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Using data from the 1969 to 1993 Panel Study of Income Dynamics, this article examines a number of models to determine the characteristics of AFDC recipients who fare well economically after they initially leave the welfare system. The study includes analyses of income levels, time spent employed and not employed, and time spent below the poverty line. Hypotheses regarding state welfare payments, area economic conditions, human capital and time spent receiving welfare are examined. The findings indicate that area employment conditions and the ability to quickly find work greatly affect the likelihood of faring well economically after welfare. We found that time spent receiving welfare had some small negative effects on post-welfare economic outcomes. However, former welfare recipients living in states with more generous welfare payments are as likely to work, to not use welfare, and are generally as well off as those living in states with less generous welfare payments. These results indicate that high welfare benefit levels may not be a disincentive to work. The findings also indicate that women who have little job experience, who lack education, and who have many or more children after AFDC, fare economically worse than others.

With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), welfare recipients will be expected to work far more than in the previous 60 year history of the Aid to Families with Dependent Children (AFDC) program. States will soon have the choice of either enforcing work requirements for welfare recipients, including specifications that 50 percent of all welfare recipients are involved in work related activities by 2002, or lose at least part of their Federal block grant funds for welfare. These provisions, as well as the newly imposed

five year limit on welfare receipt, will ensure that a far larger number of welfare or former welfare recipients will participate in the labor force.

While most recipients will be limited in the number of years that they may receive welfare, Federal and state governments are not guaranteeing jobs for the newly ineligible. This may mean that even during periods of economic prosperity that some former recipients will not be able to secure work; they will have to somehow find the means to support their families without the benefits of public assistance and without assured public employment. Many may be forced to live below the meagre income levels that they had while receiving welfare (Holzer and Danziger, 1998).

Contrary to this position, critics of welfare claim that decreased public benefits will both render welfare less attractive and increase the work efforts of former AFDC recipients (Hernnstein and Murray, 1994; Mead, 1986). This may mean higher standards of living for former recipients as their hours of work and earnings increase. As fewer families receive welfare, fewer children will grow up in a welfare "culture" (Lewis, 1968), which will result in a lower need for welfare in the future.

While considerable research has examined the predictors of exiting AFDC either on a yearly basis (Bane and Ellwood 1994; Ellwood 1986; O'Neill, Bassi, and Wolf 1987; Vartanian 1997) or on a monthly basis (Blank 1989; Fitzgerald 1991; Gleason, Rangarajan, and Schochet, 1998), little research has been conducted on how AFDC recipients fare in the job market after they no longer receive AFDC income (Danziger and Lehman, 1996; Harris, 1996; Meyer and Cancian, 1998). Are former recipients able to remain independent, and if they are, by what means do they achieve independence? Previous studies have found that approximately 60 percent of former recipients work after welfare but that more than 40 percent remain poor five years after they leave AFDC (Meyer and Cancian, 1998). Returning to welfare after an initial exit is common. Ellwood (1986) found that recidivism rates ranged from 34 to over 40 percent while Harris (1996) found these rates to be 11 percent within the first six months after welfare, 12 percent between months seven and twelve, and 15 percent between months 19 and 24. These returns to welfare were far higher for women who exited AFDC by means other than marriage or work.

Although some research examines welfare recipients after they leave welfare, little is known about the types of jobs that former recipients take upon exit. Little is also known about how long they are able to maintain these jobs, how much time they spend unemployed or out of the workforce, how much cash assistance they receive after initially leaving welfare, and the predictors of all these outcomes. This article will begin to address these issues. The study will also help determine the importance of quickly securing work after welfare rather than waiting a period of time. It will seek to establish the ability of former recipients to sustain employment. Finally, it will point out family, personal and economic circumstances that may hinder financial independence. By better understanding which former recipients are at risk of doing poorly as well as which are positioned to do well, we can begin to consider ways to effectively monitor and respond to recent welfare reforms that require work and impose time limits on recipients.

CONCEPTUAL FRAMEWORK

A general utility maximizing theory based on marginal costs and benefits is used as the conceptual framework for this article. Relating this theory to women on welfare is a relatively straight-forward process. Women receiving welfare must make decisions about whether or not they will continue to receive welfare, find employment, find a partner who works, or do some combination of these. Once they find employment, they must continually make similar decisions so as to determine whether they will maintain their jobs. Firms who hire former welfare recipients must also make decisions about whether to hire welfare recipients, and if they do, whether or not to keep them within their workforce. These decisions will be based on the marginal productivity of the laborer, which in turn will be determined by her ability to learn the skills of the position and her desire to work. The welfare recipient's decisions on work or welfare will be based, in part, on the following considerations: the generosity of the welfare payment in the state in which she lives, the number and ages of children she must support, any child support payments made by absent fathers, income earned by others in the household, the

availability of work for which she is qualified, the wage rate which she is able to obtain, and the costs of work (e.g., transportation, child care). Some of these outcomes, such as the wage rate and the likelihood of finding work, may be determined, in part, by the former recipients' level of human capital (Becker, 1993).

All else being equal, the benefits of work will be lower in states where welfare income is relatively high compared to states where benefits are low. However, because many recipients feel a stigma attached to welfare receipt, the actual value of these payments may be lower than the dollar amount given (Rank and Hirshl 1988). Hence, work, marriage or cohabitational rates may be higher than expected by simply examining welfare benefits versus earnings potential or the earnings potential of a spouse. Critics of the AFDC system (Glazer 1988; Murray 1984; Murray and Hernnstein 1994) argue that the likelihood of poverty and welfare use increases as welfare benefits increase. They also argue that the likelihood of employment decreases as welfare benefits rise. These negative effects are said to be due to the work disincentive of the AFDC system. Others, such as Schram (1991, 1995), argue that higher welfare benefits may decrease the likelihood of poverty by giving recipients the necessary resources (i.e. money) to help them find work and thereby increase their earnings. It is argued that welfare recipients living in low-paying states may not have the initial resources to find work since they lack extra money once food and other life essentials are purchased. Thus, paying for transportation and child care services to find work may not be feasible for those living in states where welfare payments are relatively low.

The number and ages of children may also have ambivalent influences on work/welfare decisions. On the one hand, more children within the household may increase market work by adults in that household since the material needs of the family are greater. On the other hand, nurturing needs may also be higher with many children or with younger children, which may impede market work effort by former recipients.

