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Determinants of Work Status among Heads of Poor Families in the South

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ABSTRACT Increases in the incidence of working-age persons outside the labor force and poor female-headed families have focused national attention on that portion of the working-age poor who do not work. This study examines the role of selected demographic, family and family income variables on the work status (working versus nonworking) of metropolitan and nonmetropolitan heads of poor families in the South. The findings indicate that both age and receipt of public welfare in the previous year exert significant influences on working, regardless of residence. By residence, race is a more important predictor of work status in metropolitan than nonmetropolitan areas, while education plays a more important role in nonmetropolitan areas. Finally, these individual-level variables leave a substantial amount of variance in work status unexplained, suggesting the importance of structural explanations of work status among the poor in both metropolitan and nonmetropolitan areas of the South.

Introduction

While poverty among the elderly has decreased as a result of programs like Social Security and Supplementary Security Income, poverty among the nonelderly (working-age persons and their children) has increased after a period of decline. For example, poverty among nonelderly persons declined from about 22 percent to just over 10 percent between 1959 and 1969, fluctuated between 10 and 12 percent during the 1970s, then rose to about 17 percent in the 1980s (Ellwood and Summers, 1986). Because the economic status of this age group is largely determined by labor income, one of the major causes of poverty among them is insufficient earnings. Earnings are insufficient because the poor worked at low-wage jobs, part-time jobs, or not at all. It is this last group—the working-age poor who do not work—who have become the subject of growing concern. The sources of this concern are increases in the (1) number of working-age persons (particularly minorities) outside the labor force, and (2) incidence of poor female-headed families since the late 1960s.

Some studies (Mead, 1987; Murray, 1987) suggest that the working-age poor who do not work represent an underclass with weak attachment to the labor force and long-term dependency on transfer income. Other studies (Harrington, 1984; Wilson, 1987) found that the poor who did not work often exhibited characteristics of profound disadvantage associated with chronic poverty. Specifically the nonworking poor were more likely than the rest of the population (1) to be black, (2) to be female heads of family, and (3) to have low levels of education. However, little research has looked at differences between the poor who work and those who do not. Because the South is unique in that it is the most rural region in the United States and contains the largest proportions of poor and

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nonwhites in the nation, it is an ideal setting for a study of work status. Accordingly, this paper, using descriptive and multivariate analyses, examines the work status of the metropolitan and nonmetropolitan working-age poor in the South.¹

Background

According to Schiller (1976), explanations of labor-force participation among those of working age, particularly among the poor, generally fall into two broad categories—one focusing on the characteristics of the individual and the other on the role of social and economic structure in restricting employment opportunities of the poor.

An example of the individualistic approach is human capital theory (Gordon, 1972; Tomaskovic-Devey, 1987), which argues that many working-age persons who are outside the labor force possess deficient amounts of education, work-related experience, or have family responsibilities that make getting and keeping a job difficult. Accordingly, joblessness among this group is the result of their personal characteristics and choices, which lower their potential productivity in the labor market making them unattractive to employers. Policies based on the individualistic perspective have attempted to change the characteristics of the poor in order to strengthen their ties to the labor force.

Other theories have shifted the emphasis from the problems within the individual to problems within the economic and social structure, such as discrimination and national economic policies, that deny the poor equal access to education, jobs and earnings. For example, Harrington (1984) argues that changes in the economic structure, such as the internationalization of the economy and shifts in the world division of labor, have caused changes in the availability of employment. This, in turn, has lowered the rate of labor-force participation (particularly among minorities) and increased the incidence of female-headed families by limiting the ability of males to support families. Policies based on this approach have tried to remove barriers to opportunity in the social and economic structure by antidiscrimination legislation and support of economic policies that would encourage full employment.

Metropolitan and nonmetropolitan labor-force participation among the poor may be influenced by different forces because the composition of the poor differs by residence (Hoppe, 1989). For example, metropolitan areas have disproportionate concentrations of low-income blacks, while whites make up a greater share of the nonmetropolitan poor. Furthermore, labor-force participation may be influenced more by family structure in metropolitan areas than in nonmetropolitan areas. This is because the metropolitan poor are more likely to be female heads of family than the nonmetropolitan poor. Finally, levels of human capital vary by residence. Educational levels among the poor are lower in nonmetropolitan areas than metropolitan areas, in part, due to the outmigration of the younger, better-educated nonmetropolitan workers

¹The South includes Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

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attracted by the economic opportunities in metropolitan areas (Swanson and Butler, 1987).

Because structural data were not available, this study focuses on the role of individual characteristics on work status. It addresses the following questions: How do the poor who work differ from the poor who do not work? Are there differences between these two groups in metropolitan and nonmetropolitan areas? Are there metropolitan and nonmetropolitan differences in the determinants of work status? Policy suggestions will be offered based on the findings.

