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Has 'Welfare Dependency' Increased?

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Abstract

This paper uses the Panel Study of Income Dynamics from 1975 to 1992 to measure changes in the distribution of years of receipt of AFDC. The process generating the total number of years of welfare receipt is then disaggregated into four components: (1) the length of time until first birth, (2) the duration until a welfare spell begins, (3) the duration of a welfare spell, and (4) the duration until the woman re-enters the welfare system. Since much of the recent debate has focused on unwed teen mothers, we give special attention to this group. Finally, we focus on events that accompanied the end of welfare spells.

We find no systematic evidence of increased dependency, either for all women or for women who had their first child as unwed teens. The stability of the overall measures of total time on welfare, however, reflects offsetting changes in the underlying processes. For example, the duration until first birth declined but there was no trend in the time between first birth and entry onto welfare. This holds for unwed teens as well as other women. Furthermore, we find that the duration of welfare spells declined for unwed teens but increased for others.

Changes in events associated with entry onto welfare and exits from welfare also do not support the view that welfare recipients were less likely to use the labor market to change their welfare status.

Has 'Welfare Dependency' Increased?

INTRODUCTION

The recent welfare reform debate focused on helping (or forcing) recipients to leave the AFDC program. Much of the debate reflected the presumption that "welfare dependency" had gotten worse. This paper explores whether this presumption is consistent with several alternative measures of dependency.

In previous work, Robert Moffitt and I took a preliminary look at the question of increased welfare dependency.[1] In that paper, we argued that welfare dependency reflects not only the length of individual spells, but also the length of spells off of welfare (both the time until first entry and re-entry.) Even if individual spells did not get longer, one might argue that dependency increased if persons went on welfare sooner or spent less time off of welfare between spells. In fact, the "welfare dependency problem" is often assumed to reflect both low exit rates and high entry rates.

As a summary measure of both years on and off of welfare, we examined the total time a person received welfare over a fixed period of time. This measure would increase if women were going on welfare sooner, staying on longer, or returning to welfare more quickly. As an alternative measure, which reflects the extent to which a woman's income is dependent on AFDC, we also measured the percentage of total income from welfare over a fixed calendar period.

Using these measures, we found an increase in welfare participation only for young women. Contrary to much of the popular debate, we found no change in the length of individual welfare spells either for younger or older women disaggregated by race. Total time on increased primarily because

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[1]Peter Gottschalk and Robert Moffitt, "Welfare Dependence: Concepts, Measures, and Trends," *American Economic Review* 84 (May 1994): 38–42.

women first entered the welfare system at younger ages. Once on welfare, they exhibited patterns both of duration and recidivism very similar to those of previous cohorts.

This paper extends our previous work in three important ways. First, it explores alternative definitions of welfare participation that either narrow the definition to include only spells in which more than half of the participant's income comes from welfare or broaden the definition to include other sources of income support (Food Stamps and Supplemental Security Income). Second, it disaggregates by additional characteristics, including a participant's age and marital status at first birth. The focus on unwed, teenage mothers is particularly important given the attention this group has received in the welfare debates. Finally, this paper examines the events that accompanied exits and entrances onto welfare. These include changes in earnings, marital status, and number of children in the household.[2] Recipients might be considered to be less dependent on the labor market, and in turn more dependent on welfare, if new spells were more likely to be accompanied by a decline in work and exits were less likely to be accompanied by an increase in work.

DATA AND DEFINITIONS

The data used in this paper are taken from Wave 25 of the Panel Study of Income Dynamics (PSID). Although the National Longitudinal Survey of Youth (NLSY) and Survey of Income and Program Participation (SIPP) offer many advantages in measuring welfare participation, the PSID is the only data set covering a period sufficiently long to measure *changes* in duration or changes in routes off of welfare.

[2]These correlates of exits from or entrance onto welfare do not tell us whether changes in work or marital status have caused changes in welfare participation. They do, however, provide the basic facts that would have to be explained by a causal model.

The sample consists of women aged 14 to 59 who were members of the core sample, including both the SEO and SRC samples. Since the focus of this study is on women with children, we limit the sample to households in which there is at least one child under 19 or in which the respondent is expecting her first child.[3] The period covered is from 1974 to 1991, since detailed information on welfare participation is available only beginning in interview year 1975, and 1992 is the most recent year available.[4] The Latino sample, added to the PSID in 1990, covers too short a period to allow us to measure changes in welfare participation.

Three different definitions of welfare participation are used in this paper. The first definition classifies a woman as "receiving welfare" if any family member receives a positive amount of ADC/AFDC or "other welfare payments" at any time during the year.[5] For clarity, this definition is referred to as "positive AFDC." Our second definition is more restrictive in its classification of a woman as "receiving welfare." Under this definition, a woman is considered to be receiving welfare if total payments from ADC/AFDC and "other welfare payments" exceed one-half of total family money income for that year.[6] Finally, the first definition is expanded to include Food Stamps and Supplemental Security Income (SSI) as potential sources of assistance. This definition is referred to as "AFDC and other sources."

For each definition, we calculate the length of spells both on and off welfare. Spells which begin in 1974 and spells for which data prior to the observed beginning of the spell are unavailable are classified as "left-censored" and are excluded from calculations of spell length, though not from estimates of total time on or percentage of income from welfare. Similarly, spells which are not observed

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[3]A woman is thus considered to be "expecting her first child" one year prior to the year of first birth.

[4]Data from the 1975 questionnaire corresponds to welfare participation in 1974.

[5]According to coders for the PSID, "other welfare payments" are often confused with AFDC by respondents.

[6]Note that an exit from welfare by this definition may result from a decline in welfare receipt to a level less than 50 percent of income. This definition, therefore, measures spells of heavy reliance on welfare.

to end (i.e., spells still in progress in 1991 or those for which data following the observed end of the spell is unavailable) are treated as "right-censored."

Finally, a woman is classified as an "unwed teen at first birth" if she was a teenager and not married at the time of her first birth. This time-invariant characteristic is assigned to women regardless of their current marital status. Therefore, a woman classified as an "unwed teen" is not necessarily an unwed teenager at the time of the current spell.

This paper follows our previous work by examining the processes that underlie most measures of welfare dependence. While our previous work combined the time until first birth and the time form first birth until first participation into a single measure of "initial time off," this paper separates this into its two component parts since we are interested in conditioning on the mothers' age and marital status at first birth. The first phase is, therefore, the length of time until first birth. This is followed by the duration until a welfare spell begins. The third phase, for those who enter welfare, is the duration of a welfare spell. Finally, for respondents who are observed exiting a spell, we measure the duration of the period until the person re-enters the welfare system.

These underlying processes can be combined into two summary measures, described in Gottschalk and Moffitt (1994). The first is the total years on welfare in a fixed time interval. This measure reflects the percentage of time spent on welfare but ignores information both about the length of spells (i.e., a person who spends five out of ten years on welfare may have one five-year spell, five one-year spells, or any other combination) and the extent of reliance on welfare. The second summary measure is the fraction of total income over a fixed period received from welfare. Total percentage of income combines the effects both of length of stay on welfare and of reliance on welfare during those periods.

FINDINGS

We start by presenting both our summary measures and more detailed measures of the underlying process using our first definition of welfare participation, receipt of AFDC or "other welfare" during the calendar year. Results from using this definition are then contrasted with results based on the other two definitions in order to gauge the impact of narrowing the definition to spells of heavy welfare participation (more than half of income from welfare) or broadening the definition to include other sources of assistance (Food Stamps and SSI).

First Definition: Receipt of AFDC or "Other Welfare"

Table 1.1 presents our summary measures of welfare participation. Since we are interested in changes in welfare dynamics, we break the eighteen-year period into three six-year subperiods, 1974–79, 1980–85, and 1986–91. Column 1 shows the percentage of women who received AFDC at any point during each of the subperiods.

Column 2 shows the percentage of years in each subperiod that respondents received welfare in at least one month.[7] We show both the percent of time all women received AFDC, including women with no participation, and the proportion of years of participation for those with some participation in the subperiod (i.e., those "ever on"). We present the unconditional mean, as well as the mean conditional on some participation, in order to avoid selection effects. For example, if women with below-average number of years on welfare were the ones to stop participating, then the average number of years spent on welfare among those with some welfare would *increase*. This might lead to the false impression that dependency had increased when, in fact, going from some welfare to no welfare indicates a decrease in

[7]Care should be taken in interpreting these measures since participation in a year does not imply participation in all twelve months. However, not participating during a year does require that the respondent did not participate in any months. Therefore, the percentage of years participated will be higher than the percentage of months participated.

dependency. Since the average number of years on welfare among all women, including zeros, would decline, this measure avoids this selection effect.[8]

Column 3 of Table 1.1 shows the percentage of income received from AFDC by women in each of the subperiods. Again we show the unconditional mean, which includes women who did not receive any welfare as well as those who did, and the mean conditional on having received welfare in at least one year.

The top panel shows summary measures for all women 15 to 44 at the start of each subperiod. Of these women, 10.3 percent received AFDC at least once between 1974 and 1979. The average number of years of welfare receipt among all women is .3 years, which accounts for 5 percent of the six-year subperiod. Column 3 shows that welfare accounted for 2.7 percent of all women's income. Women who participated at least once spent 48.5 percent of the subperiod on welfare and received 26.2 percent of their income from welfare.[9]

How have these overall measures of welfare dependency changed across the subperiods in Table 1.1? Welfare participation, as measured by the percentage of women receiving assistance at least once in each of the six-year periods, increased between the late 1970s and the early 1980s but declined in the late 1980s.[10]

Hence, there is no evidence of a long-term secular increase in welfare participation measured by the proportion of women receiving assistance at least once in a six-year accounting period; the percentage of years on for all women also increased in the early 1980s and then decreased (from 5.0 to

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[8]An alternative way of seeing the same point is to recognize that the average number of years among all women is identically equal to the proportion of women receiving welfare multiplied by the average time receiving, conditional on receipt. Changes in the unconditional mean, therefore, reflect both changes in participation (column 1) and changes in intensity among those participating.

[9]The conditional mean of 48.5 is equal to the unconditional mean of 5 divided by the percent ever on of .103.

