6%	22.3%	22.8%	23.2%	22.6%	23.4%
Income from Other Family Members ^{f, g}	\$745.86	\$676.33	\$779.12	\$839.93	\$799.59	\$848.31
Monthly Family Income^h	\$1,106.33	\$815.96	\$1,248.40	\$1,220.57	\$926.66	\$1,283.68

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b All dollar amounts are averaged across the four-month survey period and are in August 1999 dollars.

^c Welfare recipients received AFDC/TANF for at least one month during the four-month survey period; non-welfare recipients did not receive AFDC/TANF during the survey period.

^d All descriptive statistics presented are based on weighted data, which are representative of the national population.

^e Including families who receive income from this source for at least one month during the four-month survey period.

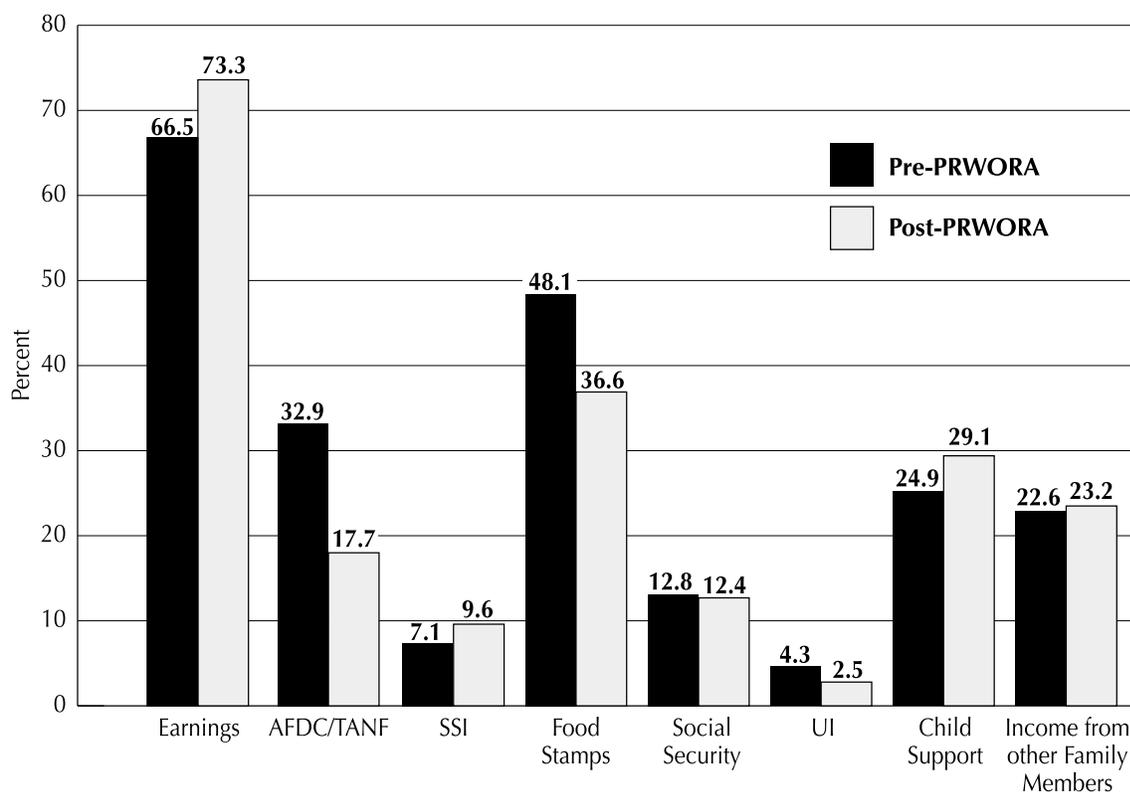
^f Average monthly income excluding 0s (i.e., calculated only for those months with this income source).

^g Income from other family members is total family income minus the householder's total personal income.

^h Monthly family income includes 0s (i.e., calculated across all four months of the survey period).

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

**Figure 3.1 Income Sources of Low-Income Single Parent Families
Pre- and Post-PRWORA Percent of Families Receiving Each Source**



Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12, which includes data collected in December 1995-June 1996 and August 1999-February 2000.

source declines (from \$384 to \$350 for families with income from AFDC/TANF). In both time periods, a much larger share of low-income single mother families receives AFDC/TANF than single father families, but the share of low-income single mother families that receives income from this source is much lower in the post-PRWORA time period. For low-income single mother families, the share receiving AFDC/TANF falls from 36.3 percent to 19.6 percent and for single father families from 10.1 percent to 5.0 percent. Although a very small share of low-income single father families receives AFDC/TANF post-PRWORA, their average monthly income from this source is higher than it is for single mother families in both time periods.

Means-Tested Programs and Low-Income Families

The participation of low-income single parent families in other means-tested benefit programs—such as Food Stamps and Supplemental Security Income (SSI)—changes in the context of welfare

reform. The percent of low-income single parent families receiving Food Stamps declines substantially (from 48.1 to 36.6 percent), a trend reflected among both single mother and single father families. Furthermore, the average monthly income from Food Stamps received by low-income single parents also decreases (from \$248 to \$221) over this time period.

The share of low-income single parent families receiving SSI increases slightly after welfare reform, reflecting the nominal increase experienced by single mother families (from 7.2 to 10.3 percent). The average monthly income from this source does not show statistically significant changes between the pre- and post-PRWORA period.

Welfare recipient families remain much more likely than low-income non-welfare recipient families to receive income from Food Stamps and SSI. In both time periods, a much larger share of welfare recipients receives Food Stamps than of non-welfare recipients (91.0 vs. 24.9 percent post-PRWORA). Despite their over-representation, fam-

ilies receiving welfare experience a decline in the average Food Stamp benefits they obtain post-PRWORA (from \$265.68 to \$227.85), while benefits for non-welfare recipients remain constant at roughly \$216.

Following welfare reform, the share of low-income single parent families receiving SSI increases among welfare recipients and low-income non-welfare recipients. Yet, only welfare recipients experience a statistically significant increase in average SSI income amount (\$482 to \$590 post-PRWORA vs. \$430 to \$445 post-PRWORA among non-welfare recipients).

Non-Means-Tested Assistance and Low-Income Families

There is not a statistically significant change in the share of low-income families receiving income from Social Security, or in the average monthly income received from this program in the post-PRWORA period. For those low-income single parents who depend on these benefits (roughly 12 percent), however, Social Security is an important monthly income source, providing an average monthly benefit of \$635 in the post-PRWORA period.

Most likely due to the strong economic growth of the late 1990s, the share of low-income single parent families receiving Unemployment Insurance (UI) declines significantly three years after the implementation of welfare reform (from 4.3 to 2.5 percent). Together, the findings on Unemployment Insurance and Social Security suggest that non-means-tested benefits, while important to those who receive them, are not playing an increasingly important role in the income packages of low-income single parent families in the context of welfare reform.

Familial Income Supports

Although there is no significant change in the average amount of child support income received by low-income single parents pre- and post-PRWORA, the share of low-income single parents who receive child support increases significantly after welfare reform. This increase is concentrated among low-income single mothers (from 28.1 to 33.1 percent) and low-income non-welfare recipients (from 27.9 to 31.3 percent). The share of welfare recipients receiving child support income holds constant at 19 percent during this period. In addition, the average monthly income from child sup-

port that low-income non-welfare recipients receive is higher than that received by welfare recipients in both time periods (\$332 vs. \$125 pre-PRWORA and \$309 vs. \$119 post-PRWORA). This finding is consistent with earlier IWPR research, which highlights the importance of child support as a wage supplement for low-income single mothers outside of the welfare system and suggests that child support may become an increasingly important income support for poor women, as they increasingly rely on earnings as their primary income source and the number receiving AFDC/TANF falls (Witkowski and Murthy 2001).

Although the proportion of low-income single parent families with monthly income from other family members does not change significantly, the average amount of income from other family members does increase across the two time periods (from \$746 to \$840 post-PRWORA). In both periods, low-income single fathers receive a higher average monthly income from other family members than do low-income single mothers. Although, on average, low-income non-welfare families receive higher monthly income from other family members than welfare recipients, families who receive welfare experience an even greater increase in familial income support across the two time periods than do non-welfare families (\$676 to \$800 post-PRWORA among welfare recipients vs. \$779 to \$848 post-PRWORA among non-welfare recipients). In fact, following welfare reform, the difference in familial income support for welfare recipients and non-welfare recipients no longer meets the standard of statistical significance. These findings suggest that familial income sources are important to low-income single parents in both time periods and may be increasingly important for welfare recipients in the context of welfare reform.

Poverty Status

A key concern raised by many welfare researchers and advocates is that changes in the average amounts and sources of income for low-income single parent families since the passage of PRWORA have resulted in minimal improvements in the economic well-being of many of these families (Bernstein and Greenberg 2001). To investigate this concern, this study examines the poverty status of low income single parent families by using the official poverty thresholds as the standard for compar-

ison.¹⁶ This allows for an examination of different degrees of poverty relative to the following categories: a family is defined as being “poor” if average family income falls below 100 percent of the official poverty threshold over the four months of the survey period; a family is in “dire poverty” if average family income falls below 50 percent of the official poverty threshold; a family is “near poor” if average family income falls between 100 percent and 150 percent of the official poverty threshold. To further capture the depth of poverty experienced by poor single parent families, this report also examines the “poverty gap,” defined as the average annual amount of income necessary to move a poor family up to the official poverty threshold.

