

Discussion Papers

Assessing the Relationship
between Welfare Policies
and Changes in Living
Arrangements of Low-
Income Families and
Children in the Late 1990s

Gregory Acs
Sandi Nelson
02-05

March
2002



Assessing
the New
Federalism

*An Urban Institute
Program to Assess
Changing Social
Policies*

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Key components of the project include a household survey, studies of policies in 13 states, and a database with information on all states and the District of Columbia. Publications and database are available free of charge on the Urban Institute's Web site: <http://www.urban.org>. This paper is one in a series of discussion papers analyzing information from these and other sources.

The project has received funding from The Annie E. Casey Foundation, the W.K. Kellogg Foundation, The Robert Wood Johnson Foundation, The Henry J. Kaiser Family Foundation, The Ford Foundation, The John D. and Catherine T. MacArthur Foundation, the Charles Stewart Mott Foundation, The David and Lucile Packard Foundation, The McKnight Foundation, The Commonwealth Fund, the Stuart Foundation, the Weingart Foundation, The Fund for New Jersey, The Lynde and Harry Bradley Foundation, the Joyce Foundation, and The Rockefeller Foundation.

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The authors would like to thank Stephen Bell, Pamela Loprest, Katherin Ross Phillips, Elaine Sorensen, Alan Weil, and Sheila Zedlewski for their thoughtful comments and Tracy Roberts for her help in gathering information on state welfare policies. All errors are the responsibility of the authors alone.

Publisher: The Urban Institute, 2100 M Street, N.W., Washington, D.C. 20037

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Abstract

This paper uses data from the 1997 and 1999 National Surveys of America's Families to examine the impact of state welfare policies and practices on the living arrangements of low-income families with children. Results from a multivariate "difference-in-difference-in-differences" model suggest that more effective collection of child support and family cap policies are correlated with declines in single parenting and increases in dual parenting. Other policies such as earned income tax credits, and welfare policies such as sanctions, two-parent welfare eligibility rules, and stepparent income deeming rules have no clear consistent association with living arrangements.

Assessing the Relationship between Welfare Policies and Changes in Living Arrangements of Low-Income Families and Children in the Late 1990s

I. Introduction

Reducing nonmarital childbearing and encouraging marriage and the formation and maintenance of two-parent families are explicit goals of welfare reform set forth in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. Recent research shows that between 1997 and 1999, the share of families composed of a single mother living independently declined while the share of families composed of cohabiting couples with children rose. Consistent with the goals of welfare policy, these changes have been more pronounced among lower-income families than among moderate-income families (Acs and Nelson 2001). However, it is difficult to determine the extent to which welfare policies are actually responsible for these changes. Yet, beginning to investigate the potential intended and unintended consequences of welfare reforms for family composition is vital for discussing future changes to welfare policy.

In this paper, we use data from the first two rounds of the National Survey of America's Families (NSAF) to examine the relationship between state welfare policies and practices and the living arrangements of low-income families and children. We first examine recent trends in living arrangements and discuss how various socioeconomic and policy-related factors can affect family composition. The paper then documents changes in living arrangements for low-income families and children. Finally, we explicitly examine the relationship between changes in living arrangements and state-level welfare

policy choices, first using tabular analysis and then using a multivariate “difference-in-difference-in-differences” model.

We find some evidence that welfare policies and practices have contributed to the decline in single parenting and may, in fact, promote dual parenting and marriage. In particular, we find that living arrangements among low-income families changed more than living arrangements among moderate-income families in states with more effective child support enforcement programs as measured by higher collection rates in the child support (IV-D)¹ caseloads and in states that do not increase welfare benefits for recipients who have another child while receiving cash assistance (i.e., states with “family caps”).

II. Background

During the second half of the 1990s, the living arrangements of children and families shifted significantly. Using data from the Current Population Survey (CPS), Dupree and Primus (2001) show that between 1995 and 2000, the share of all children living with a single mother declined by 1.5 percentage points. Acs and Nelson (2001) use data from the NSAF and find that between 1997 and 1999 the share of children living with a single mother declined by 2.1 percentage points. Both papers also document a statistically significant rise in the share of children living in cohabiting families as well as a statistically insignificant increase in the share living with married parents.² In addition,

¹ In 1975 Congress created the Child Support Enforcement (CSE) Program by enacting Title IV-D of the Social Security Act for the purpose of establishing and enforcing the support obligations owed by noncustodial parents to their children. Families participating in the program comprise the “IV-D caseload.” (CSE 1998).

² Acs and Nelson (2001) also examine changes in family composition (family as the unit of analysis rather than children) and document a decrease in the share of single-mother families and a rise in the share of cohabiting families.

both papers examine how trends differ by income status and find larger declines in the share of children living with single mothers among lower-income families.

There are many possible factors driving these trends. Indeed, social norms and customs, economic conditions, and public policy all affect living arrangement decisions in complex and interrelated ways. For example, over the past few decades, cohabitation has become more accepted in the United States, and this evolving attitude surely plays some role in the rise in cohabitation. Similarly, the strengthening economy of the late 1990s afforded more young unwed parents the opportunity to find work and earn enough to set up a home together rather than live separately, with the mother and child relying on welfare for support. And as single mothers increased their work effort, their child care needs also increased, which may have resulted in more single mothers living in shared arrangements. Further, the increase in housing costs that has accompanied the economic expansion of the last half of the decade may have also induced formerly independent-living single mothers to share living arrangements.³

Our focus, however, is on public policies in general and on welfare policy in particular. Broadly, national policies such as taxes that treat the incomes of married couples differently from those of single individuals who cohabit can influence living arrangement decisions.⁴ Because of the “marriage penalty” in the tax code, two workers earning roughly similar amounts would face higher tax bills if they were married; however, if their earnings were very different, they would receive a “marriage bonus” and face a lower total tax bill (CBO 1997). Within the tax code, the Earned Income Tax

³ For a thorough review of the relationship between economic circumstances and family outcomes, see White and Rogers (2000).

⁴ Tax policy has empirically demonstrable effects on both the decision to marry (Alm and Whittington 1995) and on the decision to divorce (Whittington and Alm 1997).

Credit (EITC) amplifies the marriage penalty for low-income working single mothers. In addition to the federal EITC, 11 states also have EITCs in their state tax codes. Most of the state EITCs are based on the federal EITC, and as a result, they can also increase the marriage penalty for low-income workers. Ellwood (2000) finds that the EITC does not dramatically affect the living arrangements of low-skilled single mothers.

At the state level, there are many other policy choices and policy implementation strategies that may influence living arrangements. For example, a state's divorce laws likely affect the share of families composed of married couples. States that more aggressively pursue and incarcerate criminal offenders are likely to reduce the "marriageable" male pool, thereby increasing the incidence of single parenting. And states with child welfare agencies that are more likely to remove children and place them in foster care and that do not aggressively pursue family reunification are likely to have higher proportions of children in "no-parent" households. Finally, the zeal with which a state's Child Support Enforcement (CSE) agency locates and acquires funds from absent parents may also influence living arrangements, although it is difficult to anticipate the direction of the impact. For example, because a single mother would be more likely to receive child support in aggressive states, higher CSE collection rates may increase single parenting; however, if an absent father knows he will have to pay child support, he may be more likely to stay with the child's mother.

Most of the policies described above potentially affect all families but likely have disproportionately large effects on lower-income families—the same families targeted by welfare program rules. At the most basic level, welfare may encourage nonmarital childbearing and discourage marriage by providing income to single mothers with

children and low incomes. The impacts of benefit levels on nonmarital childbearing and the formation of single-parent families have been extensively studied. Most recent research concludes that higher benefit levels are associated with higher levels of single parenting, although there is no strong consensus on the magnitude and importance of the correlation (Moffitt 1998).

Beyond benefit levels, however, there are many state welfare policy choices that both directly and indirectly affect living arrangement decisions. Policies that make it harder to qualify for and receive benefits make welfare less attractive and may discourage the formation and maintenance of independent single-mother families. These policies include short time limits, stringent work requirements, and tough sanction policies. In addition, command policies such as the federal requirement that single mothers under age 18 live with their parents or other responsible adults should also reduce the share of families made up of single mothers living independently.

Some states have chosen to impose family caps on welfare benefits—if a welfare mother has (or in some cases conceives) another child while on welfare, her family’s benefits do not rise to reflect the increase in family size. Family caps could push single mothers out of independent living situations and into shared arrangements. In addition, family caps should also decrease fertility. Research on family caps has focused on their potential fertility effects rather than their relationship with the living arrangement decisions of single mothers. On the whole, the empirical evidence on the effects of family caps on fertility is decidedly mixed.⁵

⁵ Two evaluations of family caps instituted under waivers to the Aid to Families with Dependent Children (AFDC) program reach contradictory conclusions. Turtorro, Benda, and Turney (1997) find no impact on fertility in Arkansas, while Camasso et al. (1998) find that they reduced fertility in New Jersey. Two studies using national data attempt to assess the potential impact of family caps by examining variations in

The treatment of two-parent families and stepparent families also potentially affects living arrangements. For example, in the past, many states placed additional requirements on two-parent families as a condition of receiving benefits. Notably, states often required one parent in a two-parent family to have a work history in order to qualify for welfare benefits. Similarly, some states removed two-parent families from the welfare rolls if one parent worked more than 100 hours in a month regardless of the family's income or needs. Under Temporary Assistance for Needy Families (TANF), many states have relaxed these rules, and we would anticipate that relaxing these rules could encourage the formation and maintenance of two-parent families.⁶

States also have discretion in the way in which they treat a stepfather's income when computing TANF benefits. Some states simply exclude the stepparent from the assistance unit while others count both his income and his needs when recomputing benefits. In general, states that allow a family to keep more of their TANF benefits when a stepfather joins the family are encouraging the formation of married couple families.

Many states began implementing new welfare policies prior to TANF under waivers to the federal Aid to Families with Dependent Children (AFDC) program. While evaluations of these "waivers" focus on packages of reforms rather than on individual policies and generally examine the impact of reforms on welfare duration, employment,

welfare benefit levels across states; both these studies suggest that family caps will have negligible impacts on fertility (Acs 1996 and Fairlie and London 1997). Horvath-Rose and Peters (2000) also use national data and compare nonmarital fertility across states with and without family caps; they find that family caps dampen nonmarital fertility.

