

Non-economic Factors in Early Welfare Caseload Declines

Richard Bavier

(The author is a policy analyst at the Office of Management and Budget. The views expressed are the author's personal views and do not represent the views of OMB or the Administration.)

Abstract

A large part of the welfare caseload declines from 1996 to 1997 is not associated with changes in the economy, Earned Income Tax Credit expansions, federal welfare waivers, early implementation of the Temporary Assistance for Needy Families (TANF), or anticipatory reactions to TANF time limits. Contributions by non-economic factors are indicated. Stigma and concern for child well-being are discussed. Changes in family formation trends and welfare participation rates are supportive of the hypothesis that non-economic factors contributed. Support from general public opinion data is mixed. Women who disagreed that a single parent can bring up a child as well as a couple were more likely to exit from welfare in data from the National Survey of America's Families, suggesting that child well-being may enter participation choices directly, as well as indirectly through stigma. Better measures of non-economic factors are recommended.

Non-economic Factors in Early Welfare Caseload Declines

Robert Hauser tells a story about the importance of recognizing what we don't see. Bomber losses were very high in the early days of the Second World War, and command decided to try more armor plating. The armor was heavy and would reduce other performance characteristics, so the whole airplane couldn't be armored. To gather some empirical evidence about where the armor was needed most, observers were sent to airfields as the bombers returned from their missions. The observers carried clipboards with outlines of a bomber, and they placed a mark wherever they observed battle damage. Eventually the marks covered the entire bomber outline, except the part of the fuselage beneath the pilot. Armor was added to protect that spot. The important evidence was the absence of observable battle damage there, from which it was inferred that damage in that spot meant a bomber would not return to be observed.

Changes in the economic incentives of welfare due to passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWO) have been well observed and thoroughly marked. (Grogger, Klerman, and Karoly 2002; Blank 2002) The thesis here is that unobserved non-economic determinants of welfare participation may have changed as well. The goals are quite limited. First, to establish that most of the large caseload decrease immediately before and after enactment of PRWO cannot be explained with the usual economic variables. Second, to present enough evidence in support of the

Non-economic Factors in Early Welfare Caseload Declines

hypothesis that non-economic factors contributed to justify developing and collecting better measures of such factors.

1996 acceleration in caseload declines

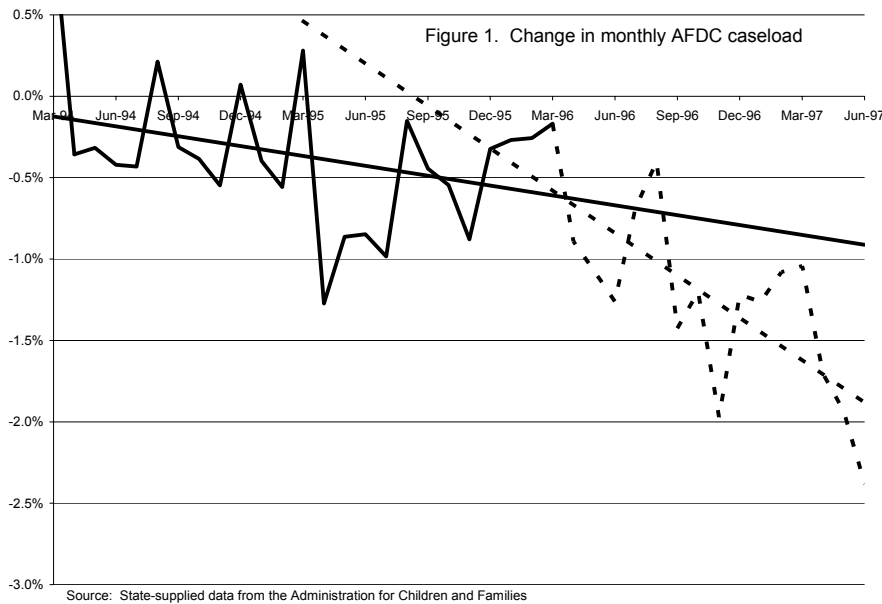


Figure 1 shows the rate of change of the monthly national AFDC caseload from its March 1994 peak to June 1997. The line is divided into two segments that call attention to change in the rate of change. To simplify an estimate of the effect of this change on the caseload, linear trend lines overlay the two segments. An acceleration in the rate of caseload decline appears in the second quarter of calendar 1996, before enactment of PRWO.¹ A total of 43 states experienced

¹ The slopes of the trend lines depend on what months are included in each segment. March 1996 is selected for the break point on Figure 2 because it does not spike like March 1994 and March 1995, but follows a pattern like March 1997. April through July of 1995 also saw sharp caseload drops, but a permanently steeper slope is not established until the following Spring.

Non-economic Factors in Early Welfare Caseload Declines

greater average monthly declines from March 1996 to March 1997 than during the period from March 1995 to March 1996. The drop from March 1996 to June 1997 represents about .8 million cases, or about 17 percent. If caseload declines had followed the pre-March 1996 slope, the decline would have been about .3 million, so the acceleration led to about half a million fewer cases by June 1997. It is the thesis here that the acceleration apparent on Figure 1 is significant and that explanations of the caseload decline that cannot account for it may be poor guides to policy analysis and development.

Expected timing of TANF effects

While welfare reform is credited with a share of the dramatic caseload declines of the 1990s (Grogger, Karoly, and Klerman 2002; Blank 2002), we can rule out implementation of PRWO as a cause of the acceleration of caseload declines apparent on Figure 1. If this phenomenon is policy-related, we should look at earlier policy changes, such as AFDC waiver demonstrations and Earned Income Tax Credit (EITC) expansions, for the cause, and we will turn to that shortly. However, to prepare for a decomposition of the changes, it will be useful to consider whether we could expect large effects of major policy features of the new Temporary Assistance for Needy Families block grant (TANF) to appear even during 1997.

Non-economic Factors in Early Welfare Caseload Declines

The three features of the new TANF program that have received the most attention are: 1) the end of the federal entitlement to benefits by imposition of a five-year time limit on a recipient's eligibility for benefits funded by the block grant; 2) the increased frequency and severity of sanctions, or benefit reductions for failure to comply with program requirements; 3) increased work incentives and supports, such as lower benefit reduction rates and increased child care spending. Time limits and sanctions are sticks, and work incentives are carrots.² Consider the carrots first.

² A fourth feature of TANF with the potential to influence welfare participation is the requirement that recipients participate in work activities while on the rolls. For 1997, PRWO mandated that recipients participate in approved work activities after a maximum of 24 months of assistance. States were required to have at least 25 percent of their one-adult assistance units, and 75 percent of their couples, participating in a range of specified activities for a minimum of 30 hours each week or face reductions in federal funding. These participation standards were reduced one percentage point for each percentage point by which 1997 caseloads fell below 1995 levels. Countable participation was 26.8 percent for 1995 (Committee on Ways and Means 1998, Table 7-36) and 35.4 percent for July-September 1997. (Administration for Children and Families 1999, Table 3.4) By lowering the age at which the youngest child might exempt the parent from mandatory participation in welfare-to-work activities, TANF increased the 1997 denominator by a little less than one-fifth, making the difference in activity levels even greater. On the other hand, most of the 1997 participation rate represents families working in unsubsidized employment. Before enactment of TANF, families that left the rolls in the preceding month could be counted as meeting the work activities participation requirement, but not those still on the rolls with unsubsidized employment. Leavers represented only 12.3 percent of the 26.8 percent participant rate in 1995, but the employed represented about 70 percent of the 35.4 percent participation rate late in 1997. Even adjusting for the inclusion of parents with younger children among the mandatory population in 1997, it does not appear that required work activities expanded greatly in 1996 to account for large caseload declines that year.

In addition to promoting work and welfare exits among nonworking recipients, work program participation requirements could also induce exits among recipients with employment that they have not reported to the TANF office. Some experience from welfare-to-work demonstrations suggested that this effect could be measurable (Gueron and Pauly 1991, 268-9), and ethnographic work by Edin and Lein (1997, Table 6-1) also suggests that unreported earnings are not infrequent among recipients. Such an effect could occur if a state notified a recipient with unreported employment that she must report for a work activity, such as job search or community service. If the recipient chose to continue working rather than comply, she would not appear among the numbers of those participating in work activities, even though work participation requirements could be said to have led to her exit. Such exits could have occurred early in TANF implementation. However, as noted, the acceleration on Figure 1 seems to appear even before PRWO was enacted. We would have to look to the effects of demonstration programs operating under federal waivers prior to enactment of TANF for an effect that begins in the second quarter of 1996. Shortly, we will try to isolate the effect of these waiver programs on caseloads.

