

INCREASING ECONOMIC
INDEPENDENCE THROUGH
EMPLOYMENT AND WORK

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DEFINING ECONOMIC INDEPENDENCE?

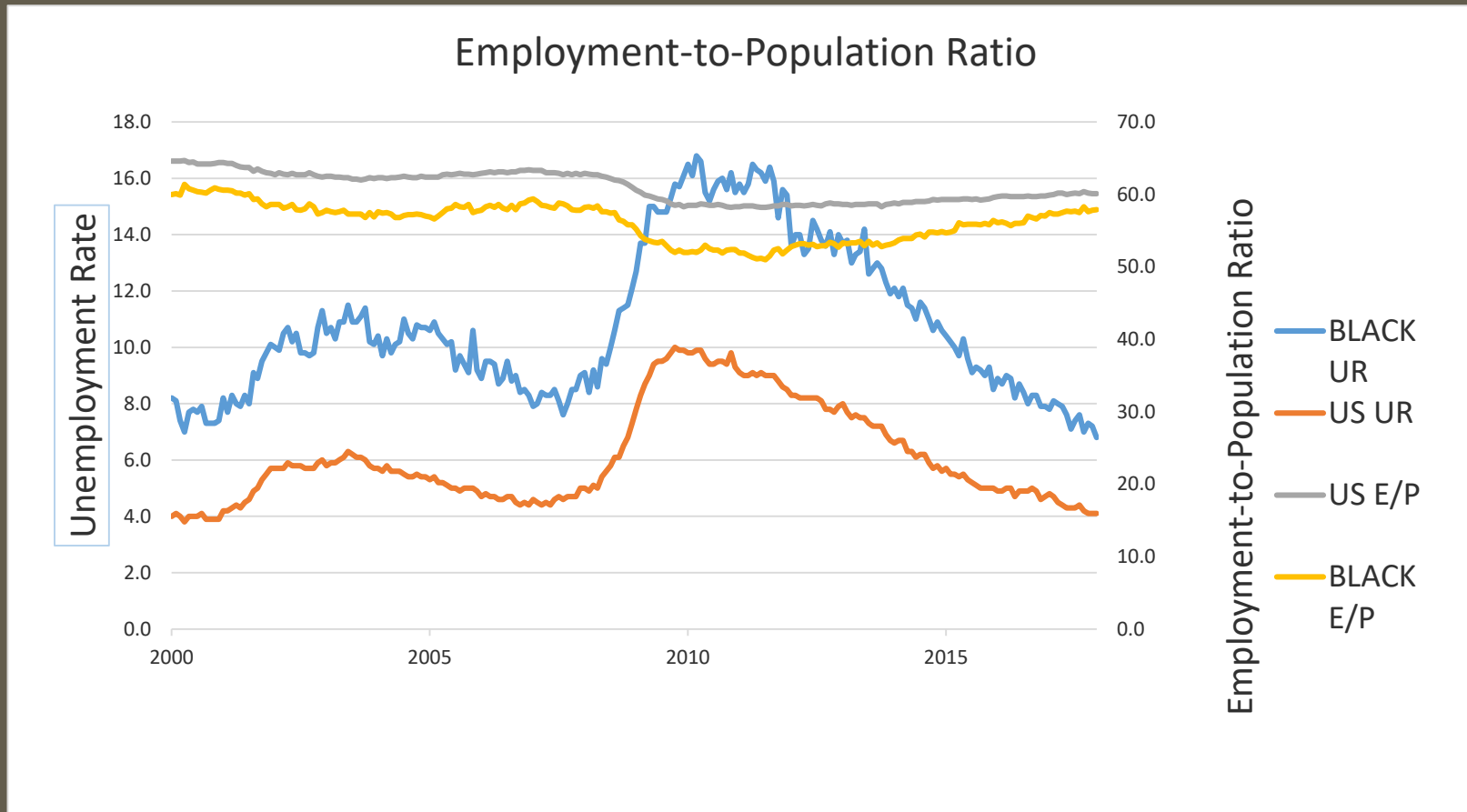
1. Employment?
 2. Employment above poverty or above “near-poverty”?
 3. Employment *without* safety net benefits?
- Perhaps it depends on individual circumstances, the regional economy, etc.