Data and methodology

The source of data for this study was the March Supplement of the 1986 Current Population Survey (CPS). The unit of analysis was the heads of families (persons related by blood, marriage or adoption) who were between 15 and 64 years old, lived in the South, and had family income below the poverty level (as defined by the Bureau of the Census). Poverty status in the CPS is based on the previous year's income.

First, family heads were classified according to work status. A family head was defined as being a worker if this person was employed during the week preceding the survey. Those heads who were unemployed or not in the labor force were classified as nonworkers. Heads of families with negative family income were excluded for statistical and definitional reasons.² In all, there were 1,414 unweighted cases and 2,397 weighted (CPS March weight/1000) cases. Of the working-age heads, 48.5 percent were employed in the week before the survey. By residence, 47.9 percent of working-age poor in metropolitan areas worked the week before the survey, versus 49.6 percent of the nonmetropolitan poor.

In order to determine the extent to which the definitions of worker and nonworker are representative of actual labor-force attachment, the mean number of weeks worked in the previous year was examined. For those working the week prior to the survey, the mean number of weeks worked in 1985 was 37.5, compared to 6.8 for those who were not. This suggests that those who worked the week before the survey had a fairly strong attachment to the labor force. Further support for this definition was obtained by determining how long it had been since those defined as nonworkers had worked. Forty percent of nonworkers, who were not in the labor force, had not worked in the last 5 years and 16.5 percent had never worked.³ The remaining 43.5 percent had worked within the last 5 years.

Of those heads not at work in the week before the survey (nonworkers), most (40.9 percent) were keeping house. Unemployment (26.9 percent) and retirement and other reasons (23.0 percent) accounted

*The largest share of cases reporting negative family income were self-employed, working mostly in farm-related jobs. Their reported incomes, therefore, represent adjustments for taxation and government program payments and may be poor indicators of their families' economic condition.

²Excludes unemployed persons for whom this information was unavailable.

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for most of the remaining nonworking heads. Finally, 3.5 percent were in school and 5.7 percent cited inability to work as the reason for not working.

Overall, defining workers as those persons who worked the week before the survey appears to capture labor-force attachment reasonably well. The data also showed that while there was considerable labor-force participation among the poor, there was also a large proportion whose attachment to the labor force was weak or absent.

Workers and nonworkers were further classified by metropolitan and nonmetropolitan residence (see Appendix A for definition). For reasons of confidentiality, 17,000 weighted cases were not identified by metropolitan and nonmetropolitan residence and were excluded from this study.

Data analysis begins with descriptive findings related to differences by work status in the demographic characteristics, family structure and composition, and sources of family income in the previous year for the family heads. The descriptive data are percentages based on weighted CPS data. The descriptive findings were used to develop a series of multivariate models that estimate the probability of a family head working in the week before the survey for metropolitan and nonmetropolitan areas. In order to ensure reliable tests of statistical significance, unweighted data were used in these models. In addition to tests of significance, multivariate analysis provides a rigorous test of metropolitan and nonmetropolitan differences in the factors affecting work status by controlling for all the variables introduced, and it also estimates the amount of variance explained by the models.

Findings

The findings are divided into two sections. The first section contains descriptive findings related to the demographic, family and income characteristics of workers and nonworkers in the South, while the second section contains the results of the multivariate analysis.

Descriptive findings

Demographic characteristics. The demographic characteristics of workers and nonworkers by residence are examined first (Table 1). The metropolitan poor, regardless of work status, were younger than the nonmetropolitan poor. For example, the median ages of metropolitan workers and nonworkers were 35.0 and 36.1 years, respectively, compared to 37.9 years and 40.2 years in nonmetropolitan areas.

The gender of poor heads also differed by work status and residence. In metropolitan areas, workers consisted of slightly more males (55.6 percent) than females (44.4 percent), while nonworkers were overwhelmingly females (70.1 percent). The situation was somewhat different in nonmetropolitan areas where 70.6 percent of nonmetropolitan workers were male, while nonworkers were more evenly split between males (42.1 percent) and females (57.9 percent). In nonmetropolitan areas, male heads of family were much more common among the working and nonworking poor.