Non-economic Factors in Early Welfare Caseload Declines

Work incentives and supports Theory does not suggest that lower benefit reduction rates will lead to quick caseload reductions. (Grogger, Karoly, and Klerman 2002) In the short run, if benefits are reduced at lower rates when earnings rise, residual grants will be present at higher earnings levels. This will tend to offset any negative caseload effects from increased uptake of work by extending welfare spells among newly employed recipients. The argument for negative caseload effects of work incentives must be that work incentives help recipients get better jobs or keep jobs longer, so they return to welfare less frequently or more slowly than otherwise. Because work incentives operate to increase the labor supply of recipients by making it economically attractive to take jobs they otherwise would not take, the effect is theoretically ambiguous. On the one hand, the work incentive could speed uptake of work and progress into better second and third jobs. On the other, it could induce a recipient to accept a lower paying job than she might find with more searching. Once employed, the effects of higher income due to the residual grant would tend to

Many states have adopted “diversion” policies that require applicants to look for work before receiving any TANF benefits or offer a lump sum to deal with immediate needs and help families avoid the regular ongoing assistance program. Such programs are designed to reduce entries, and could have early effects, but only four states were operating lump sum diversion programs under waivers prior to 1997. (Maloy, *et.al.* 1998) Moreover, later we will see in survey data that exits appear to drive the acceleration on Figure 1.

Among 1996-97 welfare leavers in the National Survey of America’s Families, about 4 percent mentioned “too frustrating/too much hassle” as the first reason. We have no pre-reform measures to determine whether this represents an increase that could account for any of the acceleration on Figure 1.

Some eligible families may have assumed incorrectly that they were not eligible for the new TANF program and so did not apply. Zedlewski (2002) does not mention this as a reason for lack of participation by eligibles, but Cherlin, *et.al.* (2000) find uncertainty about the details of TANF requirements among an 1999 urban sample of current and recent TANF recipients.

Non-economic Factors in Early Welfare Caseload Declines

reduce economic incentives to find a better job. In any case, lower return rates probably would not affect caseloads until parents progressed out of initial post-exit jobs, making it less likely that the negative caseload effect would be concurrent with uptake of work.³

With enactment of PRWO, federal funds available for child care increased significantly. Reductions in the costs of employment would be expected to reduce welfare caseloads by increasing employment. Anderson and Levine (1999) review and supplement analyses of the elasticity of female labor force participation to child care costs, finding general support of a negative elasticity, but a wide range of estimates. In their preferred specification, Meyer and Rosenbaum (2001) estimate that a \$500 increase in child care spending for each single mother with a young child might increase their annual employment by .7 percentage points. A \$1 billion increase in child care spending, about the magnitude of the increase enacted with PRWO, might increase employment among the 4 million single mothers with young children by .4 percentage points, or about 20,000 mothers. This is not a large share of the unexplained caseload declines explored below. Moreover, as the authors note, the magnitude and significance of the effect is strongly influenced by data from 1994-96, when considerable collinearity is present with other economic and policy variables.

³ In theory, *temporary* lower benefit reduction rates could reduce caseloads if they speeded uptake of work and then expired. I'm not aware of any attempt to measure such an effect.

Non-economic Factors in Early Welfare Caseload Declines

Sanctions While some data about levels of sanctioning in 1997 are available, they cannot be used directly to allocate the caseload declines on Figure 1.

Reports from 39 states covering July through September 1997, the period just after the last dates shown on Figure 1, indicated that 6.2 percent of case closures were due to sanctions. (Loprest 1999) Data from a year later assign about the same share of case closures to sanctions. (Administration for Children and Families 1999, Table 31)

Case closings are a measure of flow. When a closed case is reopened, the state's number of case closings is not reduced by one, but its caseload decline is reduced by one. It appears that more than one-third of families whose benefits were eliminated due to sanctions had benefits reinstated. (GAO 2000, 35) So 6 percent probably should be considered the maximum share of the late 1997 caseload decline that could be attributed to sanctions, and 4 percent looks more likely. Moreover, elimination of the total benefit, often termed "full family sanction," typically is imposed only after time is allowed for one or more warnings and opportunities for a fair hearing. For this reason, it is unlikely that TANF sanctions would account for even 4 percent of caseload declines in late 1996 or early 1997. Both the early onset of the accelerated decline on Figure 1 and what we know about the frequency of sanctions when the programs were more mature rule out assigning much of the 1996-97 change to TANF sanctions.

Non-economic Factors in Early Welfare Caseload Declines

Time limits No families lost their benefits in 1996 or 1997 because their months of TANF eligibility, or time limits, expired. Some states adopted time limits that were shorter than the five year limit on federal support, but the shortest usually limited eligibility to 24 out of 60 months. (Administration For Children and Families 1999, 163)

On the other hand, families might have accelerated their exits from the new TANF program in order to preserve their months of eligibility. Jeffrey Grogger has measured such anticipatory behavior. (Grogger 2000, 2002a, 2002b) He reasoned that mothers whose youngest children were at least 13 years of age would not change their behavior in response to the federal five year time limit because their eligibility would end in less than five-years in any case when their youngest child turned 18. Accordingly, he included a variable that specified when each state adopted full-benefit time limits, either through waivers or TANF. This variable then was interacted with two approaches to identifying families by the age of the youngest child. In analysis that explicitly models the effects of the Earned Income Tax Credit as well, and that includes data through 1999, the effect of time limits on mothers with younger children is still sizable and significant. (Grogger 2002a) He notes that, "...time limits explain more of the 1993-98 decline in welfare use than of the 1993-99 decline. This suggests that time limits had their greatest effects shortly after they were imposed, which is

Non-economic Factors in Early Welfare Caseload Declines

generally consistent with the notion that consumer's responses to time limits involved anticipatory behavior."⁴

So, to welfare waivers and EITC expansions we must add anticipatory effects of time limits as candidate explanations for early caseload effects. To test whether these policies account for accelerated 1996-97 caseload declines, a welfare participation model typical of the literature will be applied to data from the annual demographic supplement to the March Current Population Survey (CPS). Year-by-year decomposition of caseload changes and difference-in-difference comparisons will be employed to make the case that they do not.

Data

Data covering calendar 1987 (the March 1988 CPS) through 2001 (March 2002) are employed.⁵ Female family heads (with no husband present) of primary families or related or unrelated subfamilies with their own resident minor children are included in the analysis for a total of 83,456 sample family heads.⁶

⁴ Evidence of anticipatory behavioral effects has been observed in data from the Survey of Income and Program Participation as well. (Grogger 2002b; Bavier 2002)

⁵ In the March 1982 CPS, the Census Bureau began to implement an improved identification of parents in subfamilies. Prior to that year, grandparents were sometimes identified as the parents of their own children's children. (Census Bureau 1985) March 1988 is the earliest file reflecting a changed questionnaire processing system. (Census Bureau 1989) Both changes affected the consistency of variables that are important to this analysis, and the longest consistent time series was chosen.

⁶ Due to CPS sample rotation practices, a household typically appears in two successive March CPS samples, so the 83,456 represents approximately half that number of independent observations. Inclusion of all observations of female family heads here will tend to understate standard errors. My objective is to compare levels of caseload changes in CPS and administrative data, so the alternative of including a given sample person only once would have been impractical.

*Non-economic Factors in Early Welfare Caseload Declines**Welfare participation model*

The analysis that follows employs an ordinary least squares model.

$$Y_i = a + b_1 J_i + b_2 K_{st} + b_3 L_t + b_4 M_s + e \quad (1)$$

Y_i is the welfare participation status of an individual female family head with children. The March CPS asks whether the respondent received cash welfare at any point in the preceding calendar year. By contrast, the standard administrative measure counts participation in an average month, as in Figure 1.

J_i is a vector of personal characteristics. They include the female family head's age, educational attainment, status as African-American or Hispanic, residence in a central city, number of her own resident minor children, and whether any were under six years of age.