A BROADER DEFINITION OF ECONOMIC INDEPENDENCE

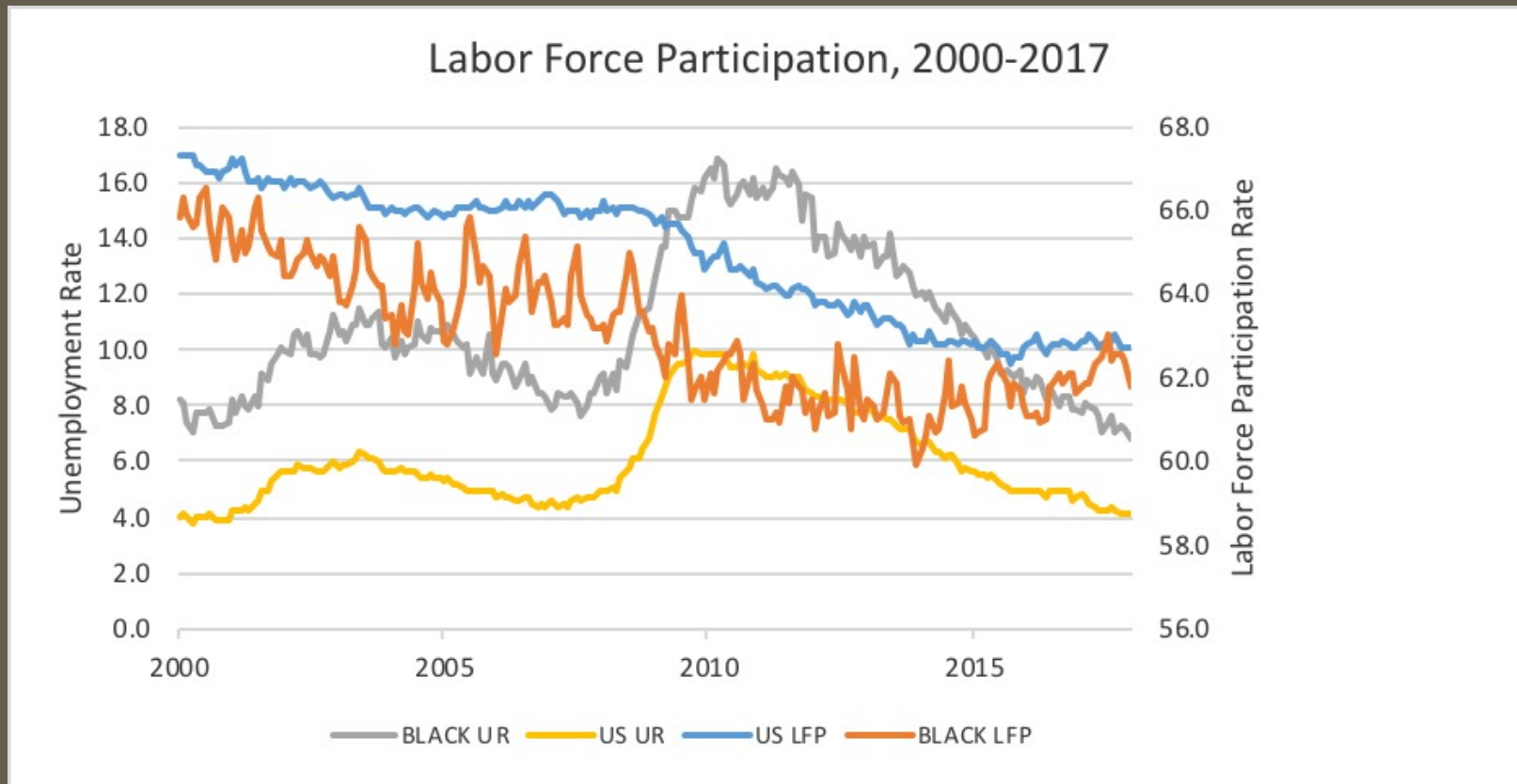
- Employment + liquidity for emergencies & medium or even long-range plans

THE ECONOMY IS STRONGER.
WHAT DO OUR ECONOMIC
INDICATORS SAY ABOUT
INDEPENDENCE?