⁶ Several studies have examined the relationship between providing benefits to two-parent families under the Aid to Families with Dependent Children-Unemployed Parent (AFDC-UP) program and family composition, but they have focused on the impact of the program itself compared with the impact of providing no benefits to two-parent families rather than on the effects of specific rules for two-parent families. In general, these studies find little relationship between granting two-parent families benefits and the incidence of two-parent families (see Acs et al. 1997; Schram and Wiseman 1988; and Winkler 1995). We infer that if the program itself has no detectable effects on living arrangements, it is unlikely that small variations in program rules will have detectable effects on living arrangement decisions.

and earnings, some also examine changes in living arrangements. For example, Minnesota's Family Investment Program (MFIP) increased the financial incentives to work, increased participation requirements, and simplified program rules. In their evaluation of MFIP, Knox, Miller, and Gennetian (2000) find that long-term recipients in MFIP who were single at the start of the program were more likely to be married after three years than those who remained in the AFDC program. Similarly, two-parent families were more likely to remain intact under MFIP than under AFDC. Delaware's A Better Chance (ABC) program provides another example. Fein (1999) finds that actual fertility and marriage are not greatly affected by the ABC program, which includes a two-year time limit, full family sanctions, a family cap, and relaxed two-parent welfare eligibility rules.⁷

Finally, two studies make use of variation in state welfare policies under waivers to AFDC rules as well as early TANF policies to see if policies affected living arrangement decisions. Ellwood (2000) develops a composite index of state welfare policies that incorporates information on state welfare benefit levels dropped, the use of time limits under waivers, the use of full family sanctions, and the stringency of work requirements. He finds that the aggressiveness of a state's welfare policies has little impact on the living arrangements of low-skilled single mothers. Schoeni and Blank (2000) find that marriage rates among less educated women were higher in states with waivers to AFDC than in nonwaiver states. When they examine specific TANF welfare reforms, however, they find little evidence linking reforms to changes in living arrangements.

⁷ Fein (1999), however, does find that married couples are more likely to live together and that marriage expectations are higher under Delaware's ABC program.

Thus, many factors potentially affect the living arrangements of families and children. In the following section, we describe the data and methods we use to isolate the impact of select social welfare policies on recent trends in these living arrangements.

III. Data and Methods

To examine how social welfare policies have influenced living arrangements, we use data from the 1997 and 1999 rounds of the National Survey of America's Families (NSAF).⁸ The NSAF provides detailed data on household composition and the living arrangements of children, and even over this short two-year period, these data show declines in single parenting and increases in cohabitation (Acs and Nelson 2001). Further, unlike most other nationally representative data sets, the NSAF contains large samples from 13 individual states.⁹ It also over-samples families with incomes below 200 percent of the federal poverty level. As such, the NSAF is an outstanding data source for examining how changes in welfare policies and practices at the state level affect the living arrangements of low-income families and children.

Initially, we document changes in living arrangements for low-income families and show how these trends differ from those of higher-income families. Then, we focus on key social welfare policies and practices that may influence living arrangements, noting how they differ across the 13 NSAF focal states and how they have changed over time. We then explore differences in the trends in living arrangements between states pursuing different types of policies.

⁸ The NSAF, when weighted, is nationally representative of the civilian, noninstitutionalized population under age 65, with data on more than 44,000 households. For more information on the NSAF, see Dean Brick et al. (1999).

⁹ The states are Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi,

Ultimately, to isolate the impact of state policies on living arrangements for low-income families and children apart from both preexisting state-level differences in family composition and general state-level trends in living arrangements, we use a “difference-in-difference-in-differences” or “3D” multivariate, regression-based model. This 3D approach is preferable to a basic model examining the relationship between policy and living arrangements in a single year because differences in living arrangements across states may reflect long-standing state differences rather than policy choices per se. Further, a standard difference-in-differences model focusing on how living arrangements change as policies change may also be misleading because trends in the living arrangements of low-income families may simply reflect statewide trends in living arrangements attributable to nonpolicy factors. The “difference-in-difference-in-differences” 3D model examines how the living arrangements of low-income families change relative to higher-income families over time. Essentially, the basis for this 3D model is that if policy is really having an effect, we should see that living arrangements are changing more over time among groups targeted by policy than among comparison groups and that this “difference-in-differences” is larger in states pursuing specific policies.

To estimate this model, we pool data from the 1997 and 1999 rounds of the NSAF and restrict the data to only those families/children who are either the targets of welfare policies and practices (family income below 200 percent of the federal poverty level) or generally similar families/children who should not be affected by these policies and practices (moderate-income families—200 to 400 percent of the poverty level). We distill most of the policies we examine into simple dichotomous (yes/no) variables as

New Jersey, New York, Texas, Washington, and Wisconsin.

described below, and we estimate separate models for different policies.¹⁰ In addition to time, target group identification, and policy variables, we also include individual level controls for race, number of children, and education as well as state indicators. The analysis is restricted to families/children in the 13 focal states.

Thus, the model can be written as follows:

$$Y_{it} = \mathbf{a} + \mathbf{b}_1 L_{it} + \mathbf{b}_2 T_i + \mathbf{b}_3 P_{it} + \mathbf{b}_4 L_{it} * T_i + \mathbf{b}_5 L_{it} * P_{it} + \mathbf{b}_6 T_i * P_{it} + \mathbf{b}_7 L_{it} * T_i * P_{it} + \mathbf{g}Z_{it} + \mathbf{d}S_{it} + \mathbf{e}_{it}$$

where Y , L , T , and P are 0/1 variables with Y equal to 1 if the family/child is in the specific living arrangement being examined (for example, a single mother living independently), L equal to 1 if the family/child is low-income, T equal to 1 if the family comes from the 1999 NSAF, and P equal to 1 if the family/child's state of residence has a particular policy in a particular year. Z captures individual-level characteristics and S represents state indicators. The model is estimated using ordinary least squares on weighted data, and our 3D estimator of the correlation between policy and living arrangements is \mathbf{b}_7 .^{11,12}

¹⁰ Consequently, our approach does not allow us to assess packages of policies. We may find certain policies have statistically significant impacts because they are correlated with other policies. At best, we can use such information to say that there is something about states with such a policy that leads to the association. Alternatively, we may fail to find significant impacts for certain policies because they tend to be packaged with other policies with opposite effects.

¹¹ This can be seen if one computes the change over time for each group (low- and moderate-income families), then computes the difference in changes for each group, and finally computes the difference in differences across states with and without the policy.

¹² Because of the complex weights used in the NSAF, the fact that our key policy variables do not vary across all individuals, and the fact that we estimate linear probability models, conventional standard error estimates would be inappropriate. Rather than trying to correct them analytically, we compute them using a jackknife procedure.

IV. Results

A. Changes in Living Arrangements among Low-Income Families

To understand how America's families with children are changing, we use a broad definition of family, roughly akin to a household. A social family consists of children, their guardians or parents, other adult relatives, and partners of all the adults who live in the same household. We define eight mutually exclusive types of social families: (1) single mothers living independently, (2) single mothers who live with their parents, (3) single mothers who cohabit, (4) single mothers who live with other adults who are neither their parents nor their partners, (5) complex/multigeneration single-parent families—i.e., two sisters who are both single mothers living together or a single mother whose daughter is also a single mother, (6) married couple families in which no other adult resides, (7) extended married couple families, and (8) all other families not elsewhere classified—i.e., single-father families or child-grandparent families.

Table 1 shows the distribution of low-income families with children in 1997 and 1999 as well as the change over time. In 1999, 47.1 percent of low-income families are married couple families, and the vast majority of these are not extended families. A similar share (45.7 percent) of low-income families are single-mother families; by far the most common type of single-mother family is the single mother living independently. This group comprises 29.4 percent of all families. But the composition of families has been changing over time: The share of low-income families composed of single mothers living independently falls by 1.7 percentage points between 1997 and 1999. Over the same period, the share of cohabiting families rises by 1.8 percentage points.¹³

¹³ The rise in cohabitation may reflect an increase in respondents' willingness to disclose that they are cohabiting to an interviewer, although a change in reporting behavior over the two-year period is unlikely

An alternative way to examine changes in living arrangements is to focus on children rather than families. The NSAF provides a nationally representative sample of children with detailed information about how “focal” children are related to all other members of the household. Consequently, when we consider children’s living arrangements we can distinguish between children living with married biological parents and children living in stepfamilies; we also can distinguish between children living with biological parents who cohabit versus children who live with one biological parent and his or her unmarried partner.

Table 2 shows the distribution of low-income children across seven possible living arrangements in 1997 and 1999 as well as the change over time.¹⁴ A child can live with (1) married biological or adoptive parents, (2) married blended parents,¹⁵ (3) a single mother, (4) a single father, (5) cohabiting common parents, (6) a cohabiting parent (parent with boyfriend or girlfriend), or (7) no parents—i.e., foster care or kin care.

Two out of five low-income children live with married biological or adoptive parents, and another 6.5 percent live in stepfamilies in 1999. Living with a single mother is the second most common living arrangement for low-income children (34.7 percent). The shares living with a single father, with cohabiting biological parents, with a cohabiting parent, and with no parents range from 2.6 to 5.7 percent.

Just as is the case with families, the share of low-income children living with a single mother falls by 3.1 percentage points while the share living with both unmarried biological parents increases by 1.1 percentage points. The share in cohabiting families

to account for the increase in cohabitation.

¹⁴ About 0.1 percent of children cannot be classified in both years.

¹⁵ The category “married blended parents” refers to children living with a biological parent who is married to either a stepparent or an adoptive parent.

with one parent and the parent's boyfriend or girlfriend only rises by 0.6 percentage points; however, this change is not statistically significant. Finally, the share of children living outside their parents' homes rises by 1.0 percentage points.

To the extent that welfare policies and practices are at least partially responsible for the drop in single parenting and the rise in cohabitation, we would expect to see larger changes in living arrangements among populations targeted by welfare reform—the low-income population—than in the population as a whole. When we compare trends for low-income families and children with those of moderate-income families and children (income ranging from 200 to 400 percent of the federal poverty level), we find this to be the case.¹⁶

Table 3 shows that the decline in single-mother families between 1997 and 1999 is more pronounced among the lower-income group. In particular the decline in independent single-mother families is 1.2 percentage points larger among the low-income group than among the moderate-income group. The rise in cohabitation, however, is only 0.3 percentage points greater among the low-income group. And while the share of families composed of married couples declines for both groups, the decline is actually larger among moderate-income families.

Similarly, when we focus on children, we see the share of children living with a single mother declines by a greater amount among children in low-income families than among their counterparts in moderate-income families. The rise in the share of low-

¹⁶ Acs and Nelson (2001) use several different target/comparison pairs to see if changes in living arrangements are more pronounced among groups that are more likely to be affected by welfare policies than among groups that are somewhat similar but not as likely to respond to changes in such policies. In addition to comparing low-income families with moderate-income families, they also compare families in the bottom quartile of the income distribution with families in the second quartile and families in which the head has a high school degree or less schooling with families in which the head has some postsecondary

income children living with cohabiting (unmarried) biological parents is also more pronounced among low-income children. Finally, while the share of low-income children living with their married biological or adoptive parents increases between 1997 and 1999, the share of moderate-income children in this arrangement actually decreases.

Overall, these comparisons suggest that welfare policies may in fact have played a role in the changes in living arrangements between 1997 and 1999. In the next section we attempt to link state welfare policies and implementation strategies to the decline in single parenting, the rise in cohabitation, and other changes in family composition.

B. Social Welfare Policies and Practices and Living Arrangements: Tabular Analysis

Under TANF block grants, states have a significant amount of discretion in setting conditions on the receipt of welfare benefits. If welfare policies affect living arrangements we would expect to see differences in the distributions of living arrangements between states pursuing different policies.