[10]This is consistent with published data on yearly welfare participation.

6.3 to 5.7 percent); and the total number of years of welfare receipt does not show a systematic increase over time.

When attention is limited to women receiving assistance in at least one year during each subperiod, Table 1.1 shows small increases in the proportion of years of participation (from 48.5 to 49.2 to 50.4 percent). The decline in the overall proportion during the last subperiod is, therefore, the result of a sharp decline in the proportion of women receiving assistance at least once which offsets a small increase in the proportion of years on, conditional on being on at least once.

Total years on, however, does not take account of the proportion of income coming from welfare. Column 3, therefore, shows welfare assistance as a proportion of all income. In the late 1970s women received 2.7 percent of their income from welfare. This includes both women who received some assistance and those who received no assistance. Women receiving some assistance during this six-year subperiod received 26.2 percent of their income from welfare. The fact that recipients (at some point during the six-year window) received little more than a quarter of their income from welfare indicates that there is substantial mixing of welfare with other sources of income.

Furthermore, the proportion of income coming from welfare increased only marginally for all women and actually declined sharply for women receiving assistance at least once (from 26.2 percent to 21.8 percent) between the late 1970s and early 1980s. In the late 1980s the percentage of income from welfare declined both for all women and for women with positive welfare income. As a result, the proportion of income coming from welfare was lowest in the last subperiod both for all women (2.4 percent) and women on at some point during the subperiod (21.2 percent). Welfare dependency (as measured by the proportion of income coming from welfare over multiple years) shows, if anything, a downward trend.

In summary, the evidence presented thus far indicates that a relatively small proportion of all women receive welfare during a six-year period (roughly 10 percent) but that this proportion has not

grown. Neither have the number of years of receipt or the proportion of income coming from welfare. Thus, these summary measures do not indicate an increase in welfare dependency.

Disaggregation by Age. The lack of a substantial trend in these data, however, masks some important differences when the data are disaggregated by age. The three lower panels in Table 1.1 show the corresponding measures for women 15 to 24, 25 to 34, and 35 to 44 at the start of each subperiod.

For the youngest age groups, both the proportion ever on (column 1) and percentage of years on (column 2) increased between the late 1970s and early 1980s. The percentage of income coming from welfare (column 3) increased marginally for all women and declined for women receiving assistance at least once during the subperiod (from 24.6 to 24.1 percent). These increases were, however, not an indication of continuous increases in welfare since all three measures declined between the early and late 1980s.

Young women had higher-than-average dependency rates but they also show no upward trend. Likewise, women 35 to 44 show an increase and then a decrease in these measures of dependency. The percentage of women 35 to 44 who participated at least once increased from 8.2 to 9.2 percent in the early 1980s but then declined to 7.4 percent in the late 1980s. Older women also show an increase followed by a decrease in these measures of dependency.

Women 25 to 34 make up the only group to show an increase between each subperiod in the percentage of women ever on, the percentage of time on, and percentage of income from welfare for participants and nonparticipants (the column labeled “All”). The increase in the means for all women, however, largely reflects the increase in participation rates shown in column 1, since the percentage of years on and percentage of income from welfare, conditional on receipt, do not show the same trends.

Unwed Teens. Since much of the recent debate has focused on unwed teen mothers, Table 1.2 presents the corresponding summary measures for unwed teen mothers and the balance of the sample (which includes women who either never had a child, so were never eligible, or were not unwed teens at

the time of first birth[11]). Due to limited sample size, recipients are not disaggregated by age, though we do control for age in the multivariable analysis shown later.

As is well known, unwed teen mothers are much more likely to have received welfare during each of the subperiods. For example, 60.1 percent of these mothers received welfare in the early 1970s, as compared to 9.6 percent of the balance of the sample (which includes women who never had children and so were not eligible for AFDC). However, conditional on receiving assistance, unwed teens spent a smaller proportion of years on welfare than other sample members in the first period (47.9 percent versus 49.0 percent) and welfare made up a smaller proportion of their income (18.6 versus 26.0 percent). In the early 1970s unwed teens were more likely to have participated, but those who did receive assistance spent fewer years on welfare and welfare made up a smaller proportion of their income than recipients who were not unwed teens.

As in Table 1.1, all measures of dependency for unwed teens rise in the early 1980s, then fall in the second half of the 1980s. The proportion of unwed teens receiving assistance rises from 60.1 to 64.9 then falls to 54.7. Among those who received assistance, the percentage of years on increases from 47.9 to 60.9, then falls moderately to 56.7. Thus, unwed teens also do not show a systematic increase in these measures of dependency across subperiods.

Among women who were not unwed teens (i.e., labeled “other”), the proportion who received welfare at least once in each subperiod (column 1) also increased and then decreased. This group, however, did not experience as large an increase in the percentage of years on welfare or in the percentage of income from welfare between the first and second subperiods, as did unwed teens.

The tabular evidence presented thus far does not indicate a secular increase in welfare dependency, either in general or among women who had their first child as unwed teens. Upward trends may, however, be masked by the fact that we are not holding other relevant characteristics constant, such

[11]This includes a very small number of wed teen mothers.

as age of the mother or unemployment rates in each year. Furthermore, while these overall measures of welfare dependency may not be trending upward, it is possible that some underlying components, such as entry rates, may be increasing. To address these issues, we turn to multivariate models which describe the underlying processes.

Multivariate Models

Here we describe the underlying processes generating total years on. These include duration until first birth, duration from birth until an AFDC spell begins, the duration of spells, and the duration of subsequent spells of nonreceipt. We present probit estimates of each outcome (giving birth, entering the first welfare spell, ending a spell, or re-entering), conditional on being at risk for that outcome. Since probit coefficients are difficult to interpret, we also present predicted probabilities based on the estimated probit coefficients. The estimated equations include age, race, and the unemployment rate for women in the given year as well as a dummy variable for whether the woman was an unwed teen at the time of first birth.

To test for trends net of cycle, we include calendar time in a variety of ways. Since time effects in the tabular evidence we have examined thus far do not seem to be linear, we estimate three different models. These include a linear trend, a quadratic trend, and splines that allow the linear trend to change in 1980 and 1986, which correspond to the periods in Table 1.1. To allow trends to differ across demographic groups, we also interact each of these trends with age, race, and a dummy variable indicating the respondent was an unwed teen mother. We then test the joint significance of these trends against the null of no trend.

First Birth Hazard. Table 1.3 presents the probit coefficients predicting a first birth. The sample includes all women who turned 14 between 1974 and 1991. Each woman enters the likelihood each year until she either has her first child or is right-censored. Column 1 constrains the probability of first birth, conditional on age, race, and the unemployment rate, to be the same in all years. Column 2 allows these

conditional probabilities to change linearly, while columns 3 and 4 allow for two types of nonlinear year effects.

The tests for trends indicate that all three specifications can reject the null of no year effects. Since it is difficult to interpret probit coefficients directly, Table 1.4 shows the predicted probability in 1976, 1982, and 1988 for persons broken down by age.[12] Predicted birth rates for 14-year-olds increased monotonically. Seventeen-year-olds experienced a small decline between 1976 and 1982 (from .073 to .062) and then fairly stable birth rates. Since a woman can participate in AFDC only if she has a child, these changes in birth rates will affect the summary measures of welfare participation in Table 1.1 unless they are offset in entry and exit probabilities, conditional on a first birth.

First Entry Hazards. Table 1.5 shows probit estimates for the probability of beginning a first spell of welfare, given that the woman has given birth. In addition to the variables in Table 1.3, Table 1.5 includes duration of the pre-welfare spell and a dummy variable indicating whether the woman was an unmarried teen at the time of her first birth.

The year effects are not statistically different from zero whether a linear, quadratic, or spline is used to capture trends.[13] There is no evidence that the probability of entry into welfare increased systematically in the 1970s and 80s. This conclusion also holds since the coefficients on year effects interacted with the unwed teen dummy are also insignificant. The subset of women who had their first child while single teens also shows no trend in first entry hazards.

Since age, duration, and unwed teen are all significant predictors of exit probabilities, but year is not, Table 1.6 presents the estimated exit probabilities based on the probit coefficients in column 1. Duration shows the standard negative duration dependence, which may reflect either state dependence

[12]This and similar tables throughout this report show only the effects of variables with statistically significant coefficients.

[13]Gottschalk and Moffitt (1994) find increases in the hazard of first entry, but this is not conditional on a first birth. These previous findings, therefore, seem to reflect shorter durations until first birth rather than shorter durations between first birth and welfare receipt.

(not having entered the welfare system systematically reduces the probability of future entry) or unobserved heterogeneity (women who did not enter at short durations are less likely to enter at any duration). Finally, the fact that unwed teens have entry probabilities two to three times as high as other mothers is consistent with the much higher probability of unwed mothers receiving assistance in each of the subperiods shown in Table 1.1.

Duration on Welfare. Table 1.7 presents probit coefficients for welfare exit hazards, which include both first and subsequent welfare spells. In contrast to entry hazards, tests for the joint significance of the trend coefficients in exit probabilities show significant secular trends, net of cycles.

Table 1.8 again uses the estimated coefficients from Table 1.7 to estimate the probability of exiting a welfare spell for women with various characteristics. Since time trends are significant, the probabilities are evaluated for 1976, 1982, and 1988. Comparisons across rows show substantial differences in exit rates by demographic groups. Unmarried teenage mothers have exit probabilities about half as large as women who were either married at the time of first birth or had their first child after age 19.

Comparison across the columns shows that, contrary to popular perceptions of *increased* welfare dependence among unwed teens, these respondents were more likely to *exit* in 1988 than in 1976. Unwed teen mothers experienced an increase in their exit probabilities. Hence the popular view that unwed teen mothers were tending to stay on welfare for *longer* periods is not supported by the data. Both wed teen mothers and women who waited until after their teen years to become mothers experienced substantial declines in the probability of leaving a welfare spell.

Thus, if exit hazards show anything, it is that unwed teens were more likely to leave welfare in the late 1980s than in the late 1970s.