Poverty and Low-Income Single Parent Families¹⁷

As indicated in Chapter 1 of this report, poverty rates for single mother families have fallen since the passage of PRWORA, but not nearly to the extent that welfare caseloads have fallen. Some poor families have experienced an increase in the depth of their poverty.

Fully one-half (roughly 3.1 million) of low-income single parent families live in poverty, including nearly one-quarter (roughly 1.5 million families) who live in dire poverty, in the post-PRWORA time period. In addition, another 25.0 percent of these families are near poor. Despite the decrease in the share of low-income single parent families living in poverty, the poverty gap (in August 1999 dollars) for poor single parent families does not decline (the measured increase is not statistically significant). The magnitude of the poverty gap indicates that low-income single parent families living in poverty require a substantial increase in average annual income (\$7,538 post-PRWORA) in order to escape poverty.

Poverty and Gender

As illustrated in Table 3.3, important gender differences exist in the incidence and depth of poverty for low-income single parents in the pre- and post-PRWORA time periods, and in the changes in poverty status across the two time periods. In

both time periods, the share of low-income single mother families in poverty is higher than that for low-income single father families (53.1 vs. 36.7 percent post-PRWORA). Low-income single father families experience a larger decrease in the share that is poor. The incidence of dire poverty is also higher for low-income single mother families in both time periods, but low-income single mother families experience a decline in the share living in dire poverty while low-income single father families do not. The incidence of near poverty is higher for single father families in both time periods, but low-income single mother families experience a significant increase in the share living in near poverty, while low-income single father families do not. In the pre-PRWORA time period, the average annual poverty gap is significantly higher for poor single mother families than for poor single father families. But while the size of the poverty gap increases for both poor single mother and single father families over the two time periods, the increase is only statistically significant for poor single father families. For poor single mother families, the poverty gap is roughly \$7,400 pre- and post-PRWORA; for poor single father families, the poverty gap increases from \$6,500 to \$8,400.

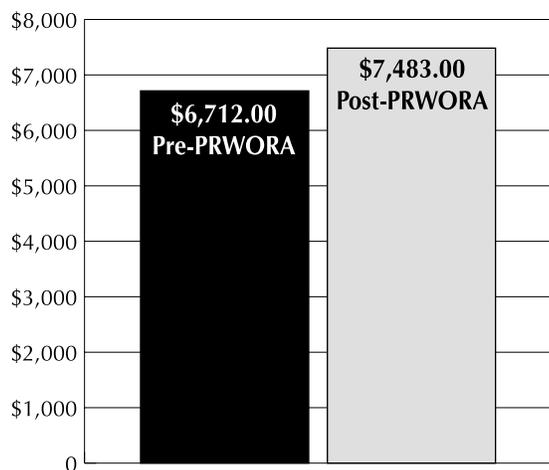
Poverty and Welfare

As illustrated in Table 3.4, the share of low-income single parent families living in poverty and dire poverty is much higher for welfare recipients than for low-income non-welfare recipients: 80.2 percent of welfare recipient families live in poverty and 40.2 percent live in dire poverty, while 44.7 percent of low-income non-welfare recipient families live in poverty and 20.8 percent live in dire poverty, post-PRWORA. The share who are near poor is higher for low-income non-welfare recipients (27.2 vs. 14.8 percent post-PRWORA). Welfare recipients, however, experience a decline in the share living in poverty and dire poverty, while low-income non-welfare recipients do not: among low-income non-welfare recipient families, there is no statistically significant change in the share living in poverty, and the share living in dire poverty actually increases across the two time periods. There is a significant increase in

¹⁶ There are a number of criticisms of the official poverty measure, focused most particularly on the ways in which “needs” and “income” are measured. For an overview of these issues see Shaw, Lois. 1999. “Poverty, Measurement and Analysis of,” Pp. 634-639 in *The Elgar Companion to Feminist Economics*, eds. J. Peterson and M. Lewis. Northampton, MA: Edward Elgar Publishing.

¹⁷ Throughout this sub-section, “single parents” will refer to single parent household heads and “single parent families” will refer to the families of single parent household heads.

Figure 3.2
Poverty Gap for Low-Income Single Parent Families Not Receiving Welfare, Pre- and Post-PRWORA



Note: The "poverty gap" is a measure of the depth of poverty and is defined as the average amount of income necessary to move a poor family up to the official poverty threshold.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12, which includes data collected in December 1995-June 1996 and August 1999-February 2000.

the share of welfare recipients living in near poverty, but not among low-income non-welfare recipients.

The poverty gap is significantly higher for poor welfare recipients than for poor non-welfare recipients in the pre-PRWORA time period. In the post-PRWORA time period, however, the poverty gap for poor non-welfare recipients increases significantly over the two time periods (from \$6,712 to \$7,483) as this cohort falls deeper and deeper into poverty. (Figure 3.2).

It is particularly noteworthy that three years after the passage of PRWORA, roughly 860,000 welfare recipient families are poor, including roughly 431,000 in dire poverty. In addition, there are roughly 2.2 million single parent families in poverty, including roughly 1.0 million in dire poverty, who do not receive welfare benefits. The increase in the poverty gap and in the incidence of dire poverty for non-welfare recipients indicates that poor single parent families not receiving AFDC/TANF, on aver-

age, are poorer in the post-PRWORA time period. This finding is consistent with other IWPR research that finds that, following welfare reform, children living in dire poor families have experienced a decrease in income and access to crucial supports such as health care and food stamps (Lyter, Sills, and Oh 2002). This may reflect the dire circumstances of former welfare recipients who have not been able to adequately replace AFDC/TANF with other forms of income. These findings are consistent with those of other researchers who find that the poorest single parent families are poorer after welfare reform (Primus and Daugirdas 1999; Porter and Dupree 2001). They support calls to make poverty reduction the primary goal of welfare reform, to increase the adequacy of the income supports available to welfare recipients, and to expand the income supports available to low-income non-welfare recipient families.

Low-Income Single Mother Subfamilies

The previous discussion indicates that, in general, the families of low-income single parent household heads experience modest increases in monthly family income and some significant changes in the sources of their income pre- and post-PRWORA, but with little improvement in their overall economic well-being. This section examines the situations of low-income single mother subfamilies in relation to these various factors before and after welfare reform.

Subfamily Income and Income Sources

A direct comparison of the average incomes of low-income single mother subfamily heads and household heads is not possible, since the family incomes of household heads include those of related subfamilies. Some important differences appear when comparing the trends in the average incomes and income sources of low-income single mother subfamilies and those of low-income single mother household heads. Most important, as illustrated in Table 3.5, average monthly subfamily income is stagnant for low-income single mother subfamilies, showing no statistically significant change over the pre- and post-PRWORA time periods. In addition, the share of low-income single mother subfamilies with earnings from employment does not increase across the two time periods (remaining at roughly 54 percent), while there is an increase in the average amount of income from earnings received by employed low-income single mother subfamily

Table 3.3
Economic Well-Being of Low-Income Single Parent Families: Single Mothers and Single Fathers, Pre- and Post-PRWORA^{a, b}

	<u>December 1995 – June 1996 (Wave 1)</u>			<u>August 1999 – February 2000 (Wave 12)</u>		
	All	Single Mothers	Single Fathers	All	Single Mothers	Single Fathers
Sample Size (unweighted)	2,798	2,458	340	1,612	1,428	184
Sample Size (weighted) ^c	6,695,09	5,818,302	876,789	6,062,818	5,261,364	801,454
Monthly Family Income	\$1,106.33	\$1,076.59	\$1,303.64	\$1,220.57	\$1,193.81	\$1,396.21
Poverty Status^d						
Percent in Dire Poverty	27.3%	28.6%	18.1%	24.2%	24.7%	21.0%
Percent in Poverty	58.8%	60.7%	46.5%	50.9%	53.1%	36.7%
Percent in Near Poverty	22.8%	22.3%	26.1%	25.0%	24.8%	26.6%
Poverty Gap ^e	\$7,291.80	\$7,379.77	\$6,529.82	\$7,537.91	\$7,451.12	\$8,363.31

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b All dollar amounts are in August 1999 dollars.

^c All descriptive statistics presented are based on weighted data, which are representative of the national population.

^d Dire poverty refers to those whose average family income is below 50 percent of the poverty threshold; poverty refers to average family income below 100 percent of the poverty threshold; near poverty refers to average family income above 100 percent but below 150 percent of the poverty threshold. Figures do not add to 100 percent because dire poverty is a subset of poverty and the 150-200 percent of poverty category is not included here.

^e The poverty gap is poverty threshold minus annual family income for families with income below the threshold.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

heads (from \$914 to \$1,024). Unlike low-income single mother household heads, the share of single mother subfamily heads receiving income from child support does not increase significantly over the two time periods.

Like the families of low-income single mother household heads, single mother subfamilies do experience a significant decline in both the share receiving income from AFDC/TANF (from 27.8 to 14.6 percent) and the average amount of monthly income received from this source. The share of low-income single mother subfamilies receiving Food Stamps also declines substantially (from 36.8 to 22.1 percent), but there is no statistically significant change in the average amount of monthly income received from this source. The reported changes for SSI are not statistically significant. Given that the share of these families receiving income from earnings and child support does not increase, the decline in the share of low-income single mother subfamilies receiving means-tested benefits, such as AFDC/TANF and Food Stamps, is a particular concern.