K_{st} is a vector of state characteristics by year including unemployment rate in the year before the CPS reference year, wages of females by state, birth cohort, and education level, and maximum AFDC/TANF benefits for a family of three. Wages and benefits are expressed in constant dollars.

Non-economic Factors in Early Welfare Caseload Declines

L_t is the maximum federal Earned Income Tax Credit (EITC) that varies by year and, after 1991, by whether families have one or more than one qualifying children. It is expressed in constant dollars. This value is lagged by one year. Despite all efforts to encourage low-wage workers to receive their EITC prospectively throughout the tax year, nearly all EITC is received in a lump sum after returns are filed.⁷ So an increase in the EITC that applies to a particular tax year will not be received in that year. It seems unlikely that an increase would change behavior in the year it is “earned” rather than the year it is received or later.

M_s is a vector of state dummy variables to capture fixed state effects.

Because the aim is to examine residual year-to-year changes, no fixed-year or trend variables are included.

Model results

Model 1 on Table 1 includes only demographic variables plus whether the mother resided in a central city. All coefficients are significant and in the expected directions.⁸ By adding variables for state unemployment rates, female wages, and AFDC/TANF benefits in model 2, adjusted R^2 increases to .17. Separately,

⁷ In tax year 2001, less than one percent of EITC credits were received in advance of filing. (Milbourn 2003)

⁸ In a logit version of equation (1) appropriate to the discrete dependent variable, but not to the decomposition below, coefficients were in expected directions and the wage variable coefficient was notably more significant.

Non-economic Factors in Early Welfare Caseload Declines

addition of the EITC variable and state dummies to capture state fixed-effects explain very little additional variation, and, except for unemployment rate, does not disturb control variable coefficients. Collinearity of the unemployment rate and EITC variables is evident in comparison of model 4 with model 2.

Introduction of the EITC variable reduces the coefficient on the employment rate variable by 31 percent. Model 5 is preferred, but performs only marginally better than models 2 through 4.⁹

Table 1. Welfare participation model coefficients

	Model 1, demographic variables		Model 2, economic variables added to Model 1		Model 3, state fixed- effects added to Model 2		Model 4, EITC variable added to Model 2		Model 5, state fixed- effects and EITC variable	
	coefficient	std error	coefficient	std error	coefficient	std error	coefficient	std error	coefficient	std error
Intercept	0.30523	0.00819 ***	0.03642	0.00973 ***	-0.07071	0.01825 ***	0.14922	0.01114 ***	0.24984	0.02645 ***
Mother's age	-0.00469	0.00020 ***	-0.00438	0.00022 ***	-0.00471	0.00022 ***	-0.00462	0.00022 ***	-0.00487	0.00022 ***
African-American	0.04830	0.00330 ***	0.07148	0.00331 ***	0.08445	0.00351 ***	0.06962	0.00331 ***	0.08472	0.00350 ***
Hispanic	0.01452	0.00434 ***	-0.00228	0.00429	0.03595	0.00458 ***	0.00733	0.00431 *	0.03750	0.00457 ***
Education	-0.09079	0.00158 ***	-0.07648	0.00245 ***	-0.08471	0.00250 ***	-0.07972	0.00245 ***	-0.08620	0.00250 ***
Central city resident	0.06825	0.00308 ***	0.04807	0.00307 ***	0.04304	0.00321 ***	0.04870	0.00306 ***	0.04214	0.00320 ***
Number of children	0.07945	0.00148 ***	0.07991	0.00147 ***	0.07763	0.00146 ***	0.08905	0.00153 ***	0.08762	0.00158 ***
Any children under 6	0.07410	0.00355 ***	0.06674	0.00351 ***	0.06959	0.00349 ***	0.06733	0.00350 ***	0.06877	0.00349 ***
State unemployment rate			2.64108	0.08602 ***	3.34203	0.10199 ***	1.82327	0.09453 ***	2.34626	0.11798 ***
Female wages			-0.00009	0.00001 ***	-0.00001	0.00002	-0.00004	0.00001 ***	0.00001	0.00002
State AFDC/TANF benefits			0.00028	0.00001 ***	0.00043	0.00002 ***	0.00025	0.00001 ***	0.00010	0.00003 ***
Maximum EITC							-0.00003	0.00000 ***	-0.00004	0.00000 ***
adjusted R ²	0.146		0.173		0.183		0.178		0.186	

*** = significant at .01, ** = .05, * = .1

Decomposition of annual changes

Models 1-5 estimate individual welfare participation decisions. To test whether waivers or anticipation of time limits account for all the early effects on the welfare caseload, participation is aggregated. Annual weighted means for each variable are estimated, and the mean is weighted by that year's population.

Each year's caseload change is decomposed as follows.¹⁰

⁹ A model that added state trends performed no better than model 5.

¹⁰ The decomposition of levels is similar to decomposition of changes in rates performed by others (e.g. Grogger 2002a), but weights the annual mean by that year's population to reflect

Non-economic Factors in Early Welfare Caseload Declines

$$\Delta C_{t2-t1} = b_{Age} * ((P_{t2} * \overline{Age}_{t2}) - (P_{t1} * \overline{Age}_{t1})) \quad (2)$$

In equation (2), ΔC_{t1-t2} is the aggregate change in the welfare caseload from years 1 to 2 that is attributable to the change in the average age of female family heads with children. Then b_{age} is the coefficient from Table 1 on the age variable. P_{t2} is the number of female family heads with children in year two, and \overline{age}_{t2} is the mean age in that year. Similar calculations are made for the other independent variables.

Table 2 presents a decomposition of caseload changes based on model 5. Changes in the number of female family head recipients of AFDC/TANF in the March CPS over these years track total caseload changes in administrative data fairly well.¹¹ Sharp increases in recipients are evident each year from 1990-93, followed by generally large declines each year through 2001. The rate of decline jumps from 6 percent in 1996 to 17 percent in 1997, and remains well above any earlier year through 2001. For brevity, the effects of control variables are

population changes along with changes in the means. As discussed below, the key unexplained annual caseload change from 1996 to 1997 is 9 percent using equation (2) and 9 percent using a strict marginal effect equation holding population constant at 1996 levels.

¹¹ The CPS data in Table 2 reflect female family heads who received AFDC/TANF in any month of the years shown. Annual administrative data reflect all families receiving benefits in an average month. The ratio of AFDC/TANF recipients in CPS to administrative caseload counts declined during the 1990s, so declines in CPS caseload measures are greater than in administrative data. Nonetheless, the differences in the year-to-year rates of change in the two sources for years 1988 through 2001 are generally small and display no trend.

In the key transition year from 1996 to 1997, mean monthly caseload, including female family heads and other cases, in administrative data declined about .7 million, or 16 percent. Among female family heads in the CPS, the 1997 decline was .4 million, or 17 percent.

Non-economic Factors in Early Welfare Caseload Declines

combined on Table 2. Their generally negative combined effect is due largely to increasing age and education levels, and steadily declining real AFDC/TANF benefits.

Table 2. Decomposition of AFDC/TANF caseload change from model 5

calendar year	female family heads with own children		total change	change due to - demographics, female wages, AFDC/TANF benefits, and state-fixed effects			unemployment rate	EITC	unexplained change in caseload	unexplained, / caseload _{t-1}
	own children	recipients		AFDC/TANF benefits, and state-fixed effects	unemployment rate	EITC				
1987	8,152,000	2,534,000								
1988	8,259,000	2,539,000	5,000	-18,000	-154,000	-135,000		312,000	12%	
1989	8,357,000	2,373,000	-166,000	-64,000	-78,000	1,000		-25,000	-1%	
1990	8,713,000	2,708,000	335,000	6,000	64,000	-14,000		279,000	12%	
1991	9,003,000	2,938,000	230,000	-67,000	356,000	-11,000		-48,000	-2%	
1992	9,316,000	3,000,000	62,000	-87,000	207,000	-111,000		53,000	2%	
1993	9,832,000	3,244,000	244,000	-34,000	-8,000	-76,000		362,000	12%	
1994	9,807,000	2,970,000	-274,000	-86,000	-142,000	-32,000		-14,000	0%	
1995	9,825,000	2,661,000	-309,000	-57,000	-222,000	-326,000		296,000	10%	
1996	9,981,000	2,492,000	-169,000	-56,000	26,000	-116,000		-23,000	-1%	
1997	9,807,000	2,072,000	-420,000	-24,000	-129,000	-46,000		-221,000	-9%	
1998	9,820,000	1,749,000	-322,000	2,000	-107,000	-16,000		-201,000	-10%	
1999	9,671,000	1,393,000	-356,000	-53,000	-86,000	20,000		-237,000	-14%	
2000	9,645,000	1,129,000	-265,000	-43,000	-76,000	3,000		-149,000	-11%	
2001	9,936,000	970,000	-159,000	-78,000	103,000	-31,000		-153,000	-14%	

Source: March Current Population Survey

Higher unemployment in 1990-92 was associated with an increase of more than .6 million AFDC cases according to this model. Subsequent declines in unemployment through 2000 meant a drop of .7 million cases. As other analyses have found, changes in the economy account for a larger share of declines in 1993-95 than subsequently.