The availability and stability of jobs and the costs of obtaining and maintaining work will also influence a former recipient's decision about the amount of her market work (Edin and Lein, 1997). Living within highly concentrated areas of poverty or areas

of high unemployment may increase the costs of finding and sustaining work and may therefore lead to a greater amount of welfare use and lower amounts of market work (Popkin, Rosenbaum and Meaden, 1993; Wilson 1987). Since unemployment rates are far higher for low-skilled laborers than for higher skilled laborers, these costs may be especially high for the poorly trained. Since many low-skilled jobs have moved out of the largest U.S. cities (Kasarda, 1989) and because a majority of former welfare recipients have a high school diploma or less (Vartanian, 1997), these conditions may severely hamper the decision to work. Clearly, individuals may have little decision to make if the wages that they can earn are relatively low and the costs of work are extraordinarily high. A lack of job contacts within their area of residence (due to low labor force participation rates), high transportation costs or a lack of knowledge of the process of finding work may contribute to the high information costs and to the overall high costs of finding work.

Spending a considerable amount of time on welfare may also increase the costs of finding work. Those who have been on welfare for a relatively long time may have experienced an erosion in their labor and job search skills if they have not worked or worked very little while on welfare. They may thus be less likely to have the skills necessary to find and maintain work than those who have recently been in the labor market. Many studies have found that time on welfare does not hinder the likelihood of exiting the welfare system (Bane and Ellwood 1994; Blank 1989; Vartanian 1997) . It is unclear, however, whether the effect of long-term welfare receipt decreases work rates, increases welfare recidivism rates, or increases poverty rates of former recipients.

HYPOTHESES

From this conceptual framework, several hypotheses emerge. The first hypothesis examines the relationship between state welfare payment levels, work and other economic outcomes. In other words, we will test to determine if there is support for the hypothesis that high welfare benefits increase dependence on the welfare system after a recipient initially leaves welfare. If there is support for this hypothesis, then decreasing benefit levels should also decrease dependence on the welfare system. Conversely, if evidence

is found that former recipients in more generous welfare paying states fare better economically than those in less generous states, then maintaining or increasing benefit levels should not cause greater dependence on welfare income or may act to diminish dependence on welfare.

A second hypothesis examines the effects of length of time on welfare to determine if former welfare recipients are hurt in the job market by staying on welfare for relatively long periods of time. In other words, will limiting time on welfare (as the Temporary Assistance for Needy Families (TANF) mandates) increase the likelihood of avoiding poverty after welfare? If time on welfare shows a positive relationship with poverty status (or shows particular relationships with other outcome variables), this may indicate that those who have long welfare spells may be ill prepared for the job market once they exit AFDC. Likewise, time spent not employed after welfare is also examined so as to determine if relatively long periods of time out of the workforce lead to precipitously lower economic outcomes.

A third hypothesis evaluates the relationship between overall economic conditions and the economic outcomes of former welfare recipients. Area unemployment rates will be examined to determine whether former recipients are negatively affected by relatively high unemployment rates. This analysis will indicate to state administrators whether economic conditions have positive or negative effects on work related activities for former recipients. Because Kasarda (1989) has shown that highly urbanized areas have lost many low-skilled jobs while areas outside of urbanized areas have gained low-skilled jobs, area of residence will also be examined. If these effects are shown to be detrimental and strong, state and federal lawmakers may need to take economic conditions into account before limiting time available for welfare receipt.

A fourth hypothesis examines factors of human capital, including level of education and work experience, and their effects on economic and labor market outcomes. In this model, it is expected that those women who have greater levels of human capital will fare better economically than those with less. If these human capital effects are found to be strong, and since AFDC recipients have been shown to possess little human capital (Bane

and Ellwood, 1994; Vartanian, 1997) greater job training may be necessary to improve the economic outcomes of former recipients.

DATA AND KEY VARIABLES

Dependent Variables

The data used for this study comes from the Panel Study of Income Dynamics (PSID). The PSID will be used to examine six dependent variables, all determined after an initial AFDC spell. These dependent variables are: income relative to the poverty line, AFDC income, the percentage of time on AFDC, the percentage of time below the poverty line, the percentage of income derived from transfer payments, and the percentage of time not employed. These dependent variables will allow for a fairly complete picture of how former welfare recipients fare economically.

To determine whether recipients continue to use AFDC after they initially leave the system, AFDC income is measured. Because state welfare payments differ by large amounts, having high AFDC income does not necessarily mean that recipients stay on welfare for an extended period of time. Receiving high levels of AFDC income may mean, however, that families are highly dependent on welfare income, at least for a short period of time. In order to determine how much time is spent using AFDC, the percentage of time on AFDC is also measured. These results will indicate if such factors as state welfare payments and area unemployment rates are associated with time spent on welfare after an initial AFDC exit.

Other dependent variables include the percentage of income from transfer payments, which will indicate which recipients are and are not relatively dependent on public assistance after they leave AFDC, income relative to the poverty line and the percentage of time spent below the poverty line. Income relative to the poverty line will indicate the overall economic status of groups but may hide those who spend much of their time below the poverty line. This may be due to high levels of income of some former recipients which will increase the mean income levels for the group. Time spent below the poverty line gives a picture of which groups are doing poorly for extended periods of time after welfare.

Independent Variables

The key independent variables in the study are drawn from the theory described above or from past research on the AFDC population. Each of the statistical models uses the same general set of independent variables. The first set of these variables are welfare related variables, including the number of years receiving AFDC and the maximum state welfare payment in the years after welfare (Bane and Ellwood, 1994; Blank, 1989; O'Neill, Bassi and Wolf, 1987; Vartanian, 1997). In order to replicate Harris (1996), we will also consider the influence of AFDC exit type (marriage, increased earnings, other type) on work related outcomes. Type of exit may be an important indicator of who may be the most in need of government assistance after the newly imposed five year time limits. Those who exit AFDC by means other than marriage or increased earnings have been shown to be the least likely to exit AFDC within five years.[1] As the PRWORA legislation is likely to lead to more exits unrelated to marriage or increased earnings, this factor is of particular interest within the current policy framework

A second set of variables examines the effects of economic conditions, education and work experience before the former re-cipient first receives welfare and the types of jobs that the recipient obtains after welfare on work related and economic outcomes after welfare. These variables include the county unemployment rate; a set of dummy variables for occupation of the former recip-ient taken in the first year after welfare, with clerical workers as the excluded category; and level of education, with high school dropout as the excluded category. Most research on AFDC re-cipients has found that unemployment and education variables play a significant role in determining AFDC status (Blank, 1989; Vartanian, 1997).

Area of residence (urban versus non-urban) is used in the analysis because past research has found that welfare residents in highly urbanized areas have lower AFDC exit probabilities (Fitzgerald, 1995; Rank and Hirschl, 1993; Vartanian, 1997, 1999), especially for low-skilled workers (Holtzer and Danziger, 1998). Also controlled is region of the country (South, North Central, West, and the excluded category of Northeast). We also control

for the median state income levels after welfare, because many states that have high welfare payments also have relatively high income levels. We will control for the effects of state income to get a better picture of the effects of welfare payments within the state.[2]

Personal variables, such as age, race, number of children, whether the former recipient is the head of household, marital status, and the birth of a child, are also controlled in the models. Again, many of these variables have been shown to affect AFDC spell length and exit type and may affect economic outcomes after welfare. Including these variables within the models will give a clearer picture of which recipients do well economically after welfare and which do not.