First Re-Entry Hazards. In Table 1.9 we show the probit coefficients for entry hazards estimated for all welfare spells observed to end during the sample period. The implied probabilities of re-entering a

welfare spell are shown in Table 1.10. Again, the patterns are not consistent with the view that welfare dependence increased. First, although re-entry rates for unwed teens increased marginally between 1976 and 1982, they returned to their 1976 values by 1988. Second, sample members who were not unwed teen mothers experienced a decline and then a leveling off of re-entry rates. And third, by 1988 re-entry rates were marginally lower for unwed teen mothers than other sample members.

Summary. This section has focused on welfare participation defined as receiving AFDC or "other welfare." Several important patterns have emerged: There was a widespread increase in participation in the early 1980s, but these increases were largely offset by decreases in the late 1980s and early 1990s. Further, contrary to popular perception, women who had their first child while unmarried teenagers did not experience above-average increases in participation rates. Although unwed teenage mothers have always had higher probabilities of participating in AFDC and have had longer spells, there has been no increase in these differentials.

These changes reflect changes in several underlying processes: The increase in the hazard of first birth for young women tended to increase participation; the hazard of starting an initial spell, conditional on having had a first child, shows no trend; and both exit and re-entry rates tended to decline for unwed teen mothers.[14]

Second Definition: More than 50 Percent of Income from AFDC or "Other Welfare"

In this section we use our second definition of participation which focuses on persons who rely substantially on AFDC and "other welfare" as a means of support. A person is classified as a recipient if more than half of her income comes from these sources.

[14]The decrease in total time on AFDC during the late 1980s partially reflects larger decreases in exit rates than in re-entry rates.

Table 2.1 shows the proportion of women who ever meet this criterion (within each subperiod) and the proportion of time they met the criterion.[15] Column 1 of Table 2.1 shows that roughly 5 percent of all women had welfare income that exceeded 50 percent of their total income in at least one year of each subperiod. This contrasts to the 10 to 12 percent of women who received some welfare during each subperiod, as shown in Table 1.1.[16] Column 2 shows that heavy dependence (by this definition) was not necessarily a persistent event. Women who were heavily dependent on welfare in at least one year spent about half of the years at this level of dependency.

Turning to trends, Table 2.1 shows that welfare dependency increased by this definition in the early 1980s and was stable in the late 1980s. When all women are included, there is some evidence of an increase in welfare dependency by this definition in the early 1980s. These aggregate patterns for women 15 to 44, however, mask substantially larger increases for younger women and declines for older women.

The proportion of women 15 to 24 receiving more than 50 percent of their total family income from AFDC and "other welfare" rose from 6.1 percent in the late 1970s to 8.1 percent in the early 1980s. Likewise, the proportion of years that these women received more than half their income from welfare increased from 2.7 percent to 4.0 percent. For women 25 to 34, there was a much smaller increase between the late 1970s and the early 1980s, but a similar increase between the early and late 1980s.

Tables 2.2–Table 2.7 replicate the earlier analysis of probability of the first entry onto welfare, exit probabilities, and re-entry probabilities, using this alternative definition of welfare (i.e., more than half of income comes from welfare). These tables show that the increase in the summary measures largely reflect decreases in exit hazards: Again, there is no evidence of increases in the probability of

[15]Since participation is defined in terms of the percentage of income coming from welfare, we do not show this alternative measure of dependency.

[16]The difference between column 1 in Table 1.1 and column 1 in Table 2.1 is the percentage of women who received some welfare income but less than 50 percent of their total income in each subperiod.

first entry;[17] the probability of exiting a welfare spell by this definition declines substantially, with unwed teens experiencing some of the largest decreases; and re-entry hazards show no secular trend.

Third Definition: Income from AFDC, Food Stamps, Supplemental Security Income, or "Other Welfare"

In the previous section we narrowed the definition to include only spells of "heavy" usage. In this section we broaden the definition to include women who received *any* income from Food Stamps, SSI, AFDC, or "other welfare."

Table 3.1 shows that the proportion of women who met this criterion was roughly 70 percent higher than our initial definition (roughly 18 percent versus 11 percent). The time trends are similar, however. The percentage ever on increased from 17.3 percent in the late 1970s to 19.8 percent in the early 1980s before dropping to 16.1 percent in the late 1980s. Likewise, the percentage of years on increased and then decreased. The decline in the late 1980s, however, largely reflects the decline in the percentage who ever participated, since the percentage of years on for those who participated at least once increased between each subperiod (from 46.2 to 50.5 to 54.0).

Table 3.2 presents the same data for unwed teens and other sample members. Again, unwed teens have considerably higher participation rates, but the trends are similar: Unwed teens experienced a decline in the proportion receiving income from AFDC, Food Stamps, SSI, or "other welfare" between the early and late 1980s.

Tables 3.3–3.8 show the hazards of first entry onto welfare, exit probabilities, and re-entry. While the overall patterns in Tables 3.1 are similar to 1.1, the underlying processes are substantially different. Under our initial definition, the decline in total years on in the late 1980s was a result of declines in re-entry rates that more than offset the decline for "other" women in exit rates. Under this broader definition the exit rates out of welfare actually increased for young women.

[17]Since the probability of first birth is not affected by the definition of welfare participation, these results are unchanged from those in Table 1.3.

The evidence presented thus far does not support the view that welfare dependence increased during the 1980s, especially for women who had their first child as unmarried teens. Although our measures of welfare dependence increased for some groups in some time periods, the last two decades are characterized more by a diversity of experiences than uniform increases in dependency. In general, the early 1980s was a period of increasing dependency and the late 1980s was a period of declining dependency. While unwed teen mothers have substantially higher rates of welfare dependency, there is no evidence that they became more dependent during the last two decades.

Changes in Events Accompanying Exits and Entry onto Welfare

Even if dependency per se did not increase, it is possible that welfare recipients were more dependent in the sense of being less reliant on the labor market as a route off of welfare. If fewer recipients either started to work or fewer working recipients experienced an increase in earnings when they exited, then this would be consistent with the view that recipients were becoming more dependent on nonmarket factors to leave welfare.

Events Accompanying Exits. To explore this possibility we classified all exits according to whether the recipient experienced an increase in earnings (and among these whether the increase reflected the start of a work spell), became married, or ceased to have a child less than 19 in the household in the year of the exit.

The proportion of exits associated with each event are shown in Table 4.1 using our first definition of welfare participation (receipt of AFDC or “other welfare”). Since some exits were not accompanied by any of these events and others were accompanied by more than one event, the rows do

not add to 100.[18] The bottom row shows the results of the test of a linear trend in the probability of experiencing the indicated event.[19]

The first two columns focus on work. These data do not show a decline in reliance on work as a way off of welfare. Roughly half the exits were associated with an increase in earnings, both in the late 1970s and in the 1980s. The percentage of recipients who experienced an increase in earnings in the year they left welfare did not decrease.[20]

Furthermore, the proportion of recipients who started a work spell in the year they left welfare increased from 12 percent in the late 1970s to 17 percent in the late 1980s. This increase in work is statistically significant. The percentage of exits associated with the start of work actually increased. From this we conclude that, if anything, work in the year of exit became more prevalent.

Table 4.1 also shows the proportion of exits accompanied by a marriage (column 3) or the loss of children in the household (children either moving out of the household or becoming too old to be eligible for AFDC). The proportion of exits accompanied by a marriage increased from 6 to 13 percent. The proportion of exits accompanied by the loss of children in the household was stable at 9 percent.

Thus far we have focused on overall changes in these events accompanying exits from welfare. It is possible, however, that certain events became less important for some groups or that the changes in Table 4.1 reflect changes in unemployment rates or changes in the age or race composition of women who exited from welfare. Table 4.2, therefore, shows coefficients from probit equations that control for age, race, marital status at first birth, and unemployment rates in the year of exit, as well as a linear trend interacted with unwed teen and race.

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[18]Starting to work, for example, is a subset of increased earnings.

[19]These are tests of a significant coefficient on a linear time trend in a probit equation on all exits, where the indicator variable is equal to one if the event occurred in the year of exit.

[20]While the proportion increased, the change is not statistically significant.

Although Table 4.1 does not show a significant trend for increases in earnings, the upward trend is significant after controlling for other factors in Table 4.2. There are also statistically significant differences across demographic groups.

Although the trend in the probability that an exit would be accompanied by an increase in earnings was lower for unwed teens than other sample members, the trend was still non-negative.[21]

The increases in the probability that an exit was accompanied by a marriage continues to be statistically significant, but trends do not vary across demographic groups.

Events Accompanying Entries. Tables 4.3 and 4.4 shift the focus from events accompanying exits to events accompanying the start of welfare spells. They address the question whether new welfare spells were more likely to be accompanied by decreases in earnings, the end of a previous employment spell, the end of a marriage, or the birth of a first child.[22]

Decreases in earnings became more prevalent both in the tabular evidence (Table 4.3) and the multivariate analysis (Table 4.4). New welfare spells were more likely to be accompanied by a decline in earnings in the 1980s than earlier. Furthermore, this trend is the same for unwed teens as for other sample members. Stopping work altogether at the start of a welfare spell shows no significant trend.

Thus, there is limited evidence that entry onto welfare was more likely to be accompanied by a decline in earnings, but not by the end of a job.[23]

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[21]The sum of the coefficient on year and the interaction of year and unwed is positive but not significantly different from zero.

[22]"Stopped Work" is a subset of "Decreases in Earnings." "First Birth" includes households that go from having children to not having children.

[23]Note that we cannot separate declines in work that arose because of changes in constraints, such as lower wages or employment prospects for these women, and how much reflects changes in tastes.

Alternative Definitions

Tables 5.1–5.4 repeat the same analysis for exits and entries onto welfare using the definition that welfare income accounted for 50 percent or more of the recipient's income. Tables 6.1–6.4 define welfare participation according to whether the person received AFDC, Food Stamps, SSI, or "other welfare." These alternative definitions also show increases in the probability that exits were accompanied by increases in earnings and new spells were more likely to be accompanied by declines in earnings.

CONCLUSION

We have used a wide variety of measures to see whether welfare dependency increased over the last two decades. Based on these data we find no systematic evidence of increased dependency.