Lagged effects of implementation of the large 1993 EITC expansions had the effect here of reducing AFDC/TANF by nearly half a million cases in 1995-97 on Table 2. (Without lagging the variable, this large reduction is spread over 1994-96.) On its face, the decomposition using model 5 appears to overstate the effect of the EITC. In 1988, 1995, and 1997, the decomposition estimates that

Non-economic Factors in Early Welfare Caseload Declines

the EITC alone would have reduced the AFDC caseload by more than the total net caseload decline in years when falling unemployment rates also were reducing participation. By comparison, when the same model is estimated with data from years 1983 through 1993, when AFDC caseloads grew gradually and then surged, and the maximum EITC increased about 80 percent in real terms, demographic coefficients are stable but the unemployment coefficient is only about one-third its magnitude on Table 1, and the EITC coefficient is of about the same magnitude and significance as in model 5, but with the opposite sign.

Other analyses have exploited other parameters of the credit in creating a federal EITC variable. (Hotz, Mullin, and Scholz 2001; Grogger 2003) However, for the present discussion, it is unnecessary to resolve issues about specification of the EITC variable or unravel its collinearity with the economy and welfare waivers, because our attention is on the change from 1996 to 1997. By 1996, the only national EITC change, other than indexing for inflation, was the final 11 percent increment in the expansion from 1993 legislation of the maximum credit for filers with two or more qualifying children. In model 5, only the effect of that relatively small variation, lagged one year, is felt in the caseload change from 1996 to 1997.

On Table 2, a 9 percent decline in the 1997 caseload, a quarter million families representing more than half of the total caseload decline in the CPS that year, is not associated with variation in unemployment, the EITC, or the other control

Non-economic Factors in Early Welfare Caseload Declines

variables.¹² Now, two other candidate explanations must be considered. The 9 percent unexplained caseload decline in 1997 may be a delayed result of welfare waivers from earlier years, or an anticipatory effect of the enactment of welfare time limits in PRWO, noted earlier.

A difference-in-difference approach allows us test these possibilities while avoiding difficult specification issues related to the onset and duration of effects of waivers. If the 9 percent unexplained caseload decline in 1997 were a delayed effect of AFDC welfare waivers, we would not expect to see a similar decline when model 5 was run excluding states that had received such waivers. Similarly, if the 1997 effect on Table 2 reflects anticipation of time limits, following Grogger, we would not expect to see an effect among mothers whose youngest child is 13 years or older. The five-year federal time limit for these families would not expire before they lost eligibility anyway because their youngest child reached majority.

In both cases, if the hypothesis to account for the unexplained 1997 caseload decline were true, we would expect a difference between more and less directly affected groups. However, Table 3 illustrates that the unexplained caseload declines do not differ as expected. Waivers and time limits may have reduced

¹² Sensitivity testing found that the combination producing the smallest unexplained 1997 caseload decline matched unlagged unemployment rates with EITC maximums lagged two years. In combination, this unconventional specification left a 6 percent decline unexplained. Other more conventional specifications, lagging unemployment one year and including both current and lagged unemployment rates, left declines of 14 percent and 10 percent unexplained, respectively. Lagging unemployment but not EITC left a 17 percent unexplained decline. Changing these specifications had no appreciable effect on the model R^2 .

Non-economic Factors in Early Welfare Caseload Declines

the AFDC/TANF caseload, as other analyses have found, but they do not appear to account for the unexplained 1997 caseload decline on Table 2.

Table 3. Unexplained caseload declines 1996 to 1997

		s.e.
All female family heads with children in states without waivers	-8%	0.8%
All female family heads with children in states with waivers	-8%	0.5%
Female family heads with children, none under 13 years of age	-12%	1.0%
Female family heads with some children under 13 years of age	-8%	0.5%

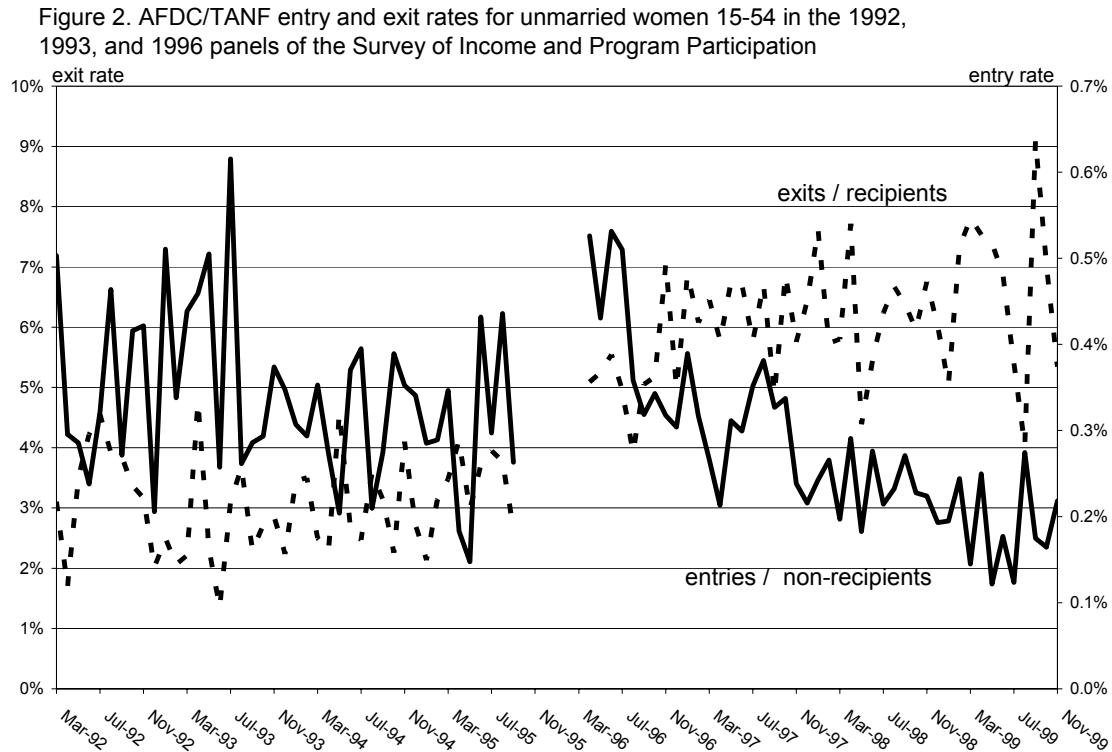
Exits and entries

The acceleration in caseload declines in Figure 1 and the unexplained declines from 1996 to 1997 on Table 2 are both measured with time series of caseload stocks. The changes may result from higher exit rates, lower entry rates, or both. In Figure 2, entry and exit rates of unmarried women 15-54 years of age are tracked with data from several panels of the Survey of Income and Program Participation (SIPP).

Figure 2 displays exit rates on the left vertical axis as the share of recipients in month $t-1$ who were in-sample non-recipients in month t . Entry rates on the right vertical axis are the share of in-sample non-recipients in month $t-1$ who were recipients in month t . Figure 2 differs from Grogger (2003) by including only unmarried women aged 15-54, but is not limited to those with low educational attainment. To reduce the effect of the “seam problem” in SIPP, wherein most transitions occur between four-month interview “waves,” Grogger (2003) and

Non-economic Factors in Early Welfare Caseload Declines

Grogger, Haider, and Klerman (2003) use data from only the fourth month of each wave. In Figure 2, the effects of the seam problem are smoothed by including all panel months, but arranging the data by calendar months.