Data

The PSID is a longitudinal data set that currently spans the years 1968 to 1993. In 1968, there were approximately 5,000 families in the data and 18,000 individuals. By 1993, the data contained over 7,000 families and 29,000 individuals. The data contains detailed information on income sources, family structure, and employment situations. The PSID oversampled poor households in order to obtain relatively large sample sizes for these households. It therefore uses weights in order to make the sample representative of the U.S. population.

From the PSID data set, a subsample of women were selected for this study who had spells on AFDC. These spells are determined by examining single mother heads of household who have at least one child and who receive more than $250 (1978 dollars) in AFDC income for the year.[3] Those who continue to receive welfare in excess of the $250 will add another year onto their spell. Spells end when the woman no longer receives enough AFDC income for the year to qualify as a year on AFDC. How the recipient left welfare is then determined in the following order: through marriage, through increased earnings, or through other means. The spell concept was used to determine the length of AFDC spells, and once a spell ended, exit types, to see if these variables were predictors within the models examined. Also, only first spells were used in the analysis, or information after the initially observed spell, so as to maintain independence of the observations.

For the transfer payment, AFDC income, income relative to the poverty line, and percentage of time under the poverty line models, PSID data was taken from years 1969 to 1993. Once an initial AFDC spell ended, a four year period was examined to determine how the AFDC recipient fared during this period. Thus, the last spell ending was in 1989 so that a full four year period could be included.

There were a total of 758 welfare recipients who finished a welfare spell between 1969 and 1989. All left censored cases (or AFDC spells that were already in progress in 1968) were excluded from the analysis because information could not be obtained as to the length of these spells (see Alison, 1984).

In 1984, the PSID began tracking some data for heads of households on a monthly basis. Two of these monthly variables, AFDC status and labor force status, are used in the models examining percentage of time receiving AFDC, and percentage of time not employed. For models examining the percentage of time on welfare and the percentage of time unemployed or out of the labor force, there were a total of 260 observations. These data are from years 1984 to 1993, and again cover four year periods after an AFDC recipient's initial welfare spell ends.

METHODOLOGY

The dependent variables in the study fall into two categories, and are examined using two types of analyses. In the first set of models, we examine income variables, including AFDC income and income relative to the poverty line over the four year period after recipients leave welfare using ordinary least squares regression. Ordinary least squares models are also estimated for the average AFDC income and the average income relative to the poverty line over the four year period.

The second set of models use tobit equations to examine the percentage of time spent in particular states. The dependent variables in these models are the percentage of time that former recipients use AFDC, are nonemployed, the percentage of income from transfer payments, and the percentage of time that the family has income below the poverty line over the four year period after welfare. These estimates are made for all former recipients and for

recipients who were ever in the particular condition. This means that we can determine the percentage of time spent below the poverty line for all former AFDC recipients and for that group that ever spends time below the poverty line. Tobit models are used because of censoring and truncation within the data (McDonald and Moffit, 1980). For example, many of the AFDC recipients receive no AFDC income after their initially observed spell on AFDC, and therefore many have values of zero for the percentage of time on welfare. Also, some former recipients are poor for the entire period after welfare but by definition the percentage of time below the poverty line is not allowed to go above 100 percent. The tobit model is able to allow for these truncations. The tobit model takes the following form:

$$y_t = X_t\beta + \mu_t \quad \quad if \ X_t\beta > 0$$
$$y_t = 0 \quad \quad \quad \quad \quad if \ X_t\beta + \mu_t \leq 0$$

RESULTS

Descriptive Statistics

Table 1 gives a first look at the percentage of cases with particular conditions at different time periods after initially exiting welfare. (The means and standard deviations of all of the variables are given in the appendix, Table A1.) These time periods are in the first year after exiting AFDC, then at 2, 3 and 4 years after initially exiting AFDC. The first part of the table indicates the percentage of former AFDC recipients with particular levels of income at the different time periods after AFDC. Table 1 indicates that 13.3 percent of the cases and under one-third (30.2%) of the cases have income at less than half the poverty line, and above half the poverty line but below the poverty line, respectively, in the first year after AFDC. By year four after AFDC, over 12 percent of former recipients are below half the poverty line, and around 38 percent are below the poverty line.

We then break down personal income by hours of work and wages. Around one-fifth to one-quarter of former AFDC recipients do not work in any one of the periods examined following an AFDC exit. This percentage is lowest right after exit, then

Table 1

Conditions of Former AFDC Recipients in Periods After Initially Exiting AFDC, in Percentages

	1st Year After AFDC	2nd Year After AFDC	3rd Year After AFDC	4th Year After AFDC
Income Relative to the Poverty Line				
Less than Half the Poverty Line	13.2	12.8	11.4	12.4
Between Half but Below Poverty	30.2	26.9	30.2	25.7
At or Above Poverty but Less than 1.5 times the Poverty Line	24.7	24.7	23.3	22.6
Above 1.5 times the Poverty Line	31.9	35.5	35.1	39.3
Hours of Work				
0	21.3	22.7	26.8	24.5
1–10	16.6	13.5	17.1	16.9
11–20	9.8	11.4	10.5	11.1
21–34	22.8	18.9	15.0	15.4
35 and Over	28.3	32.6	30.6	32.1

Wages

<= $5 Hour	27.4	31.8	30.0	23.1
5<Wage<=8	31.9	24.7	30.2	35.6
8<Wage<=11	24.7	26.6	18.7	20.6
Wage>11	15.9	18.8	21.1	20.7
Percent Working 20+ Hours and Earning $8+/hr	24.5	25.2	21.2	21.6
Percent Working 35+ Hours and Earning $8+/hr	13.5	16.0	13.7	15.9

Other Characteristics

Married	30.8	33.3	34.0	34.5
AFDC Income	4.9	21.4	19.7	17.9
Transfer Income as a Percent of Total Income	20.9	19.6	20.8	20.1

Source: Tabulated by the authors from the Panel Study of Income Dynamics, 1969–1993. All dollar figures are in 1994 dollars.

increases gradually until year four, when 24.5 percent of former recipients work zero hours. Around 25 to 30 percent of former recipients work between 1 and 20 hours per week in any of the periods examined, while roughly 15 to 23 percent work between 21 and 34 hours. Almost one-third of former recipients work full time, or 35 or more hours per week. This figure increases slightly from the first year after welfare to years 2 and beyond. Table A.1 indicates that the average yearly number of hours of work after welfare is 1114.26 for former recipients who work.