Documenting Policy Differences across States. Both the 1997 and 1999 rounds of the NSAF contain state-representative samples for the same set of 13 states; thus they provide excellent data for examining differences in living arrangement trends across states. While there are many potential policy and implementation differences across states, we focus on six main areas: (1) stringency as measured by the use of full family sanctions; (2) family caps; (3) the treatment of two-parent families; (4) the treatment of stepparents; (5) the effectiveness of a state's child support enforcement activities; and (6) whether or not the state has an earned income tax credit (EITC). For each of these areas,

training but has not completed college. They find that changes in living arrangements were generally

we characterize states' policies using a simple yes/no variable. Table 4 shows state policies for 1999 and indicates if the policy has changed since 1996 or 1997.¹⁷

States with full family sanctions make welfare relatively less attractive to recipients and would-be recipients. As a result we would expect states with such strict policies to have fewer independent single-mother families—the most likely living arrangement to need welfare assistance. It is not clear which alternative arrangements would be expected to be higher. Table 4 shows that 8 out of the 13 states have full family sanctions in 1999, with 3 adding them recently, and none dropping them.

Family caps aim to reduce childbearing among women already on welfare and generally reduce single parenting. Six states have family caps, with two states (California and Florida) adding them since 1996 or 1997.¹⁸

Encouraging two-parent families is an important goal for welfare reform, and many states have made it easier for two-parent families to receive welfare benefits. In particular, states have dropped their work history and maximum work hours rules to encourage marriage; it may also encourage cohabitation among biological parents of the child(ren) present. The two-parent policy variable indicates if the state retains either restriction. Four states have two-parent rules in 1999, one added rules since 1996 or 1997, and eight have dropped them.

How a state treats stepparents' income in determining benefits may affect a single parent's decision to marry. We would expect states that allow single-parent families to keep a higher portion of their welfare benefits when they marry to have a smaller

greater among groups more likely to be affected by welfare policies.

¹⁷ If a state's policy differs between 1999 and either 1996 or 1997, we code a policy change.

¹⁸ In 1998, Wisconsin discontinued its family cap policy and implemented a flat benefit rate, which assigns benefits without regard for family size. Effectively, a flat benefit serves the same purpose as a family cap

proportion of single-parent families and a greater proportion of married couple families. Our stepparent variable indicates if a single parent with one child can still receive some TANF money if she marries a man with poverty-level income. Four states continue some TANF benefits and no state has changed its policy between 1996 and 1999.

While not explicitly a TANF policy, the efficiency of a state's CSE system may affect living arrangement decisions. As we discussed earlier, however, it is not clear whether it would increase or decrease single parenting. Our measure of CSE efficiency is whether or not the state collects any money from at least 25 percent of its CSE cases. Here, change measures actual increases or decreases in CSE efficiency rather than whether a state crosses the 25 percent threshold. We see that six states collect child support from over a quarter of their CSE cases, CSE collection rates increased in nine states, decreased in three states, and remained virtually unchanged in the remaining state.¹⁹

Finally, the EITC could affect living arrangements depending on the work status of a single parent. For working single parents, the EITC contains a substantial marriage penalty—thus, it may discourage marriage and encourage single parenting and cohabitation. For nonworking single parents, the EITC contains a marriage bonus of sorts—a low-income worker could become eligible for a larger EITC if he married a nonworking single mother. Table 4 shows that five states have EITCs in 1999, and that three added them between 1996 or 1997 and 1999.

Changes in Living Arrangements by State Policy Choices. Next, we compare changes in living arrangements of low-income families across states pursuing different

since a woman on welfare who has another child will not receive an incremental increase in her benefit. For the purposes of this analysis, Wisconsin is considered to have a family cap policy.

types of welfare policies. To narrow the scope, we focus on five major living arrangements: (1) single parenting (for families, single mother living independently; for children, living with a single mother); (2) cohabitation (for families, single mother cohabits; for children, both boyfriend/girlfriend and two biological parent cohabitation); (3) living in a married couple family; (4) children living with two parents; and (5) children living in “no parent” families.

Table 5 shows how trends in living arrangements for low-income families and children differ across states pursuing different policies. Policies reflect those in place in our 13 focal states in 1999. Differences in trends are computed by the average change in states with a particular policy and subtracting the average change in states without that policy. In general, this simple tabular analysis finds little consistent evidence to indicate that differences in policies account for differences in living arrangement trends between states. Indeed, the associations we find sometimes differ across populations (families vs. children) and are, in some cases, counterintuitive.

First, consider sanction policies. The share of families composed of a single mother living independently declines by 1.7 percentage points more in states with full family sanctions in 1999 than in states with less severe sanction policies. This is consistent with the idea that tougher sanction policies should discourage single parenting. However, when we focus on children rather than families, we find a contradictory outcome: the share of children living with a single mother actually decreases less in states with full family sanctions than in states without such sanctions; thus, this “difference in differences” is positive. When we focus on cohabitation, we see that the share of families composed of cohabitators increases by 0.9 percentage points less in states

¹⁹ CSE efficiency is measured using data from 1998 because 1999 data are not currently available.

with full family sanctions compared with other states. Here, the findings for children are similar to those for families.

Focusing on the share of families with children composed of married couples, we find that marriage declines less rapidly in states with full family sanctions—the difference in differences is +1.7 percentage points. The share of children living in two-parent families increases in states with such sanctions but remains unchanged in other states—the difference in differences is +0.4 percentage points. Finally, when we consider the increases in the share of children in no-parent families, we find that the rise is 1.0 percentage points smaller in states with full family sanctions than in other states. This is somewhat surprising, since one potential outcome of a tough sanction policy would be sending children to live with other adults. Overall, this simple comparison of trends in living arrangements between states with and without full family sanctions in 1999 does not provide much support to either the idea that tough sanction policies reduce single parenting or that they break up families.

Next consider family caps. The difference in the trend in single parenting between states with family caps and those without is -0.3 percentage points for families, indicating that family caps are associated with bigger declines in single parenting. Again, this is consistent with the idea that family caps make welfare less attractive and may reduce single parenting. However, when we focus on children living with a single mother, we find a contradictory and counterintuitive result: the difference in differences is $+0.8$ percentage points, indicating a larger decline in states without family caps. Family caps are associated with lower cohabitation rates and smaller increases in the share of children living in no-parent households. Similarly, family caps are associated

with lower dual-parenting rates. Again, these comparisons run counter to our expectations.

Turning next to welfare rules for two-parent families, we expect that additional requirements for two-parent families are associated with more single parenting. And this is what we find: Single parenting declines more in states without work history requirements and work-hour limits on two-parent families. And this finding holds true whether we focus on families or on the living arrangements of children. Two-parent rules also appear to reduce cohabiting among families, but we do not see this relationship when we focus on children.

As we anticipated, states placing extra restrictions on two-parent families see bigger declines in the share of families composed of married couples. The share of children living with two parents declines in states with these two-parent restrictions and increases in states without them. Finally, restrictions on welfare eligibility for two-parent families are associated with slower growth in the share of children living in no-parent families.

If an unwed parent on welfare can marry someone with poverty-level earnings who would become a stepparent to the children and retain some TANF benefits, she should be less likely both to live independently and to cohabit. Again, we find mixed results. When we focus on families, we find the expected association between the treatment of step parent income and independent living and cohabitation; however, this result does not hold when we examine trends in the share of children living with a single mother and the share living with cohabitators across states with differing policies for stepparent income. In addition, stepparent income policies appear unrelated to trends in

dual parenting. Finally, we find that more generous treatment of stepparent income is associated with declines in the share of children living in no-parent families.

Next, consider how the effectiveness of a state's child support enforcement efforts affects living arrangements. States that collect on more than 25 percent of the cases in their CSE systems have, on average, smaller declines in single parenting than states with lower collection rates. The relationship between collection rates and cohabitation is mixed, with family-based and child-based trends going in opposite directions. Higher collection rates are also associated with declines in dual parenting. Finally, the relationship between collections and the share of children in no-parent families is negative—that is, the growth in the share of children living in no-parent families is slower in states that are better at collecting child support than in other states.

Lastly, consider differences in living arrangement trends between states with and without EITCs in 1999. The evidence is decidedly mixed: States with EITCs have bigger declines in the share of families composed of a single mother living independently but smaller declines in the share of children living with a single parent. Similarly, the correlation between EITCs and trends in cohabitation varies depending on whether the families or children are the focus of the analysis. And while EITCs are positively associated with trends in married couple families, they are negatively associated with trends in the share of children living with two parents. Finally, EITCs appear to be unrelated to trends in the share of children living in no-parent families.

Across the six policy and practice areas we consider, this straightforward tabular comparison finds little consistent evidence to indicate that differences in policies account

for differences in living arrangement trends between states.²⁰ Thus we are left with a conundrum: Comparisons of trends in living arrangements between groups who are more likely to be affected by welfare policies and practices with groups less likely to be affected show more profound changes among the welfare target population. However, comparisons of living arrangement trends for this target population (low-income families) across states with differing welfare policies cannot clearly establish a link between policies and these trends.

There are several possible explanations as to why we find no clear link between policies and living arrangement. First, there may be no link to find. Second, policies likely interact in complex ways and our simplified piecemeal approach fails to capture these interactions. Third, policy effects may be swamped by state-level factors and trends that are not taken into account in our tabular comparison. Consequently, we turn now to our 3D difference-in-difference-in-differences multivariate approach to assess the relationship between living arrangements and state policies.

²⁰ These comparisons are based on state policies and practices in 1999. An alternative approach involves comparing trends in living arrangements between states that adopted a particular policy between 1997 and 1999 and states that either made no policy change or discontinued that particular policy. In other words, the trend in policy rather than the policy in place at a particular time influences trends in living arrangements. As table 4 shows, there are some changes in the policy areas we consider in our 13 focal states. However, when we examine the relationships between policy changes and changes in living arrangements (not shown) we still find little consistent evidence of anticipated policy effects.

C. Social Welfare Policies and Practices and Living Arrangements: Multivariate Analysis

We use the 3D model to isolate the impact of state policies and practices on living arrangements for low-income families and children apart from both preexisting state-level differences in family composition as well as general state-level trends in living arrangements. Here, we focus on four main policies/practices: (1) sanctions, (2) family caps, (3) program rules for two-parent families, and (4) the effectiveness of child support enforcement.²¹

For each of these four policies/practices, we estimate their impacts on several different living arrangements. We examine single parenting as well as cohabitation because these are the two living arrangements that changed the most between 1997 and 1999. Because the stated goals of welfare reform include encouraging marriage as well as the formation and maintenance of two-parent families without regard to marital status, we also investigate the link between these policies and the probability that families are married couple families as well as the probability that children live with both their parents regardless of marital status. Finally, we also examine the relationship between these policies and the share of children living with no parents.