Income from non-means-tested government programs (e.g., Social Security and UI) does not reach a large share of this low-income population. In the pre-PRWORA time period, Social Security benefits provide an average monthly income of \$507 to the very small share of low-income single mother subfamilies who received these benefits (5 percent pre-PRWORA). Post-PRWORA, both the share of subfamilies receiving Social Security and the average benefit amount decreases significantly (to 1 percent and \$454 respectively). Interestingly, Unemployment Insurance, also received by a very small share of subfamilies (2 percent post-PRWORA), undergoes a sharp increase in the average monthly amount received following the implementation of welfare reform (from \$334 to \$698 post-PRWORA).

Subfamilies and Familial Support

Subfamilies are defined in a way that typically excludes other adults. It is not surprising, therefore, that a very small percent receive income from other subfamily members in either time period. A very large

Table 3.4
Economic Well-Being of Low-Income Single Parent Families:
Welfare Recipients and Non-Welfare Recipients, Pre- and Post-PRWORA^{a, b}

	December 1995 – June 1996 (Wave 1)			August 1999 – February 2000 (Wave 12)		
	All	Welfare Recipients ^c	Non-Welfare Recipients ^c	All	Welfare Recipients ^c	Non-Welfare Recipients ^c
Sample Size (unweighted)	2,798	971	1,827	1,612	281	1,331
Sample Size (weighted) ^d	6,695,09	2,199,577	4,495,514	6,062,818	1,071,748	4,991,070
Monthly Family Income	\$1,106.33	\$815.96	\$1,248.40	\$1,220.57	\$926.66	\$1,283.68
Poverty Status^e						
Percent in Dire Poverty	27.3%	45.5%	18.3%	24.2%	40.2%	20.8%
Percent in Poverty	58.8%	85.1%	46.0%	50.9%	80.2%	44.7%
Percent in Near Poverty	22.8%	11.0%	28.6%	25.0%	14.8%	27.2%
Poverty Gap ^f	\$7,291.80	\$7,931.91	\$6,712.32	\$7,537.91	\$7,681.55	\$7,482.57

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b All dollar amounts are in August 1999 dollars.

^c Welfare recipients received AFDC/TANF for at least one month during the four-month survey period; non-welfare recipients did not receive AFDC/TANF during the survey period.

^d All descriptive statistics presented are weighted based on data, which are represented of the national population.

^e Dire poverty refers to those whose average family income is below 50 percent of the poverty threshold; poverty refers to average family income below 100 percent of the poverty threshold; near poverty refers to average family income above 100 percent but below 150 percent of the poverty threshold. Figures do not add up to 100 percent because dire poverty is a subset of poverty and the 150-200 percent of poverty category is not included here.

^f The poverty gap is poverty threshold minus annual family income for families with income below the threshold.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

share (95-98 percent) of low-income single mother subfamilies, however, has the potential to receive a substantial amount of income from other primary family members. These findings illustrate the economic importance of family members to some low-income single mothers both before and after the implementation of PRWORA. It is important to note, however, that roughly 60 percent of low-income single mother subfamilies are part of primary families that also have low-incomes (below 200 percent of poverty) in both time periods. The extent to which extended families are willing and able to provide a consistent income supplement to these subfamilies and how strong this “private safety net” will be in the face of an economic downturn and/or increasing numbers of welfare recipient families reaching their five year time limits are critically important questions that require careful consideration.

Poverty and Low-Income Single Mother Subfamilies

The previous discussion indicates that, although the modest increases in average monthly income experienced by the families of low-income single parent household heads lead to poverty reductions for some, many families do not experience substantial improvements in their poverty status. The findings for low-income single mother subfamilies indicate that, based on their subfamily incomes alone, these families experience even less improvement.¹⁸ As illustrated in Table 3.6, the share of low-income single mother subfamilies with subfamily incomes below the poverty threshold is very high, and the measured decline over the two time periods is only nominal (73.2 to 70.5 percent). Well over two-thirds, roughly 985,000, of these families are poor in the post-PRWORA time period (roughly

¹⁸ The question of whether or not income pooling takes place within these families is critical in determining the actual economic well-being of these subfamilies. Unfortunately, the SIPP data does not provide this type of information. This sub-section provides information on the poverty status of low-income single mother subfamilies based on their subfamily incomes only.

Table 3.5
Income Sources of Low-Income Single Mother Subfamilies, Pre- and Post-PRWORA^{a, b}

	<u>December 1995 – June 1996 (Wave 1)</u>	<u>August 1999 – February 2000 (Wave 12)</u>
Sample Size (unweighted)	547	385
Sample Size (weighted) ^c	1,458,072	1,396,887
Subfamily Earnings		
Including families with no income	\$449.16	\$510.42
Percent with Earnings ^d	53.2%	54.6%
Excluding families with no income	\$914.09	\$1,024.27
Percent with AFDC/TANF^d	27.8%	14.6%
AFDC/TANF ^e	\$355.59	\$318.20
Percent with Federal SSI^d	2.9%	4.1%
Federal SSI ^e	\$362.49	\$418.28
Percent with Food Stamps^d	36.8%	22.1%
Food Stamps ^e	\$207.43	\$214.01
Percent with Social Security^d	5.2%	0.9%
Social Security ^e	\$506.61	\$453.51
Percent with State UI^d	1.4%	2.0%
State UI ^e	\$334.42	\$697.88
Percent with Child Support^d	24.0%	23.9%
Child Support ^e	\$244.84	\$210.12
Percent with Income from Other Subfamily Members^d	1.7%	1.3%
Income from Other Subfamily Members ^{e, f}	\$375.70	\$380.72
Percent with Income from Other Primary Family Members^d	95.4%	98.4%
Income from Other Primary Family Members ^{e, g}	\$2,739.43	\$2,863.24
Monthly Subfamily Income^h	\$664.03	\$647.37
Monthly Primary Family Income ^h	\$3,267.70	\$3,446.90
Percent of low-income subfamilies living in low-income primary families	61.2%	58.4%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line. A related subfamily is a nuclear family that is related to, but does not include, the household head; a subfamily head is the head of a related subfamily.

^b All dollar amounts are averaged across the four-month survey period and are in August 1999 dollars.

^c All descriptive statistics presented are based on weighted data, which are representative of the national population.

^d Including families who receive income from this source for at least one month during the four-month survey period.

^e Average monthly income excluding 0s (i.e., calculated only for those months with this income source).

^f Income from other subfamily members is total subfamily income minus the subfamily head's total personal income.

^g Income from other primary family members is total primary family income minus the subfamily head's total personal income.

^h Monthly family income includes 0s (i.e., calculated across all four months of the survey period).

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

71 percent). The incidence of dire poverty (roughly 50 percent of low-income single mother subfamilies) and near poverty (roughly 18 percent) also show no significant changes over this time period. Yet, the average annual poverty gap increases significantly, indicating an increase in the average depth of poverty among poor single mother subfamilies. Thus, the additional amount of subfamily income that poor single mother subfamilies need,

on average, to reach the official poverty threshold is substantially higher in the post-PRWORA time period (\$8,779 post-PRWORA vs. \$8,041 pre-PRWORA).

The economic significance of other family members becomes a critically important part of the analysis of the well-being of these families. Based on their own resources, these families are highly disadvantaged. To what extent do the resources of other family members offset this? The average pri-

Table 3.6
Economic Well-Being of Low-Income Single Mother Subfamilies, Pre- and Post-PRWORA^{ab}

	<u>December 1995 – June 1996 (Wave 1)</u>	<u>August 1999 – February 2000 (Wave 12)</u>
Sample Size (unweighted)	547	385
Sample Size (weighted) ^c	1,458,072	1,396,88
Monthly Subfamily Income	\$664.03	\$647.37
Poverty Status^d		
Percent in Dire Poverty	48.2%	51.0%
Percent in Poverty	73.2%	70.5%
Percent in Near Poverty	17.5%	18.2%
Poverty Gap ^e	\$8,041.21	\$8,779.09
Percent of Poor Subfamilies Living in Poor Primary Families	39.3%	38.0%
Percent of Poor Subfamilies living in Low-Income Primary Families	70.2%	71.6%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line. A related subfamily is a nuclear family that is related to but does not include the household head; a subfamily head is the head of a related subfamily.

^b All dollar amounts are in August 1999 dollars.

^c All descriptive statistics presented are weighted based on data, which are represented of the national population.

^d Dire poverty refers to those whose average subfamily income is below 50 percent of the poverty threshold; poverty refers to average subfamily income below 100 percent of the poverty threshold; near poverty refers to average subfamily income above 100 percent but below 150 percent of the poverty threshold. Figures do not add up to 100 percent because dire poverty is a subset of poverty and the 150-200 percent of poverty category is not included here.