LOWER UNEMPLOYMENT OVERALL, & AMONG SOME AT-RISK GROUPS

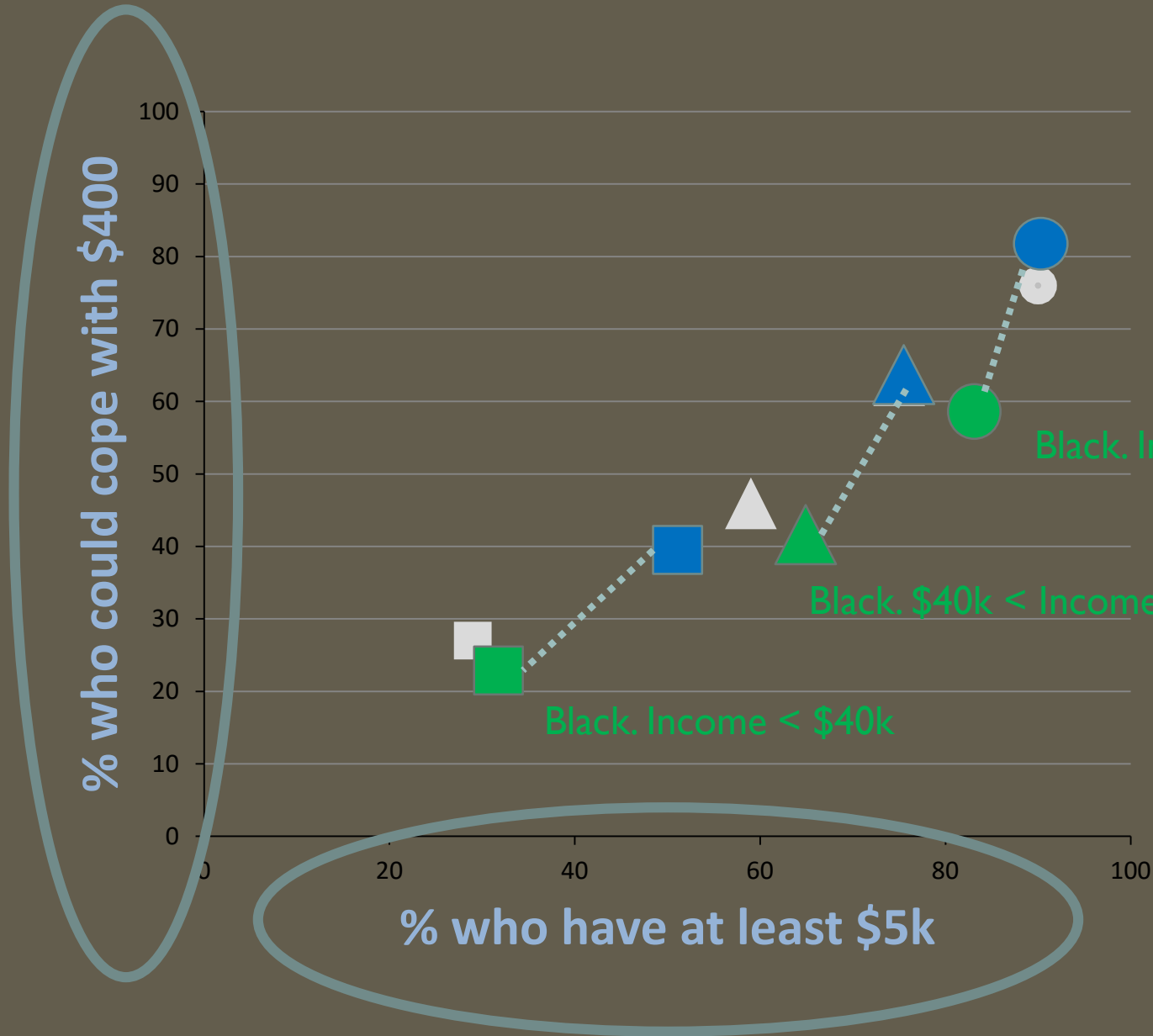


U.S. LABOR FORCE PARTICIPATION



COPING ABILITY. MIXED EVIDENCE HERE

- w/ J. Morduch, W. Darity Jr., & D. Hamilton
- Federal Reserve SHED data



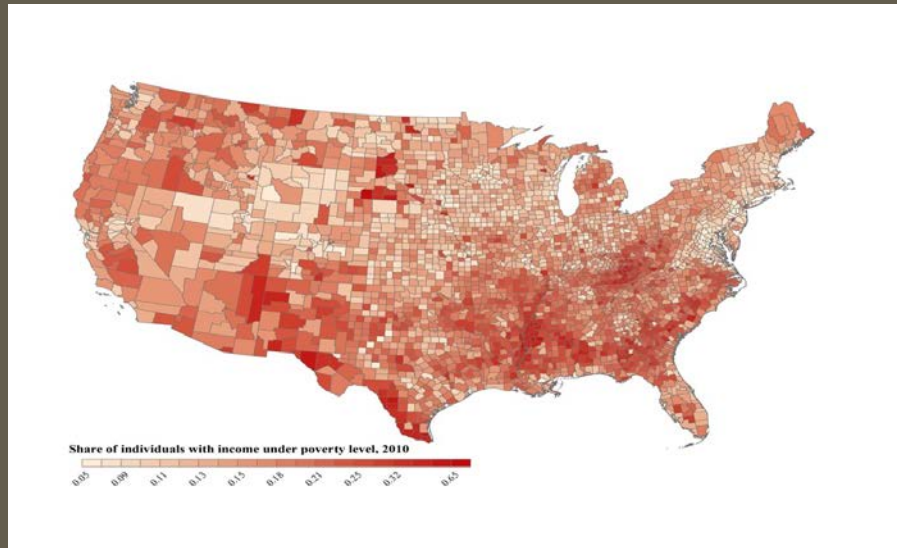