Once again, we estimate 3D (difference-in-difference-in-differences) models using ordinary least squares on family and individual-level data from the NSAF. Only data from the 13 NSAF focal states are included. For each policy/practice, we estimate models in which policies and practices reflect state rules at the time the living arrangements are measured (contemporaneous models) as well as models in which the

²¹ Because none of the 13 states in the sample changed the way they treat stepparent income between 1996 and 1999, the 3D model cannot identify the effects of this policy on living arrangements. In addition,

policies are measured with a one-year lag.²² The lagged models assume that living arrangements take time to change in response to state policies/practices. Policies and practices are examined one at a time and for each, the 3D estimator of the correlation between policy and living arrangements, b_7 , is shown in the accompanying tables. Full regression results appear in the appendix.

Sanctions. Table 6 shows the 3D estimates of the impact of sanction policies on various living arrangements. The sanction policy variable takes on a value of 1 if the state has a full family sanction; otherwise, it equals 0. One would expect that tougher sanctions discourage single parenting and encourage shared living arrangements. Again, since no state changed its policies on full family sanctions between 1997 and 1999, the contemporaneous model is not identified; only results for lagged models are shown.

Focusing first on single parenting, the 3D estimates vary depending on whether families or children are the unit of analysis. The results indicate that a tough sanction policy lowers the probability of a low-income family being composed of a single mother living independently. However, when children are the unit of analysis instead of families, not only is the impact of sanctions statistically insignificant, it is also positive. This runs counter to expectations and appears to suggest that low-income children are more likely to live with a single mother in states with tough sanction policies.²³ A reasonable interpretation of this surprising finding is that our model provides no evidence that tough sanction policies reduce the share of children living with a single mother.

identifying the impacts of the state EITCs on living arrangements in these data relies on changes in only one state; consequently, the impacts of state EITCs on living arrangements are not shown.

²² Because none of the 13 states implemented or ceased to use full family sanctions between 1997 and 1999, the contemporaneous model of the effects of sanctions on living arrangements cannot be identified; only results for the lagged models for sanctions are shown.

²³ Note that in the context of a 3D model, this positive coefficient will appear even if the share of low-income children living with a single mother is declining in states with full family sanctions as long as there

Next, consider the relationship between sanction policies and various shared living arrangements. By and large, there is no clear relationship between sanctions and cohabitation; all estimated coefficients (for families and children) are small and statistically insignificant. Similarly, tough sanctions do not appear to affect the share of families composed of married couples. Finally, sanction policies are uncorrelated with the probability that a child lives apart from both parents.

Family Caps. Table 7 shows the 3D estimates of the impact of family cap policies on various living arrangements. The family cap variable takes on a value of 1 if the state has a family cap; otherwise, it equals 0. One would expect that family caps make it harder for a single mother to support her growing family on welfare; hence, family caps should discourage single parenting and encourage shared living arrangements. They may also lead single mothers to send their children to live with friends or relatives.

The 3D models indicate that family caps are, for the most part, associated with declines in single parenting among low-income families and children. The relationship between family caps and the probability that a family is made up of a single mother living independently is statistically significant and negative in both the contemporaneous and lagged models.

The models also suggest that family caps are associated with increases in shared living arrangements among low-income families and children. While there are no significant correlations between family caps and cohabitation, we do find that the probability that a low-income family is a married couple family is positively and significantly correlated with state family cap policies in the lagged model. Similarly, the probability that low-income children live with two parents is also positively and

is a larger decline among moderate-income families.

significantly associated with family caps in the lagged model. Finally, contrary to expectations, family caps are not associated with higher probabilities of children living outside their parents' homes.

Two-Parent Rules. Table 8 shows the 3D estimates of the impact of restrictions on the receipt of welfare benefits by two-parent families on the living arrangements of families and children. The two-parent rules variable takes on a value of 1 if the state either places limits on the number of hours a parent in a two-parent family can work regardless of income or requires the primary earner to have some prior work experience to qualify for benefits; otherwise, it equals 0. One would expect that in states that make it harder for two-parent families to receive welfare benefits, there would be fewer two-parent families and fewer children living with both parents.

Overall, we find no significant correlations between two-parent rules and single parenting in the low-income population; further, while the estimated coefficients suggest that lagged two-parent rules are associated with more single parenting among low-income families and children, the contemporaneous models suggest the opposite.

Focusing on shared living arrangements, the 3D models indicate that two-parent restrictions are generally associated with more cohabitation among low-income families and children, and the impact is statistically significant in the lagged model for low-income families. This finding is somewhat surprising because two-parent rules apply to cohabiting biological parents. One would have expected rules that make it more difficult for cohabiting couples to receive welfare to reduce the share of families that are made up of such couples. Similarly, and again contrary to expectations, we find that current two-parent rules are associated with higher probabilities of children living with two parents.

Two-parent rules are not significantly correlated with either the share of families made up of married couples or the share of children living in no-parent families.

Child Support Enforcement. Table 9 shows the 3D estimates of the impact of a state's effectiveness in collecting child support on the living arrangements of families and children; full regression results appear in the appendix. Rather than use a dichotomous variable, we measure the effectiveness of a state's child support enforcement practices using the ratio of child support enforcement (IV-D) cases in which a collection was made to the total child support enforcement caseload. Higher values of this ratio indicate that the state collects some child support from a higher proportion of noncustodial parents. It is unclear, a priori, how more efficient child support enforcement will affect living arrangements because the impacts differ for would-be custodial and noncustodial parents. In states with higher collection rates, would-be noncustodial parents may choose to form and/or stay in families with their children since they would be more likely to have to pay child support; conversely, would-be custodial parents may be more willing to become single parents because they believe that they will receive financial support from the absent parent.²⁴ Note that because final data on state child support enforcement collection rates in 1999 were not available at the time of this analysis, our contemporaneous model uses data from 1997 and 1998; as always, the lagged model uses data from 1996 and 1998.

We find that higher child support collection rates are associated with less single parenting among low-income families and children; the estimated impacts are statistically

²⁴ Since low-income mothers on TANF in general do not receive full child support payments from the absent fathers because collections are used to offset benefits after a minimal pass-through, more efficient child support enforcement is more likely to keep would-be absent fathers present than it is to encourage mothers to live independently.

significant in the lagged model. This is consistent with the idea that fathers are more likely to live with their children in states that are good at collecting child support.

The 3D model also indicates that higher collection rates promote shared living arrangements among the low-income population. While the correlations are statistically insignificant for cohabitation, higher collection rates are associated with significantly higher probabilities that families are composed of married couples and that children live with two parents. Finally, higher collection rates are associated with lower probabilities that children live in households in which neither parent is present.

Overview of Multivariate Model. Our examination of the relationships between a select set of welfare policies and practices and various living arrangements turns up several interesting patterns. First, residing in a state that collects child support from a higher proportion of its child support enforcement caseload is associated with a greater likelihood of living in a married couple and/or two-parent family and a lower likelihood of living in a single-parent family. Second, family caps are associated with significantly lower levels of single parenting and higher levels of dual parenting and marriage. Third, although sanction policies and state rules governing the receipt of TANF benefits for two-parent families and step-families all potentially could have effects, there are no clear, consistent, and significant relationships between these policies and living arrangements. Finally, the direction of the correlation between these policies and living arrangements occasionally runs counter to our expectations, although these findings are generally not statistically significant.

These findings should be interpreted with some caution. Recall that we examine the roll of policies and practices in a very limited fashion: policies are reduced to simple

yes/no variables and are only considered one at a time. Consequently, we cannot capture the nuances of policies nor do we capture how policies interact. For example, since family caps directly apply to only a small portion of the low-income population (families on welfare who have additional children), it is unlikely that family caps are directly responsible for the changes in living arrangements with which they are significantly correlated. Rather, family caps probably serve as a marker for a common set of policies and practices that work together to reduce single parenting and promote dual parenting.²⁵

Further, our analysis is limited to only two years (1997 and 1999) and to only 13 states. Although these states comprise about half of the U.S. population and pursue different sets of policies, they cannot capture the full range of policies and practices that America's families now face. Finally, we present our findings for the relationship between policies and the living arrangements of low-income families using only one target and comparison group pair: families and children in families with incomes below 200 percent of the federal poverty level vs. those with incomes between 200 and 400 percent of the poverty level. Different target and comparison groups may produce different results.²⁶

Despite the limitations of our analysis, our multivariate difference-in-difference-in-differences (3D) models allow us to examine the relationships between welfare

²⁵ Another potential explanation for the persistent significance of the family cap is the “jaw bone” effect: a family cap may be the single most effective policy for convincing low income women that welfare rules are becoming tougher and that they should probably avoid being single parents. Other policies like sanctions may not resonate in the same way with target populations even if they do have a more direct effect on their well-being.

²⁶ We conducted sensitivity analyses for several of the models using lagged policy variables. In one set of analyses, the target and comparison groups were defined as the bottom and second income quintiles; in another, by educational attainment (high school and less compared with some college). Most significant findings from our basic models for family caps and child support enforcement were also significant in one of the two alternative models. Comparisons of the impact of the policy variables on living arrangements appear in appendix table 6. Note that the coefficients shown for the low-income vs. moderate-income

policies and living arrangements by isolating the targets of those policies and sweeping out state-specific factors and trends. That we find evidence that living arrangements among low-income families changed more than living arrangements among moderate-income families in states pursuing certain types of welfare policies and practices suggests that policies pursued under TANF do, in fact, affect living arrangements. However, we cannot provide a fully textured answer as to how and why they do; we can only speculate.

V. Summary and Conclusions

The stated goals of 1996's welfare reform include reducing single parenting and encouraging the formation and maintenance of two-parent and married couple families. Using their new flexibility in the wake of federal welfare reform or under waivers to federal law in the years leading up to PRWORA, many states modified their welfare policies and practices in ways that could directly or indirectly affect family living arrangements.

Consistent with the goals of welfare policies, the living arrangements of low-income families with children have changed in modest but significant ways between 1997 and 1999. In particular, the proportion of low-income families composed of a single mother living independently and the share of children living with a single mother declined. At the same time, cohabitation among low-income families with children and the share of children living in cohabiting households rose. And these trends are more pronounced among lower-income families than among moderate-income families,

target/comparison pairs are virtually identical but not precisely equal to those presented in the text because these models include a measure of local unemployment rates.

suggesting that changes in social welfare policies and practices may have contributed to these trends.

Although simple tabular analyses of the relationships between various state-level welfare policies and changes in living arrangements show few sensible patterns, more sophisticated multivariate models find some evidence that welfare policies and practices have contributed to the decline in single parenting and may, in fact, promote dual parenting and marriage. In particular, we find that living arrangements among low-income families changed more than living arrangements among moderate-income families in states with higher collection rates in the child support (IV-D) caseloads and in states with family caps.

Note that this analysis relied on highly simplified measures of welfare policies and practices, examined their effects one at a time, and only focused on changes over a two-year period. Future work examining combinations of policies over a longer time horizon and in more states should help us gain a better understanding of how and why welfare policies affect the living arrangement decisions of low-income families. However, our work demonstrates that such future investigations may prove fruitful because we show that welfare policies have detectable effects on the living arrangement decisions of low-income families.