^e Poverty gap is poverty threshold minus subfamily annual income for families with income below the threshold.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

mary family income is substantially higher than average subfamily income, offering subfamilies the potential for an important financial cushion. As illustrated in Table 3.6, however, well over one-third of poor subfamilies are part of primary families that are also poor (38.0 percent post-PRWORA) and over two-thirds are part of low-income primary families (71.6 percent post-PRWORA). This suggests that the assumption that extended families can support these mothers and children in the absence of public benefits, without sacrificing their own well-being, is often not warranted. Policies promoting labor market skills and opportunities, as well as income supports, remain very important to low-income single mothers, even those with access to familial resources.

Key Findings

Returning to the research questions guiding the discussion in this chapter, three findings stand out as particularly relevant to current federal and state policy discussions:

- There are increases in average monthly family incomes (\$114 per month) over the three years following the passage of PRWORA for most groups of low-income single parent families. In addition, low-income single parent families experience considerable changes in the importance of different income sources as earnings and child support replace a portion of AFDC/TANF income.
- Important differences are found in the changes in income sources and poverty status of different groups of low-income single parent families. Specifically, single mother subfamilies are particularly disadvantaged since the share that receives income from earnings increases only slightly in the post-PRWORA period (from 53.2 to 54.6 percent post-PRWORA), while the percent receiving income from child support remains stagnant at 24 percent. Likewise, the share receiving AFDC/TANF declines significantly after welfare reform (from 27.8 to 14.6 percent) along with average monthly subfamily incomes (from \$664 to \$647 per month). This

results in a very high incidence of poverty for such families, as more than 70 percent are poor in both time periods.

- Although the share of low-income single parent families with incomes below the official poverty line declines across the time periods included in this study (from 58.8 to 50.9 percent), the incidence of poverty remains very high. Roughly 3.1 million families live in poverty after welfare reform, including 1.5 million who live in dire poverty (income less than 50 percent of poverty). In addition, the size of the poverty gap for poor single parent families does not decline in the post-PRWORA time period.

These findings are consistent with concerns raised by many welfare researchers and advocates about the impacts of welfare reform on the economic well-being of low-income families. Three years after the passage of PRWORA, during a time period of tremendous economic prosperity for many Americans, and despite increased work and earnings and decreased reliance on AFDC/TANF, fully one-half (roughly 3.1 million) of the families of low-income single parent household heads are poor, including one-quarter (roughly 1.5 million families) who live in dire poverty. Although the share of the families of low-income single parent household heads living in poverty declines over the two time periods, the average annual poverty gap—measuring the depth of poverty for those who are poor—does not decline. Among low-income single mother subfamilies, over two-thirds are poor in both time

periods (based on their own subfamily incomes alone). Finally, the poverty gap for poor single mother subfamilies is significantly higher in the post-PRWORA time period.

There are important variations in the experiences of the different groups of low-income single parents in this study, and it is difficult to determine who has “fared the best” under welfare reform. Low-income single mother families and welfare recipient families, for example, experience the greatest increase in average monthly family income and in the share with income from earnings, but remain well behind low-income single father families and low-income non-welfare recipient families on these indicators of economic well-being. Although the incidence of poverty is lower for low-income single father families and low-income non-welfare recipient families than for low-income single mother families and welfare recipient families in both time periods, it is poor single father families and poor non-welfare recipient families who experience an increase in the depth of poverty over the two time periods.

Despite the complexity in the changes of the income sources and poverty status of low-income single parent families, overall, a very large number of low-income single parent families—regardless of their other characteristics—remain in poverty post-PRWORA. These findings strongly support calls to make poverty reduction the primary purpose of TANF and of social welfare policy more generally.

DEMOGRAPHIC CHARACTERISTICS OF LOW-INCOME SINGLE PARENT FAMILIES, PRE- AND POST- PRWORA

The demographic characteristics of low-income single parent families provide insights into the situations and challenges they face in a changing economic and policy environment. This chapter addresses three questions concerning changes in the characteristics of low-income single parent families that are relevant to many of the issues raised in federal and state policy discussions:

- Are there changes in the basic demographic characteristics of low-income single parents (such as gender, age, race/ethnicity, and family size) following the passage of PRWORA and the implementation of the TANF program?
- Has the educational attainment of low-income single parents changed with the implementation of work-oriented welfare policies that often de-emphasize education and training?
- With the increased flexibility and authority accorded to states and localities in designing and implementing welfare policy, are there changes in the geographic distribution of low-income single parents?

The first section of this chapter examines the changes in the demographic characteristics of low-income single parent household heads, comparing low-income single mothers and single fathers (Table 4.1), and welfare recipients and low-income non-welfare recipients (Table 4.2). The second section examines the changes in the demographic characteristics of low-income single mother sub-family heads in comparison with low-income single mother household heads (Table 4.3). The final section identifies key findings of particular relevance for federal and state policy discussions.

The Characteristics of Low-Income Single Parent Household Heads¹⁹

Gender

As illustrated in Tables 4.1 and 4.2, the vast majority (86.9 percent) of the low-income single parent household heads in this study are women, before and after welfare reform, and regardless of welfare reciprocity status. However, welfare recipient families are more likely to be headed by a female than low-income families who do not receive welfare (96.3 vs. 84.7 percent post-PRWORA). After welfare reform, the share of low-income non-welfare recipient families headed by a single mother slightly increases (from 82.5 to 84.7 percent) following the implementation of welfare reform, while the proportion of single mother welfare recipients remains at approximately 96 percent. Clearly, the implementation of the TANF program has not changed the significance of gender in defining low-income populations in the United States. Addressing gender inequities in social policy, education and training, and the labor market remains a critical issue for welfare reform.

Age

While it is often assumed that low-income single parents are very young, the average low-income single parent in this study is in her/his mid-thirties (35.5 years pre-PRWORA and 36.5 years post-PRWORA). Low-income single fathers are slightly older than low-income single mothers in both time periods, and the age difference is slightly larger post-PRWORA. The age difference between welfare recipients and low-income non-welfare recipients, however, narrows over the two time periods: the average age of welfare recipients increases over the two time periods (33.9 vs. 35.8 post-PRWORA), while the average age of low-income non-welfare recipients remains virtually the same (36.2 vs. 36.6 post-PRWORA).

¹⁹ Throughout this sub-section, “single parents” will be used to refer to single parent household heads and “single parent families” will be used to refer to the families of single parent household heads.

Table 4.1
Demographic Characteristics of Low-Income Single Parent Household Heads:
Single Mothers and Single Fathers, Pre- and Post-PRWORA^a

	December 1995 – June 1996 (Wave 1)			August 1999 – February 2000 (Wave 12)		
	All	Single Mothers	Single Fathers	All	Single Mothers	Single Fathers
Sample Size (unweighted)	2,798	2,458	340	1,612	1,428	184
Sample Size (weighted) ^b	6,695,091	5,818,302	876,789	6,062,818	5,261,364	801,454
Age	35.5	35.4	36.1	36.5	36.3	37.6
Gender						
Percent Male	13.1%	0.0%	100.0%	13.2%	0.0%	100.0%
Percent Female	86.9%	100.0%	0.0%	86.8%	100.0%	0.0%
Race / Ethnicity						
Percent Non-Hispanic White	45.0%	44.0%	51.8%	42.4%	40.8%	52.8%
Percent Non-Hispanic Black	33.7%	36.4%	15.7%	35.5%	38.8%	14.0%
Percent Non-Hispanic Other	3.1%	2.9%	4.1%	2.8%	2.6%	4.1%
Percent Hispanic ^c	18.3%	16.7%	28.4%	19.3%	17.8%	29.2%
Family size						
Average no. of children under 18	1.81	1.85	1.54	2.03	2.07	1.77
Average no. of children under 6	0.63	0.64	0.57	0.62	0.61	0.66
Average family size	3.28	3.30	3.16	3.36	3.38	3.19
Education						
Percent Less than high school	31.5%	31.1%	34.5%	29.7%	29.3%	32.2%
Percent High school	37.5%	37.3%	38.5%	41.1%	40.2%	46.7%
Percent Some college	27.7%	28.4%	23.4%	25.1%	26.2%	18.2%
Percent College degree	2.4%	2.6%	1.2%	3.5%	3.7%	2.5%
Percent Graduate school	0.8%	0.6%	2.4%	0.6%	0.6%	0.5%
Region						
Percent Northeast	17.0%	17.4%	13.9%	19.0%	19.2%	17.9%
Percent North central	22.9%	22.8%	23.4%	20.4%	20.1%	22.2%
Percent South	38.2%	39.1%	32.8%	40.3%	41.3%	33.5%
Percent West	21.9%	20.7%	29.9%	20.3%	19.4%	26.4%
Metro Area						
Percent always living in metro area	69.8%	70.2%	66.8%	82.1%	82.8%	77.4%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b All descriptive statistics presented are weighted based on data, which are represented of the national population.

^c Hispanics may be of any race.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

Race/Ethnicity

Increasingly, welfare researchers and advocates are raising concerns about the impacts of various welfare reform policies on different racial/ethnic groups. Although the racial/ethnic impacts of welfare reform have received less attention from the research community than have other impacts, existing evidence suggests that racial differences exist in areas ranging from differential treatment impacting access to support services to discriminatory treatment by

potential employers. These treatment disparities appear to lead to disparate impact regarding welfare transitioning success (Armato, Lewis and Lohrentz 2000; Gooden 1998, 1999, 2000; Rockey Moore and Cox 2002). Based on these concerns, researchers and advocates call for states to explicitly monitor welfare reform outcomes by race and ethnicity (Carroll 2001; Rockey Moore and Cox 2002) and for increased accountability of states for the impacts of welfare reform on all of their citizens (Gordon 2001).