The wage breakdowns indicate that most former recipients earn under $8 per hour (in 1994 dollars) in any year after initially leaving AFDC. The percentage earning below $5 an hour increases from year 1 to year 2, then decreases to 23.1 percent by year 4. Those earning over $11 an hour increases from around 15 percent in year 1 to almost 21 percent in year 4. Table A.1 indicates that the average wage for those who work is $7.74. Median wages for those who work after welfare are $6.97.

We also examined the likelihoods of working either 20 or more or 35 or more hours per week at a wage of $8 or higher at different periods after welfare. Edin and Lein (1997) note that making at least $8 an hour is necessary for a single mother with children to maintain work and family. We find that a relatively small proportion of former recipients meet this criteria or the lower criteria of working 20 or more hours at $8 or more per hour. Table 1 shows that around one-fifth to one-quarter of former recipients work 20 or more hours at $8 or more per hour and around 13 to 16 percent get paid this wage at 35 or more hours per week.

We found that a relatively stable proportion of former recipients are married from year 1 to year 4. Roughly one-third of former recipients are married in the four year period after they initially leave welfare. Roughly 20 percent of family income is derived through transfer payments after AFDC, while a slightly decreasing proportion of former recipients receive AFDC payments from years 2 to 4.

Estimates of Transfer Income as a Percentage of Total Income, AFDC Income and Income Relative to the Poverty Line

Table 2 shows estimates of transfer income as a percentage of total income, AFDC income and income relative to the poverty

line for former welfare recipients for the four year period after initially leaving welfare (see Table A.2 for the coefficient estimates). These results indicate that the welfare related variables, economic conditions of their area of residence, and personal employment situations make a relatively large difference in the three dependent variables examined. For example, former recipients living in states with relatively high welfare payments have higher AFDC income and higher overall income levels relative to recipients living in states with relatively low payment levels. The mean average income relative to the poverty line for those living in high paying welfare states is around one-fifth of one needs standard higher relative to those living in low-paying welfare states. This may be due, in part, to the higher level of AFDC income for those in the higher paying states. These results indicate that former recipients in higher paying states are financially better off than those in lower paying states. Some of this may be due to better job opportunities, and thus higher wages, in higher paying states, and some may be due to the higher levels of work effort by former recipients living in more generous states. Hence, relatively high benefit levels do not decrease the standard of living for former recipients.

We examine if these results change when we use state fixed effects models. Our results (not shown) indicate that state welfare payments no longer affect income relative to the poverty line, but that AFDC income is still affected by state welfare payments. Whether this effect is due to simply having higher payments or because those in high welfare paying states spend more post-welfare time receiving AFDC is investigated in the next section of the paper.

AFDC spell length has a negative, though small, effect on income relative to the poverty line. Those who spend seven years on welfare have income that is, on average, around 5.5 percent lower and transfer income relative to total income that is 16 percent higher, than those who spend only one year on welfare. In other words, spending a long period of time on welfare has some detrimental consequences on economic outcomes, but these effects are not particularly large, especially the effect on total income. Those who either marry or increase their earnings and exit AFDC, however, have a higher average income relative to the

Table 2

Estimates of Transfer Income Relative to Total Income, Average AFDC Income and Average Income-to-Needs For a Four Year Period After Initially Exiting Welfare: 1969–1993

Variable	Estimate of Transfer Income as a Percentage of Total Income		Estimate of Average Yearly AFDC Income		Estimate of Average Income Relative to the Poverty Line	
	Sig Level	N=758 Mean	Sig Level	N=758 Mean	Sig Level	N=758 Mean
Overall		.22		696.51		1.41
Personal Variables						
White	O.C.	.22	O.C.	776.39	O.C.	1.46
Black		.21		626.10	**	1.34
Races Other than B/W		.17		413.56		1.40
Age=20	***	.15		838.77		1.42
Age=40	***	.24		608.12		1.40
Never Married		.21	***	886.50	***	1.30
Married/Divorced/Sep/Widow	O.C.	.21	O.C.	609.62	O.C.	1.46
Child Under Age 6		.20		641.32		1.38
No Children Under Age 6		.22		773.18		1.45
New Born Child		.23	***	1105.39	***	1.37
No New Born Child	O.C.	.20	O.C.	524.15	O.C.	1.43
Number of Children=Low	***	.20	***	154.61	***	1.71
Number of Children=High	***	.23	***	990.43	***	1.25

Head of HH All Years	***	.23	***	905.10	***	1.21
Non-Head of HH All Years	***	.18	***	466.16	O.C.	1.63
Work-Related, Education and Economic Condition Variables						
Avg. Work Exper Before Welfare=0 Hours	***	.24		782.55	***	1.27
Avg. Work Exper Before Welfare=1000 Hours	***	.19		651.25	***	1.48
Occ=Clerical 1 Yr After Welfare	O.C.	.19	O.C.	336.00	O.C.	1.50
Occ=Prof 1 Yr After Welfare		.22	**	0	**	2.02
Occ=Manager 1 Yr After Welfare		.17		636.67		1.69
Occ=Craft 1 Yr After Welfare	*	.11		138.84		1.60
Occ=Operator 1 Yr After Welfare		.19	*	740.42		1.59
Occ=Laborer 1 Yr After Welfare	***	.13	***	702.00	***	1.30
Occ=None 1 Yr After Welfare	***	.28	***	1024.94	***	1.29
Co. Unemploy Rate 1 SD Below Mean		.22	***	472.22	***	1.52
Co. Unemploy Rate 1 SD Above Mean		.20	***	982.26	***	1.27
High School Dropout	O.C.	.21	O.C.	730.25	O.C.	1.17
High School Grad		.21		631.46	***	1.39
Some College		.20		1032.47		1.25
College Grad				1221.95	**	1.48

continued

Table 2, Continued

Variable	Estimate of Transfer Income as a Percentage of Total Income		Estimate of Average Yearly AFDC Income		Estimate of Average Income Relative to the Poverty Line	
	Sig Level	N=758 Mean	Sig Level	N=758 Mean	Sig Level	N=758 Mean
Welfare-Related Variables						
Welfare Payment in State is 1 SD Below the Mean		.21	***	405.97	*	1.31
Welfare Payment in State is 1 SD Above the Mean		.21	***	1032.27	*	1.53
Marriage Exit from AFDC	***	.19		782.09	***	1.53
Earnings Exit from AFDC	***	.18		608.56	***	1.45
Other Exit from AFDC	O.C.	.28	O.C.	775.10	O.C.	1.19
Spell on AFDC= 1 Year	*	.22		755.18	***	1.45
Spell on AFDC= 7 Years	*	.19		644.49	***	1.37
Residential Location Variables						
Reside in Non-Metropolitan Area	O.C.	.20	O.C.	426.55	O.C.	1.40
Reside in Metropolitan Area		.22	***	964.87	*	1.42

Note: All dollar figures are in 1994 dollars.
O.C.=Omitted Category. *=p<.10, **=p<.05, ***=p<.01, all for two-tailed tests.

poverty line and lower transfer income relative to total income than those who exit via other means.