68 *Southern Rural Sociology, Vol. 6, 1989***Table 1. Demographic characteristics of poor heads of family by work status and residence, 1986**

Characteristic	South		Metropolitan South		Nonmetropolitan South	
	Workers	Nonwkrs.	Workers	Nonwkrs.	Workers	Nonwkrs.
Total (000)	(1,163)	(1,234)	(725)	(789)	(438)	(445)
	--Percent--					
Age						
LT 25 years	14.0	13.1	14.6	14.5	12.7	10.6
25-54 years	75.8	67.7	77.0	66.4	73.8	70.2
55-64 years	10.2	19.2	8.4	19.1	13.5	19.2
Median age	35.9	37.9	35.0	36.1	37.9	40.2
Sex						
Male	61.2	34.3	55.6	29.9	70.6	42.1
Female	38.8	65.7	44.4	70.1	29.4	57.9
Race						
White	66.7	51.3	66.4	48.3	67.2	56.7
Black	31.0	46.8	31.2	49.8	30.8	41.6
Other	2.3	.9	2.4	1.9	2.0	1.7
Education, persons 25+ yrs.*	(1,001)	(1,072)	(619)	(674)	(382)	(398)
LT 5 years	5.4	8.2	6.2	6.8	4.4	10.6
5-8 years	21.6	23.9	17.6	19.9	27.9	30.9
9-11 years	24.4	25.9	25.3	6.9	23.1	23.8
High school graduate	48.6	42.0	50.9	46.4	44.6	34.7
Median years education	11.8	10.8	12.0	11.4	11.2	10.1

* Includes only years of education completed.

Source: U.S. Bureau of the Census, 1986.

With respect to race, nonwhites made up a smaller proportion of workers than whites in both metropolitan and nonmetropolitan areas. Only 33.6 percent of metropolitan workers and 32.8 percent of nonmetropolitan workers were nonwhite. Conversely, nonwhites made up about half (51.7 percent) of metropolitan nonworkers and 43.3 percent of nonmetropolitan nonworkers.

Educational levels were higher among workers than nonworkers and were higher in metropolitan areas than nonmetropolitan areas. For example, 50.9 percent of metropolitan workers were high school graduates, compared to 46.4 percent of nonworkers. In nonmetropolitan

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areas only 44.6 percent of workers had finished high school, compared to only 34.7 percent of nonworkers.

In sum, there were marked demographic differences between workers and nonworkers. Workers tended to be younger than nonworkers, and male heads of family were more likely to be workers than female heads. A larger proportion of workers were white than nonwhite. However the nonworker category contained more whites in nonmetropolitan than metropolitan areas. Finally, educational levels were higher among workers than nonworkers and were higher in metropolitan than nonmetropolitan areas.

Family characteristics. Family heads exhibited sizable differences in family characteristics by work status and residence (Table 2). As expected, workers were more likely to be married family heads than female heads of family, particularly in nonmetropolitan areas. While 41.7 percent of metropolitan workers were female heads of family, only 29.0 percent of workers in nonmetropolitan areas were female heads. Conversely, 65.8 percent of nonworkers in metropolitan areas and 54.6 percent of nonmetropolitan nonworkers were female heads of family. Finally, married heads made up a greater share of nonworkers in nonmetropolitan areas than metropolitan areas. These heads were 30.4 percent of metropolitan nonworkers versus 42.9 percent of nonmetropolitan workers.

Because having children is expected to play an important role in work status, particularly for single heads of family, family composition was examined by marital status of the family head. Among married heads, workers were more likely to have children than nonworkers. For example, 70.9 percent of metropolitan workers had children, compared to only 54.4 percent of nonworkers. The pattern is repeated in nonmetropolitan areas where 70.8 percent of workers had children, compared to 62.5 percent of nonworkers. However, for single family heads the differences were by residence not work status. In metropolitan areas single heads of family, whether they were workers or not, were more likely to have their own children than nonmetropolitan single heads. That is, 82.8 percent of workers and 80.7 percent of nonworkers in metropolitan areas had children, versus 74.7 percent and 60.6 percent in nonmetropolitan areas. This is consistent with the higher median age of nonmetropolitan residents and suggests that many of these nonmetropolitan single family heads are women.

Overall, the family structure variables showed differences by work status and residence. Workers were more likely than nonworkers to be married heads regardless of residence. The presence of children differentiated married family heads by work status but not by residence, while for single heads it differentiated metropolitan and nonmetropolitan residents regardless of work status.

Mean family income and sources of family income. Mean family income figures show that workers had higher family income than nonworkers (Table 3). Also, mean family income, regardless of work status, was slightly higher in nonmetropolitan than metropolitan areas. This is consistent with separate analysis (U.S. Bureau of the Census, 1986) that showed poor nonmetropolitan families in the South tended to have more workers per family than metropolitan families.