Table 4.2
Demographic Characteristics of Low-Income Single Parent Household Heads:
Welfare Recipients and Non-Welfare Recipients, Pre- and Post-PRWORA^a

	December 1995 – June 1996 (Wave 1)			August 1999 – February 2000 (Wave 12)		
	All	Welfare Recipients ^b	Non-Welfare Recipients	All	Welfare Recipients	Non-Welfare Recipients
Sample Size (unweighted)	2,798	971	1,827	1,612	281	1,331
Sample Size (weighted) ^c	6,695,091	2,199,577	4,495,514	6,062,818	1,071,748	4,991,070
Age	35.5	33.9	36.2	36.5	35.8	36.6
Gender						
Percent Male	13.1%	4.0%	17.5%	13.2%	3.7%	15.3%
Percent Female	86.9%	96.0%	82.5%	86.8%	96.3%	84.7%
Race / Ethnicity						
Percent Non-Hispanic White	45.0%	33.6%	50.6%	42.4%	23.8%	46.4%
Percent Non-Hispanic Black	33.7%	43.4%	28.9%	35.5%	43.6%	33.8%
Percent Non-Hispanic Other	3.1%	2.5%	3.4%	2.8%	2.7%	2.8%
Percent Hispanic ^d	18.3%	20.5%	17.1%	19.3%	29.9%	17.0%
Family size						
Average no. of children under 18	1.81	2.09	1.67	2.03	2.35	1.96
Average no. of children under 6	0.63	0.86	0.52	0.62	0.70	0.60
Average family size	3.28	3.61	3.12	3.36	3.70	3.28
Education						
Percent Less than high school	31.6%	40.1%	27.4%	29.7%	46.0%	26.2%
Percent High school	37.5%	34.7%	38.9%	41.1%	36.4%	42.1%
Percent Some college	27.7%	24.1%	29.5%	25.1%	16.8%	26.9%
Percent College degree	2.4%	1.2%	3.1%	3.5%	0.6%	4.2%
Percent Graduate school	0.8%	0.0%	1.3%	0.6%	0.2%	0.7%
Region						
Percent Northeast	17.0%	16.7%	17.1%	19.0%	26.4%	17.4%
Percent North central	22.9%	25.2%	21.7%	20.4%	21.3%	20.2%
Percent South	38.2%	32.2%	41.2%	40.3%	20.4%	44.6%
Percent West	21.9%	25.8%	20.0%	20.3%	31.9%	17.8%
Metro Area						
Percent always living in metro area	69.8%	73.6%	67.9%	82.1%	90.3%	80.3%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line.

^b Welfare recipients received AFDC/TANF for at least one month during the four-month survey period; non-welfare recipients did not receive AFDC/TANF during the survey period.

^c All descriptive statistics presented are weighted based on data, which are represented of the national population.

^d Hispanics may be of any race.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

Consequently, the racial/ethnic composition of the low-income population, and how it changes over time, remains a critically important issue for TANF reauthorization. In this study, non-Hispanic whites constitute the largest racial/ethnic group among the low-income single parents in both time periods (42.4 percent post-PRWORA), followed by blacks (35.5 percent post-PRWORA), Hispanics

(19.3 percent post-PRWORA), and members of other racial/ethnic groups (2.8 percent post-PRWORA).²⁰ The share of white low-income single parent families, however, decreases over the two time periods (from 45.0 to 42.4 percent), while the proportions of black and Hispanic low-income single parent families increase (33.7 to 35.5 percent and 18.3 to 19.3 percent, respectively).

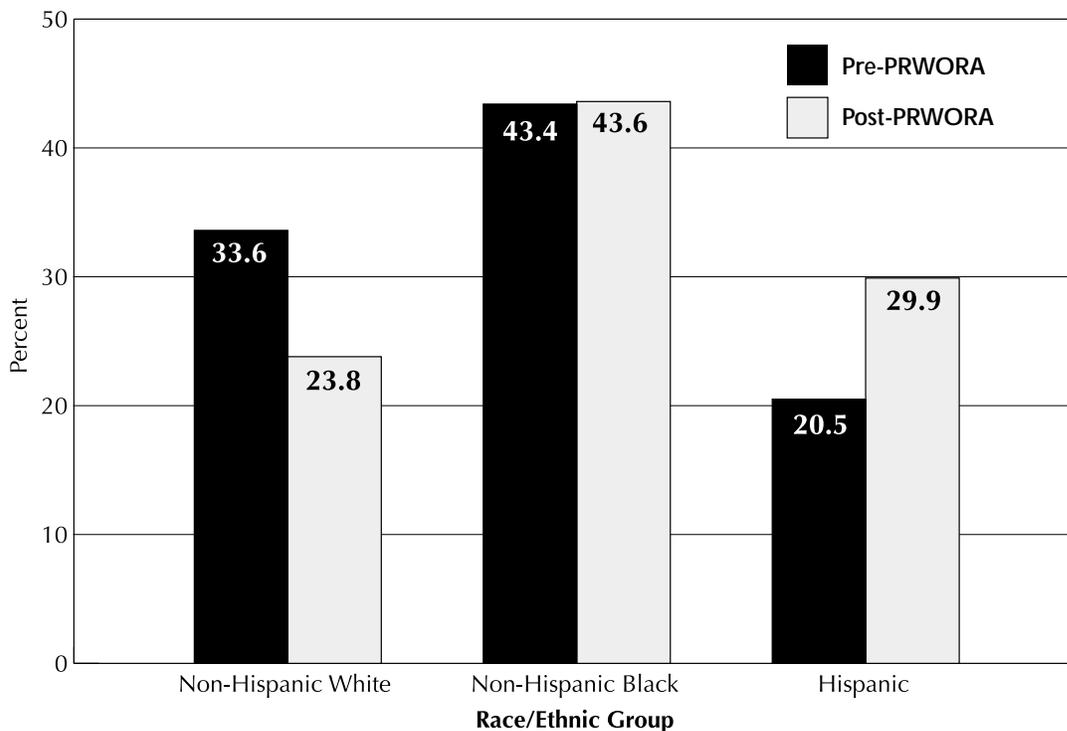
²⁰ Throughout this report, "white" will refer to the category "non-Hispanic white;" "black" will refer to the category "non-Hispanic black;" and "other" will refer to the category "non-Hispanic other."

Among single mother families, there is a significant decline in the proportion who are white (from 44.0 to 40.8 percent post-PRWORA) along with a significant increase in the proportion who are black (from 36.4 to 38.8 percent post-PRWORA). The proportion of Hispanic single mothers remains fairly constant at roughly 17 percent in both time periods, although single fathers who are Hispanic increase slightly after welfare reform (from 28.4 to 29.2 percent post-PRWORA). Figure 4.1 depicts important shifts in the racial/ethnic composition of welfare recipients following the implementation of welfare reform. The proportion of white welfare recipients declines significantly over the two time periods (33.6 vs. 23.8 percent post-PRWORA). Conversely, Hispanic representation among welfare recipients undergoes a dramatic increase (20.5 vs. 29.9 percent post-PRWORA). Interestingly, while the representation of blacks among welfare recipients remains stable over this time period (at roughly 43 percent), Table 4.2 indicates that the share of black low-income non-welfare recipients increases following welfare reform (28.9 vs. 33.8 percent post-PRWORA), while the share of low-income non-wel-

fare recipients among other racial/ethnic groups either decreases or stays constant.

The racial shifts in welfare rolls, along with the significant drop in white low-income single mothers in this study, are consistent with the findings of others that white single mothers may be more likely to move off welfare and out of the low-income population than single mothers from other racial/ethnic groups. Other national and state level studies, for example, find that the number of white families receiving welfare has declined more sharply than have black and Hispanic families (Carroll 2001). Recent studies of “welfare leavers” also find that whites are more likely to leave welfare because of employment, while blacks are more likely to have left due to sanctions (Savner 2000; Cazenave and Neubeck 2001). These findings raise important questions about the structure and implementation of welfare policy and the racial/ethnic inequities in labor markets and highlight the need for more attention in federal and state policy discussions surrounding these issues. Furthermore, these findings clearly illustrate the need for close monitoring of the racial/ethnic impacts of welfare policy

Figure 4.1 Racial and Ethnic Composition of Welfare Caseload Pre- and Post-PRWORA



Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12, which includes data collected in December 1995-June 1996 and August 1999-February 2000.

changes and for holding states accountable if racial disparities are found.

Family Size

Family size is often used as an indicator of a family's economic needs—for example, larger families generally require higher incomes to achieve an acceptable standard of living and parents with more children often face more serious child care challenges. If the family contains multiple adults, they may provide access to resources that help ease the economic burden. Among the low-income single parent families in this study, average family size increases slightly across the two time periods as average family size grows from 3.28 to 3.36 persons, including roughly two children under the age of 18.

In each time period the average family size for welfare recipients is higher than that of low-income non-welfare recipients (3.61 vs. 3.12 pre-PRWORA and 3.70 vs. 3.28 post-PRWORA). Likewise, welfare recipients average a higher number of children under 18 years of age (2.09 vs. 1.67 pre-PRWORA and 2.35 vs. 1.96 post-PRWORA). Despite these differences, only the average family size of low-income non-welfare recipients increases significantly over the two time periods, thereby reducing the difference in the post-welfare reform average family size between these two groups of low-income single parents.