While the unemployment rate within the area of residence does not affect the percentage of transfer income relative to total income, it has relatively large effects on the amount of AFDC income and overall income. Those living in areas with an un-employment rate of around 11% (one standard deviation above the mean) have, on average, AFDC incomes of $982 while those living in areas where the unemployment rate is around 6% (one standard deviation below the mean) have average AFDC income of $472; those living in high unemployment areas on average have income which is 27% above the poverty line while those in low unemployment areas have incomes at 52% above the poverty line.

The types of jobs that recipients take do affect their transfer income relative to total income, their income and their AFDC income. For the transfer income model, those who are in crafts or are laborers, have somewhat lower levels of transfers relative to total income, and those who have no job in the first year after welfare have substantially higher levels of transfers relative to total income than those in clerical positions. Laborers, however, and those who do not work in the first year after welfare have higher average AFDC income and lower total income than do clerical workers. Only those who are professionals in the first year after AFDC have lower AFDC income and substantially higher overall income levels than do those in clerical positions.

Work experience before welfare has significant effects on transfer income relative to total income and overall income levels, while those who earn their way off welfare have significantly lower transfer to total income and higher total income levels relative to the poverty line than women who exit via other means. Other human capital measures such as education also affect in-come to poverty in a favorable direction. Those women with a high school or college diploma have significantly higher income than those women without a high school diploma. Also, living in large metropolitan areas affects AFDC income. Women living in metropolitan areas receive significantly more AFDC income on average than women living outside of these areas: $964.87 versus $426.55. This may be due to the lack of job opportunities within these areas for relatively low skilled workers (Kasarda

1989) or a lack of welfare stigma in more urbanized areas. Thus, women with greater levels of work experience and education, who are able to get jobs in the first year after welfare, who live outside of metropolitan areas and in areas with a relatively low unemployment rate fare economically better than those recipients without these characteristics.

A number of personal variables make a large difference in the living standards of former AFDC recipients. Perhaps the first among these is having relatively few children within the household. Women with few children in the first four years after initially exiting AFDC have higher income levels, receive less AFDC income and generally have lower levels of transfer income than women with many children. Those women who have new born children receive more AFDC income and have lower levels of income relative to their needs than those who do not. Those women who are heads of household for all years after their initial welfare exit use more government assistance and have income at a far lower level than women who are not heads for all years. Not surprisingly, these results indicate that having relatively few children, not having new children and living with a spouse decrease AFDC income and/or increase income relative to the poverty line after an initial AFDC exit.

Estimates of Time spent on AFDC, Nonemployed and Below the Poverty Line

Table 3 gives the estimates of the percentage of time spent using AFDC, being nonemployed, and being below the poverty line (see table A3 for the coefficient estimates). Estimates from the tobit models were used to determine these figures. The first column number gives the percentage of time spent in the particular state for all former recipients. The second column excludes those individuals who have not received any AFDC. Unlike the results for table 2, the results for the AFDC and nonemployment models are from monthly data from 1984 to 1993, while the percentage of time in poverty results use all PSID years.

The results shown in table 3 mostly confirm what has been presented in the previous sections of this paper. First, the level of welfare payments in the state has a negative effect on time in poverty and no effect on percentage of time receiving AFDC or

Table 3

Estimates of Percentage of Time Spent Receiving AFDC, Percentage of Time Unemployed/Out of the Labor Force, and Percentage of Time with Income Below the Poverty Line, For a Four Year Period After Initially Exiting Welfare: 1984–1993, and 1969–1993.

Variable	Percentage of Time Receiving AFDC			Percentage of Time Nonemployed			Percentage of Time in Poverty		
	N=290, Years=1984 to 1993			N=290, Years=1984 to 1993			N=758, Years=1969 to 1993		
	Sig. Level	Overall	Those Who Ever Receive AFDC	Sig. Level	Overall	Those Ever Nonemployed	Sig. Level	Overall	Those Ever In Poverty
Overall		.17	.30		.27	.33		.50	.67
Personal Variables									
White	O.C.	.17	.32	O.C.	.28	.34	O.C.	.48	.66
Black		.17	.32		.26	.33		.52	.69
Races Other than B/W		.13	.29		.27	.33		.54	.70
No Newborn Children	O.C.	.17	.32	O.C.	.22	.29	O.C.	.48	.66
Newborn Child(ren)		.17	.32	***	.36	.40		.55	.71
Never Married		.18	.33		.30	.36	***	.59	.74
Married/Divorced/ Sep/Widow	O.C.	.15	.31	O.C.	.25	.31	O.C.	.46	.64

Table 3, Continued

Variable	Percentage of Time Receiving AFDC N=290, Years=1984 to 1993			Percentage of Time Nonemployed N=290, Years=1984 to 1993			Percentage of Time in Poverty N=758, Years=1969 to 1993		
	Sig. Level	Overall	Those Who Ever Receive AFDC	Sig. Level	Overall	Those Ever Nonemployed	Sig. Level	Overall	Those Ever In Poverty
Age=18	***	.25	.39	**	.24	.31		.52	.68
Age=35	***	.10	.27	**	.29	.35		.50	.67
Child Under Age 6		.17	.33	*	.29	.35		.48	.65
No Children Under Age 6	O.C.	.15	.30	O.C.	.23	.30	O.C.	.54	.70
Number of Children=Low	**	.13	.29		.27	.33	***	.42	.60
Number of Children=High	**	.21	.35	***	.28	.34	***	.64	.78
Head of HH All Years		.14	.30		.32	.37	***	.64	.78
Non-Head of HH All Years	O.C.	.18	.33	O.C.	.23	.30	O.C.	.35	.55
Work Related, Education and Econ Conditions Vars									
Occ=Clerical 1 Yr After Welfare	O.C.	.18	.34	O.C.	.24	.31	O.C.	.37	.56