Overall measures of welfare dependency measured over multiple years show no clear trend. Both the proportion of years of welfare receipt and the proportion of income received from welfare increased during the early 1980s but declined during the late 1980s. Women who had their first child as unwed teens also show no upward trend in these measures. When we examine changes in the underlying processes, we find offsetting trends. Duration until first birth declined, but there was no trend in the time between first birth and entry onto welfare. This holds for unwed teens as well as other mothers. Furthermore, duration of welfare spells declined for unwed teens but increased for others, and re-entry hazards show no clear trend.

Changes in events associated with entry onto welfare and exits from welfare also do not support the view that welfare recipients were less likely to use the labor market to change their welfare status. Although the proportion of spells associated with a decline in earnings did increase, this does not reflect an increase in the proportion of spells that started with the recipient leaving her job. The proportion of exits accompanied by an increase in earnings or the start of a job did not decline.

TABLE 1.1
Trends in Welfare Participation

Age	[1] Percentage Ever On	[2] Percentage of Years On [No. Years On] All	[2] Percentage of Years On [No. Years On] Ever On	[3] Percentage of Income from Welfare All	[3] Percentage of Income from Welfare Ever On
Age 15–44					
1974–1979	10.3	5.0 [0.30]	48.5 [2.91]	2.7	26.2
1980–1985	12.8	6.3 [0.38]	49.2 [2.95]	2.8	21.9
1986–1991	11.3	5.7 [0.34]	50.4 [3.03]	2.4	21.2
Age 15–24					
1974–1979	12.6	5.8 [0.35]	46.0 [2.76]	3.1	24.6
1980–1985	17.0	8.7 [0.52]	51.2 [3.07]	4.1	24.1
1986–1991	15.3	7.5 [0.45]	49.0 [2.94]	3.4	22.2
Age 25–34					
1974–1979	9.2	5.2 [0.31]	56.5 [3.39]	2.4	26.1
1980–1985	11.4	5.7 [0.34]	50.0 [3.00]	2.4	21.1
1986–1991	11.6	6.3 [0.38]	54.3 [3.26]	2.8	24.1
Age 35–44					
1974–1979	8.2	4.0 [0.24]	48.8 [2.93]	2.3	28.0
1980–1985	9.2	4.3 [0.26]	46.7 [2.80]	1.5	16.3
1986–1991	7.4	3.2 [0.19]	43.2 [2.59]	1.0	13.5

Note: All columns refer to the six-year period and the individuals at the given ages at the beginning of the period. Participation is defined as receiving AFDC or "other welfare" during the calendar year.

TABLE 1.2
Trends in Welfare Participation by Age and Marital Status at First Birth

	Percentage Ever On		Percentage of Years On[a]				Percentage of Income from Welfare			
	[1]	[2]	[3]		[4]		[5]		[6]	
	Unwed Teen		Unwed Teen Mothers		Others		Unwed Teen Mothers		Others	
Age	Mothers	Others	All	Ever on	All	Ever on	All	Ever on	All	Ever on
Age 15–44										
1974–1979	60.1	9.6	28.8 [1.73]	47.9 [2.88]	4.7 [0.28]	49.0 [2.94]	11.2	18.6	2.5	26.0
1980–1985	64.9	10.2	39.5 [2.37]	60.9 [3.65]	4.8 [0.29]	47.1 [2.82]	18.3	28.2	2.0	19.6
1986–1991	54.7	7.7	31.0 [1.86]	56.7 [3.40]	3.5 [0.21]	45.5 [2.73]	15.3	28.0	1.3	16.9

Notes: All columns refer to the six-year period and the individuals at the given ages at the beginning of the period. Participation is defined as receiving AFDC or "other welfare" during the calendar year.

[a]Number of years in brackets.

TABLE 1.3
Probit Estimates of First-Birth Hazards

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-2.218 [0.109]	-2.770 [0.220]	-3.596 [0.475]	-3.077 [0.848]
Year		0.041 [0.013]	0.081 [0.073]	-0.006 [0.128]
Year^2			-0.0002 [0.0032]	
Year Spline (1980)				0.081 [0.148]
Year Spline (1986)				0.004 [0.077]
Age	0.153 [0.017]	0.379 [0.069]	0.810 [0.203]	0.336 [0.751]
Age*Year		-0.016 [0.005]	-0.067 [0.031]	0.011 [0.108]
Age*(Year^2)			0.002 [0.001]	
Age*Spline80				-0.049 [0.111]
Age*Spline86				0.019 [0.025]
Age^2	-0.006 [0.001]	-0.025 [0.006]	-0.086 [0.024]	-0.007 [0.150]
(Age^2)*Year		0.001 [0.0004]	0.009 [0.003]	-0.004 [0.022]
(Age^2)*(Year^2)			-0.0003 [0.0001]	

(table continues)

TABLE 1.3, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*(Spline80)				0.009
				[0.022]
(Age^2)*(Spline86)				-0.003
				[0.002]
Black	0.339	0.458	0.637	-0.396
	[0.156]	[0.312]	[0.411]	[0.557]
Black*Year		-0.010	-0.160	0.045
		[0.012]	[0.068]	[0.076]
Black*(Year^2)			0.007	
			[0.003]	
Black*(Spline80)				-0.129
				[0.095]
Black*(Spline86)				0.203
				[0.061]
Unemployment Rate	0.001	0.001	0.021	0.026
	[0.006]	[0.009]	[0.012]	[0.012]
Log Likelihood	-3007.491	-3000.790	-2995.030	-2992.050
Test Statistic		13.402	24.921	30.883
		9.49	15.51	21.03

Notes Sample size = 13,356. Sample only includes observations of women who turned 14 between 1974 and 1992.

TABLE 1.4

Estimated Probability of Having a First Birth

	1976	1982	1988
Age 14	0.012	0.016	0.035
Age 17	0.073	0.062	0.063

Notes: Estimates are calculated using coefficients from column 4 of Table 1.3. Unemployment rates are held constant at 20 percent. Proportion of blacks in the sample are used (12 percent).

TABLE 1.5
Probit Estimates of First-Entry Hazards—Positive AFDC

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-0.994 [0.254]	-1.276 [0.656]	-2.559 [1.693]	-4.890 [2.856]
Year		0.022 [0.046]	0.214 [0.289]	0.587 [0.442]
Year^2			-0.007 [0.012]	
Year Spline 1980				-0.745 [0.514]
Year Spline 1986				0.372 [0.230]
Duration	-0.178 [0.036]	-0.176 [0.037]	-0.204 [0.039]	-0.203 [0.039]
Duration^2	0.012 [0.003]	0.012 [0.003]	0.014 [0.003]	0.014 [0.003]
Age	-0.060 [0.031]	-0.003 [0.106]	0.400 [0.315]	0.613 [0.603]
Age*Year		-0.004 [0.008]	-0.064 [0.051]	-0.097 [0.092]
Age*(Year^2)			0.002 [0.002]	
Age*Spline80				0.106 [0.104]
Age*Spline86				-0.028 [0.035]
Age^2	-0.0003 [0.001]	-0.003 [0.005]	-0.030 [0.015]	-0.034 [0.032]

(table continues)

TABLE 1.5, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		0.0002	0.004	0.005
		[0.0003]	[0.002]	[0.005]
(Age^2)*(Year^2)			-0.0002	
			[0.0001]	
(Age^2)*(Spline80)				-0.004
				[0.005]
(Age^2)*(Spline86)				-0.0001
				[0.001]
Unwed Teen	0.421	0.490	-0.439	0.605
	[0.101]	[0.308]	[0.754]	[1.123]
Unwed*Year		-0.005	0.186	-0.061
		[0.024]	[0.136]	[0.179]
Unwed*(Year^2)			-0.008	
			[0.006]	
Unwed*(Spline80)				0.165
				[0.215]
Unwed*(Spline86)				-0.258
				[0.110]
Black	0.319	0.308	1.512	0.908
	[0.267]	[0.554]	[0.754]	[1.01]
Black*Year		0.003	-0.236	-0.148
		[0.023]	[0.124]	[0.146]
Black*(Year^2)			0.010	
			[0.006]	
Black*(Spline80)				0.116
				[0.185]
Black*(Spline86)				0.154
				[0.112]

(table continues)

TABLE 1.5, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	0.007	0.007	0.006	0.023
	[0.011]	[0.014]	[0.020]	[0.021]
Log Likelihood	-800.206	-800.017	-793.129	-790.972
Test Statistic		0.378	14.154	18.468
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Notes: Sample size = 8,458. Sample only includes observations of women who had their first birth between 1974 and 1991.

TABLE 1.6

Estimated Probability of Entering a Welfare Spell—Positive AFDC

	Unwed Teen Mothers	Others
Age 20		
Duration = 1	0.168	0.076
Duration = 5	0.083	0.032
Age 25		
Duration = 1	0.098	0.039
Duration = 5	0.043	0.014

Notes: Estimates are calculated using coefficients from column 1 of Table 1.5. Unemployment rates are held constant at 20 percent; proportion of blacks in the sample are used (22 percent for unwed teen mothers, 7 percent for others).

TABLE 1.7
Probit Estimates of Exit Hazards—Positive AFDC

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-0.354 [0.130]	-0.269 [0.261]	-1.262 [0.565]	-0.376 [0.709]
Year		-0.001 [0.021]	0.200 [0.107]	-0.010 [0.117]
Year^2			-0.009 [0.005]	
Year Spline 1980				0.106 [0.158]
Year Spline 1986				-0.265 [0.117]
Duration	-0.243 [0.020]	-0.235 [0.021]	-0.233 [0.021]	-0.231 [0.021]
Duration^2	0.015 [0.002]	0.014 [0.002]	0.014 [0.002]	0.014 [0.002]
Age	0.034 [0.009]	0.037 [0.025]	0.121 [0.056]	0.057 [0.072]
Age*Year		-0.001 [0.002]	-0.019 [0.011]	-0.002 [0.072]
Age*(Year^2)			0.001 [0.001]	
Age*Spline80				-0.006 [0.016]
Age*Spline86				0.020 [0.010]
Age^2	-0.0006 [0.0002]	-0.001 [0.001]	-0.002 [0.001]	-0.001 [0.002]

(table continues)

TABLE 1.7, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		0.00001 [0.00004]	0.0004 [0.0002]	0.00004 [0.0003]
(Age^2)*(Year^2)			-0.00002 [0.00001]	
(Age^2)*(Spline80)				0.0001 [0.0004]
(Age^2)*(Spline86)				-0.0004 [0.0002]
Unwed Teen	-0.171 [0.053]	-0.570 [0.173]	-0.569 [0.408]	-0.589 [0.567]
Unwed*Year		0.031 [0.013]	0.025 [0.073]	0.035 [0.092]
Unwed*(Year^2)			0.0004 [0.003]	
Unwed*(Spline80)				-0.011 [0.114]
Unwed*(Spline86)				0.022 [0.063]
Black	-0.351 [0.125]	-0.160 [0.245]	0.192 [0.326]	0.111 [0.417]
Black*Year		-0.011 [0.010]	-0.112 [0.055]	-0.045 [0.058]
Black*(Year^2)			0.005 [0.003]	
Black*(Spline80)				0.008 [0.073]
Black*(Spline86)				0.077 [0.048]

(table continues)

TABLE 1.7, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	0.008 [0.005]	0.006 [0.007]	0.011 [0.009]	0.005 [0.009]
Log Likelihood	-3137.479	-3131.288	-3127.523	-3125.256
Test Statistic		12.383	19.913	24.446
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Note: Sample size = 5,396.