Educational Attainment

Educational attainment is a commonly used indicator of “human capital,” or the skills and knowledge that individuals bring to the work place. Because low-skilled work is generally associated with low wages and job instability, the educational attainment of low-income single parents is critically important in an era of work-based social welfare policy. Among the low-income single parents in this study, a high school degree is the most common level of educational attainment. For 41.1 percent, a high school degree is the highest level of educational attainment post-PRWORA. A college degree (and beyond) is the least common level of educational attainment. The proportion of low-income single parents who attained this level of education increases in the post-PRWORA period (from 3.2 to 4.1 percent). Over the two time periods, the share of low-income single parents who have less than a high school education declines (from 31.5 to 29.7 percent) while the share who are high school graduates increases (from 37.5 to 41.1 percent). Yet, the percent of low-income single parents who have acquired some college edu-

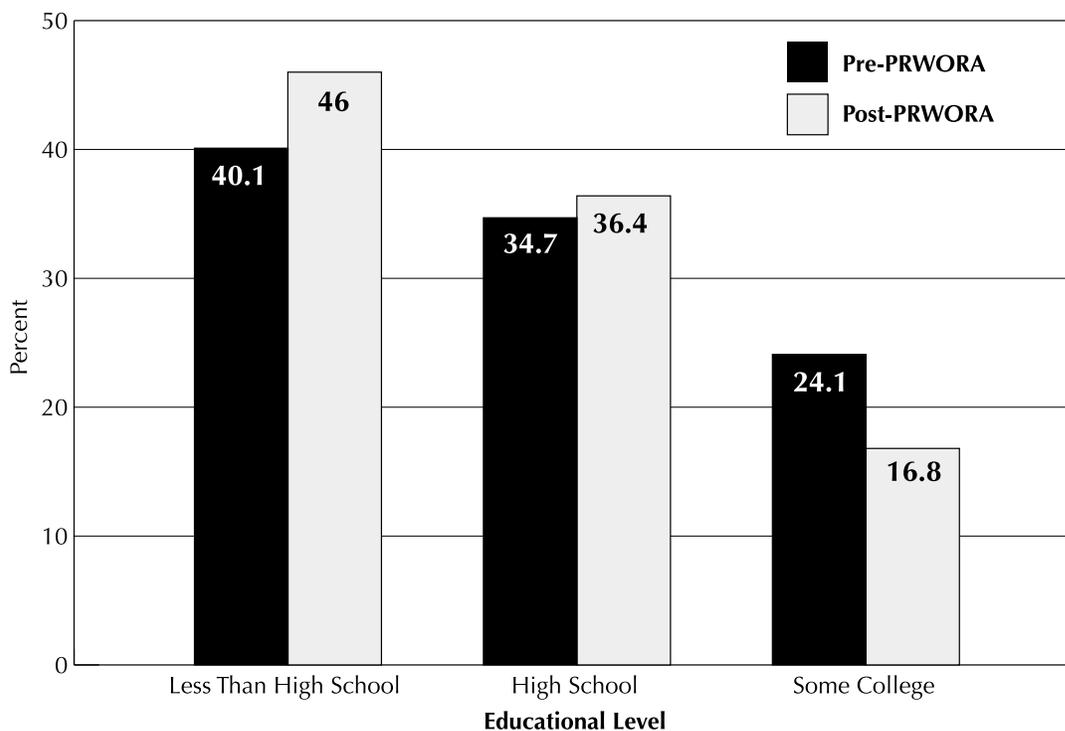
cation decreases in the post-PRWORA time period (from 27.7 to 25.1 percent).

Some interesting gender differences exist in the educational attainment of low-income single parents and in the changes in educational attainment over time. Pre-PRWORA, just fewer than 40 percent of both low-income single mothers and single fathers have high school as their highest level of educational attainment. Single fathers, however, experience a much higher increase in this level of educational attainment than do single mothers following welfare reform (38.5 to 46.7 percent vs. 37.3 to 40.2 percent post-PRWORA). Although a larger share of low-income single mothers have some college education in both time periods, the percentage of single mothers and single fathers who have attained this level of education decreases in the post-PRWORA period (down 2.2 percent for single mothers and 5.2 percent for single fathers).

In general, low-income single parents who are welfare recipients have less education than those who are non-welfare recipients, and this difference becomes more pronounced over the two time periods. Among low-income non-welfare recipients, there is a decline in the share with less than a high school education (from 27.4 to 26.2 percent) and an increase in the share who are high school graduates (from 38.9 to 42.1 percent). As Figure 4.2 illustrates, the proportion of welfare recipients with less than a high school education increases following welfare reform (from 40.1 to 46.0 percent) as does the percentage of high school graduates (from 34.7 to 36.4 percent). Both welfare recipients and low-income non-welfare recipients experience a decline in the share who attain some college education following welfare reform, and this decline is greatest among welfare recipients (from 24.1 to 16.8 percent).

Although some of the findings on educational attainment (e.g., the overall decline of low-income single parents with less than a high school education) are positive, the finding that a smaller share of low-income single parents (particularly welfare recipients) are attaining some college education is troubling. This particular decline in educational attainment is consistent with the concerns raised by many researchers and advocates about the ability of welfare recipients to acquire the skills they need for long run economic success in a “work first” policy environment and supports calls to redefine the role of education and training in welfare policy

Figure 4.2 Educational Characteristics of Welfare Recipients, Pre- and Post-PRWORA



Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12, which includes data collected in December 1995-June 1996 and August 1999-February 2000.

and expand educational opportunities for low-income single parents.

Geographic Location

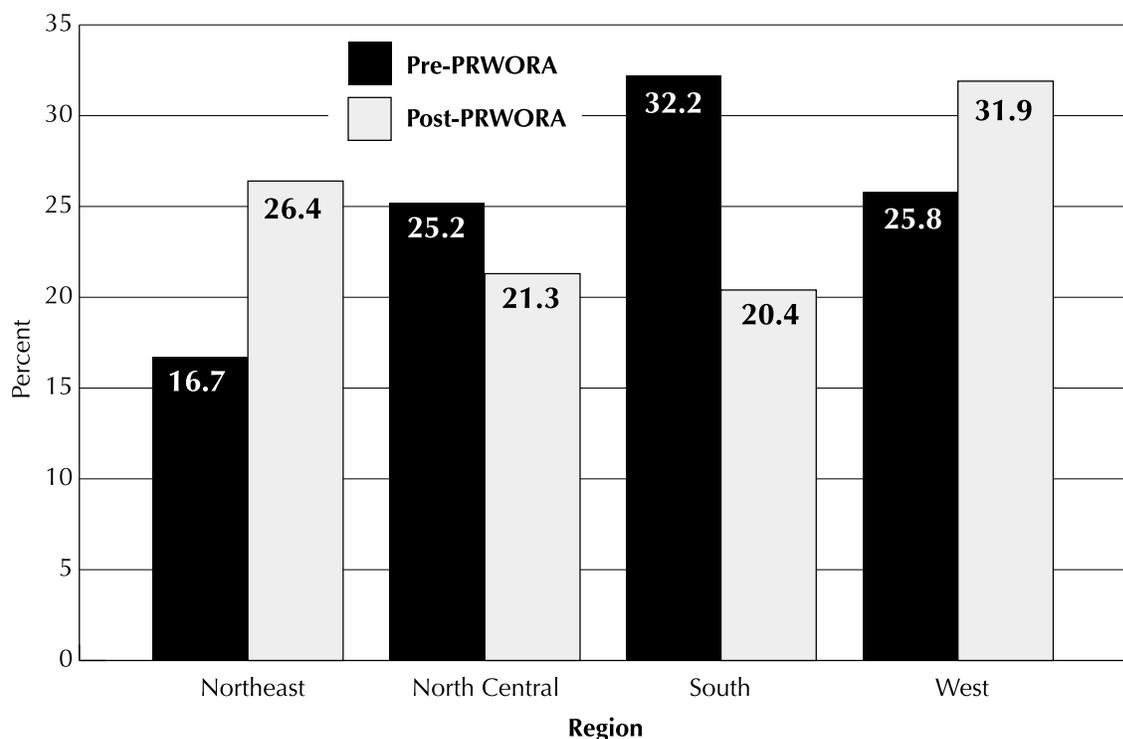
In both time periods, the largest regional concentration of low-income single parents is in the South, and this increases across the two time periods (from 38.2 to 40.3 percent). The regional concentration of low-income single parents in the South is reflected among both low-income single mothers and single fathers but is higher among single mothers (39.1 vs. 41.3 percent post-PRWORA). In addition, the share of low-income single parents living in metro-areas increases across the two time periods (from 69.8 to 82.1 percent). Single mothers and single fathers experience an increase in metro-area concentration, but a larger share of single mothers than single fathers live in metropolitan areas in the post-PRWORA time period (82.8 vs. 77.4 percent).