Occ=Prof 1 Yr After Welfare	****	.01	.16		.16	.24		.26	.48
Occ=Manager 1 Yr After Welfare		.04	.21		.34	.38		.40	.59
Occ=Operator 1 Yr After Welfare	0	.10	.27	*	.17	.25		.35	.55
Occ=Laborer 1 Yr After Welfare		.39	.50		.29	.34		.53	.69
Occ=None 1 Yr After Welfare	**	.21	.36	***	.41	.44	***	.63	.77
Co. Unemploy Rate 1 SD Below Mean	**	.14	.30		.27	.33	**	.46	.64
Co. Unemploy Rate 1 SD Above Mean	**	.19	.34		.27	.33	**	.56	.72
High School Dropout	O.C.	.19	.34	O.C	.31	.36	O.C.	.56	.72
High School Grade	**	.12	.28	***	.19	.27	***	.39	.59
Some College		.18	.33		.30	.35		.56	.72
College Grad		.23	.37		.28	.34	***	.13	.36
Welfare Related Variables									
Marriage Exit from AFDC	**	.14	.30	***	.27	.33	***	.47	.64
Earnings Exit from AFDC	**	.16	.31	***	.17	.25	***	.45	.63
Other Exit from AFDC	O.C.	.25	.38	O.C.	.50	.52	O.C.	.63	.77

continued

Table 3, Continued

Variable	Percentage of Time Receiving AFDC			Percentage of Time Nonemployed			Percentage of Time in Poverty		
		N=290, Years=1984 to 1993			N=290, Years=1984 to 1993			N=758, Years=1969 to 1993	
	Sig. Level	Overall	Those Who Ever Receive AFDC	Sig. Level	Overall	Those Ever Nonemployed	Sig. Level	Overall	Those Ever In Poverty
Spell on AFDC 1 SD Below Mean		.14	.30		.27	.33	***	.43	.61
Spell on AFDC 1 SD Above Mean		.20	.35		.28	.34	***	.61	.76
Welfare Payment in State is 1 SD Below the Mean		.15	.31		.27	.33	***	.60	.75
Welfare Payment in State is 1 SD Above the Mean		.18	.33		.27	.33	***	.47	.64
Residential Location Variables									
Reside in Non-Metropolitan Area	O.C.	.13	.29	O.C.	.26	.32	O.C.	.50	.67
Reside in Metropolitan Area	**	.20	.35		.27	.34		.52	.68

Note: O.C.=Omitted Category. *=p<.10, **=p<.05, ***=p<.01, for two-tailed tests.

percentage of time nonemployed. Again, it is found that AFDC payments in the state do not have a detrimental effect on self-sufficiency. Those women who live in more generous welfare paying states have more income, do not spend any more time on welfare and are just as likely to be employed as those women in low welfare paying states.

When we use the fixed state effects models, we find that state welfare payment level is no longer significantly related to the percentage of time with income below the poverty line. However, the results show that payment levels do not have detrimental effects on the outcome variables examined here.

The results also indicate that economic conditions have a relatively strong effect on time spent below the poverty line. Former recipients living in areas where the unemployment rate is one standard deviation above the mean spend 56 percent of their time below the poverty line while former recipients living in areas where the unemployment rate is one standard deviation below the mean spend 46 percent of their post AFDC exit time below the poverty line. The unemployment rate also has a significant effect on the percentage of transfer income relative to total income, with those living in areas with relatively high levels of unemployment receiving a greater proportion of their income from transfer payments.

The results also show that AFDC spell length has a fairly large effect on time spent below the poverty line, but not on time spent either receiving AFDC or not employed. Those who spend seven years receiving AFDC spend 61 percent of their post-welfare time below the poverty line, while those who spend a single year receiving AFDC spend 43 percent of their time after welfare below the poverty line. These results indicate that time on welfare does not affect the likelihood of work for former welfare recipients, but does affect income.[4] This may indicate that other, unobserved characteristics may affect length of time on AFDC, which may then lead to lower levels of income after welfare. Those who exit their AFDC spell via marriage or increased earnings spend far less time receiving AFDC, far more time employed and above the poverty line than those who exit AFDC via other means.

Other results show that women who get jobs soon after welfare and who live in non-metropolitan areas spend less time on

welfare, less time nonemployed and are less likely to be living below the poverty line than those without these characteristics. Greater levels of education often indicate that families formerly on AFDC will spend less time on welfare, below the poverty line and nonemployed.

It can again be seen that women who get jobs as professionals spend less time on welfare than other workers, while those who do not have a job in the first year after welfare spend considerably more time using welfare, below the poverty line and not working for the four year period. Also, those who earn their way off AFDC spend far more time employed than those who exit via other methods. Those living in urban areas spend more time on welfare than those living outside of these areas.

Family and personal characteristics that affect the outcomes of these dependent variables include whether the former recipient heads a household for all four years after welfare. Those who head their own households for all years after welfare spend 64 percent of their post-welfare years below the poverty line, while others spend 35 percent of their time after welfare below the poverty line. The number of children in the household as well as newborn children affect the percentage of time below the poverty line. This may be due to the greater child care effort expended by the mother with either many children or young children within the household.

DISCUSSION

The results of this research indicate that a number of key policy variables show signs of affecting economic outcomes after women initially leave the AFDC system. Support was found for the effects of economic conditions within areas that former recipients live. Living within large urban areas and areas with high unemployment rates were shown to be related to lower levels of economic independence. These results indicate that policy makers should take area economic factors into account when determining time limits for welfare receipt. While we may see positive economic outcomes for former welfare recipients when unemployment rates are low, a relatively high unemployment rate will mean that former recipients will spend an increasing proportion of time below the poverty line.

Support was not found, however, for the possible detrimental economic effects of living in states with relatively high welfare payment levels. While living in states that have relatively high payment levels for AFDC does increase AFDC income after initially leaving welfare, it does not increase time spent on AFDC, non-employment, the likelihood of poverty or time spent below the poverty line. Contrary to current political thinking, the evidence here indicates that further aiding former recipients with more income assistance will not help create a dependent class of citizens. While time on welfare generally had no effect on work outcomes, it did show some negative effects on time spent below the poverty line.[5]

Support was also found for the human capital hypothesis and for the positive effects of finding work soon after leaving welfare. Such factors as level of education, work experience, exiting from increased earnings and getting a job soon after exiting welfare are key predictors in determining the economic independence of former welfare recipients. Those who did not get jobs within the first year of leaving welfare always did economically worse than those who quickly obtained employment in each of the models examined. Those women who were in professional occupations did the best in the models examined relative to those who got other types of work. Of course, many former recipients are not trained to obtain professional jobs and may need to be trained to find any available job. Those who obtained clerical positions spent, on average, 37 percent of their after-welfare life living below the poverty line compared to 63 percent for those who did not get jobs within their first year after welfare. These results may be due to motivational differences between former recipients but may also be due to the lack of human capital of some former recipients. Increasing job skills for those with little human capital could increase the economic independence of those former recipients who now struggle to stay off welfare.