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**Table 1: Social Family Living Arrangements —
U.S. Families below 200% of the Poverty Level, 1997–1999**

	1997 (%)	1999 (%)	Difference
Single-mother families	45.5	45.7	+0.2
Lives independently	31.1	29.4	-1.7
Lives with parents	3.7	3.7	0.0
Cohabits ^a	5.3	7.2	+1.8 *
Other adults ^b	3.5	3.5	0.0
Complex/multi-generation ^c	1.9	2.0	+0.1
Married couple families	47.2	47.1	-0.1
Traditional married couple ^d	42.0	41.2	-0.8
Extended married couple ^e	5.2	5.9	+0.7
Other types of families^f	7.2	7.2	0.0

Source: Urban Institute calculations of the 1997 and 1999 NSAF.

* indicates statistically significant difference at the 90% confidence level.

Note: We use a broad definition of family, roughly akin to a household. A social family consists of children, their guardians or parents, other adult relatives, partners of all the adults, and any relatives of the partners who live in the same household.

^aFor families in which a single mother cohabits and lives with her parent(s), we classify her as living with her parents if she is younger than 30 and as cohabiting if she is 30 or older.

^bSingle mothers who live with their parents and with other adults who are neither their parents nor their partners are classified as living with their parents; those who cohabit and live with other adults are considered to be cohabiting.

^cComplex/multi-generation single-mother families include arrangements such as two sisters who are both single mothers living together or a single mother whose daughter is also a single mother.

^dTraditional married couple families represent families in which no other adult resides.

^eMarried couples caring for grandchildren are classified as extended married couple families.

^fOther types of families represent those not elsewhere classified such as single-father families or child-grandparent families.

Note: Changes may not appear exact due to rounding.

**Table 2: Children's Living Arrangements —
U.S. Children in Families below 200% of the Poverty Level,
1997–1999**

	1997 (%)	1999 (%)	Difference
Married biological/adoptive parents	42.3	42.8	+0.5
Married blended parents ^a	6.6	6.5	-0.1
Single mother	37.8	34.7	-3.1 *
Single father	2.7	2.6	-0.1
Cohabiting parents with common children ^b	2.8	3.9	+1.1 *
Cohabiting partners with no children in common ^c	3.2	3.7	+0.6
No parents (foster or kinship or nonrelative parents)	4.7	5.7	+1.0 *
Other	0.0	0.1	+0.1

Source: Urban Institute calculations of the 1997 and 1999 NSAF.

* indicates statistically significant difference at the 90% confidence level.

^aThe category "married blended parents" refers to children living with a biological parent who is married to either a stepparent or an adoptive parent.

^bChildren living with cohabiting parents with common children are living with both of their biological parents who are unmarried.

^cChildren living with cohabiting partners with no children in common are living with one biological parent and that parent's boyfriend or girlfriend.

Table 3: Difference-in-Differences between Changes in Family Living Arrangements (1997–1999) among Groups Affected by Welfare Policies and Comparison Groups — Families and Children

Income Level	Single mother ^a	Cohabitors ^b		Married couples ^c
Families				
Low income (below 200% FPL)	-1.7	+1.8		-0.1
Moderate income (200-400% FPL)	-0.5	+1.6		-1.2
Difference-in-differences	-1.2	+0.3		+1.0
	Single mother ^a	Cohabitors ^b		Married couples ^c
Children				
Low income (below 200% FPL)	-3.1	+1.1	+0.6	+0.5
Moderate income (200-400% FPL)	+0.1	+0.7	+0.5	-1.8
Difference-in-differences	-3.2 **	+0.4	0.0	+2.3

Source: Urban Institute calculations of the 1997 and 1999 NSAF.

** indicates statistically significant difference at the 95% confidence level.

^aFor families, single mother refers to families with single mothers living independently.

^bFor families, cohabitators refers to all families with a single mother who is cohabiting. For children, both cohabiting categories are shown: children who live with unmarried biological parents (Parents) and children who live with one parent and that parent's partner (Partners).

^cFor families, married couples refers to total married couple families (traditional and extended married couple families). For children, married couples refers to children living with two married biological/adoptive parents.

Note: Only living arrangements discussed in the text are presented. For detailed descriptions of the living arrangements, see Tables 1 and 2. FPL = federal poverty level.

Table 4: Welfare Policies and Practices in 13 States, 1999

State	Full family sanction ^a	Family cap ^b	Two-parent rules ^c	Stepparent income ^d	Child support enforcement ^{e#}	EITC ^f
Alabama	Yes *	No	No *	No	No –	No
California	No *	Yes *	Yes *	Yes	Yes +	No
Colorado	Yes	No	No *	No	No +	Yes *
Florida	Yes *	Yes *	No *	Yes	No +	No
Massachusetts	Yes *	Yes	Yes	Yes	Yes +	Yes *
Michigan	Yes	No	No	No	No +	No
Minnesota	No	No	No *	No	Yes –	Yes
Mississippi	Yes	Yes	Yes	No	No +	No
New Jersey	Yes *	Yes	No *	Yes	Yes	No
New York	No	No	No *	No	No +	Yes *
Texas	No	No	No *	No	No +	No
Washington	No	No	Yes	No	Yes +	No
Wisconsin	Yes	Yes ^g	No *	No	Yes –	Yes
Total count:	8	6	4	4	6	5

Source: Welfare Rules Database; tabulations from the Child Support Enforcement 21st, 22nd, and 23rd Annual Reports to Congress; Lazere (1998); Maag and Rogers (2000a,b); Johnson and Lazere (1998).

^aIndicates whether the state eliminates the entire TANF benefit for noncompliance with work requirements.

^bIndicates whether the state has a family cap policy limiting TANF benefits if a family has another child while on welfare.

^cIndicates whether the state has a work history requirement or a 100-hour rule (hours test) for two-parent families applying for welfare.

^dIndicates whether the family retains some TANF benefit if a single mother marries a boyfriend with poverty-level income.

^eIndicates whether the state collected on more than 25 percent of its child support enforcement cases in 1998.

^fIndicates whether the state has an earned income tax credit.

^gIn 1998, Wisconsin discontinued its family cap policy and implemented a flat benefit, regardless of family size. Effectively the flat benefit acts like a family cap and for the purposes of this analysis, we consider Wisconsin to have a family cap in 1999.

* indicates a change from the 1996 or 1997 policy.

+ indicates an increase in collection of CSE cases between 1997 and 1998.

– indicates a decrease in collection of CSE cases between 1997 and 1998.

#1999 data not yet available.

Table 5: Change in Living Arrangements among Low-Income Families and Children between 1997 and 1999 by 1999 State Welfare Policies and Practices

Living arrangement	Full family sanction ^a	Family cap ^b	Two-parent rules ^c	Stepparent income ^d	Child support enforcement ^e	EITC ^f
Single parents						
Families: Single mother living independently	-1.7	-0.3	+0.6	-0.7	+0.5	-2.7
Children: Single mother	+0.5	+0.8	+1.7	+0.1	+1.4	+0.5
Cohabitation^g						
Families	-0.9	-1.1	+0.3	-0.6	-0.7	+0.5
Children	-0.4	-0.4	-0.0	+0.1	+0.4	-0.4
Married couple families^h	+1.7	-1.3	-3.7	-0.1	-2.9	+1.0
Children living with two parentsⁱ	+0.4	-1.7	-3.0	+0.0	-2.6	-0.5
Children living with no parents^j	-1.0	-0.7	-0.6	-1.1	-0.4	-0.1

Source: Welfare Rules Database; tabulations from the Child Support Enforcement 23rd Annual Report to Congress; Maag and Rogers (2000a,b); and Urban Institute calculations of the 1997 and 1999 NSAF.

^aIndicates whether the state eliminates the entire TANF benefit for noncompliance with work requirements.

^bIndicates whether the state has a family cap policy limiting TANF benefits if a family has another child while on welfare.

^cIndicates whether the state has a work history requirement or a 100-hour rule (hours test) for two parent families applying for welfare.

^dIndicates whether the family retains some TANF benefit if a single mother marries a boyfriend with poverty-level

^eIndicates whether the state collects on more than 25 percent of its child support enforcement cases in 1998 (1999 data not yet available).

^fIndicates whether the state has an earned income tax credit.

^gCohabitation includes single mothers living with the biological father of the child (unmarried biological parents) and single mothers living with their boyfriend who is not the biological father of the child.

^hMarried couple families include traditional married couple and extended married couple families.

ⁱChildren living with two parents include those who live with married biological or adoptive parents, in a blended family, and those who live with unmarried biological parents.

^jChildren living with no parents include those who live with nonrelatives or in foster or kinship care.

**Table 6: Estimated Relationship between Living Arrangements and Full Family Sanction^a
Welfare Policies Difference-in-Difference-in-Differences (3D) Model**

Living arrangement	Lagged policy
Single parents	
Families: Single mother living independently	-0.041 *
Children: Single mother	+0.023
Cohabitation^b	
Families	-0.003
Children	+0.001
Married couple families^c	+0.010
Children living with two parents^d	-0.016
Children living with no parents^e	-0.004

Source: Welfare Rules Database and Urban Institute calculations of the 1997 and 1999 NSAF.

* indicates statistically significant at the 90% confidence level.

^aIndicates whether the state eliminates the entire TANF benefit for noncompliance with work requirements.

^bCohabitation includes single mothers living with the biological father of the child (unmarried biological parents) and single mothers living with their boyfriend who is not the biological father of the child.

^cMarried couple families include traditional married couple and extended married couple families.

^dChildren living with two parents include those who live with married biological or adoptive parents, in a blended family, and those who live with unmarried biological parents.

^eChildren living with no parents include those who live with nonrelatives or in foster or kinship care.

**Table 7: Estimated Relationship between Living Arrangements and Family Cap^a
Welfare Policies Difference-in-Difference-in-Differences (3D) Model**

Living arrangement	Contemporaneous Policy	Lagged Policy
Single parents		
Families: Single mother living independently	-0.062 ***	-0.101 ***
Children: Single mother	+0.005	-0.016
Cohabitation^b		
Families	+0.015	+0.016
Children	+0.022	+0.011
Married couple families^c	+0.026	+0.063 **
Children living with two parents^d	+0.019	+0.051 *
Children living with no parents^e	-0.022	-0.029 *

Source: Welfare Rules Database and Urban Institute calculations of the 1997 and 1999 NSAF.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

^aIndicates whether the state has a family cap policy limiting TANF benefits if a family has another child while on welfare.

^bCohabitation includes single mothers living with the biological father of the child (unmarried biological parents) and single mothers living with their boyfriend who is not the biological father of the child.

^cMarried couple families include traditional married couple and extended married couple families.

^dChildren living with two parents include those who live with married biological or adoptive parents, in a blended family, and those who live with unmarried biological parents.

^eChildren living with no parents include those who live with nonrelatives or in foster or kinship care.

**Table 8: Estimated Relationship between Living Arrangements and Two-Parent Rules^a
Welfare Policies Difference-in-Difference-in-Differences (3D) Model**

Living arrangement	Contemporaneous policy	Lagged policy
Single parents		
Families: Single mother living independently	-0.028	+0.021
Children: Single mother	-0.038	+0.025
Cohabitation^b		
Families	+0.012	+0.034 *
Children	-0.004	+0.032
Married couple families^c	+0.035	-0.044
Children living with two parents^d	+0.059 *	-0.015
Children living with no parents^e	-0.010	-0.025

Source: Welfare Rules Database and Urban Institute calculations of the 1997 and 1999 NSAF.

