

# State-Level Welfare Policies and Subsequent Non-Marital Childbearing

**Suzanne Ryan, Child Trends**

**Jennifer Manlove, Child Trends**

**Sandy Hofferth, University of Maryland**

Presentation at the annual conference of the Association for Public Policy Analysis and Management. Washington, D.C. November 6, 2003.



We gratefully acknowledge research support from the NICHD Child and Family Well-Being Research Network, Grant U01 (HD30930-06).

# Research Questions

---

---

- 1. Do pre-TANF state-level welfare policies influence subsequent non-marital births, among a high-risk sample of women who receive welfare benefits?**
- 2. Does the effect of pre-TANF welfare policies vary by women's age and parity?**
- 3. What individual characteristics are associated with subsequent non-marital childbearing?**

# Preview of Conclusions

---

---

- 1. Pre-TANF state-level welfare policies had no influence on subsequent non-marital births.**
- 2. The findings did not vary by subgroup.**
- 3. Age of respondent, race/ethnicity, marital status, and number of previous children are significantly associated with non-marital births.**

**\*Implication = We need more targeted policies to achieve the goal of decreasing non-marital childbearing.**

# Contributions

---

---

- **Use national-level data**
- **Examine the effect of waivers on *individual* fertility behaviors**
- **Study a high-risk population of unmarried welfare mothers**
- **Control for state-level AFDC benefits & economic factors**
- **Control for state fixed-effects in models**

# Theory

---

- **Waivers hypothesized to reduce subsequent births:**
  - a) **Family Cap – directly targets childbearing behaviors**
  - b) **Work Requirements & Job Exemptions – increased employment may reduce time available for childrearing**
  - c) **Time Limits & Sanctions – reduction in income may increase fears of inability to support additional children**
- **Waiver hypothesized to increase births:**
  - a) **Earnings Disregard – increased income may make children seem more affordable**
- **Higher AFDC benefit levels hypothesized to increase births**

# Data Set

---

---

- **Panel Study of Income Dynamics (PSID)**
  - **Ongoing since 1968**
  - **Longitudinal, monthly histories of public assistance receipt, childbearing behaviors, relationship transitions, and individual characteristics**
  - **Annual information on state of residence and state-level characteristics**
  - **Analyses restricted to years from 1989-1996**

# Sample

---

---

- **Analysis restricted to non-Hispanic white, non-Hispanic black, and Hispanic women who:**
  - **Were unmarried with at least one child**
  - **Were under age 40, with a child under age 18**
  - **Received AFDC prior to or during the period from January 1989 to December 1996**

# Structure of Data File

---

---

- **Person-month file: Separate observations for each month a woman is at risk of a non-marital birth**
- **Left-censor months prior to a first birth**
- **Right-censor months when woman becomes ineligible for sample**
- **N=26,782 person-months, representing 458 women**

# Key Measures

---

---

	<u>% of</u> <u>women</u>	<u>% of</u> <u>person-mn</u>
• <b>Dependent variable = had a subsequent non-marital birth (or not)</b>	<b>33.2</b>	<b>0.8</b>
• <b>State-level welfare variables:</b>		
- <b>Family cap</b>	<b>18.6</b>	<b>2.8</b>
- <b>Jobs exemption</b>	<b>21.1</b>	<b>6.5</b>
- <b>Sanctions</b>	<b>25.3</b>	<b>4.8</b>
- <b>Work requirement</b>	<b>7.7</b>	<b>1.0</b>
- <b>Earnings disregard</b>	<b>31.0</b>	<b>10.6</b>
• <b>Monthly AFDC benefit level (average=\$358)</b>		

# Additional Measures

---

---

- **Fixed variable:**
  - **Race/ethnicity**
  
- **Monthly time-varying measures:**
  - **marital status (never married, cohabiting, divorced)**
  - **age of youngest child**
  - **# of births to date**
  - **ever had male child**
  - **# of months received AFDC to date**