Among low-income non-welfare recipients, the regional distribution does not change significantly over time, with the largest share living in the

South in both time periods (44.6 percent post-PRWORA). The regional distribution of welfare recipients, however, changes significantly over the two time periods (Figure 4.3). Pre-PRWORA, the largest share of welfare recipients lives in the South (32.2 percent) and the smallest share lives in the Northeast (16.7 percent); post-PRWORA, the largest share of welfare recipients is in the West (31.9 percent), the next largest share is in the Northeast (26.4 percent), and the smallest share is in the South (20.4 percent). The share of both welfare recipients and low-income non-welfare recipients living in metropolitan areas increases, but the increase is particularly large for welfare recipients (from 73.6 to 90.3 percent).

The changes in the regional concentration (from the South to the West and Northeast), and increased metro-area concentration of welfare recipients are consistent with other research showing that the impacts of welfare reform have not been uniform across regions and localities, and that welfare caseloads are becoming increasingly con-

Figure 4.3 Regional Distribution of Welfare Recipients Pre- and Post-PRWORA



Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12, which includes data collected in December 1995-June 1996 and August 1999-February 2000.

centrated in a relatively small number of urban areas (Allen and Kirby 2000). Analysts attribute some of these differences to state welfare policy: California and New York, for example, implemented welfare reform more slowly than many other states, experienced relatively slow caseload declines, and now account for a larger share of the national caseload than they did prior to welfare reform (Katz and Allen 2001). In addition, studies find substantial differences within states, reflecting differences in local economic conditions (Carroll 2001).

In order to understand these shifts, more analysis is needed. For instance, is the dramatic decrease in the proportion of welfare recipients in the South a reflection of more punitive welfare policies in these states? Also, to what extent might state welfare policy differences account for trends such as the post-PRWORA racial transformation in welfare receipt? These lingering questions highlight the need for policymakers to pay closer attention to local and regional conditions in designing and implementing welfare policy as well as tracking policy outcomes.

Characteristics of Low-Income Single Mother Subfamily Heads

The previous section highlights some important changes in the demographic characteristics of low-income single parent household heads, particularly changes in racial/ethnic composition, educational attainment, and geographic location that reinforce the concerns of many welfare researchers and advocates about the impacts of recent welfare reform policies. This section shifts the focus of the analysis to a different population of single parents—those who head subfamilies—and asks: How do the demographic characteristics of low-income single mothers who head subfamilies compare with those who are household heads? Do these two groups of low-income single mother families experience similar changes in the new welfare policy environment?

As illustrated in Table 4.3, while low-income single mothers who are subfamily heads share many characteristics with those who are household

Table 4.3
Demographic Characteristics of Low-Income Single Mother Subfamily Heads, Pre- and Post-PRWORA^a

	<u>December 1995 – June 1996 (Wave 1)</u>		<u>August 1999 – February 2000 (Wave 12)</u>	
	Subfamily Heads	Household Heads	Subfamily Heads	Household Heads
Sample Size (unweighted)	547	2,458	385	1,428
Sample Size (weighted) ^b	1,458,072	5,818,302	1,396,887	5,261,364
Age	25.9	35.4	25.8	36.3
Race / Ethnicity				
Percent Non-Hispanic White	39.4%	44.0%	34.0%	40.8%
Percent Non-Hispanic Black	39.5%	36.4%	40.9%	38.8%
Percent Non-Hispanic Other	3.7%	2.9%	5.3%	2.6%
Percent Hispanic ^c	17.4%	16.7%	19.8%	17.8%
Subfamily size				
Average no. of children under 18	1.42		1.40	
Average no. of children under 6	0.90		0.88	
Average subfamily size	2.42		2.41	
Education				
Percent Less than high school	34.2%	31.1%	34.2%	29.3%
Percent High school	34.9%	37.3%	38.8%	40.2%
Percent Some college	28.4%	28.3%	23.7%	26.2%
Percent College degree	2.5%	2.6%	2.7%	3.7%
Percent Graduate school	0.0%	0.6%	0.0%	0.6%
Region				
Percent Northeast	14.5%	17.4%	16.2%	19.2%
Percent North central	16.6%	22.8%	19.9%	20.1%
Percent South	44.3%	39.1%	44.9%	41.3%
Percent West	24.6%	20.7%	19.0%	19.4%
Metro Area				
Percent always living in metro area	72.9%	70.2%	80.1%	82.8%

Notes:

^a Low-income single parents are single for all four months of the survey period and their average family income over the four months is below 200 percent of the poverty line. A related subfamily is a nuclear family that is related to, but does not include, the household head; a subfamily head is the head of a related subfamily.

^b All descriptive statistics presented are weighted based on data, which are represented of the national population.

^c Hispanics may be of any race.

Source: IWPR analysis of the U.S. Census Bureau's 1996 Survey of Income and Program Participation, Waves 1 and 12.

heads, some important differences stand out. In particular, low-income single mother subfamily heads, on average, are younger, have less education, and are less likely to be white than low-income single mother household heads. The characteristics of these families do, however, show similar changes in terms of racial/ethnic composition, educational attainment, and geographic location over the two time periods.

Age and Educational Attainment

As indicated in Chapter 1 of this report, although the majority of low-income single parent subfamily heads are not teens, the low-income single mother subfamily heads in this study are young in comparison to low-income single mother household heads (25.9 vs. 35.4 years, on average). And,

unlike low-income single mother household heads, their average age does not increase over the two time periods.

In general, low-income single mother subfamily heads also have less education than low-income single mother household heads. For example, in the post-PRWORA time period, 34.2 percent of low-income single mother subfamily heads have less than a high school education, compared to 29.3 percent of low-income single mother household heads. In addition, the educational attainment of low-income single mother subfamily heads does not show significant improvement over the two time periods. Although there is a small (but statistically insignificant) increase in the share who are high school graduates, there is a significant decline in

the share who have completed some college education (from 28.4 to 23.7 percent).

The relative youth and lower levels of educational attainment for low-income single mother subfamily heads suggest that policies aimed at expanding educational opportunities for (and developing the work skills of) low-income single mothers are particularly important for this group. The decline in the share of low-income single mother subfamily heads with some college education is a serious concern and further emphasizes the need for policies to promote human capital development for these low-income single mothers.

Race/Ethnicity

Low-income single mothers who head subfamilies are significantly less likely to be white than those who are household heads (34.0 vs. 40.8 percent post-PRWORA). As is also the case for household heads, the share of low-income single mother subfamily heads who are white decreases across the two time periods (from 39.4 percent to 34.0 percent). The shares of low-income single mother subfamily heads who are black, Hispanic, or members of other racial/ethnic groups increase between the two time periods, but the changes for blacks and Hispanics are not statistically significant. The fact that low-income single mother subfamily heads are less likely to be white than low-income single mother household heads may reflect the pattern of extended families historically playing a more important economic role among people of color. Earlier research by IWPR examining low-income families in the late 1980s and early 1990s found, for example, that low-income African American single mothers were far more likely than low-income white single mothers to live in an extended family (Hartmann and Spalter-Roth, 2003).

Family Size

A direct comparison of the average size of the families of low-income single mother household heads and subfamily heads is not possible since, in the SIPP, the average family size of household heads includes related subfamily members. While low-income single mothers who are household heads experience an increase in average family size across the two time periods, those who are subfamily heads do not; the average subfamily size (roughly 2.4 people) remains constant over the two time periods.

Geographic Location

The patterns of geographic location are similar for low-income single mother subfamily heads and household heads. Like low-income single mother household heads, the largest share of low-income single mother subfamily heads lives in the South in both time periods (44.9 percent post-PRWORA). In addition, the majority of low-income single mother subfamily heads live in metro areas, and this percentage increases substantially between the two time periods (from 72.9 to 80.1 percent), as is the case for low-income single mother household heads.

Key Findings

Three findings stand out as particularly relevant to state and federal policy discussions:

- While women still make up the vast majority of low-income single parents, there are significant changes in the post-PRWORA racial/ethnic composition of low-income single parents, including those who are welfare recipients.
- The educational attainment of low-income single parents significantly diminishes across the two time periods included in this study. Most importantly, the share of low-income single parents who have acquired some college education decreases following the implementation of welfare reform, with the greatest decline experienced among welfare recipients (from 24.1 to 16.8 percent).
- There are significant increases in the urban concentration of low-income single parents in the post-PRWORA time period (from 69.8 to 82.1 percent). Likewise, substantial changes occur in the regional distribution of welfare recipients as case-loads radically decrease in the South (from 32.2 to 20.4 percent) and increase in the Northeast (from 16.7 to 26.4 percent) and in the West (from 25.8 to 31.9 percent).

Although low-income single parent families experience a number of important changes in the three years following the passage of PRWORA, what does not change is that most are headed by women. This is true whether the single parent is a household head or subfamily head, and whether or not the family receives public assistance. This finding underscores the importance of recognizing the fact that women are more likely than men to have low-

incomes, and the importance of addressing gender inequities in social policy and the labor market in the context of welfare reform.

The racial/ethnic composition of this population of low-income single parent families changes significantly over this time period. Although whites constitute the largest share of low-income single parent household heads in both time periods, white representation declines in the context of welfare reform. Low-income single mothers who are subfamily heads are less likely to be white than those who are household heads in both time periods. The share of white subfamily heads also declines. These findings suggest that white single parents may be better prepared and more able to move out of the low-income population than single parents from racial/ethnic minority groups. Again, this points to the need for closely monitoring the racial/ethnic impacts of welfare reform to address racial/ethnic inequities in welfare policy and the labor market.