“Suppose that you have any emergency expense that costs \$400. Based on your current financial situation, how would you pay for this expense?”

1= “With the money currently in my checking/savings account or with cash” OR “Put it on my credit card and pay it off in full at the next statement.”

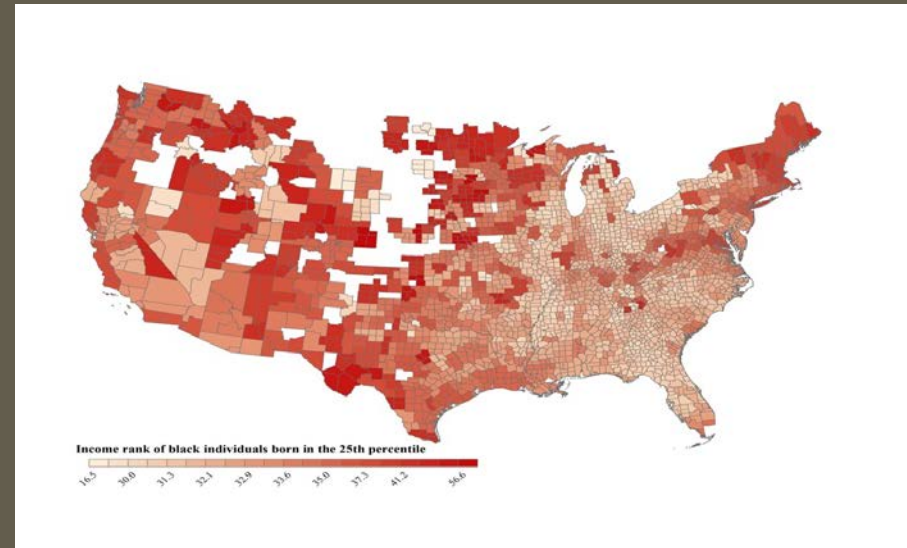
**ECONOMIC INDEPENDENCE
VARIES BY PLACE**