TABLE 1.8

Estimated Probability of Exiting a Welfare Spell—Positive AFDC

	1976	1982	1988
Unwed Teen Mothers			
Duration = 1	0.291	0.298	0.330
Duration = 5	0.127	0.132	0.152
Others			
Duration = 1	0.464	0.418	0.371
Duration = 5	0.248	0.213	0.179

Notes: Estimates are calculated using coefficients from column 4 of Table 1.7. Unemployment rates are held constant at 20 percent; age held constant at 25. Proportion of blacks in the sample are used (53 percent for unwed teen mothers, 37 percent for others).

TABLE 1.9
Probit Estimates of First Re-Entry Hazards—Positive AFDC

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-0.361 [0.205]	-0.339 [0.416]	-2.841 [0.929]	-2.257 [1.143]
Year		0.007 [0.034]	0.491 [0.185]	0.219 [0.188]
Year^2			-0.022 [0.009]	
Year Spline 1980				-0.214 [0.253]
Year Spline 1986				-0.065 [0.200]
Duration	-0.252 [0.027]	-0.237 [0.028]	-0.221 [0.029]	-0.230 [0.029]
Duration^2	0.011 [0.002]	0.011 [0.002]	0.010 [0.002]	0.010 [0.002]
Age	-0.016 [0.014]	0.020 [0.038]	0.301 [0.090]	0.127 [0.116]
Age*Year		-0.003 [0.003]	-0.063 [0.018]	-0.018 [0.019]
Age*(Year^2)			0.003 [0.001]	
Age*Spline80				0.005 [0.025]
Age*Spline86				0.033 [0.017]
Age^2	0.00003 [0.0003]	-0.001 [0.001]	-0.007 [0.002]	-0.003 [0.003]

(table continues)

TABLE 1.9, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		0.0001 [0.0001]	0.001 [0.0004]	0.00030 [0.0004]
(Age^2)*(Year^2)			-0.0001 [0.00001]	
(Age^2)*(Spline80)				0.000 [0.0005]
(Age^2)*(Spline86)				-0.0010 [0.0003]
Unwed Teen	-0.027 [0.081]	0.067 [0.270]	-0.866 [0.723]	0.237 [1.214]
Unwed*Year		-0.004 [0.020]	0.156 [0.125]	-0.095 [0.188]
Unwed*(Year^2)			-0.007 [0.005]	
Unwed*(Spline80)				0.249 [0.218]
Unwed*(Spline86)				-0.336 [0.102]
Black	0.589 [0.189]	0.574 [0.337]	0.497 [0.450]	-0.698 [0.575]
Black*Year		0.022 [0.014]	-0.041 [0.074]	0.086 [0.077]
Black*(Year^2)			0.003 [0.003]	
Black*(Spline80)				-0.122 [0.099]
Black*(Spline86)				0.163 [0.071]

(table continues)

TABLE 1.9, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	-0.010	-0.020	-0.006	0.018
	[0.008]	[0.010]	[0.014]	[0.014]
Log Likelihood	-1397.463	-1390.100	-1378.466	-1364.413
Test Statistic		14.725	37.995	66.101
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Note: Sample size = 5,844.

TABLE 1.10

Estimated Probability of Re-Entering a Welfare Spell—Positive AFDC

	1976	1982	1988
Unwed Teen Mothers			
Duration = 1	0.130	0.141	0.129
Duration = 5	0.035	0.040	0.035
Others			
Duration = 1	0.173	0.139	0.138
Duration = 5	0.052	0.039	0.038

Notes: Estimates are calculated using coefficients from column 4 of Table 1.9. Unemployment rates are held constant at 20 percent; age held constant at 25. Proportion of blacks in the sample are used (41 percent for unwed teen mothers, 29 percent for others).

TABLE 2.1
Trends in Welfare Participation: AFDC Plus "Other Welfare Income" as More than 50 Percent of Total Family Income

Age	[1] Percentage Ever On	[2] Percentage of Years On [No. Years On] All	[2] Percentage of Years On [No. Years On] Ever On
Age 15–44			
1974–1979	5.0	2.3 [0.14]	46.0 [2.76]
1980–1985	5.4	2.7 [0.16]	50.0 [3.00]
1986–1991	5.4	2.7 [0.16]	50.0 [3.00]
Age 15–24			
1974–1979	6.1	2.7 [0.16]	44.3 [2.66]
1980–1985	8.1	4.0 [0.24]	49.4 [2.96]
1986–1991	8.3	4.0 [0.24]	48.2 [2.89]
Age 25–34			
1974–1979	4.6	2.2 [0.13]	47.8 [2.87]
1980–1985	4.5	2.3 [0.14]	51.1 [3.07]
1986–1991	6.3	3.2 [0.19]	50.8 [3.05]
Age 35–44			
1974–1979	3.7	1.8 [0.11]	48.6 [2.92]
1980–1985	3.1	1.3 [0.08]	41.9 [2.52]
1986–1991	1.7	0.7 [0.04]	41.2 [2.47]

Notes: All columns refer to the six-year period and individuals at the given ages at the beginning of period. Participation is defined as receiving AFDC or "other welfare" during the calendar year.

TABLE 2.2
Probit Estimates of First-Entry Hazards—(AFDC/Income) > .5

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-1.777 [0.272]	-1.598 [0.727]	-3.161 [1.980]	-1.717 [3.130]
Year		-0.031 [0.053]	0.217 [0.333]	-0.015 [0.485]
Year^2			-0.010 [0.014]	
Year Spline 1980				-0.076 [0.565]
Year Spline 1986				0.127 [0.263]
Duration	-0.074 [0.040]	-0.068 [0.041]	-0.086 [0.044]	-0.082 [0.043]
Duration^2	0.005 [0.003]	0.004 [0.003]	0.005 [0.003]	0.005 [0.003]
Age	-0.029 [0.034]	-0.024 [0.121]	0.481 [0.376]	-0.044 [0.638]
Age*Year		0.002 [0.008]	-0.079 [0.060]	0.006 [0.099]
Age*(Year^2)			0.003 [0.002]	
Age*Spline80				-0.004 [0.112]
Age*Spline86				-0.001 [0.040]
Age^2	-0.001 [0.001]	-0.003 [0.005]	-0.036 [0.019]	-0.001 [0.033]

(table continues)

TABLE 2.2, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		0.0001 [0.0003]	0.005 [0.003]	-0.001 [0.005]
(Age^2)*(Year^2)			-0.0002 [0.0001]	
(Age^2)*(Spline80)				0.001 [0.006]
(Age^2)*(Spline86)				-0.001 [0.002]
Unwed Teen	0.398 [0.109]	0.505 [0.332]	-0.885 [1.132]	-1.790 [1.378]
Unwed*Year		-0.007 [0.025]	0.267 [0.148]	0.340 [0.213]
Unwed*(Year^2)			-0.012 [0.006]	
Unwed*(Spline80)				-0.342 [0.246]
Unwed*(Spline86)				-0.074 [0.113]
Black	0.683 [0.254]	0.424 [0.559]	1.412 [0.763]	1.646 [1.047]
Black*Year		0.014 [0.022]	-0.199 [0.124]	-0.228 [0.148]
Black*(Year^2)			0.009 [0.005]	
Black*(Spline80)				0.250 [0.180]
Black*(Spline86)				0.060 [0.099]

(table continues)

TABLE 2.2, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	-0.003	-0.0001	0.004	0.012
	[0.010]	[0.015]	[0.021]	[0.021]
Log Likelihood	-620.062	-618.132	-611.750	-611.667
Test Statistic		3.860	16.624	16.790
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Notes: Sample size = 10,517. Sample only includes observations of women who had their firstborn between 1974 and 1991.

TABLE 2.3

Estimated Probability of Entering a Welfare Spell—(AFDC/Income) > .5

	Unwed Teen Mothers	Others
Non-Black		
Duration = 1	0.023	0.008
Duration = 5	0.015	0.005
Black		
Duration = 1	0.094	0.043
Duration = 5	0.068	0.029

Notes: Estimates are calculated using coefficients from column 1 of Table 2.2. Unemployment rates are held constant at 20 percent; age is held constant at 25.