In addition, Figure 2 highlights an unfortunate gap in the SIPP data. The 1993 and 1996 panels did not overlap or abut, with the result that welfare transitions cannot be observed for the complete sample in the first few months of 1996, just the months of most interest.

Consistent with the other studies, Figure 2 shows both higher exit rates and lower entry rates in the 1996 panel data. The earliest exit rates we can measure

Non-economic Factors in Early Welfare Caseload Declines

in the 1996 panel data appear higher than the latest we can measure from the 1993 panel. The earliest 1996 panel entry rates do not appear lower than the latest 1993 panel data, but soon begin to decline.

Haider and Klerman (2002), demonstrate that even changes in flows in a month may result from events that occur well before that month. They find that lags of 24 or more months are significant in understanding California welfare caseload dynamics. However, as they note, changes in continuation and re-entry rates are very gradual after a few months. So the sharp changes in exit rates evident between the 1993 and 1996 panels on Figure 2 are unlikely to be caused by events very much before the early months of 1996.

To recapitulate, some large declines from 1996 to 1997 in the number of CPS female family heads receiving AFDC/TANF at any point during the year were not found to be associated with changes in demographics, the economy, the EITC, implementation of PRWO, anticipatory reactions to time limits, or delayed effects of waivers. The pattern of the unexplained changes on Table 2, as well as administrative data on Figure 1 and data from the Survey of Income and Program Participation on Figure 2 let us rule out the possibility that the unexplained 1997 changes in CPS are entirely due to measurement errors in that survey. Rather, omitted variables are indicated. The question at which we have finally arrived is, To what can the unexplained 1997 declines be attributed?

*Non-economic Factors in Early Welfare Caseload Declines**Non-economic factors – stigma and child well-being*

To this point, the discussion has remained largely within the conceptual framework that dominates the literature, wherein welfare participation decisions, and so caseloads, are assumed to be determined by economic choice. The model in equation (1) can be viewed as a reduced form of the welfare participation decision, in which demographic and economic variables and EITC are proxies for a female family head's potential returns from employment, and the other program variables reflect her potential income on welfare.

Non-economic factors also can influence welfare participation. Subsequent discussion will concentrate on two that can be identified but are not measured directly. Robert Moffitt described a theoretical role for stigma in welfare participation decisions, and measured it in survey data for a single year. (Moffitt 1983) Stigma, or social disapproval, is understood by economists to be a taste, in this case a distaste or disutility, that is weighed within a standard utility maximization framework. Moffitt expressed it as a reduction in the value of a dollar of welfare income relative to earnings or unstigmatized unearned income. Stigma may have increased during the mid-1990s, resulting in caseload declines due to lower participation rates among eligibles.

Another non-economic factor, the well-being of her children, may enter into a mother's fertility, marriage, and welfare participation choices, but is not usually

Non-economic Factors in Early Welfare Caseload Declines

modeled explicitly.¹³ By the early 1990s expert opinion was coalescing around the view that growing up in a single parent family was associated with poorer outcomes for children. Two headlines capture the extent to which, in the months leading up to the 1994 congressional elections, this expert consensus had emerged in the messages promulgated by political elites. The September 10, 1994 *Los Angeles Times* ran a story titled, "Clinton Assails Out-of-Wedlock Births ...," and the September 13, 1994 *Christian Science Monitor* announced, "Both Conservatives and Liberals Decry Rapid Increase in Single-Parent Families." According to both articles, part of the rationale for these strong family formation messages is the poorer outcomes in store for children raised by single parents. It would be surprising if parents and potential parents, naturally concerned with the well-being of their children, were indifferent to such messages.¹⁴

Disapproval among the general public of single parenthood because of its effects on the well-being of children could take the form of stigmatizing single parenthood, adding psychological and social costs to that behavior. However,

¹³ Presumably, income maximization strategies that underlie most welfare participation models implicitly identify child well-being with maximum parental income.

¹⁴ At the same time, the message that growing up with a single parent leads to poorer outcomes for children would have been amplified through the theme of parental responsibility that dominated the welfare reform rhetoric of both major parties. Responsibility was a dominant rhetorical theme in the "Contract with America" that was the central domestic policy statement Republicans carried to majorities in both houses of Congress in 1994, as well as in Administration rhetoric crystallized in the Clinton reform proposal name, "The Work and Responsibility Act of 1994." And, of course, the enacted reform legislation was titled "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996." Among the Congressional findings cited in that Act are:

(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children.

(8) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented

Non-economic Factors in Early Welfare Caseload Declines

information about how family structure affects child outcomes also could influence the behavior of parents or potential parents by entering their choices directly. From the economic point of view, parents may include their children's well-being in their own utility function. (Becker 1991, Hausman and McPherson 1993) From a moral point of view, parents may regard information about what is good for their children as relevant to their parental responsibility or duty.¹⁵

Normative views of welfare and single-parenthood

The fact that recently, and for decades, welfare participants often shared mainstream normative views about welfare suggests potential responsiveness both to stigma and moral messages about responsibility for child well-being. Like others, recipients tend to believe that welfare has harmful effects on work effort and promotes births to unmarried women, and that recipients often could find jobs if they tried harder. (Heclo 1994; Farkas and Johnson 1996; Wertheimer, Long, and Vandivere 2000; Cherlin, et. al. 2000) The poor opinion welfare recipients have of welfare, and their broad concurrence in the appropriateness of "sticks," such as work requirements and time limits, to move people off welfare, displays an apparent dissonance with continued participation. The dissonance is resolved if we suppose that recipients had no alternative to a welfare system they disdained. But large majorities of recipients believed that many of their number

¹⁵ The inclusion of another's utility function in one's own does not necessarily create a moral choice as distinct from an economic one. In some analytical schemes, preference maximization strategies may be classified as ethical egoism, but others deny that this amounts to a kind of morality at all. (Frankena 1963, 18) A summary of empirical evidence that moral acts are not reducible to economic acts is found in Etzioni (1988).

Non-economic Factors in Early Welfare Caseload Declines

did not try hard enough to find a way to leave. Perhaps the mainstream views reported by recipients were not genuine, or respondents viewed their own situations as exceptional. Or perhaps, for reasons not well understood, the behavioral influence of recipients' normative views was not as effective before 1996 as afterward.

Related changes in family structure, public opinion, and participation rates among eligibles

If public attention to the connection between family structure and child outcomes were a factor in unexplained caseload changes in 1997, we might look for confirming evidence in family formation behavior, more disapproval of single parenting in public opinion and association of such views with welfare exits, and lower participation rates among eligible families who would benefit from welfare based on economic logic alone.

A mid-decade turn in the living arrangements of children has been observed. (Fields and Casper 2001) In 1996, a decades-long decline in the share of children living with two natural, adoptive, or step parents ended. (Federal Interagency Forum on Child and Family Statistics 2003) Among African-American and Hispanic children, the shares with two parents increased after 1996. The changes were more pronounced among young children. (Baviera 2001)

Non-economic Factors in Early Welfare Caseload Declines

A comparison of differences illustrated on Figure 3 finds that among unmarried women with more than a high-school education, a group less likely to be influenced by welfare reform, the share with a young child stopped rising in March 1994 and turned down.¹⁶ Although the steepest post-peak decline is evident among women with less than a high-school degree or equivalent, the change in the rate of change before and after the peaks is greatest for women with post-secondary education.¹⁷