MANY HIGH POVERTY AREAS ARE ALSO LOW-MOBILITY AREAS

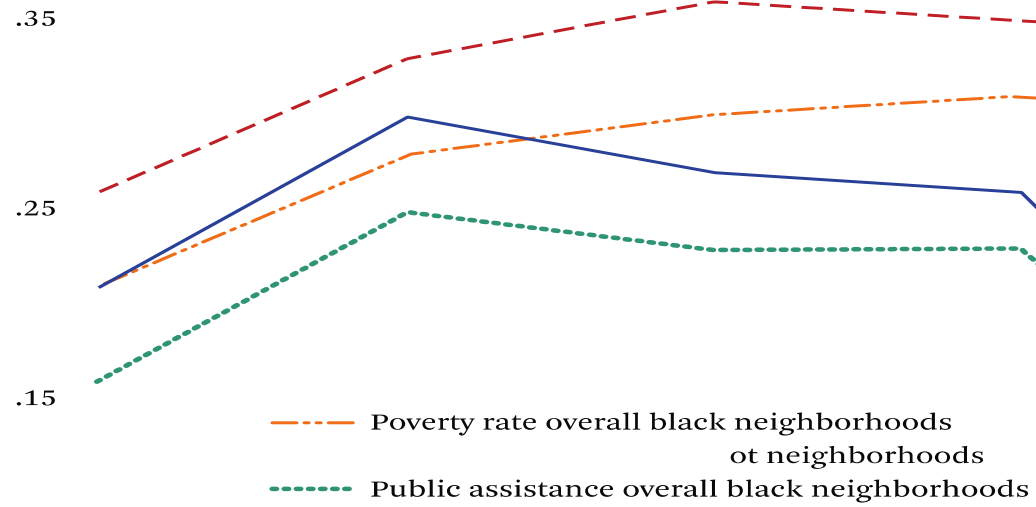
2010 POVERTY



2010 PARENT-CHILD MOBILITY

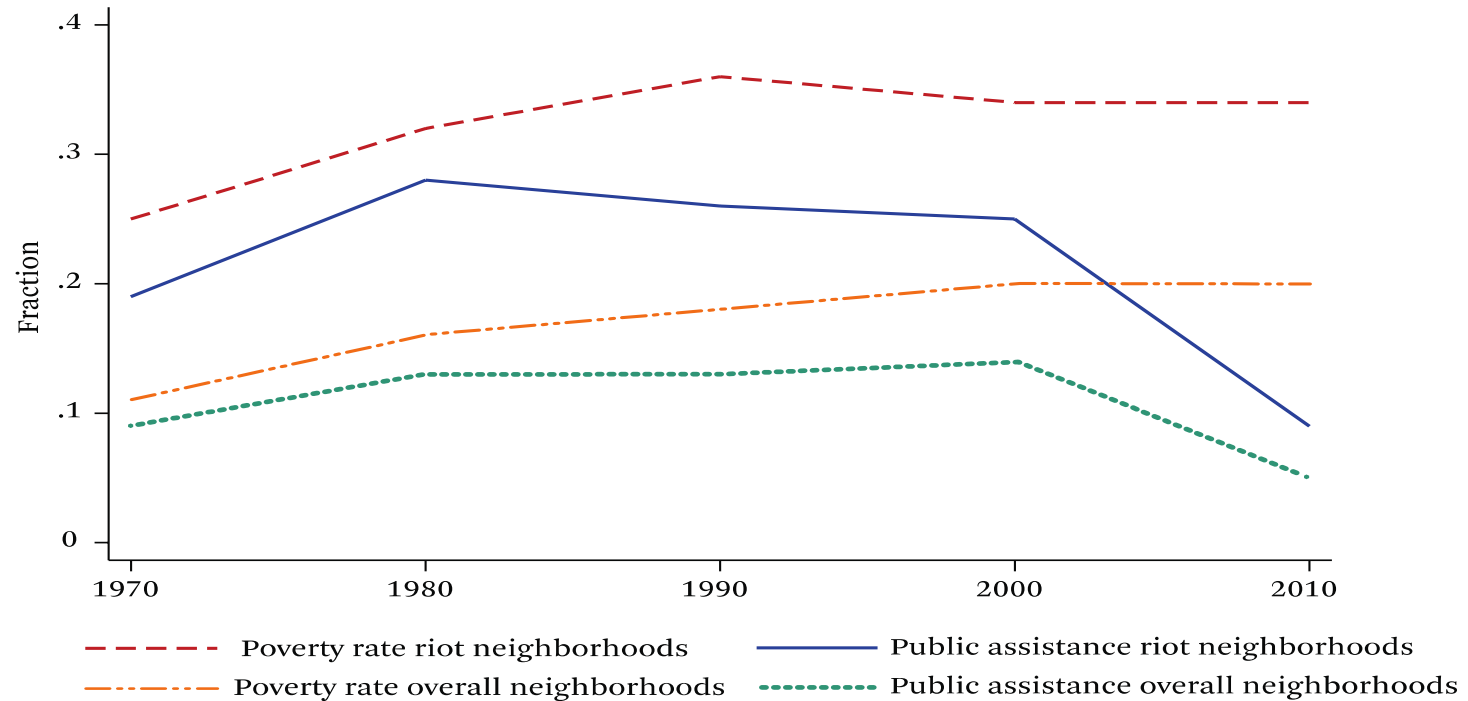


EVEN WITHIN CITIES: NEIGHBORHOOD ECONOMIC CONDITIONS VARY



NEIGHBORHOOD ECONOMIC CONDITIONS

Figure 9. Poverty and Welfare Trends, Overall and Riot-Affected Neighborhoods



Source: Authors' calculations based on the Neighborhood Change Database, 2010, and the 2010 U.S. census (2010b).

Note: Percent poor is calculated as the proportion of families under sixty-five living below the poverty line. Riot tracts correspond to those identified by Collins and Margo (2004).

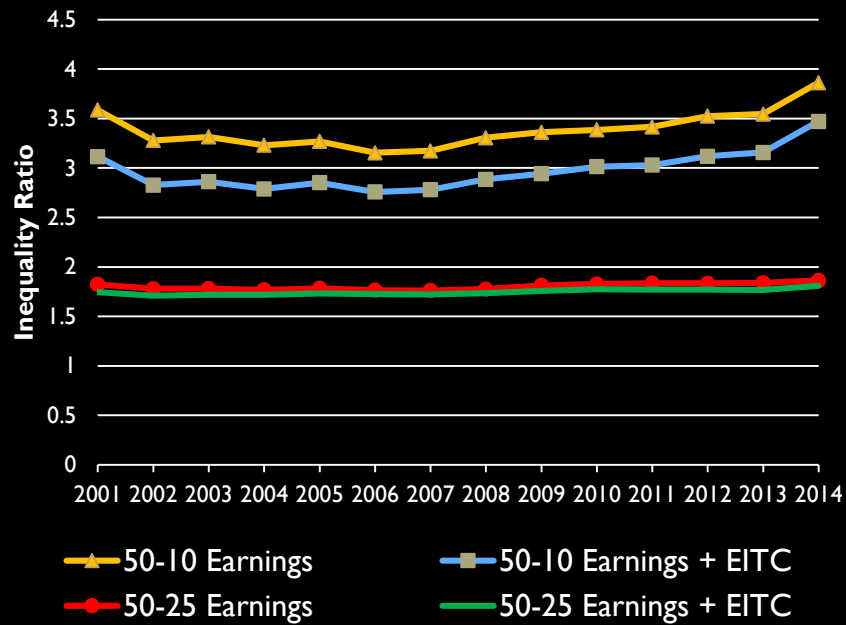
**ECONOMIC INDEPENDENCE AND
THE ROLE OF SNAP, THE EITC, &