* indicates statistically significant at the 90% confidence level.

^aIndicates whether the state has a work history requirement or a 100-hour rule (hours test) for two-parent families applying for welfare.

^bCohabitation includes single mothers living with the biological father of the child (unmarried biological parents) and single mothers living with their boyfriend who is not the biological father of the child.

^cMarried couple families include traditional married couple and extended married couple families.

^dChildren living with two parents include those who live with married biological or adoptive parents, in a blended family, and those who live with unmarried biological parents.

^eChildren living with no parents include those who live with nonrelatives or in foster or kinship care.

**Table 9: Estimated Relationship between Living Arrangements and Child Support Enforcement^a
Welfare Policies Difference-in-Difference-in-Differences (3D) Model**

Living arrangement	Contemporaneous policy	Lagged policy
Single parents		
Families: Single mother living independently	-0.211	-0.380 **
Children: Single mother	-0.216	-0.258
Cohabitation^b		
Families	+0.049	+0.081
Children	+0.101	+0.142
Married couple families^c	+0.346 *	+0.504 ***
Children living with two parents^d	+0.412 **	+0.516 ***
Children living with no parents^e	-0.133	-0.178 **

Source: Tabulations from the Child Support Enforcement 21st, 22nd, and 23rd Annual Reports to Congress and Urban Institute calculations of the 1997 and 1999 NSAF.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

^aIndicates the ratio of child support enforcement (IV-D) cases in which a collection was made to the total child support enforcement caseload.

^bCohabitation includes single mothers living with the biological father of the child (unmarried biological parents) and single mothers living with their boyfriend who is not the biological father of the child.

^cMarried couple families include traditional married couple and extended married couple families.

^dChildren living with two parents include those who live with married biological or adoptive parents, in a blended family, and those who live with unmarried biological parents.

^eChildren living with no parents include those who live with nonrelatives or in foster or kinship care.

**Appendix Table 1: Parameter Estimates and Standard Errors for the Difference-in-Difference-in-Differences (3D) Model
Full Family Sanction? Lagged**

Parameter	Families:	Children:	Families:	Children:	Families:	Children:	Children:
	Single mother living independently	Single mother	Cohabitation	Cohabitation	Total married couples	Two parents	No parents
Intercept	0.009 (0.011)	0.005 (0.014)	0.023 *** (0.008)	0.021 ** (0.008)	0.937 *** (0.014)	0.914 *** (0.014)	0.026 *** (0.007)
Sanction*low income*time	-0.041 * (0.022)	0.023 (0.025)	-0.003 (0.013)	0.001 (0.016)	0.010 (0.028)	-0.016 (0.022)	-0.004 (0.015)
Sanction*low income	0.093 *** (0.017)	0.054 *** (0.017)	0.004 (0.009)	0.012 (0.012)	-0.093 *** (0.023)	-0.077 *** (0.020)	0.004 (0.008)
Sanction*time	0.024 (0.016)	-0.008 (0.015)	-0.013 (0.009)	-0.010 (0.011)	0.004 (0.020)	0.013 (0.017)	-0.003 (0.007)
Full family sanction	-0.038 ** (0.015)	-0.023 (0.014)	0.001 (0.010)	-0.001 (0.009)	0.048 *** (0.017)	0.043 *** (0.015)	-0.005 (0.008)
Time*low income	-0.016 (0.016)	-0.057 *** (0.017)	0.008 (0.010)	-0.002 (0.012)	0.023 (0.020)	0.044 ** (0.018)	0.010 (0.010)
Family income is less than 200% FPL (low income)	0.173 *** (0.010)	0.230 *** (0.011)	0.009 (0.007)	0.014 (0.009)	-0.228 *** (0.014)	-0.223 *** (0.014)	0.004 (0.004)
Time: 1=1999, 0=1997	-0.003 (0.011)	0.013 (0.010)	0.019 ** (0.007)	0.020 ** (0.009)	-0.028 * (0.014)	-0.022 (0.013)	0.003 (0.006)
Highest educated respondent has less than a high school degree	0.024 ** (0.011)	0.073 *** (0.015)	0.009 (0.007)	0.017 * (0.010)	-0.111 *** (0.013)	-0.106 *** (0.016)	0.023 *** (0.006)
Black, non-Hispanic	0.208 *** (0.011)	0.301 *** (0.013)	-0.008 (0.006)	-0.013 ** (0.006)	-0.313 *** (0.010)	-0.361 *** (0.013)	0.068 *** (0.007)
Hispanic	-0.026 ** (0.011)	0.033 ** (0.013)	0.011 (0.007)	0.016 ** (0.007)	0.030 ** (0.013)	-0.014 (0.012)	-0.009 (0.006)
One child in family	0.105 *** (0.009)	0.131 *** (0.010)	0.013 ** (0.006)	0.012 ** (0.006)	-0.230 *** (0.010)	-0.180 *** (0.010)	0.011 ** (0.005)
Two children in family	0.050 *** (0.008)	0.055 *** (0.007)	-0.005 (0.006)	-0.006 (0.006)	-0.067 *** (0.008)	-0.043 *** (0.008)	-0.013 *** (0.004)
Adjusted R ²	0.108	0.162	0.006	0.008	0.179	0.177	0.026
Unweighted sample size	37,330	46,900	37,330	46,900	37,330	46,900	46,900

Source: Welfare Rules Database and Urban Institute calculations of the 1997 and 1999 NSAF.

Standard errors of the estimates are shown in parentheses.

Note that the parameter estimates and standard errors for the states are not shown.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

**Appendix Table 2a: Parameter Estimates and Standard Errors for the Difference-in-Difference-in-Differences (3D) Model
Family Cap? Contemporaneous**

Parameter	Families:		Families:		Families:		Children: No parents
	Single mother living independently	Children: Single mother	Families: Cohabitation	Children: Cohabitation	Total married couples	Children: Two parents	
Intercept	0.016 (0.011)	0.009 (0.013)	0.015 * (0.008)	0.017 ** (0.008)	0.944 *** (0.013)	0.915 *** (0.015)	0.025 *** (0.007)
Family cap*low income*time	-0.062 *** (0.022)	0.005 (0.026)	0.015 (0.015)	0.022 (0.018)	0.026 (0.030)	0.019 (0.031)	-0.022 (0.014)
Family cap*low income	0.051 *** (0.014)	0.016 (0.017)	-0.001 (0.010)	-0.013 (0.012)	-0.026 (0.019)	-0.020 (0.022)	0.009 (0.009)
Family cap*time	0.041 *** (0.014)	0.006 (0.017)	-0.027 ** (0.010)	-0.017 (0.010)	0.000 (0.020)	-0.014 (0.021)	0.007 (0.008)
Family cap	-0.019 (0.024)	-0.017 (0.023)	0.003 (0.014)	0.011 (0.017)	-0.013 (0.027)	-0.011 (0.030)	0.010 (0.011)
Time*low income	0.007 (0.014)	-0.042 ** (0.017)	0.001 (0.010)	-0.006 (0.010)	0.000 (0.019)	0.016 (0.020)	0.018 ** (0.008)
Family income is less than 200% FPL	0.175 *** (0.010)	0.234 *** (0.012)	0.009 (0.008)	0.018 * (0.010)	-0.236 *** (0.014)	-0.230 *** (0.016)	0.003 (0.005)
Time: 1=1999, 0=1997	-0.018 ** (0.007)	0.005 (0.008)	0.026 *** (0.006)	0.022 *** (0.006)	-0.012 (0.012)	0.003 (0.012)	-0.005 (0.005)
Highest educated respondent has less than a high school degree	0.023 ** (0.011)	0.070 *** (0.015)	0.009 (0.007)	0.016 (0.010)	-0.110 *** (0.013)	-0.103 *** (0.016)	0.024 *** (0.007)
Black, non-Hispanic	0.209 *** (0.011)	0.303 *** (0.013)	-0.007 (0.006)	-0.013 * (0.006)	-0.314 *** (0.011)	-0.363 *** (0.013)	0.068 *** (0.007)
Hispanic	-0.028 ** (0.011)	0.031 ** (0.013)	0.011 (0.007)	0.016 ** (0.007)	0.033 ** (0.013)	-0.011 (0.012)	-0.009 (0.006)
One child in family	0.105 *** (0.009)	0.131 *** (0.010)	0.013 ** (0.006)	0.012 ** (0.006)	-0.230 *** (0.010)	-0.180 *** (0.010)	0.011 ** (0.005)
Two children in family	0.050 *** (0.008)	0.055 *** (0.007)	-0.005 (0.006)	-0.006 (0.006)	-0.067 *** (0.008)	-0.043 *** (0.008)	-0.013 *** (0.004)
Adjusted R ²	0.107	0.161	0.007	0.008	0.178	0.176	0.026
Unweighted sample size	37,330	46,900	37,330	46,900	37,330	46,900	46,900

Source: Welfare Rules Database and Urban Institute calculations of the 1997 and 1999 NSAF.

Standard errors of the estimates are shown in parentheses.

Note that the parameter estimates and standard errors for the states are not shown.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

FPL = federal poverty level.

**Appendix Table 2b: Parameter Estimates and Standard Errors for the Difference-in-Difference-in-Differences (3D) Model
Family Cap? Lagged**