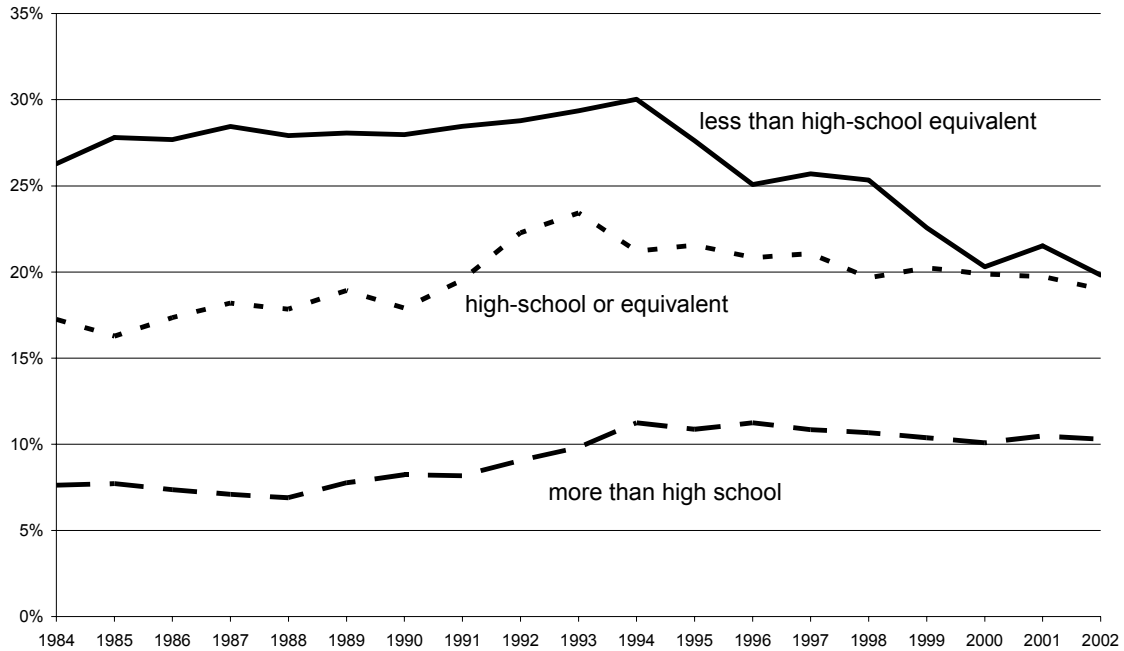
The timing of the changes on Figure 3, as well as their appearance among women less likely to participate in welfare, rule out a relationship with PRWO. The peaks precede enactment of PRWO by two years.

¹⁶ "Own" children in the March CPS include biological, adopted, and step children. The structure of families with young children is a more sensitive measure of family formation change than the structure of all families with children. Because subsequent child bearing becomes less likely as the youngest child ages (Spratley and Taffel 1981, Table 2), the structure of families with only older children is less likely to reflect recent changes in fertility behavior.

¹⁷ The pre-peak rate of change was calculated for each group as the mean annual rate of change from the lowest pre-peak point to the peak. The post-peak rate was from the peak to the most recent year of data. Then the pre-peak rate of change was subtracted from the post-peak to get the change in the rate of change. For women with less than a high-school degree or equivalent, the change was $(-.046)-(.013) = -.060$. For those whose highest attainment was a high-school degree or equivalent, the change was $(-.024)-(.047) = -.071$. For those with some post-secondary education, the change was $(-.01)-(.084) = -.095$.

Non-economic Factors in Early Welfare Caseload Declines

Figure 3. Share of unmarried women 18-44 with an own-child less than 6 years old, by educational attainment



Source: March Current Population Survey

Considering only timing, welfare waivers or EITC are more likely candidates to explain changes in trends on Figure 3. However, we would not expect waivers to change family formation at higher education levels for the same reasons we would not expect such an effect from PRWO. Even for women with low educational attainment, the appearance of national effects by March 1995 on Figure 3 seems too large and too early, given that only eleven states representing about 17 percent of the national AFDC caseload had implemented waivers by that point. Recent research syntheses by Grogger, Karoly, and Klerman (2002), and Blank (2002) find insufficient evidence to draw conclusions about effects of welfare waivers on marriage or fertility.

Non-economic Factors in Early Welfare Caseload Declines

The effects of EITC expansions on family formation are less well researched. However, Baughman and Dickert-Conlin (2003) find that EITC expansions in the 1990s increased fertility among unmarried minority women, opposite the direction of post-1994 change on Figure 3.¹⁸ Fitzgerald and Ribar (2003) find that EITC increased stability in living arrangements and welfare participation status. In SIPP data, EITC increases were correlated negatively with transitions both into and out of female headship and welfare participation. By contrast, Figure 3 illustrates changes in trends rather than stability.

To test the hypothesis that the changes in family structure illustrated on Figure 3 reflect changes in non-economic influences, a logit model with the independent variables from model 5 (except for the presence of young children) estimated the presence of young children among all unmarried women. Variation in the economic variables did not account for the changes in trend on Figure 3.

Public opinion about family structure and children

Along with actual conforming changes in family structure, we might expect that general public opinion data would show less support for single parenthood as a consequence of greater public awareness of poorer outcomes among children with single parents. However, here the data provide only mixed support.

¹⁸ When model 5 is run to estimate whether unmarried women at several educational levels have a young child present, the EITC predictor is always positive and significant at .01, consistent with Baughman and Dickert-Conlin.

Non-economic Factors in Early Welfare Caseload Declines

Among high-school seniors responding in the 15,000-16,000 person *Monitoring the Future*, there is no post-reform reduction of positive views of single motherhood, but a growth trend appears to have ended. Thornton and Young-Demarco (2001) note, "The trend towards increased acceptance of nonmarital childbearing did not extend into the last half of the 1990s." (1025).

The *General Social Survey* (GSS) fielded relevant questions in 1988, 1994, and 2002. In all three years, respondents were asked whether they agreed with the statement, "People who want children ought to get married." In each year, and for the three educational groups on Figure 3, large majorities agreed. Slightly larger majorities agreed in 1994 than 1988, but slightly smaller majorities agreed in 2002. In 1994 and 2002, the survey asked for agreement with the statement, "One parent can bring up a child as well as two parents together." Among the population as a whole 50 percent (1.3)¹⁹ disagreed in 1994, and 45 percent (1.6) in 2002. Among women aged 18-44, there was no difference in disagreement between 1994 and 2002 that a single parent could raise a child as well as a couple. About 30 percent disagreed each year.

The nationally representative *National Survey of America's Families* (NSAF) designed by the Urban Institute as part of its New Federalism research project asked virtually the same questions as the GSS in 1997 and 1999, but got somewhat different results. The share of women 18-44 with a child agreeing with

¹⁹ Standard errors appear in parentheses.

Non-economic Factors in Early Welfare Caseload Declines

the statement, "A single mother can bring up a child as well as a married couple," was 35 percent (.9) in 1997 and 39 percent (.9) in 1999.

Welfare exits and views of single parenthood

The general public's views might indicate the potential strength of stigma. Correlation between welfare exits and the view that a single parent cannot bring up a child as well as a married couple would suggest that information about child well-being may be entering welfare participation choices directly.

The NSAF asks respondents whether the family received TANF at any point during the preceding calendar year, and also whether benefits are being received as of the survey date. Females were identified as TANF leavers if they reported some welfare during the preceding year, but not as of the date of the survey. Pooling data from the 1997 and 1999 rounds of the NSAF, women with young children were about 15 percent more likely to exit if they disagreed that a single parent can bring up a child as well as a couple.²⁰ However, the effect was entirely in the 1999 data. In the 1997 NSAF, those receiving AFDC/TANF at some point in 1996 were not more likely to exit if they disagreed. In the 1999 data, females with young children were about 50 percent more likely to exit if

²⁰ The direction of coefficients on controls for age, race, education level, state unemployment rates, maximum TANF benefits, and state fixed effects conformed to expectations. Some female family heads may have married after exit or may not have been their family's respondent, and so were unavoidably excluded. Exits were observed from recall responses, so we cannot rule out that those who left welfare were more likely to come to disagree that single parents were effective, rather than that the opinion predated and contributed to their exits. Note too that NSAF documentation warns that the race distribution of TANF recipients differs from benchmark CPS data.

Non-economic Factors in Early Welfare Caseload Declines

they disagreed that a single mother could bring up a child as well as a couple.

These 1999 data are supportive of the hypothesis that parental responsibility for child well-being may enter participation choices directly. However, if this factor contributed to the unexplained 1997 caseload declines, we might expect support in the 1997 NSAF data, as well, but there is none.