TANF**

EVIDENCE

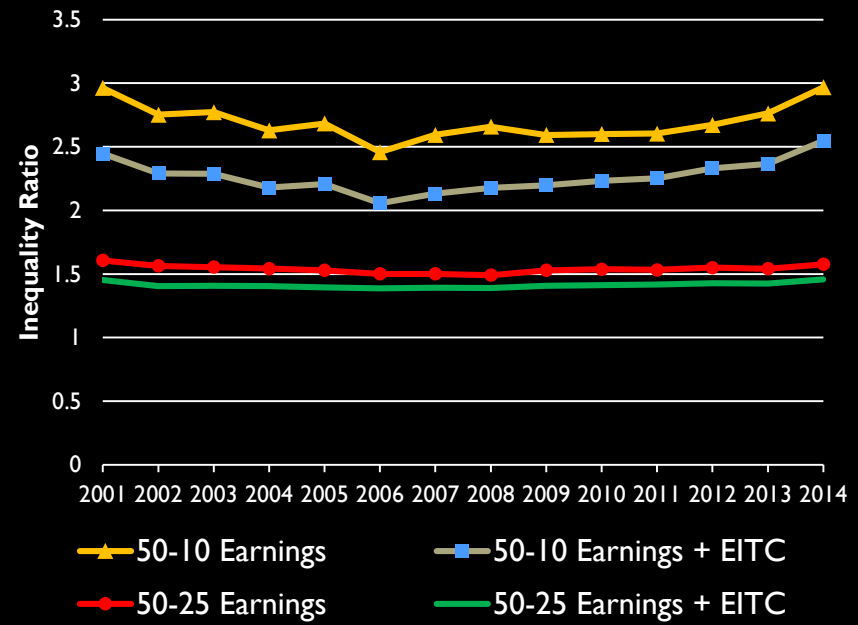
- Hardy, Smeeding, & Ziliak (2018): SNAP & EITC participation is largely predicted by policy expansion and structural economic factors (state economy + wages)
- Safety net programs collectively reduce income volatility among the poor (Hardy 2017)
- Hoynes et al. (2016): SNAP has led to overall improvements in earnings, SES outcomes; responsive during bad economic times
- EITC increases employment and income (Bitler et al. 2014; Bollinger, Gonzales & Ziliak, 2009; Chetty, Friedman & Saez, 2012; Dahl & Lochner, 2012; Eissa & Hoynes, 2006)
- Local DC supplement to the EITC lowers inequality
- Yet, some families may be getting by on very little liquidity (“\$2 a day”): Edin & Shaefer (2016)