Part of the reason for the different levels of economic independence of former recipients seems also to lie in their personal situations. Having either a newborn child or many children decreases income relative to the poverty line, increases time below the poverty line and increases AFDC income. Those women who are heads of household for all years after ending their initial wel-

fare spell and those women who have never been married have lower income levels relative to the poverty line and spend more time nonemployed than women who are married. This is likely to be due to the increased nurturing time, and thus decreased work time, necessary for single parent households relative to those who have two adults available.

In order to increase the chances that former recipients are standing on firmer economic ground, strategies should be devised that take into account both personal situations as well as their work related situations. Ignoring either of these factors will mean that more women will slip through the social safety net after they leave welfare. Work-related factors that need to be considered include local area employment situations, especially for former low-skilled recipients living within large urban areas. Providing training services to women who are unable to find work is also critical because many of the outcome variables examined here are dependent on levels of human capital. Former recipients may also need on-the-job training and support since not only education but work experience helps former recipients financially.

In relation to recipients' personal situations, policy makers should especially consider the needs of families with many children and newborn children and families where the female head has never been married. These families have extra needs for which additional supports are required. As current welfare recipients are forced off welfare more former recipients are likely to have special needs since many women in these types of situations would in the past have stayed on welfare. These supports may include additional daycare services as well as higher wages, perhaps through an expanded Earned Income Tax Credit system (see Blank 1997). Providing a system where former recipients can work half time and still make it above the poverty line as Ellwood (1988) proposed would allow recipients to work and still have the time to adequately nurture their children. Since the effects of higher welfare payments are shown here not to have the drastic disincentive effects that many fear, and because no evidence was found for the negative effects of time spent receiving welfare, allowing women additional time to receive

AFDC beyond the five year limit would increase their financial stability.

These results suggest that time limitations on welfare receipt are not likely to move single women and their children out of poverty. Rather, if policy makers wish to promote the long-term economic independence of welfare recipients, attention needs to be paid to the broader factors which contribute to women's ability to support themselves and their families. Human capital issues, a lack of available childcare and the mismatch between the economic needs of welfare recipients and the type of employment available to them all need to be addressed in any effort to reduce poverty and welfare dependence.

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NOTES

1. See Harris (1996). For those who exit by marriage and increased earnings, 17.7% and 21.6% of their total years on AFDC are in years past year 5. For those who exit by means other than marriage or increased earnings,

64.9% of the years on AFDC are in years past year 5 (tabulated by the author from the Panel Study of Income Dynamics).
2. We also use models with fixed state effects to get a better reading of the effects of state welfare payment levels.
3. This level of AFDC income is the value used by Bane and Ellwood (1994). I also follow Bane and Ellwood who qualified "other" welfare income as AFDC because AFDC income was sometimes misclassified as other income in the PSID.
4. We examined the effect of AFDC spell length on both the log of wages and the log of hours and did not find significant effects.
5. In preliminary research using data from the 1990–1995 Survey of Income and Program Participation, we found that time on welfare had almost no effect on similar types of outcomes that we examined here.

Table A1

Mean Values and Standard Deviations for Former Welfare Recipients For a Four Year Period After An Initially Observed Spell On Welfare: 1969–1993, and For Monthly Employment and Nonemployment Spells, 1984–1993

Variable	Mean (SD) For Four Year Period After Welfare
	N=758
Personal Variables	
Income to Needs Last Yr of Welfare Spell	1.06 (.91)
Race=Black	.41 (.49)
Race=Not B/W	.05 (.21)
Race=White	.54 (.50)
Newborn Child?	.34 (.47)
Any Children Under Age 6?	.60 (.49)
Average. Number of Children	2.14 (1.33)
Age at End of Welfare Spell	32.32 (10.73)
Never Married at End of Welfare Spell	.31 (.46)
Head of Household All Years After Welfare	.51 (.50)
Economic, Work-Related and Education Variables	
Hours of Work Experience Before Welfare	656.06 (665.90)
Avg. County Unemployment Rate	8.28 (2.80)
Percentage of Months Unemployed or Out of the LF (1984–93) N=213	.26 (.30)
Occupation in the first year after welfare	
Professional	.03 (.18)
Manager	.01 (.11)
Clerical	.14 (.35)
Craft	.05 (.22)
Operator	.15 (.35)
Laborer	.12 (.33)
None	.33 (.47)
Other	.13 (.34)
Missing	.04 (.19)
Average Values in the Four Year Period After Welfare	
Income-to-Needs	1.41 (.85)
Wage rate	7.74 (4.32)

Table A1, *Continued*

Variable	Mean (SD) For Four Year Period After Welfare
Wage of Spouse (n=262)	12.40 (10.40)
Combined Wage, Spouse and Former Recipients (n=262)	18.77 (13.00)
Hours of Work For Those Who Work (n=647)	1114.26 (755.43)
Hours or Work 1st Year After Welfare For Those Who Work (n=568)	1308.93 (815.47)
Hours of Work 2nd Year After Welfare For Those Who Work (n=527)	1385.72 (872.19)
Hours of Work 3nd Year After Welfare For Those Who Work (n=510)	1311.80 (876.64)
Hours of Work 4nd Year After Welfare For Those Who Work (n=498)	1322.48 (881.27)
Hours of Work for Spouse (n=262)	1910.15 (986.42)
Hours of Work, Spouse and Former Recipients (n=262)	2733.50 (1319.69)
Education	
High School Dropout	.49 (.50)
High School Grad Only	.34 (.48)
Some College Only	.14 (.34)
College Graduate	.02 (.15)
AFDC Related Variables	
Marriage Exit from Welfare	.27 (.45)
Earnings Exit from Welfare	.48 (.50)
Other Exit from Welfare	.24 (.42)
Length of AFDC Spell	4.18 (3.72)
State Maximum Welfare Payment for a Family of Four	676.72 (271.02)
Percentage of Months Using AFDC (1984–93) N=262	.16 (.29)
Yearly Average AFDC Income	695.12 (1561.67)
Location and State Income Variables	
Live in the South	.27 (.44)
Urban Resident (Metro Area over 100,000)	.53 (.50)
Median State Income	41923.40 (5415.99)

Note: All dollar figures are in 1994 dollars. The values in the table are four year average values.