Participation rates

During the late 1960s, the rates at which eligible families were participating in welfare increased dramatically, and some of the increase has been attributed to more favorable attitudes towards participation among eligible parents. (Patterson 1994, 178-84; Kaus 1992, 114-15; Teles 1996, 121-2; Weaver 2000, 55-6)

Although reduced stigma also has been suggested as a factor (Moffitt 1983), the caseload surge occurred at the same time the share of the population that thought we were spending too much on welfare was growing. (Teles 1996, 43-52) In fact, opinion polls from the mid-1960s to the mid-1970s indicate that a growing share of the public was becoming concerned about welfare “cheating” as the caseload tripled from 1965 to 1973. (Anderson 1978, 62; Patterson 1994, 172) However, among advocates and program staff, the message was not that the public had a higher opinion of welfare recipients than previously, but that welfare was an entitlement under federal law, that economic rights were necessary to make civil rights meaningful, and that eligibility restrictions enforcing societal norms with obvious moral content, such as “suitable family” and “man-in-

Non-economic Factors in Early Welfare Caseload Declines

the-house” rules, had been abandoned. (Piven and Cloward 1971, Chapter 10; Patterson 1994, 180-1; Melnick 1994, Chap 4; Hecllo 2001)

If stigma or other non-economic factors are behind the unexplained 1997 caseload declines, we would expect corresponding declines in the participation rates of eligibles, who would gain income from participation. And, indeed, analyses of participation rates among eligibles for TANF and the Food Stamp Program find declines for several years after enactment of PRWO. (Cunningham 2002; Zedlewski 2002) Zedlewski reports, “Participation in Aid to Families with Dependent Children, TANF’s precursor, stayed fairly steady at about 85 percent in the 1980s and early 1990s. Just before the 1996 reforms, take-up started to drop. By 1999 (latest available data), just 52 percent of qualifying families participated.”

What happened in the second quarter of 1996?

I’ve argued that early caseload effects and related changes in employment and family formation may evidence changes in stigma or in the ethos of welfare and parental responsibility. Such changes could have preceded enactment of PRWO, but it is not obvious why any effects on AFDC caseloads would accelerate in the second quarter of 1996, as on Figure 1.

Non-economic Factors in Early Welfare Caseload Declines

A final answer to that question is beyond the scope of the present discussion. Basic tenets of the sociology of knowledge may provide a theoretical framework to understand how the emergence and increasing prominence of an elite consensus around ideas of parental responsibility during the run up to enactment of PRWO might lead to increased potency of these ideas. Beliefs about what is and is not the case, as well as what is right and wrong, depend psychologically on a supportive social framework. (Berger and Luckmann 1967; Weaver 2000, 194) The strength and effect of an individual's beliefs and norms are related to whether they are shared and confirmed by peers and by the social institutions that define and enforce expectations.

As noted, both heightened unfavorable attention directed at single parenthood and welfare participation and apparently responsive changes in family structure trends were occurring already in 1994 and 1995. What was different in the Spring of 1996 was that low-income women could see that institutions affecting their lives were going to be changed to reinforce these normative themes of parental responsibility. After highly publicized vetoes of the first two reform bills, a Democratic President and Republican Congress were seen to be about to eliminate the Aid to Families with Dependent Children program believed to promote single-parenting, and replace it with a program of temporary assistance that stressed parental responsibility. Before any family's TANF time limit began, let alone expired, it was broadly evident that the institutional basis of beliefs that non-working parents were entitled to welfare income was crumbling. If changes

Non-economic Factors in Early Welfare Caseload Declines

in stigma or ethos contributed to the 1996 acceleration on Figure 1, we might look for the immediate cause in the interaction of this public process with the content and valence of personal normative views already professed by recipients.

Better measures of non-economic factors in welfare participation decisions

The preceding discussion suffers from a lack of direct measures of non-economic factors as predictors of caseload change. With no direct measures, the argument had to follow a process of elimination. The specification of economic and policy factors here is typical of the econometric literature. But more of the 1997 caseload decline might be explained by economic or policy variables that were specified and measured more completely and accurately. Family formation changes that are consistent with hypotheses about non-economic motivations do not themselves prove such motivations. And while other researchers have found that, after reform, a greater share of eligible families who could benefit economically from participation were not receiving benefits, as would be expected if non-economic factors grew in importance, non-economic factors other than stigma and ethos could be involved.²¹

On the other hand, it seems unlikely that more direct specification of non-economic influences would lead us to conclude that they were limited to 1997.

²¹ Zedlewski (2002) notes that some nonparticipants would be eligible for relatively small benefits, and may find participation not worth the trouble.

Non-economic Factors in Early Welfare Caseload Declines

The first year after enactment of PRWO was the focus of the discussion here because elimination of other explanations was most convincing for 1997 caseload declines. Earlier declines were already over-determined in model 5, and confounded by the collinearity of economic and policy changes. And the arguments that 1997 caseload declines could not be associated with implementation of TANF become less plausible applied to later years. However, so far other analyses have had little success at associating specific TANF policies with large caseload impacts (Grogger, Karoly, and Klerman 2002, 72-3; Blank 2002, 1137-8; Moffitt 2003) while the share of caseload declines not explained by demographic and economic variables on Table 2 grows larger after 1997.

If we wish to distinguish and understand changes in the effects of both economic and non-economic motives on welfare participation, we will have to include both kinds of variables in more datasets. A number of sources of opinions about welfare and parental responsibility were cited here. We have some experience asking about concurrence with norms, such as whether adults should marry before having children, and asking directly for reasons for behavior, such as leaving welfare. The power of *changes* in such responses to explain *changes* in welfare participation remains to be shown. Measurement of non-economic effects would be further complicated if, as some evidence suggests, variation in the salience or relevance of previously held normative views is important, as well as their content.

Non-economic Factors in Early Welfare Caseload Declines

Theory about *how* non-economic factors enter the welfare participation decision must advance as well. If child well-being considerations or other moral reasoning are operative, it is not obvious that they should be conceived, like stigma, as a discount on the value of welfare income. Indeed, from a moral point of view, it may be that utility maximization cannot provide an adequate framework for a structural choice model. If a parent happens not to be altruistic, but chooses to neglect his child in order to satisfy other preferences, from the economic point of view we're left to conclude that there's no accounting for *taste*. From a normative moral point of view, we're apt to conclude that the parent has made a *wrong* choice because the choice he made is not consistent with his parental responsibilities. That kind of assessment is not possible within a utility maximization framework in which the child's well-being enters as an exogenous taste.

Policy implications at stake in these matters cannot be explored here beyond noting that, if the choice between welfare and work is made strictly based on rational economic choice, then economic incentives and disincentives are the policy levers to increase work. If stigma is operative, then policies that increase social and psychological costs of single parenthood and welfare participation would seem to constitute effective tools. If parents respond to information about what promotes or jeopardizes the well-being of their children, then education on

Non-economic Factors in Early Welfare Caseload Declines

these matters, and policies that help them fulfill the responsibilities as parents are indicated.

References:

Administration for Children and Families. 1999. *Temporary Assistance for Needy Families (TANF) Program. Second Annual Report to Congress*. Washington, DC: U.S. Department of Health and Human Services.

Anderson, Martin. 1978. *Welfare*. Stanford, CA: Hoover Institution Press.

Anderson, Patricia M. and Phillip B. Levine. 1999. *Child Care and Mother's Employment Decisions*. National Bureau of Economic Research Working Paper 7058. www.nber.org/papers/w7058.

Baughman, Reagan and Stacy Dickert-Conlin. 2003. "Did Expanding the EITC Promote Motherhood?" *AEA Papers and Proceedings*. 93(2): 247-251.

Bavier, Richard. 2001. "Recent increases in the shares of young children with married mothers." manuscript.

- 2002. "Welfare reform impacts in the SIPP." *Monthly Labor Review*. 125(11): 23-38.

Non-economic Factors in Early Welfare Caseload Declines

Becker, Peter L. 1991. *A Treatise on the Family*, Cambridge, MA: Harvard University Press.

Berger, Peter L. and Thomas Luckmann. 1967. *The Social Construction of Reality*. Garden City, NY: Doubleday and Company, Inc.

Blank, Rebecca M. 2002. "Evaluating Welfare Reform in the United States." *Journal of Economic Literature*. XL: 1105-1166.