Parameter	Families:		Families:		Families:		
	Single mother living independently	Children: Single mother	Families: Cohabitation	Children: Cohabitation	Total married couples	Children: Two parents	Children: No parents
Intercept	0.016 (0.011)	0.010 (0.013)	0.015 * (0.008)	0.019 ** (0.008)	0.942 *** (0.014)	0.913 *** (0.015)	0.025 *** (0.007)
Family cap*low income*time	-0.101 *** (0.020)	-0.016 (0.025)	0.016 (0.015)	0.011 (0.019)	0.063 ** (0.029)	0.051 * (0.029)	-0.029 * (0.015)
Family cap*low income	0.090 *** (0.014)	0.036 ** (0.016)	-0.002 (0.009)	-0.001 (0.012)	-0.064 *** (0.020)	-0.054 *** (0.019)	0.017 ** (0.008)
Family cap*time	0.052 *** (0.014)	0.011 (0.015)	-0.025 *** (0.009)	-0.013 (0.010)	-0.036 * (0.020)	-0.043 ** (0.018)	0.016 ** (0.007)
Family cap	-0.030 (0.019)	-0.017 (0.018)	-0.001 (0.012)	0.006 (0.013)	0.039 (0.024)	0.031 (0.022)	-0.005 (0.008)
Time*low income	0.007 (0.014)	-0.041 ** (0.016)	0.001 (0.009)	-0.003 (0.010)	-0.004 (0.018)	0.012 (0.018)	0.019 ** (0.008)
Family income is less than 200% FPL	0.175 *** (0.010)	0.233 *** (0.011)	0.009 (0.007)	0.015 * (0.009)	-0.233 *** (0.013)	-0.227 *** (0.014)	0.003 (0.004)
Time: 1=1999, 0=1997	-0.018 ** (0.007)	0.005 (0.008)	0.026 *** (0.005)	0.020 *** (0.006)	-0.010 (0.011)	0.005 (0.012)	-0.006 (0.005)
Highest educated respondent has less than a high school degree	0.023 ** (0.011)	0.070 *** (0.015)	0.009 (0.007)	0.016 * (0.010)	-0.110 *** (0.013)	-0.103 *** (0.016)	0.024 *** (0.007)
Black, non-Hispanic	0.209 *** (0.011)	0.303 *** (0.013)	-0.007 (0.006)	-0.013 ** (0.006)	-0.314 *** (0.011)	-0.363 *** (0.013)	0.068 *** (0.007)
Hispanic	-0.028 ** (0.011)	0.031 ** (0.013)	0.011 (0.007)	0.016 ** (0.007)	0.032 ** (0.013)	-0.012 (0.013)	-0.009 (0.006)
One child in family	0.105 *** (0.009)	0.131 *** (0.010)	0.013 ** (0.006)	0.012 ** (0.006)	-0.231 *** (0.010)	-0.180 *** (0.010)	0.011 ** (0.005)
Two children in family	0.049 *** (0.008)	0.055 *** (0.007)	-0.005 (0.006)	-0.006 (0.006)	-0.067 *** (0.008)	-0.043 *** (0.008)	-0.013 *** (0.004)
Adjusted R ²	0.108	0.161	0.007	0.008	0.178	0.176	0.026
Unweighted sample size	37,330	46,900	37,330	46,900	37,330	46,900	46,900

Source: Welfare Rules Database and Urban Institute calculations of the 1997 and 1999 NSAF.

Standard errors of the estimates are shown in parentheses.

Note that the parameter estimates and standard errors for the states are not shown.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

FPL = federal poverty level.

**Appendix Table 3a: Parameter Estimates and Standard Errors for the Difference-in-Difference-in-Differences (3D) Model
Two-Parent Rules? Contemporaneous**

Parameter	Families:		Children:		Families:		Children:	
	Single mother living independently	Single mother	Families: Cohabitation	Children: Cohabitation	Total married couples	Children: Two parents	Children: No parents	
Intercept	0.000 0.013	0.009 0.014	0.022 *** 0.008	0.026 *** 0.008	0.950 *** 0.015	0.916 *** 0.014	0.024 *** 0.007	
Two-parent*low income*time	-0.028 (0.029)	-0.038 (0.032)	0.012 (0.017)	-0.004 (0.020)	0.035 (0.033)	0.059 * (0.033)	-0.010 (0.015)	
Two-parent*low income	-0.013 (0.020)	0.006 (0.020)	0.009 (0.011)	0.019 (0.012)	0.018 (0.024)	0.005 (0.022)	-0.006 (0.009)	
Two-parent*time	0.018 (0.020)	0.029 (0.018)	-0.013 (0.011)	0.002 (0.012)	-0.038 * (0.021)	-0.066 *** (0.023)	0.016 (0.010)	
Two-parent rules	0.033 ** (0.013)	-0.010 (0.016)	-0.015 (0.010)	-0.012 (0.010)	-0.013 (0.017)	0.010 (0.019)	-0.003 (0.009)	
Time*low income	-0.004 (0.015)	-0.021 (0.018)	0.006 (0.009)	0.007 (0.011)	-0.003 (0.020)	0.000 (0.019)	0.013 (0.008)	
Family income is less than 200% FPL	0.195 *** (0.013)	0.235 *** (0.015)	0.004 (0.007)	0.005 (0.010)	-0.252 *** (0.017)	-0.238 *** (0.016)	0.008 (0.006)	
Time: 1=1999, 0=1997	-0.001 (0.008)	-0.007 (0.010)	0.015 ** (0.006)	0.012 * (0.007)	-0.005 (0.012)	0.018 (0.013)	-0.006 (0.006)	
Highest educated respondent has less than a high school degree	0.023 ** (0.011)	0.071 *** (0.015)	0.009 (0.007)	0.016 (0.010)	-0.110 *** (0.013)	-0.104 *** (0.016)	0.024 *** (0.007)	
Black, non-Hispanic	0.208 *** (0.011)	0.303 *** (0.013)	-0.007 (0.006)	-0.012 * (0.006)	-0.313 *** (0.011)	-0.362 *** (0.013)	0.067 *** (0.007)	
Hispanic	-0.028 ** (0.011)	0.031 ** (0.013)	0.011 (0.007)	0.016 ** (0.007)	0.033 ** (0.013)	-0.012 (0.012)	-0.008 (0.006)	
One child in family	0.105 *** (0.008)	0.131 *** (0.010)	0.013 ** (0.006)	0.012 ** (0.006)	-0.230 *** (0.010)	-0.179 *** (0.010)	0.011 ** (0.005)	
Two children in family	0.049 *** (0.008)	0.055 *** (0.007)	-0.004 (0.006)	-0.006 (0.006)	-0.067 *** (0.008)	-0.043 *** (0.008)	-0.013 *** (0.004)	
Adjusted R ²	0.107	0.161	0.007	0.008	0.178	0.177	0.026	
Unweighted sample size	37,330	46,900	37,330	46,900	37,330	46,900	46,900	

Source: Welfare Rules Database and Urban Institute calculations of the 1997 and 1999 NSAF.

Standard errors of the estimates are shown in parentheses.

Note that the parameter estimates and standard errors for the states are not shown.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

FPL = federal poverty level.

**Appendix Table 3b: Parameter Estimates and Standard Errors for the Difference-in-Difference-in-Differences (3D) Model
Two-Parent Rules? Lagged**

Parameter	Families:	Children:	Families:	Children:	Families:	Children:	Children:
	Single mother living independently	Single mother	Cohabitation	Cohabitation	Total married couples	Two parents	No parents
Intercept	-0.039 *	-0.021	0.023 *	0.017	0.996 ***	0.959 ***	0.022 **
	(0.023)	(0.020)	(0.013)	(0.012)	(0.024)	(0.020)	(0.009)
Two-parent*low income*time	0.021	0.025	0.034 *	0.032	-0.044	-0.015	-0.025
	(0.034)	(0.036)	(0.017)	(0.022)	(0.037)	(0.034)	(0.016)
Two-parent*low income	-0.063 **	-0.058 **	-0.012	-0.018	0.097 ***	0.079 ***	0.009
	(0.026)	(0.024)	(0.013)	(0.014)	(0.030)	(0.026)	(0.010)
Two-parent*time	-0.014	-0.006	-0.017	-0.013	0.006	-0.019	0.016
	(0.025)	(0.020)	(0.014)	(0.015)	(0.024)	(0.024)	(0.011)
Two-parent rules	0.050 **	0.030 *	-0.006	0.003	-0.057 ***	-0.047 **	0.003
	(0.019)	(0.016)	(0.012)	(0.011)	(0.020)	(0.019)	(0.009)
Time*low income	-0.054 **	-0.078 ***	-0.011	-0.020	0.077 **	0.071 **	0.024 **
	(0.025)	(0.026)	(0.013)	(0.015)	(0.029)	(0.028)	(0.010)
Family income is less than 200% FPL	0.246 ***	0.292 ***	0.020	0.032 **	-0.333 ***	-0.308 ***	-0.003
	(0.024)	(0.024)	(0.012)	(0.014)	(0.025)	(0.023)	(0.009)
Time: 1=1999, 0=1997	0.032 *	0.023	0.016	0.022 **	-0.050 **	-0.027	-0.003
	(0.017)	(0.016)	(0.011)	(0.010)	(0.019)	(0.018)	(0.008)
Highest educated respondent has less than a high school degree	0.023 **	0.071 ***	0.009	0.016 *	-0.111 ***	-0.105 ***	0.024 ***
	(0.011)	(0.015)	(0.007)	(0.010)	(0.013)	(0.016)	(0.007)
Black, non-Hispanic	0.209 ***	0.303 ***	-0.007	-0.013 **	-0.313 ***	-0.362 ***	0.068 ***
	(0.011)	(0.013)	(0.006)	(0.006)	(0.011)	(0.013)	(0.007)
Hispanic	-0.028 **	0.031 **	0.011	0.016 **	0.032 **	-0.012	-0.009
	(0.011)	(0.013)	(0.007)	(0.007)	(0.013)	(0.012)	(0.006)
One child in family	0.104 ***	0.131 ***	0.013 **	0.012 **	-0.230 ***	-0.179 ***	0.011 **
	(0.009)	(0.010)	(0.006)	(0.006)	(0.010)	(0.010)	(0.005)
Two children in family	0.049 ***	0.055 ***	-0.005	-0.006	-0.067 ***	-0.043 ***	-0.013 ***
	(0.008)	(0.007)	(0.006)	(0.006)	(0.008)	(0.008)	(0.004)
Adjusted R ²	0.107	0.161	0.007	0.008	0.178	0.177	0.026
Unweighted sample size	37,330	46,900	37,330	46,900	37,330	46,900	46,900

Source: Welfare Rules Database and Urban Institute calculations of the 1997 and 1999 NSAF.

Standard errors of the estimates are shown in parentheses.

Note that the parameter estimates and standard errors for the states are not shown.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

FPL = federal poverty level.

**Appendix Table 4a: Parameter Estimates and Standard Errors for the Difference-in-Differences (3D) Model
Child Support Enforcement? Contemporaneous**