Table A2

Coefficient Estimates For the Percentage of Income from Transfers, Average Income to Needs and Average AFDC Income For a Four Year Period After An Initially Observed Spell On Welfare For Former Female Welfare Recipients: 1969–1993

Variable	Transfer Income as a Percentage of Total Income, Tobit		Average Income to Needs, OLS		Average AFDC Income, OLS	
	N=758		N=758		N=758	
	Coefficient	(SE)	Coefficient	(SE)	Coefficient	(SE)
Intercept	.166	(.119)	1.589	(.351)***	−2993.82	(766.421)
Hours of Work Experience Before Welfare (000)	−.071	(.013)***	.219	(.038)***	−131.29	(82.927)
Income to Needs Last Yr of Welfare Spell	−.027	(.009)***	.231	(.028)***	176.481	(61.463)***
Race=Black	−.017	(.020)	−.121	(.060)**	−150.290	(131.755)
Race=Not B/W	−.063	(.039)	−.061	(.115)	−362.822	(252.110)
Newborn Child?	.032	(.022)	−.054	(.064)	581.244	(140.480)***
Any Children Under Age 6?	−.029	(.024)	−.068	(.069)	−131.859	(151.552)
Number of Children	.020	(.007)***	−.152	(.022)***	278.608	(47.292)***
Age at End of Welfare Spell	.007	(.001)***	−.001	(.003)	−11.532	(7.014)*
Never Married at End of Welfare Spell	−.000	(.022)	−.163	(.063)***	276.878	(138.253)**
High School Grad Only	−.009	(.019)	.216	(.057)***	−98.782	(124.281)
Some College Only	−.024	(.028)	.071	(.083)	302.222	(180.989)*
College Graduate	.019	(.058)	.306	(.174)*	491.705	(379.455)

Marriage Exit from Welfare	-.116	(.030)***	.339	(.088)***	6.990	(191.571)
Earnings Exit from Welfare	-.128	(.025)***	.253	(.073)***	-166.543	(159.732)
Length of AFDC Spell	-.005	(.003)*	-.013	(.008)*	-18.449	(17.357)
State Max. Welf Payment for a Family of Four (000)	.014	(.055)	.396	(.159)***	1120.433	(346.554)***
Per Capita Income (000)	.0007	(.002)	.005	(.006)	15.597	(13.754)
Average County Unemployment Rate	-.004	(.004)	-.046	(.013)***	97.103	(27.875)***
Urban Resident	.020	(.019)	-.020	(.056)	538.320	(122.496)***
Live in the South	-.019	(.025)	-.045	(.073)	-24.931	(158.580)
Head of Household All Years After Welfare	.070	(.023)***	-.416	(.069)***	438.936	(151.554)
Occ= Professional 1st Yr After Welfare	.036	(.052)	.527	(.157)***	-871.964	(344.263)***
Occ=Manager 1st Yr After Welfare	-.033	(.059)	.195	(.177)	300.665	(386.112)
Occ=Craft 1st Yr After Welfare	-.123	(.075)*	.107	(.210)	-197.158	(459.803)
Occ=Operator 1st Yr After Welfare	.003	(.035)	.091	(.105)	404.417	(230.155)*
Occ=Laborer 1st Yr After Welfare	-.096	(.034)***	-.197	(.099)**	366.002	(215.873)*
Occ= None 1st Yr After Welfare	.111	(.026)***	-.210	(.076)***	688.941	(165.592)***

Note: Also included in the models are binary variables for calender year in which the welfare recipient exited welfare, work experience before welfare missing, other occupations, and occupation missing.
Log Likelihood for Transfer Income Model: -3.74
R^2 for Income-to-Needs Model: .48
R^2 fc~ AFDC Income Model: .25

Table A3

Tobit Coefficient Estimates For the Percentage of Time Spent Receiving AFDC, the Percentage of Time Spent Nonemployed, and the Percentage of Time Below the Poverty Line For a Four Year Period After An Initially Observed Spell On Welfare For Former Female Welfare Recipients

Variable	Percentage of Time Receiving AFDC, 1984–1993		Percentage of time Unemp / Out of LF, 1984–1993		Percentage of time Below the Poverty Line, 1969–1993	
	N=262		N=262		N=758	
	Coefficient	(SE)	Coefficient	(SE)	Coefficient	(SE)
Intercept	−.121	(.403)	.521	(.180)***	.343	(.376)
Hours of Work Experience Before Welfare (000)	.099	(.056)*	−.000	(.027)	−.127	(.043)***
Income to Needs Last Yr of Welfare Spell	−.004	(.064)	−.071	(.032)**	−.118	(.029)***
Race=Black	.001	(.091)	−.020	(.047)	.059	(.064)
Race=Not B/W	−.103	(.191)	−.004	(.093)	.093	(.124)
Newborn Child?	−.005	(.084)	.182	(.044)***	.099	(.069)
Any Children Under Age 6?	.069	(.106)	.092	(.055)*	−.092	(.076)
Number of Children	.079	(.033)**	.007	(.016)	.153	(.024)***
Age at End of Welfare Spell	−.021	(.006)***	.005	(.002)**	−.002	(.003)
Never Married at End of Welfare Spell	.080	(.084)	.074	(.042)*	.195	(.068)***
High School Grad Only	−.168	(.084)**	−.161	(.042)***	−.272	(.061)***
Some College Only	−.014	(.106)	−.011	(.054)	−.003	(.087)
College Graduate	.088	(.206)	−.036	(.107)	−.922	(.321)***

Marriage Exit from Welfare	-.242	(.111)**	-.264	(.058)***	-.246 (.096)***
Earnings Exit from Welfare	-.186	(.094)**	-.400	(.048)***	-.274 (.079)***
Length of AFDC Spell	.015	(.010)	.002	(.005)	.032 (.009)***
State Maximum Welfare Payment for a Family of Four (000)	.147	(.257)	.023	(.134)	-.448 (.171)***
Median State Income (000)	.006	(.007)	.000	(.004)	.015 (.007)**
Avg. County Unemployment Rate	.035	(.018)**	-.001	(.008)	.029 (.014)***
Urban Resident	.175	(.080)**	.020	(.040)	.025 (.061)
Urban and Rural Resident	.119	(.192)	.124	(.103)	-.232 (.143)
Live in the South	-.013	(.114)	.005	(.057)	.034 (.077)
Head of Household All Years After Welfare	-.093	(.090)	.114	(.045)***	.458 (.076)***
Occ= Professional 1st Yr After Welfare	-.823	(.316)***	-.129	(.095)	-.210 (.182)
Occ=Manager 1st Yr After Welfare	-.482	(.423)	.121	(.152)	.060 (.185)
Occ=Operator 1st Yr After Welfare	-.217	(.119)	-.111	(.062)	-.037 (.115)
Occ=Laborer 1st Yr After Welfare	.340	(.148)**	.056	(.077)	.134 (.106)
Occ= None 1st Yr After Welfare	.050	(.111)	.206	(.059)***	.409 (.082)***

Note: *=p<.10, **=p<.05, ***=p<.01, all for two-tailed tests.
Log Likelihood For Welfare Useage •140.36
Log Likelihood For Nonemployment•70.83
Log Likelihood For Poverty •585.02