TABLE 2.4
Probit Estimates of Exit Hazards—(AFDC/Income) > .5

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-0.214 [0.184]	1.073 [0.353]	0.766 [0.777]	-0.749 [1.043]
Year		-0.116 [0.028]	-0.035 [0.149]	0.242 [0.177]
Year^2			-0.004 [0.007]	
Year Spline 1980				-0.546 [0.244]
Year Spline 1986				0.292 [0.179]
Duration	-0.159 [0.033]	-0.128 [0.034]	-0.122 [0.035]	-0.125 [0.035]
Duration^2	0.011 [0.003]	0.008 [0.003]	0.007 [0.003]	0.008 [0.003]
Age	0.002 [0.012]	-0.087 [0.036]	-0.076 [0.079]	0.065 [0.114]
Age*Year		0.009 [0.003]	0.005 [0.015]	-0.023 [0.019]
Age*(Year^2)			0.0001 [0.0007]	
Age*Spline80				0.047 [0.025]
Age*Spline86				-0.026 [0.016]
Age^2	0.0001 [0.0003]	0.002 [0.001]	0.003 [0.002]	0.001 [0.003]

(table continues)

TABLE 2.4, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		-0.0002 [0.0001]	-0.0003 [0.0003]	0.0001 [0.001]
(Age^2)*(Year^2)			0.000 [0.00001]	
(Age^2)*(Spline80)				-0.001 [0.001]
(Age^2)*(Spline86)				0.0004 [0.0003]
Unwed Teen	-0.261 [0.069]	-0.489 [0.227]	-0.145 [0.534]	0.888 [0.775]
Unwed*Year		0.023 [0.017]	-0.055 [0.096]	-0.233 [0.127]
Unwed*(Year^2)			0.004 [0.004]	
Unwed*(Spline80)				0.347 [0.160]
Unwed*(Spline86)				-0.123 [0.088]
Black	-0.369 [0.169]	-0.331 [0.332]	-0.691 [0.456]	-1.218 [0.597]
Black*Year		0.015 [0.014]	0.089 [0.075]	0.138 [0.083]
Black*(Year^2)			-0.003 [0.003]	
Black*(Spline80)				-0.144 [0.105]
Black*(Spline86)				0.032 [0.067]

(table continues)

TABLE 2.4, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	0.011 [0.007]	0.002 [0.009]	0.001 [0.013]	0.007 [0.013]
Log Likelihood	-1671.368	-1658.149	-1655.044	-1647.548
Test Statistic		26.438	32.649	47.640
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Note: Sample size = 2,742.

TABLE 2.5

Estimated Probability of Exiting a Welfare Spell—(AFDC/Income) > .5

	1976	1982	1988
Non-Black			
Unwed Teen Mothers			
Duration = 1	0.530	0.219	0.111
Duration = 5	0.408	0.139	0.063
Others			
Duration = 1	0.548	0.353	0.128
Duration = 5	0.425	0.247	0.074
Black			
Unwed Teen Mothers			
Duration = 1	0.277	0.148	0.076
Duration = 5	0.184	0.088	0.041
Others			
Duration = 1	0.292	0.259	0.089
Duration = 5	0.196	0.170	0.049

Notes: Estimates are calculated using coefficients from column 4 of Table 2.4. Unemployment rates are held constant at 20 percent; age is held constant at 25.

TABLE 2.6
Probit Estimates of First Re-Entry Hazards—(AFDC/Income) > .5

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-0.803 [0.298]	-0.811 [0.567]	-0.606 [1.233]	-0.603 [1.492]
Year		-0.004 [0.050]	-0.039 [0.256]	-0.026 [0.259]
Year^2			0.001 [0.012]	
Year Spline 1980				0.023 [0.361]
Year Spline 1986				-0.036 [0.295]
Duration	-0.261 [0.047]	-0.252 [0.047]	-0.249 [0.049]	-0.253 [0.050]
Duration^2	0.008 [0.004]	0.007 [0.005]	0.007 [0.005]	0.007 [0.005]
Age	-0.005 [0.021]	0.036 [0.054]	0.023 [0.119]	0.015 [0.145]
Age*Year		-0.004 [0.005]	-0.001 [0.025]	-0.0004 [0.026]
Age*(Year^2)			-0.0001 [0.001]	
Age*Spline80				-0.005 [0.035]
Age*Spline86				0.007 [0.026]
Age^2	-0.0002 [0.0004]	-0.001 [0.001]	-0.001 [0.003]	0.0003 [0.003]

(table continues)

TABLE 2.6, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		0.0001 [0.0001]	0.000 [0.001]	-0.0002 [0.0006]
(Age^2)*(Year^2)			0.0000 [0.00003]	
(Age^2)*(Spline80)				0.0004 [0.0008]
(Age^2)*(Spline86)				-0.0003 [0.0006]
Unwed Teen	0.050 [0.111]	-0.007 [0.359]	-0.380 [0.864]	0.940 [1.295]
Unwed*Year		0.009 [0.028]	0.080 [0.157]	-0.163 [0.210]
Unwed*(Year^2)			-0.003 [0.007]	
Unwed*(Spline80)				0.246 [0.258]
Unwed*(Spline86)				-0.141 [0.139]
Black	-0.214 [0.280]	-0.565 [0.459]	-0.586 [0.601]	-1.038 [0.743]
Black*Year		0.037 [0.019]	0.048 [0.105]	0.134 [0.099]
Black*(Year^2)			-0.001 [0.005]	
Black*(Spline80)				-0.148 [0.131]
Black*(Spline86)				0.098 [0.105]

(table continues)

TABLE 2.6, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	0.014 [0.011]	0.013 [0.014]	0.012 [0.019]	0.011 [0.019]
Log Likelihood	-670.179	-666.269	-666.109	-663.244
Test Statistic		7.820	8.141	13.871
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Note: Sample size = 3,328.

TABLE 2.7

Estimated Probability of Re-Entering a Welfare Spell—(AFDC/Income) > .5

Duration = 1	0.173
Duration = 5	0.036
Duration = 10	0.006

Notes: Estimates are calculated using coefficients from column 1 of Table 2.6. Unemployment rates held constant at 20 percent; age is held constant at 25. Proportion of blacks (41 percent) and unwed teen mothers (20 percent) in the sample are used.

TABLE 3.1
Trends in Welfare Participation, Positive AFDC and Other Sources

Age	[1] Percentage Ever On	[2] Percentage of Years On [No. Years On] All	[2] Percentage of Years On [No. Years On] Ever On	[3] Percentage of Income from Welfare All	[3] Percentage of Income from Welfare Ever On
Age 15–44					
1974–1979	17.3	8.0 [0.48]	46.2 [2.77]	4.2	24.3
1980–1985	19.8	10.0 [0.60]	50.5 [3.03]	5.2	26.3
1986–1991	16.1	8.7 [0.52]	54.0 [3.24]	5.2	32.3
Age 15–24					
1974–1979	18.1	8.5 [0.51]	47.0 [2.82]	4.8	26.5
1980–1985	22.4	11.8 [0.71]	52.7 [3.16]	7.5	33.5
1986–1991	19.5	10.3 [0.62]	52.8 [3.17]	6.6	33.8
Age 25–34					
1974–1979	16.5	8.2 [0.49]	49.7 [2.98]	3.7	22.4
1980–1985	20.1	10.3 [0.62]	51.2 [3.07]	4.2	20.9
1986–1991	18.2	10.2 [0.61]	56.0 [3.36]	6.1	33.5
Age 35–44					
1974–1979	16.9	7.2 [0.43]	42.6 [2.56]	3.8	22.5
1980–1985	15.6	7.2 [0.43]	46.2 [2.77]	3.5	22.4
1986–1991	10.6	5.3 [0.32]	50.0 [3.00]	2.8	26.4

Notes: All columns refer to the six-year period and the individuals at the given ages at the beginning of the period. Participation is defined as receiving AFDC, SSI, Food Stamps, or "other welfare" during the calendar year.

TABLE 3.2
Trends in Welfare Participation by Age and Marital Status at First Birth, Positive AFDC, and Other Sources

	Percentage Ever On		Percentage of Years On[a]				Percentage of Income from Welfare			
	[1]	[2]	[3]		[4]		[5]		[6]	
	Unwed Teen		Unwed Teen Mothers		Others		Unwed Teen Mothers		Others	
Age	Mothers	Others	All	Ever on	All	Ever on	All	Ever on	All	Ever on
Age 15–44										
1974–1979	66.5	16.5	36.5 [2.19]	54.9 [3.29]	7.7 [0.46]	46.7 [2.80]	19.2	28.9	4.0	24.2
1980–1985	77.0	16.9	48.7 [2.92]	63.2 [3.79]	8.2 [0.49]	48.5 [2.91]	31.7	41.2	3.9	23.1
1986–1991	62.7	12.3	41.7 [2.50]	66.5 [3.99]	6.0 [0.36]	48.8 [2.93]	29.9	47.7	3.1	25.2

Notes: All columns refer to the six-year period and the individuals at the given ages at the beginning of the period. Participation is defined as receiving AFDC, SSI, Food Stamps, or "other welfare" during the calendar year.

[a] "Number of years" in brackets.

TABLE 3.3
Probit Estimates of First-Entry Hazards—Positive AFDC and Other Sources

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-0.496	-0.910	-2.095	-2.699
	[0.242]	[0.600]	[1.483]	[2.334]
Year		0.036	0.199	0.280
		[.042]	[0.247]	[0.364]
Year^2			-0.006	
			[0.010]	
Year Spline 1980				-0.351
				[0.429]
Year Spline 1986				0.237
				[0.197]
Duration	-0.148	-0.148	-0.157	-0.158
	[0.033]	[0.033]	[0.035]	[0.034]
Duration^2	0.010	0.010	0.011	0.011
	[0.002]	[0.003]	[0.003]	[0.003]
Age	-0.108	-0.035	0.244	0.113
	[0.025]	[0.088]	[0.250]	[0.433]
Age*Year		-0.006	-0.049	-0.028
		[0.006]	[0.040]	[0.067]
Age*(Year^2)			0.002	
			[0.002]	
Age*Spline80				0.025
				[0.077]
Age*Spline86				-0.004
				[0.027]
Age^2	0.002	-0.001	-0.015	-0.007
	[0.001]	[0.003]	[0.011]	[0.020]

(table continues)

TABLE 3.3, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		0.0002 [0.0002]	0.002 [0.002]	0.001 [0.003]
(Age^2)*(Year^2)			-0.0001 [0.0001]	
(Age^2)*(Spline80)				-0.001 [0.003]
(Age^2)*(Spline86)				-0.0004 [0.0001]
Unwed Teen	0.202 [0.101]	0.574 [0.315]	0.104 [0.777]	-0.662 [1.140]
Unwed*Year		-0.030 [0.025]	0.081 [0.143]	0.160 [0.180]
Unwed*(Year^2)			-0.005 [0.006]	
Unwed*(Spline80)				-0.177 [0.216]
Unwed*(Spline86)				-0.092 [0.118]
Black	0.329 [0.271]	0.287 [0.583]	0.714 [0.802]	1.340 [1.076]
Black*Year		0.010 [0.025]	-0.108 [0.136]	-0.294 [0.163]
Black*(Year^2)			0.005 [0.006]	
Black*(Spline80)				0.370 [0.207]
Black*(Spline86)				-0.028 [0.117]

(table continues)

TABLE 3.3, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	0.007	0.004	0.009	0.032
	[0.011]	[0.015]	[0.020]	[0.020]
Log Likelihood	-939.881	-938.841	-936.282	-930.516
Test Statistic		2.080	7.198	18.730
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Notes: Sample size = 7,124. Sample only includes observations of women who had their first birth between 1974 and 1991.