The educational attainment of single parents also changes with the implementation of work-oriented welfare policies over this time period. Of most concern is that the share of low-income single

parents who have some college education declines, particularly among welfare recipients. This raises questions about the ability of low-income single parents to acquire the skills they need for long-term economic success in a “work first” policy environment. These findings support calls by many welfare researchers and advocates to redefine the role of education and training in welfare policy and to expand educational opportunities for low-income parents.

The geographic distribution of low-income single parent families also changes, as states and localities have more flexibility and authority in designing and implementing welfare policy. There is a significant increase in the share of all groups of low-income single parents who live in metropolitan areas, and a significant increase in the share of welfare recipients who live in the West and Northeast regions. These findings illustrate that the impacts of welfare reform have not been uniform across regions and localities and emphasize the need to closely examine and monitor local and regional differences in welfare policies, and in economic conditions, as the next wave of welfare reform is designed and implemented.

CONCLUSIONS AND POLICY RECOMMENDATIONS

This report provides insight into the experiences of low-income families in the context of welfare reform. Overall, it finds that based on data from approximately three years after the passage of PRWORA, some significant changes have occurred within the welfare population. Specifically, fewer recipients have access to health insurance, fewer have acquired at least some college education, and more are concentrated in urban areas. Furthermore, the caseload itself is increasingly made up of people of color, as whites appear to have experienced greater welfare-transitioning success. While there have been significant changes in income sources for low-income singleparent families, improvements to economic well-being are nominal. Further, despite the increased employment participation of low-income single parents, earnings and wages remain low as employment is concentrated in low-wage occupations and industries.

The changes documented in this report regarding the labor market characteristics, income sources, poverty status, demographic characteristics and outcomes of low-income single parent families after welfare reform provide important insights for policy discussions and implementation of state and federal TANF policy. Despite calls for increased work participation among welfare recipients, the findings presented here provide convincing evidence that, even after single mothers substantially increase their participation in paid employment following the implementation of welfare reform, millions of families remain mired in poverty. These findings show that most are trapped in low-wage, traditionally “female” jobs that fall far short of providing a livable wage. Set in this context, the road to self-sufficiency is precarious at best. In order to provide a true opportunity toward economic security, we recommend the following:

Expand Income Supports to Make Work Pay for Working Families

This report demonstrates that more welfare recipients are working in the wake of employment-focused reform efforts. The benefits of work have been severely constrained, however, by the high costs and poor quality of low-wage employment. The

jobs that welfare recipients receive pay very low wages and lack basic benefits. In addition, working entails additional transportation costs, child care costs, and clothing costs, and for many, losing access to basic health-care coverage. For those surviving on the edge, balancing the costs of employment against other familial responsibilities makes the economic gains of working vs. receiving welfare nearly indistinguishable. To help address the poor quality and high costs of low-wage employment so that individuals moving from welfare to work have a true chance of escaping poverty, TANF policymakers should expand access to a variety of income-supports in order to substantially improve the lives of working families.

Income supports, such as income disregards, wage supplements, and the Earned Income Tax Credit, allow low-wage workers an opportunity to significantly expand their earning potential and realize greater benefits from engaging in the world of work (Berube 2003). Income disregards, for example, allow employed welfare recipients to retain much of their welfare benefits in addition to their earnings (generally up to a capped amount in relation to the poverty line). Minnesota’s Family Investment Program (MFIP) has been particularly generous in its use of income disregards, allowing individuals to retain welfare benefits along with earned income up to the level of 200 percent of poverty. This program has paid off tremendously. MFIP participants were found to be 35 percent more likely to be employed than control group non-MFIP participants. These results show that making work pay results in increases in work participation (Knox, Miller, and Gennnetian 2000)

Wage supplements, in the form of cash payments, are used to supplement the income of working welfare participants, welfare leavers, and/or the working poor not affiliated with the welfare system. This form of support has been made available to impoverished workers both within and outside of the welfare system.

The Earned Income Tax Credit (EITC), a refundable tax credit that allows for an annual payment to working poor families, has been a particularly effective strategy in helping to make work pay for struggling families. It is estimated that the EITC

has helped nearly five million individuals escape poverty (Berube 2003). Expansions to the EITC could help even more poor families realize what should be an automatic benefit to work—living outside the bounds of poverty.

Expand Child care Subsidies So That More Working Families Who Need Them Can Get Them

Finding safe and affordable child care is a challenge that all employed parents must meet. This challenge can become a near impossibility for low-wage workers. As welfare policy continues to encourage increased work participation and work hours by welfare recipients, it seems at best short-sighted, and at worst callous, to do so without regard for the child care needs of low-income working families. Poor children are no less worthy of safe, quality care than the children of executives. While policymakers often declare a moral commitment to supporting our nation's children, social investments must follow suit.

The Department of Health and Human Services reports that child care assistance was provided to only about 12 percent of federally-eligible families in fiscal year 2000 through the Federal Child Care and Development Fund (CCDF) (Department of Health and Human Services 2002). Even when states utilized TANF funding to expand the reach of child care assistance, only about 14 percent of eligible families were served (Mezey, Greenberg, and Schumacher 2002). If welfare recipients are expected to increase work participation to an across-the-board, 40-hour-per-week mandate, the Congressional Budget Office estimates that states would need to devote up to \$4.8 billion in additional child care funding, along with another \$4.5–5 billion in order to keep pace with inflation without compromising the current level of service (Congressional Budget Office 2002; Mezey 2003). Certainly, policymakers must consider how increasing work hour requirements would add to the burden of already strained state coffers.

Broaden Access to Quality Education and Training, Including Access to Higher Education

This report demonstrates that moving from welfare to work is not synonymous with moving from welfare to quality employment. This finding is particularly true for women, since they are disproportionately represented in low-wage, traditionally

female work, with very low wages and little access to benefits. These jobs are typically unstable, offer few opportunities for advancement, and are generally not family friendly. Increased access to quality education and training, including access to higher education and training, could open up new worlds of opportunity to women who are struggling to make it in the working world.

But just as *any* job is not necessarily a good job, the same can be said for *any* training. A recent IWPR report (Negrey et al. 2002) demonstrates that women are likely to be segregated into training for lower-wage, traditionally female employment, despite their interest in higher-wage male-dominated employment. Specific efforts should be made to increase women's participation in training programs geared toward higher wage work, even if that work is typically performed by men.

While quality training is important, the acquisition of higher education is especially crucial to a woman's ability to escape poverty. In 2001, for example, women without a high school diploma were almost 50 percent more likely to be poor than men at the same level of education. Even upon obtaining a high school degree, women were still 40 percent more likely to live in poverty than their male counterparts. Women and men with at least a Bachelor's degree, however, have miniscule and virtually identical poverty rates of 3.5 percent and 3.2 percent respectively (U. S. Census Bureau 2002). Thus, for women especially, higher education is a particularly promising avenue out of poverty. Federal and state policymakers should increase access to higher education to counteract the disturbing trend that this report documents. Fewer welfare recipients allowed to go to college will result in relegating more impoverished families to a lifetime among the working poor. Policymakers need to allow the time spent in college classrooms to count toward TANF work-hour requirements to create the opportunity for a college education for those who, arguably, need it most. Furthermore, supports such as child care assistance need to be made available to both working and college-track recipients.

Mandate the Collection of Program Implementation Data by Race

One of the more disturbing outcomes of welfare reform is the changing face of welfare. As the welfare rolls become browner and browner, it makes one wonder why whites apparently experience

greater welfare transitioning success than do recipients of color. A report by the Urban League (Rockeymoore and Cox, 2002) reveals some disturbing disparities in access to critical supports (e.g., education and training, transportation assistance, child care, access to higher education) that undoubtedly impact one's ability to transition into the working world. While this report brings to light a disturbing reality, we need to know more about how, and even if, TANF recipients are treated differently with respect to access to critical supports that could mean the difference between gaining employment or remaining on public assistance. In order to examine this issue more closely, state and federal policymakers should require race specific data collection so that policymakers and researchers can more accurately determine whether or not equitable opportunities are provided for the acquisition of critical work supports. In light of looming lifetime

limits on cash assistance, the importance of fairness becomes ever-more critical.

The work of welfare reform is far from done. Moving many people from welfare to work is a good start, but it should not be the final destination in the minds of policymakers truly concerned with the well-being of children and families. Providing a pathway out of poverty is the only real way to ensure economic well-being and, ultimately, self-sufficiency. While this goal becomes even more challenging in the context of a weak economy and severely restricted federal and state budgets, policymakers must ultimately recognize that this is precisely the time when the needs of impoverished families must be better met. To meet these needs, more emphasis must be placed on providing low-income single parents with the work, family, and educational supports necessary for the acquisition of quality employment and real economic security.

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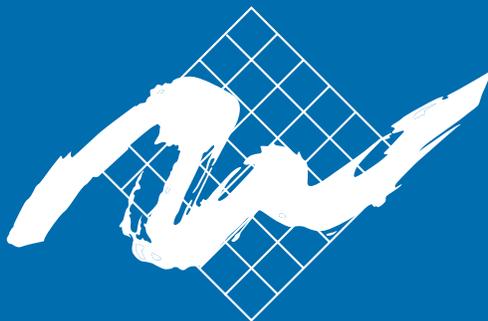
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