DC + FEDERAL EITC SUPPLEMENT

Inequality Trends



Inequality Trends, Wards 7 & 8



TANF ASSISTANCE POLICY CHOICES VARY BY PLACE: CASH ASSISTANCE VARIANCE (BITLER & HOYNES 2016)

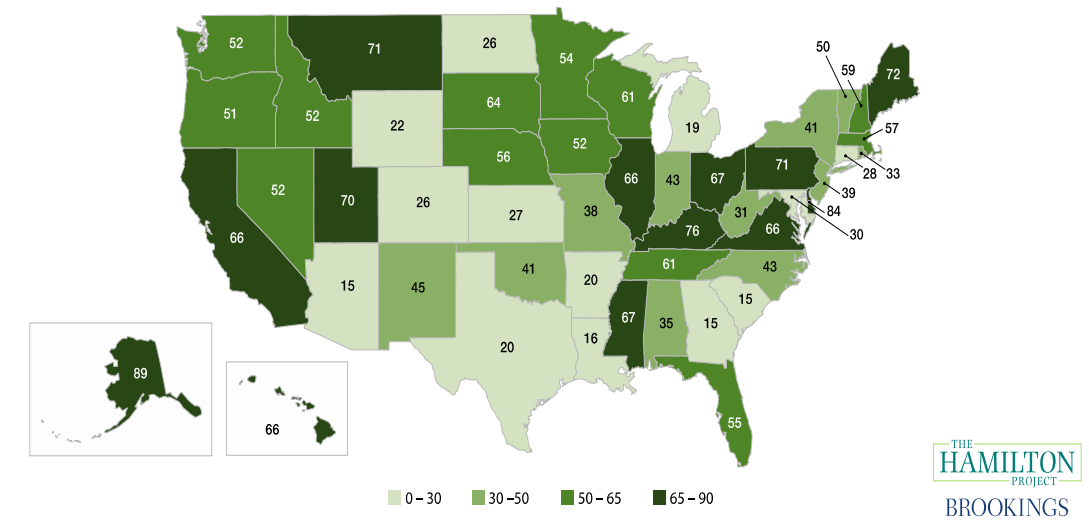
FIGURE 4.
Cash Assistance as a Share of Total TANF Spending, by State, FY2014



Source: HHS 2016.



FIGURE 5.
Cash Assistance, Work-Related Supports, and Child Care as a Share of Total TANF Spending, by State, FY2014



IDEAS FOR PROMOTING ECONOMIC INDEPENDENCE

- Geography: Interventions could vary by place, even **within** cities
- Coping: Promote economic independence by boosting liquidity among low-income working families
 - Expanded EITC
 - Strong SNAP program
 - A TANF program that commits to cash assistance & employment assistance
- Promote economic independence by continuing efforts to coordinate TANF assistance with WIOA
 - Assistance to families seeking longer-term skill upgrades and training—readiness for higher wage employment
 - Temporary assistance amid seemingly permanent (for some groups) low wages may require reconsideration, flexibility