TABLE 3.4
Estimated Probability of Entering a Welfare Spell—Positive AFDC and Other Sources

	Unwed Teen Mothers	Others
Age 20		
Duration = 1	0.187	0.129
Duration = 5	0.107	0.069
Age 25		
Duration = 1	0.107	0.069
Duration = 5	0.056	0.033

Notes: Estimates are calculated using coefficients from column 1 of Table 3.3. Unemployment rates are held constant at 20 percent; proportion of blacks in the sample are used (18 percent for unwed teen mothers, 6 percent for others).

TABLE 3.5
Probit Estimates of Exit Hazards—Positive AFDC and Other Sources

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-0.717 [0.114]	-1.140 [0.225]	-1.002 [0.481]	-1.599 [0.592]
Year		0.045 [0.018]	-0.036 [0.093]	0.123 [0.098]
Year^2			0.004 [0.004]	
Year Spline 1980				-0.130 [0.135]
Year Spline 1986				0.101 [0.104]
Duration	-0.270 [0.017]	-0.268 [0.018]	-0.266 [0.018]	-0.265 [0.018]
Duration^2	0.016 [0.002]	0.016 [0.002]	0.016 [0.002]	0.016 [0.002]
Age	0.041 [0.008]	0.094 [0.021]	0.050 [0.045]	0.151 [0.058]
Age*Year		-0.005 [0.002]	0.005 [0.009]	-0.017 [0.009]
Age*(Year^2)			-0.0004 [0.0004]	
Age*Spline80				0.021 [0.013]
Age*Spline86				-0.017 [0.009]
Age^2	-0.001 [0.0002]	-0.002 [0.001]	-0.001 [0.001]	-0.003 [0.001]

(table continues)

TABLE 3.5, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		0.0001 [0.00004]	-0.0001 [0.0002]	0.0003 [0.0002]
(Age^2)*(Year^2)			0.000 [0.000]	
(Age^2)*(Spline80)				-0.0004 [0.0003]
(Age^2)*(Spline86)				0.0004 [0.0002]
Unwed Teen	-0.172 [0.048]	0.059 [0.154]	-0.544 [0.358]	-0.074 [0.480]
Unwed*Year		-0.019 [0.012]	0.100 [0.065]	-0.010 [0.079]
Unwed*(Year^2)			-0.005 [0.003]	
Unwed*(Spline80)				0.017 [0.099]
Unwed*(Spline86)				-0.058 [0.058]
Black	-0.874 [0.115]	-0.758 [0.212]	-0.386 [0.274]	-0.213 [0.340]
Black*Year		0.003 [0.009]	-0.157 [0.046]	-0.108 [0.047]
Black*(Year^2)			0.008 [0.002]	
Black*(Spline80)				0.111 [0.061]
Black*(Spline86)				0.055 [0.043]

(table continues)

TABLE 3.5, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	0.027	0.021	0.035	0.027
	[0.005]	[0.006]	[0.008]	[0.008]
Log Likelihood	-4233.116	-4225.741	-4217.900	-4211.158
Test Statistic		14.750	30.432	43.915
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Note: Sample size = 7,556.

TABLE 3.6

Estimated Probability of Exiting a Welfare Spell—Positive AFDC and Other Sources

	1976	1982	1988
Non-Black			
Age 20			
Duration = 1	0.363	0.402	0.430
Duration = 5	0.153	0.178	0.197
Age 25			
Duration = 1	0.458	0.444	0.441
Duration = 5	0.217	0.207	0.205
Black			
Age 20			
Duration = 1	0.131	0.109	0.158
Duration = 5	0.045	0.028	0.047
Age 25			
Duration = 1	0.220	0.130	0.165
Duration = 5	0.031	0.036	0.050

Notes: Estimates are calculated using coefficients from column 4 of Table 3.5. Unemployment rates are held constant at 20 percent; proportion of unwed teen mothers in the sample are used (23 percent for non-blacks, 42 percent for blacks).

TABLE 3.7
Probit Estimates on First Re-Entry Hazards—Positive AFDC and Other Sources

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Intercept	-0.207 [0.187]	0.067 [0.374]	-0.249 [0.812]	-0.639 [0.967]
Year		-0.015 [0.031]	0.031 [0.165]	0.089 [0.162]
Year^2			-0.002 [0.008]	
Year Spline 1980				-0.176 [0.223]
Year Spline 1986				0.130 [0.183]
Duration	-0.185 [0.024]	-0.170 [0.025]	-0.166 [0.025]	-0.167 [0.026]
Duration^2	0.007 [0.002]	0.006 [0.002]	0.005 [0.002]	0.006 [0.002]
Age	-0.022 [0.012]	-0.004 [0.033]	-0.032 [0.074]	-0.017 [0.092]
Age*Year		-0.001 [0.003]	0.004 [0.015]	-0.0010 [0.016]
Age*(Year^2)			-0.0002 [0.0007]	
Age*Spline80				0.005 [0.021]
Age*Spline86				-0.011 [0.015]
Age^2	0.0000 [0.0002]	-0.001 [0.001]	0.001 [0.002]	0.001 [0.002]

(table continues)

TABLE 3.7, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
(Age^2)*Year		0.00004 [0.00006]	-0.0002 [0.0003]	-0.0001 [0.0003]
(Age^2)*(Year^2)			0.0000 [0.00001]	
(Age^2)*(Spline80)				0.0001 [0.0004]
(Age^2)*(Spline86)				0.0002 [0.0003]
Unwed Teen	0.042 [0.078]	0.088 [0.267]	0.117 [0.658]	1.120 [0.995]
Unwed*Year		0.002 [0.020]	-0.016 [0.116]	-0.192 [0.160]
Unwed*(Year^2)			0.001 [0.005]	
Unwed*(Spline80)				0.276 [0.193]
Unwed*(Spline86)				-0.129 [0.098]
Black	0.718 [0.181]	1.185 [0.316]	1.595 [0.412]	1.185 [0.507]
Black*Year		-0.010 [0.012]	-0.158 [0.067]	-0.068 [0.066]
Black*(Year^2)			0.007 [0.003]	
Black*(Spline80)				0.035 [0.086]
Black*(Spline86)				0.115 [0.064]

(table continues)

TABLE 3.7, continued

	[1] No Year Effects	[2] Linear Trends	[3] Quadratic Trends	[4] Splines
Unemployment Rate	-0.014	-0.029	-0.019	-0.014
	[0.007]	[0.010]	[0.013]	[0.013]
Log Likelihood	-1896.082	-1891.412	-1887.715	-1885.436
Test Statistic		9.341	16.735	21.293
.95 Critical Value Chi-Squared		11.07	18.31	25.00

Note: Sample size = 7,410.

TABLE 3.8

Estimated Probability of Re-Entering a Welfare Spell—Positive AFDC and Other Sources

Non-Black	
Duration = 1	0.177
Duration = 5	0.067
Black	
Duration = 1	0.419
Duration = 5	0.219

Notes: Estimates are calculated using coefficients from column 1 of Table 3.7. Unemployment rates held constant at 20 percent; age held constant at 25. Proportion of unwed teen mothers in sample are used (8 percent for non-blacks, 17 percent for blacks).

TABLE 4.1

Proportion Experiencing Event When Exiting Welfare—Positive AFDC

	[1] Increase in Earnings	[2] Started Work	[3] Became Married	[4] Children Moved Out
1974–1979	0.48	0.12	0.06	0.09
1980–1985	0.48	0.13	0.07	0.08
1986–1991	0.51	0.17	0.13	0.09
Significant Time Trends?	No	Yes	Yes	No

Notes: Sample size = 1,808. Sample of exits. Significance of time trends is determined at the 5 percent level.

TABLE 4.2
Probit Estimates of Experiencing Event When Exiting Welfare—Positive AFDC

	[1] Increase in Earnings	[2] Started Work	[3] Became Married	[4] Children Moved Out
Intercept	-0.162	-1.028**	-0.848	-3.070**
	[0.213]	[0.275]	[0.383]	[0.326]
Age	-0.018**	-0.022**	-0.020**	0.058**
	[0.004]	[0.005]	[0.006]	[0.005]
Unwed Teen	0.386	0.272	0.172	0.496
	[0.253]	[0.294]	[0.351]	[0.474]
Black	0.004	-0.064	0.265	-0.113
	[0.338]	[0.433]	[0.643]	[0.486]
Black*unwed	0.026	0.133	-0.103	0.842**
	[0.150]	[0.177]	[0.233]	[0.280]
Unemployment Rate	0.008	0.003	-0.031	0.014
	[0.011]	[0.013]	[0.020]	[0.015]
Year	0.043**	0.033**	0.037**	0.014
	[0.009]	[0.012]	[0.013]	[0.014]
Unwed*year	-0.038**	-0.02	0.003	-0.042
	[0.018]	[0.021]	[0.025]	[0.031]
Black*year	-0.040**	-0.024	-0.018	-0.018
	[0.014]	[0.019]	[0.026]	[0.022]
Significant Year Effects?	Yes	Yes	Yes	No

Notes: Sample size = 1,808. Sample of exits. Significance of year effect is determined at the 5 percent level.

*Significant at 10 percent level.
**Significant at 5 percent level.

TABLE 4.3

Proportion Experiencing Event When Entering Welfare—Positive AFDC

	[1] Decrease in Earnings	[2] Stopped Work	[3] Became Single	[4] First Birth*
1974–1979	0.40	0.16	0.08	0.14
1980–1985	0.42	0.11	0.09	0.13
1986–1991	0.51	0.17	0.07	0.14
Significant Time Trends?	Yes	Yes	No	No

Notes: Sample size = 1,860. Sample of entries. Significance of time trends is determined at the 5 percent level.