Cherlin, Andrew, Ronald Angel, Linda Burton, P. Lindsay Chase-Lansdale, Rebekah Levine, Robert Moffitt, James Quane, and William Julius Wilson. 2000. "What welfare recipients know about the new rules and what they have to say about them." *Welfare, Children, and Families, A Three City Study*, Policy Brief 00-1. Baltimore, MD: Johns Hopkins University.

Committee on Ways and Means, U.S. House of Representatives. 1998. *1998 Green Book, Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means*. WMCP: 105-7.

Cunyngham, Karen. 2002. "Trends in Food Stamp Participation Rates: 1994-2000." Washington, DC: Mathematica Policy Research.

Non-economic Factors in Early Welfare Caseload Declines

Edin, Kathryn, and Laura Lein. 1997. *Making Ends Meet, How Single Mothers Survive Welfare and Low-Wage Work*. New York, NY: Russell Sage Foundation.

Etzioni, Amitai. 1988. *The Moral Dimension, Toward a New Economics*. New York, NY: The Free Press.

Farkas, Steve, and Jean Johnson. 1996. *The Values We Live By: What Americans Want from Welfare Reform*. New York, NY: Public Agenda Foundation.

Federal Interagency Forum on Child and Family Statistics. 2003. *America's Children, Key National Indicators of Well-Being, 2003*. Washington, DC.: U.S. Government Printing Office.

Fields, Jason, and Lynne M. Casper. 2001. "America's Families and Living Arrangements." Current Population Reports. P20-537. Washington, DC: U.S. Government Printing Office.

Fitzgerald, John M., and David C. Ribar. 2003. "Transitions in Welfare Participation and Female Headship." Institute for Research on Poverty. Discussion Paper No. 1275-03.

Frankena, William K. 1963. *Ethics*. Englewood Cliffs, NJ: Prentice Hall.

Non-economic Factors in Early Welfare Caseload Declines

Grogger, Jeffrey. 2000. "Time Limits and Welfare Use." National Bureau of Economic Research Working Paper Number 7709 and forthcoming in *The Journal of Human Resources*.

- 2002a. "The Effects of Time Limits, the EITC, and Other Policy Changes on Welfare Use, Work, and Income Among Female-Headed Families." *Review of Economics and Statistics*. 85: 394-408

- 2002b. "The Behavioral Effects of Time Limits." *American Economic Review*, 92(2): 385-89.

- 2003. "Welfare Transitions in the 1990s: The Economy, Welfare Policy, and the EITC." manuscript.

Grogger, Jeffrey, Lynn A. Karoly, and Jacob Alex Klerman. 2002. *Consequences of Welfare Reform: A Research Synthesis*. Washington, DC: Administration for Children and Families.

Grogger, Jeffrey, Steven J. Haider, and Jacob Alex Klerman. 2003. "Why Did the Welfare Rolls Fall During the 1990s? The Importance of Entry." DRU-3004, Santa Monica, CA: RAND.

Non-economic Factors in Early Welfare Caseload Declines

Government Accounting Office. 2000. "Welfare Reform, State Sanction Policies and Number of Families Affected." GAO/HHES-00-44. Washington, DC.

Gueron, Judith M. and Edward Pauly. 1991. *From Welfare to Work*. New York: Russell Sage Foundation.

Haider, Steven J., and Jacob Alex Klerman. 2002. "Dynamic Properties of the Welfare Caseload." DRU-3005. Santa Monica, CA:RAND.

Hausman, Daniel M. and Michael S. McPherson. 1993. "Taking Ethics Seriously: Economics and Contemporary Moral Philosophy." *Journal of Economic Literature*. XXXI(2): 671-731.

Heclo, Hugh. 1994. "Poverty Politics," in *Confronting Poverty, Prescriptions for Change*. Sheldon H. Danziger, Gary D. Sandefur, and Daniel H. Weinberg (eds). New York: Russell Sage Foundation. 396-437,

- 2001. "The Politics of Welfare Reform," in *The New World of Welfare*, Rebecca Blank and Ron Haskins (eds). Washington, DC: The Brookings Institution. 169-200.

Non-economic Factors in Early Welfare Caseload Declines

Hotz, V. Joseph, Charles H. Mullin, and John Karl Scholz. 2001. "The Earned Income Tax Credit and Labor Market Participation of Families on Welfare." Joint Center for Research on Poverty Working Paper 214. www.jcpr.org.

Kaus, Mickey. 1992. *The End of Equality*. New York, NY: Basic Books.

Loprest, Pamela. 1999. *Families Who Left Welfare: Who Are They and How Are They Doing?* Assessing the New Federalism Discussion Paper 99-02. Washington, DC: The Urban Institute.

Maloy, Kathleen A., LaDonna A. Pavetti, Peter Shin, Julie Darnell, and Lea Scarpulla. 1998. *Description and Assessment of State Approaches to Diversion Programs and Activities Under Welfare Reform, An Interim Report of the Findings of the First Phase of the Research*. Washington, DC: U.S. Department of Health and Human Services.

Melnick, R. Shep. 1994. *Between the Lines, Interpreting Welfare Rights*.

Washington, DC: Brookings Institution Press.

Meyer, Bruce D. and Dan T. Rosenbaum. 2001. "Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers." *Quarterly Journal of Economics*. 116(3): 1063-1114.

Non-economic Factors in Early Welfare Caseload Declines

Milbourn, Gordon C. 2003. "Taxpayers Were Assessed Additional Tax for Advance Earned Income Tax Credit Payments Not Received." Reference Number: 2003-40-126. Washington, DC: U.S. Department of the Treasury.

Moffitt, Robert. 1983. "An economic model of welfare stigma." *American Economic Review*. 73(5): 1023-1035.

- 2003. "The Role of Non-Financial Factors in Exit and Entry in the TANF Program," *Welfare, Children, and Families: A Three-City Study*. Working Paper 0302. www.jhu.edu/~welfare.

Patterson, James T. 1994. *America's Struggle Against Poverty, 1900-1994*. Cambridge, MA: Harvard University Press.

Piven, Frances Fox, and Richard A. Cloward. 1971. *Regulating the Poor, The Functions of Public Welfare*. New York, NY: Vintage Books.

Spratley, Ernell, and Selma Taffel. 1981. *Interval Between Births: United States, 1970-77*. Vital and Health Statistics, Series 21. (PHS) 81-1917. Washington, DC: National Center for Health Statistics.

Teles, Steven M. 1996. *Whose Welfare? AFDC and Elite Politics*. Lawrence, KS: University of Kansas Press.

Non-economic Factors in Early Welfare Caseload Declines

Thornton, Arland, and Linda Young-DeMarco. 2001. "Four Decades of Trends in Attitudes Toward Family Issues in the United States: The 1960s Through the 1970s." *Journal of Marriage and the Family*. 63: 1009-1037.

U.S. Bureau of the Census. 1985. *Marital Status and Living Arrangements, March 1984*. Current Population Reports, P-20, No.399. Washington, DC.

U.S. Bureau of the Census. 1989. *Money Income and Poverty Status in the United States: 1988*. Current Population Reports, P60, No.166. Washington, DC.

Ventura, Stephanie J. and Christine A. Bachrach. 2000. *Nonmarital Childbearing in the United States, 1940-99*. National Vital Statistics Reports 49. Hyattsville, MD: National Center for Health Statistics.

Veroff, Joseph, Elizabeth Douvan, and Richard A. Kulka. 1981. *The Inner American, A Self-Portrait from 1957-1976*. New York, NY: Basic Books.

Weaver, R. Kent, Robert Y. Shapiro, and Lawrence Jacobs. 1995. "The Polls – Trends, Welfare." *Public Opinion Quarterly*. 59:606-627.

Weaver, R. Kent. 2000. *Ending Welfare as We Know It*. Washington, DC: Brookings Institution Press.

Non-economic Factors in Early Welfare Caseload Declines

Wertheimer, Richard, Melissa Long, and Sharon Vandivere. 2002. *Welfare Recipients' Attitudes Towards Welfare, Non-Marital Childbearing, and Work: Implications for Reform? Assessing the New Federalism*. Brief B-37. Washington, DC: The Urban Institute.

Zedlewski, Sheila. 2002. *Left Behind or Staying Away? Eligible Parents Who Remain Off TANF*. Assessing the New Federalism. Brief B-51. Washington, DC: The Urban Institute.