Parameter	Families:	Children:	Families:	Children:	Families:	Children:	Children: No
	Single mother living independently	Single mother	Cohabitation	Cohabitation	Total married couples	Two parents	parents
Intercept	0.000 (0.045)	0.013 (0.045)	0.019 (0.028)	0.014 (0.033)	0.967 *** (0.050)	0.943 *** (0.055)	0.006 (0.020)
Child support*low income*time	-0.211 (0.167)	-0.216 (0.178)	0.049 (0.087)	0.101 (0.101)	0.346 * (0.172)	0.412 ** (0.172)	-0.133 (0.080)
Child support*low income	0.077 (0.082)	-0.089 (0.084)	0.007 (0.046)	-0.004 (0.045)	-0.053 (0.087)	-0.026 (0.089)	0.026 (0.028)
Child support*time	0.172 ** (0.081)	0.158 * (0.080)	-0.055 (0.051)	-0.050 (0.065)	-0.383 *** (0.107)	-0.409 *** (0.093)	0.102 ** (0.046)
Child support enforcement	0.033 (0.203)	-0.036 (0.193)	0.001 (0.120)	0.027 (0.154)	-0.111 (0.220)	-0.125 (0.240)	0.089 (0.085)
Time*low income	0.039 (0.040)	0.020 (0.044)	-0.004 (0.023)	-0.023 (0.026)	-0.078 * (0.044)	-0.081 * (0.044)	0.042 * (0.021)
Family income is less than 200% FPL	0.171 *** (0.022)	0.258 *** (0.024)	0.008 (0.013)	0.016 (0.015)	-0.230 *** (0.025)	-0.229 *** (0.027)	-0.001 (0.009)
Time: 1=1999, 0=1997	-0.045 ** (0.021)	-0.034 (0.022)	0.027 * (0.014)	0.028 (0.018)	0.081 ** (0.030)	0.097 *** (0.026)	-0.026 * (0.014)
Highest educated respondent has less than a high school degree	0.023 * (0.011)	0.070 *** (0.015)	0.009 (0.007)	0.016 * (0.010)	-0.110 *** (0.013)	-0.103 *** (0.016)	0.024 *** (0.007)
Black, non-Hispanic	0.209 *** (0.011)	0.302 *** (0.013)	-0.007 (0.006)	-0.013 * (0.006)	-0.314 *** (0.011)	-0.362 *** (0.013)	0.068 *** (0.007)
Hispanic	-0.028 ** (0.011)	0.031 ** (0.013)	0.011 (0.007)	0.016 ** (0.007)	0.033 ** (0.013)	-0.011 (0.012)	-0.009 (0.006)
One child in family	0.105 *** (0.009)	0.131 *** (0.010)	0.013 ** (0.006)	0.012 ** (0.006)	-0.231 *** (0.010)	-0.180 *** (0.010)	0.011 ** (0.005)
Two children in family	0.049 *** (0.008)	0.055 *** (0.007)	-0.005 (0.006)	-0.006 (0.006)	-0.067 *** (0.008)	-0.043 *** (0.008)	-0.013 *** (0.004)
Adjusted R ²	0.107	0.161	0.006	0.008	0.178	0.176	0.026
Unweighted sample size	37,330	46,900	37,330	46,900	37,330	46,900	46,900

Source: Tabulations from the Child Support Enforcement 22nd and 23rd Annual Reports to Congress and Urban Institute calculations of the 1997 and 1999 NSAF.

Standard errors of the estimates are shown in parentheses.

Note that the parameter estimates and standard errors for the states are not shown.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

FPL = federal poverty level.

**Appendix Table 4b: Parameter Estimates and Standard Errors for the Difference-in-Differences (3D) Model
Child Support Enforcement? Lagged**

Parameter	Families:		Children:		Families:		Children:	
	Single mother living independently	Single mother	Families: Cohabitation	Children: Cohabitation	Total married couples	Children: Two parents	Children: No parents	
Intercept	0.002 (0.046)	-0.002 (0.045)	0.025 (0.027)	0.014 (0.031)	0.952 *** (0.049)	0.946 *** (0.053)	0.005 (0.020)	
Child support*low income*time	-0.380 ** (0.171)	-0.258 (0.180)	0.081 (0.094)	0.142 (0.112)	0.504 *** (0.185)	0.516 *** (0.186)	-0.178 ** (0.084)	
Child support*low income	0.239 ** (0.092)	-0.052 (0.096)	-0.022 (0.061)	-0.044 (0.067)	-0.208 * (0.108)	-0.123 (0.113)	0.067 * (0.034)	
Child support*time	0.217 *** (0.076)	0.172 ** (0.078)	-0.059 (0.052)	-0.071 (0.064)	-0.424 *** (0.113)	-0.413 *** (0.093)	0.096 ** (0.045)	
Child support enforcement	0.025 (0.220)	0.042 (0.206)	-0.034 (0.125)	0.031 (0.152)	-0.042 (0.229)	-0.146 (0.249)	0.098 (0.089)	
Time*low income	0.071 * (0.041)	0.030 (0.044)	-0.010 (0.024)	-0.031 (0.028)	-0.109 ** (0.046)	-0.101 ** (0.046)	0.050 ** (0.021)	
Family income is less than 200% FPL	0.140 *** (0.023)	0.249 *** (0.025)	0.013 (0.016)	0.024 (0.018)	-0.200 *** (0.029)	-0.210 *** (0.032)	-0.008 (0.009)	
Time: 1=1999, 0=1997	-0.056 *** (0.020)	-0.040 * (0.022)	0.029 ** (0.014)	0.032 * (0.017)	0.091 *** (0.031)	0.101 *** (0.026)	-0.027 * (0.013)	
Highest educated respondent has less than a high school degree	0.023 ** (0.011)	0.070 *** (0.015)	0.009 (0.007)	0.016 * (0.010)	-0.110 *** (0.013)	-0.103 *** (0.016)	0.024 *** (0.007)	
Black, non-Hispanic	0.209 *** (0.011)	0.303 *** (0.013)	-0.007 (0.006)	-0.013 * (0.006)	-0.314 *** (0.011)	-0.362 *** (0.013)	0.068 *** (0.007)	
Hispanic	-0.028 ** (0.011)	0.031 ** (0.013)	0.011 (0.007)	0.016 ** (0.007)	0.033 ** (0.013)	-0.011 (0.012)	-0.009 (0.006)	
One child in family	0.105 *** (0.009)	0.131 *** (0.010)	0.013 ** (0.006)	0.012 ** (0.006)	-0.230 *** (0.010)	-0.180 *** (0.010)	0.011 ** (0.005)	
Two children in family	0.049 *** (0.008)	0.055 *** (0.007)	-0.005 (0.006)	-0.006 (0.006)	-0.067 *** (0.008)	-0.043 *** (0.008)	-0.013 *** (0.004)	
Adjusted R ²	0.107	0.161	0.006	0.008	0.178	0.177	0.026	
Unweighted sample size	37,330	46,900	37,330	46,900	37,330	46,900	46,900	

Source: Tabulations from the Child Support Enforcement 22nd and 23rd Annual Reports to Congress and Urban Institute calculations of the 1997 and 1999 NSAF.

Standard errors of the estimates are shown in parentheses.

Note that the parameter estimates and standard errors for the states are not shown.

* indicates statistically significant at the 90% confidence level.

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*** indicates statistically significant at the 99% confidence level.

FPL = federal poverty level.

Appendix Table 5: Sample Means for the Difference-in-Difference-in-Differences (3D) Model

	Families		Children	
	Contem- poraneous	Lagged	Contem- poraneous	Lagged
Families: single mother living independently	0.215	0.215		
Children: single mother			0.266	0.266
Families: cohabitation	0.059	0.059		
Children: cohabitation			0.064	0.064
Families: total married couples	0.582	0.582		
Children: two parents			0.633	0.633
Children: no parents			0.040	0.040
Full family sanction		0.258		0.262
Family cap	0.454	0.417	0.453	0.416
Two-parent rules	0.447	0.639	0.451	0.639
Child support enforcement	0.232	0.222	0.232	0.222
Full family sanction*time		0.186		0.191
Full family sanction*low income		0.118		0.126
Full family sanction*low income*time		0.087		0.095
Family cap*time	0.234	0.234	0.233	0.233
Family cap*low income	0.241	0.217	0.247	0.223
Family cap*low income*time	0.113	0.113	0.116	0.116
Two-parent*time	0.177	0.177	0.174	0.174
Two-parent*low income	0.239	0.348	0.252	0.361
Two-parent*low income*time	0.092	0.092	0.094	0.094
Child support enforcement*time	0.122	0.122	0.122	0.122
Child support enforcement*low income	0.121	0.120	0.125	0.125
Child support enforcement*low income*time	0.062	0.062	0.064	0.064
Family income below 200% FPL (low income)	0.530	0.530	0.552	0.552
Time 1=1999, 0=1997	0.502	0.502	0.501	0.501
Time*low income	0.259	0.259	0.269	0.269
Highest educated respondent has less than a high school degree	0.169	0.169	0.162	0.162
White, non-Hispanic	0.524	0.524	0.504	0.504
Black, non-Hispanic	0.167	0.167	0.160	0.160
Hispanic	0.261	0.261	0.284	0.284
One child in family	0.348	0.348	0.177	0.177
Two children in family	0.369	0.369	0.364	0.364
Three or more children in family	0.283	0.283	0.460	0.460

Source: Welfare Rules Database; Lazere (1998); Maag and Rogers (2000a,b); Johnson and Lazere (1998); and tabulations from the Child Support Enforcement 21st, 22nd, and 23rd Annual Reports to Congress and the 1997 and 1999 NSAF. FPL = federal poverty level.

**Appendix Table 6: Estimated Relationship between Living Arrangements and Three Welfare Policies
Difference-in-Difference-in-Differences (3D) Model**

Living Arrangement	Full family sanction ^a			Family cap ^b			Child support enforcement ^c		
	Low income vs. moderate income ^d	Bottom quartile vs. second quartile ^e	High school or less vs. some college ^f	Low income vs. moderate income ^d	Bottom quartile vs. second quartile ^e	High school or less vs. some college ^f	Low income vs. moderate income ^d	Bottom quartile vs. second quartile ^e	High school or less vs. some college ^f
<u>Single mothers</u>									
Families ^g	-0.043 *	-0.042	+0.007	-0.104 ***	-0.115 ***	-0.034	-0.397 **	-0.447 *	-0.136
Children	+0.023	+0.022	+0.018	-0.017	-0.058	-0.040	-0.264	-0.142	-0.304 *
<u>Two parents</u>									
Families ^h	+0.014	+0.019	-0.021	+0.066 **	+0.057	+0.067 **	+0.518 ***	+0.053	+0.244
Children ⁱ	-0.014	-0.007	-0.018	+0.054 *	+0.051	+0.068 **	+0.522 ***	+0.186	+0.319 *
<u>No parents</u>									
Children ^j	-0.004	-0.011	+0.011	-0.029 *	-0.011	+0.010	-0.179 *	-0.217 **	+0.019

Source: Welfare Rules Database; tabulations from the Child Support Enforcement 21st and 23rd Annual Reports to Congress; and authors' calculations from the 1997 and 1999 NSAF.

* indicates statistically significant at the 90% confidence level.

** indicates statistically significant at the 95% confidence level.

*** indicates statistically significant at the 99% confidence level.

(table continues)

**Appendix Table 6: Estimated Relationship between Living Arrangements and Three Welfare Policies
Difference-in-Difference-in-Differences (3D) Model (Continued)**

^aIndicates whether the state eliminates the entire TANF benefit for noncompliance with work requirements.

^bIndicates whether the state has a family cap policy limiting TANF benefits if a family has another child while on welfare.

^cIndicates the ratio of child support enforcement (IV-D) cases in which a collection was made to the total child support enforcement caseload.

^dLow-income families and children are those with family income below 200 percent of the federal poverty level. Moderate income is family income between 200 and 400 percent of the federal poverty level.

^eBottom quartile families and children are those with family income-to-needs ratios in the bottom 25 percent of the distribution. Second quartile families and children are those with family income-to-needs ratios in the 26 to 50 percent range of the distribution.

^fHigh school or less refers to families or children in which the head of the family has a high school degree or less. Some college refers to families or children in which the head has some postsecondary schooling but not a college degree.

^gFor families, single mother refers to families with single mothers living independently.

^hTwo parent families include traditional married couple and extended married couple families.

ⁱChildren living with two parents include those who live with married biological or adoptive parents, in a blended family, and those who live with unmarried biological parents.

^jChildren living with no parents include those who live with nonrelatives or in foster or kinship care.