*Also includes families who go from no kids to having kids.

TABLE 4.4

Probit Estimates of Experiencing Event When Entering Welfare—Positive AFDC

	[1] Decrease in Earnings	[2] Stopped Work	[3] Became Single	[4] First Birth***
Intercept	-0.124	-0.236	-0.926**	-0.977**
	[0.215]	[0.277]	[0.344]	[0.258]
Age	-0.007**	-0.012**	-0.004	-0.015**
	[0.003]	[0.005]	[0.004]	[0.004]
Unwed Teen	-0.116	0.308	na	-0.993**
	[0.189]	[0.212]		[0.287]
Black	-0.013	0.343	-0.112	-0.060
	[0.350]	[0.462]	[0.580]	[0.433]
Black*unwed	-0.307**	-0.193	na	-0.011
	[0.135]	[0.162]		[0.184]
Unemployment Rate	-0.005	-0.032**	-0.014	0.008
	[0.011]	[0.014]	[0.018]	[0.013]
Year	0.023**	-0.019*	-0.006	0.013
	[0.009]	[0.011]	[0.011]	[0.011]
Unwed*year	0.0003	-0.003	na	0.038*
	[0.0143]	[0.016]		[0.021]
Black*year	0.013	0.028	-0.010	-0.011
	[0.014]	[0.018]	[0.023]	[0.018]
Significant Year Effects?	Yes	No	No	No

Notes Sample size = 1,860. Sample of entries. Significance of year effects is determined at the 5 percent level.

*Significant at 10 percent level.
**Significant at 5 percent level.
***Also includes families who go from no kids to having kids.

TABLE 5.1

Proportion Experiencing Event When Exiting Welfare—(AFDC/Income) > .5

	[1] Increase in Earnings	[2] Started Work	[3] Became Married	[4] Children Moved Out
1974–1979	0.45	0.26	0.02	0.03
1980–1985	0.48	0.29	0.02	0.05
1986–1991	0.56	0.33	0.03	0.07
Significant Time Trends?	Yes	No	No	No

Notes: Sample size = 1,005. Sample of exits. Significance of time trends is determined at the 5 percent level.

TABLE 5.2

Probit Estimates of Experiencing Event When Exiting Welfare—(AFDC/Income) > .5

	[1] Increase in Earnings	[2] Started Work	[3] Became Married	[4] Children Moved Out
Intercept	-0.007	-0.831**	-1.342**	-2.969**
	[0.271]	[0.290]	[0.668]	[0.505]
Age	-0.032**	-0.275**	-0.038**	0.026**
	[0.005]	[0.006]	[0.017]	[0.008]
Unwed Teen	0.380	0.377	-0.324	-0.334
	[0.297]	[0.307]	[0.620]	[0.824]
Black	0.074	0.015	-0.796	0.310
	[0.429]	[0.447]	[1.189]	[0.716]
Black*unwed	0.209	-0.011	0.922	1.131*
	[0.188]	[0.195]	[0.599]	[0.604]
Unemployment Rate	0.001	0.015	-0.001	0.008
	[0.014]	[0.014]	[0.034]	[0.022]
Year	0.067**	0.061**	0.008	0.057**
	[0.013]	[0.013]	[0.026]	[0.024]
Unwed*year	-0.069**	-0.058**	0.019	-0.046
	[0.022]	[0.023]	[0.048]	[0.046]
Black*year	-0.020	-0.043**	-0.017	-0.033
	[0.019]	[0.020]	[0.056]	[0.035]
Significant Year Effects?	Yes	Yes	No	No

Notes: Sample size = 1,005. Sample of exits. Significance of year effects is determined at the 5 percent level.

*Significant at 10 percent level.
**Significant at 5 percent level.

TABLE 5.3

Proportion Experiencing Event When Entering Welfare—(AFDC/Income) > .5

	[1] Decrease in Earnings	[2] Stopped Work	[3] Became Single	[4] First Birth*
1974–1979	0.46	0.26	0.13	0.15
1980–1985	0.46	0.20	0.15	0.07
1986–1991	0.60	0.33	0.09	0.12
Significant Time Trends?	Yes	Yes	Yes	Yes

Notes: Sample size = 1,045. Sample of entries. Significance of time trends is determined at the 5 percent level.

*Also includes families who go from no kids to having kids.

TABLE 5.4

Probit Estimates of Experiencing Event When Entering Welfare—(AFDC/Income) > .5

	[1] Decrease in Earnings	[2] Stopped Work	[3] Became Single	[4] First Birth***
Intercept	0.030	-0.653**	-1.295**	-0.041
	[0.270]	[0.290]	[0.365]	[0.384]
Age-13	-0.009*	-0.001	-0.009	-0.025**
	[0.005]	[0.006]	[0.006]	[0.007]
Unwed Teen	0.009	0.189	na	-0.810**
	[0.236]	[0.250]		[0.338]
Black	0.660	0.671	-1.766**	1.197*
	[0.441]	[0.473]	[0.641]	[0.639]
Black*unwed	-0.523**	-0.560**	na	-0.074
	[0.170]	[0.180]		[0.245]
Unemployment Rate	-0.014	-0.011	0.037**	-0.037*
	[0.013]	[0.014]	[0.019]	[0.021]
Year	0.040**	0.006	-0.013	-0.004
	[0.012]	[0.013]	[0.014]	[0.016]
Unwed*year	-0.010	0.011	na	0.028
	[0.018]	[0.019]		[0.025]
Black*year	-0.019	-0.009	0.027	-0.046*
	[0.019]	[0.019]	[0.027]	[0.025]
Significant Year Effects?	Yes	No	No	No

Notes: Sample size = 1,045. Sample of entries. Significance of year effects is determined at the 5 percent level.

*Significant at 10 percent level.
**Significant at 5 percent level.
***Also includes families who go from no kids to having kids.

TABLE 6.1

Proportion Experiencing Event When Exiting Welfare—Positive AFDC and Other Sources

	[1] Increase in Earnings	[2] Started Work	[3] Became Married	[4] Children Moved Out
1974–1979	0.45	0.13	0.04	0.10
1980–1985	0.51	0.10	0.06	0.11
1986–1991	0.52	0.14	0.08	0.14
Significant Time Trends?	Yes	Yes	Yes	No

Notes: Sample size = 2,419. Sample of exits. Significance of time trends is determined at the 5 percent level.

TABLE 6.2

Probit Estimates of Experiencing Event When Exiting Welfare—Positive AFDC and Other Sources

	[1] Increase in Earnings	[2] Started Work	[3] Became Married	[4] Children Moved Out
Intercept	-0.231	-0.797**	-1.258**	-3.142**
	[0.188]	[0.248]	[0.334]	[0.284]
Age	-0.021**	-0.016**	-0.024**	0.070**
	[0.003]	[0.004]	[0.006]	[0.004]
Unwed Teen	0.095	0.163	-0.107	1.747**
	[0.237]	[0.275]	[0.344]	[0.341]
Black	-0.062	-0.311	-0.760	0.579
	[0.298]	[0.396]	[0.583]	[0.414]
Black*unwed	0.027	0.155	-0.310	0.219
	[0.148]	[0.177]	[0.235]	[0.202]
Unemployment Rate	0.015	0.001	0.004	-0.008
	[0.009]	[0.013]	[0.017]	[0.013]
Year	0.045**	-0.008	0.009	0.030**
	[0.007]	[0.009]	[0.012]	[0.011]
Unwed*year	-0.017	0.007	0.040	-0.077**
	[0.017]	[0.021]	[0.026]	[0.024]
Black*year	-0.043**	0.007	0.025	-0.021
	[0.013]	[0.017]	[0.025]	[0.018]
Significant Year Effects?	Yes	No	No	Yes

Notes: Sample size = 2,419. Sample of exits. Significance of time trends is determined at the 5 percent level.

*Significant at 10 percent level.
**Significant at 5 percent level.

TABLE 6.3

Proportion Experiencing Event When Entering Welfare—Positive AFDC and Other Sources

	[1] Decrease in Earnings	[2] Stopped Work	[3] Became Single	[4] First Birth*
1974–1979	0.37	0.13	0.05	0.14
1980–1985	0.44	0.11	0.07	0.13
1986–1991	0.48	0.12	0.06	0.16
Significant Time Trends?	Yes	No	No	No

Notes: Sample size = 2,543. Sample of entries. Significance of time trends is determined at the 5 percent level.

*Also includes families who go from no kids to having kids.

TABLE 6.4

Probit Estimates of Experiencing Event When Entering Welfare—Positive AFDC and Other Sources

	[1] Decrease in Earnings	[2] Stopped Work	[3] Became Single	[4] First Birth***
Intercept	-0.299	-0.231	-1.678**	-0.941**
	[0.190]	[0.251]	[0.323]	[0.225]
Age-13	-0.014**	-0.025**	-0.010**	-0.021**
	[0.003]	[0.004]	[0.004]	[0.004]
Unwed Teen	-0.168	0.053	na	-0.711**
	[0.175]	[0.202]		[0.238]
Black	-0.431	-0.028	-0.917*	-0.426
	[0.309]	[0.414]	[0.546]	[0.380]
Black*unwed	-0.268**	-0.208	na	-0.132
	[0.129]	[0.160]		[0.168]
Unemployment Rate	0.010	-0.018	0.018	0.012
	[0.010]	[0.013]	[0.017]	[0.012]
Year	0.028**	-0.031**	0.010	0.013
	[0.007]	[0.009]	[0.010]	[0.009]
Unwed*year	-0.007	0.008	na	0.020
	[0.014]	[0.016]		[0.018]
Black*year	0.015	0.042**	-0.002	0.018
	[0.012]	[0.016]	[0.023]	[0.015]
Significant Year Effects?	Yes	Yes	No	Yes

Notes: Sample size = 2,543. Sample of entries. Significance of year effects is determined at the 5 percent level.

*Significant at 10 percent level.
**Significant at 5 percent level.
***Also includes families who go from no kids to having kids.