# Additional Measures

---

---

- **Yearly time-varying measures:**
  - **age**
  - **education level**
  - **state of residence**
  - **year of interview**
  - **state maximum AFDC benefits (lagged 9 months)**
  - **state unemployment rates (lagged 9 months)**
  - **state median income (lagged 9 months)**

# Characteristics of Sample

<i>Individual Characteristics</i>	<i>% of women</i>	<i>% of person-mn</i>
<b>Non-Hispanic White</b>	<b>33.3</b>	<b>29.1</b>
<b>Non-Hispanic Black</b>	<b>52.4</b>	<b>55.7</b>
<b>Hispanic</b>	<b>14.3</b>	<b>15.1</b>
<b>Never Marr, Non-Cohab</b>	<b>58.9</b>	<b>65.8</b>
<b>Cohabiting</b>	<b>7.9</b>	<b>7.2</b>
<b>Divorced</b>	<b>33.2</b>	<b>27.0</b>
<b>Aged 13-19</b>	<b>13.4</b>	<b>5.2</b>
<b>Aged 20-24</b>	<b>22.7</b>	<b>20.5</b>
<b>Aged 25-29</b>	<b>27.4</b>	<b>23.8</b>
<b>Aged 30-34</b>	<b>20.7</b>	<b>27.9</b>
<b>Aged 35-39</b>	<b>15.8</b>	<b>22.6</b>

# Analytic Methods

---

---

- **Discrete-time logit models**
- **Unit of analysis = person-month**
- **Control for state fixed effects**
- **Test interactions of welfare policies with parity and women's age**

## Results: State-Level Policies

<i>State-Level Measures</i>	<i>Bivariate</i>	<i>Add Individ Char</i>	<i>Add Fixed Effects</i>
	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
<b>Family Cap</b>	<b>0</b>	<b>+</b>	<b>0</b>
<b>Job Exemption</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sanctions</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Work Requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Earnings Disregard</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>AFDC Benefit Level</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Results: Individual-Level Characteristics

<i>Significant Predictor Variable (<math>p &lt; 0.05</math>)</i>	<i>Direction of Effect</i>
<b>Teenager</b>	+
<b>Age 20-24</b>	+
<b>Age 35-39</b>	-
<b>Black</b>	+
<b>Hispanic</b>	+
<b>Cohabitor</b>	+
<b>One previous child</b>	+
<b>Three or more previous children</b>	-

# Summary of Results

---

---

- **No welfare policies are significant predictors of subsequent non-marital childbearing**
- **AFDC benefit level and state-level economic circumstances were not significant.**
- **None of the interaction terms were significant**
- **Women's individual attributes are important predictors of family formation behaviors**

# Connection to Existing Literature

---

---

- **National-level studies: inconsistent findings**
  - **Little or no direct impact of welfare policies on sexual activity** (Maynard et al. 1998; Moffitt 1998; Robins & Fronstin 1996)
  - **Negative effect of waivers on childbearing** (Horvath-Rose & Peters 2001; Fitzgerald & Ribar 2001; Manlove et al. 2002)
- **Experimental studies: inconsistent findings**
  - **Evaluation of family cap studies inconclusive** (Fein 1999; Turturro et al. 1997; Grogger 2002; Camasso et al. 1998)
  - **Work requirements, time limits, & financial incentives – minimal or no effects on fertility** (Hamilton 2001; Grogger et al. 2002)

# Conclusions

---

---

- **For high-risk population, pre-TANF waiver policies are not associated with subsequent non-marital births.**
- **Personal characteristics more important than policies in influencing family formation**
- **Two-child norm may render policies ineffective**
- **Need more targeted policies if hope to have substantial influence on childbearing**

# Caveats

---

---

- **Small number of unique women in our sample**
- **Only analyze pre-TANF policy effects**
- **Limited number of states had introduced each waiver policy during the time period we studied**
- **Short follow-up period between the date the policy was implemented and the end of the study period**

# Future Research

---

---

- **Compare Latinos with African-Americans**
- **Examine cohabitators more closely**
- **Expand our analyses to include post-TANF data**