70 *Southern Rural Sociology, Vol. 6, 1989***Table 2. Family characteristics by work status and residence, 1986**

Characteristic	South		Metropolitan South		Nonmetropolitan South	
	Workers	Nonwkr.	Workers	Nonwkr.	Workers	Nonwkr.
Total (000)	(1,163)	(1,234)	(725)	(789)	(438)	(445)
	--Percent--					
Family type						
Married couple	57.4	34.8	53.5	30.4	64.0	42.9
Female-headed	37.0	61.6	41.7	65.8	29.0	54.6
Male-headed (spouse absent)	5.6	3.6	4.8	3.8	7.0	2.5
Presence & age of own children by family type						
Married-couple heads	(669)	(431)	(389)	(240)	(280)	(191)
No own children	29.2	42.0	29.1	45.6	29.2	37.5
Children LT 6 yrs.	21.2	17.2	21.2	17.6	21.4	16.7
Children 6-18 yrs.	20.2	17.2	20.6	15.9	19.6	18.8
Children LT 6 and 6-18 years	29.4	23.6	29.1	20.9	29.8	27.0
Single heads	(494)	(803)	(336)	(549)	(158)	(254)
No own children	19.8	23.5	17.2	19.3	25.3	39.4
Children LT 6 yrs.	18.8	20.0	16.7	17.3	23.4	
Children 6-18 yrs.	23.2	19.5	25.3	21.7	18.4	18.1
Children LT 6 and 6-18 years	38.2	37.0	40.8	41.7	32.9	20.1

Source: U.S. Bureau of the Census, 1986.

Examining sources of family income based on data for the previous year with an emphasis on earnings (income from wages, salaries and self-employment) and public assistance (Aid to Families With Dependent Children and General Assistance) provides an idea of the degree of dependency among the poor. However, it should be remembered that family income does not represent just the income of the head, but also that of other family members. Thus reported earnings or public assistance in the previous year may come from other family members. Receipt of earnings in the previous year for a nonworker's family suggests little or no long-term dependency, while receipt of public assistance in the

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Table 3. Income sources by work status and residence, 1985

Characteristic	South		Metropolitan South		Nonmetropolitan South	
	Workers	Nonwkr.	Workers	Nonwkr.	Workers	Nonwkr.
Total (000)	(1,163)	(1,234)	(725)	(789)	(438)	(445)
Mean family income	\$6,626	\$4,740	\$6,535	\$4,668	\$6,776	\$4,869
	--Percent--					
Income sources						
Earnings only and in combination ^a	84.2	41.2	84.8	40.5	90.8	43.0
Earnings & public assistance ^b	8.3	7.9	9.3	8.7	6.9	6.3
Public assistance only	.9	14.6	1.5	14.3	-	15.3
Other sources ^c	3.6	36.3	4.4	36.5	2.3	35.4
Share of family income from public assistance						
0.0%	87.2	62.4	86.5	62.3	88.3	62.5
.01-24.99%	5.1	5.3	5.6	5.2	4.3	5.0
25.0-49.9%	4.5	9.3	4.3	9.1	5.0	9.6
50.0-74.9%	1.4	3.5	1.3	4.1	1.4	2.7
75.0-99.9%	.9	4.9	.8	5.0	1.0	4.9
100.0%	.9	14.6	1.5	14.3		15.3

^a Includes earnings only and earnings in combination with social security, Supplemental Security Income.

^b Public assistance includes Aid to Families with Dependent Children and General Assistance.

^c Includes income from social security, Supplemental Security Income and No Income.

Source: U.S. Bureau of the Census, 1986.

previous year indicates some dependency exists.

As expected, the data show that the family income of workers overwhelmingly contained some form of earnings in the previous year regardless of residence. To illustrate, 94.1 percent of metropolitan workers and 97.7 percent of nonmetropolitan workers received family income consisting of some earnings in the previous year. Interestingly, about half of nonworkers (49.2 percent in metropolitan areas and 49.3 percent in nonmetropolitan areas) had family income that contained some earnings in 1985. However, 14.3 percent of metropolitan nonworkers and 15.3 percent of nonmetropolitan nonworkers had family incomes that consisted of public assistance only in the previous year. Far fewer workers had

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family income that revealed this level of welfare dependency—1.5 percent and 0 percent respectively.

Examining the share of family income from public assistance in the previous year provides more detailed information on the degree of dependency among the poor. Duncan (1984) cites 50 percent of family income from public assistance as indicative of dependency. Once again the differences were according to work status and not residence. While only 3.6 percent of metropolitan workers and 2.4 percent of nonmetropolitan workers received 50 percent or more of their family income from public assistance in the previous year, 23.4 percent of metropolitan nonworkers and 22.9 percent of nonmetropolitan nonworkers received more than 50 percent of their family income from this source in 1985.

In summary, patterns of family income among the poor were determined more by work status than by residence. As expected, nonworkers and their families relied more heavily on public assistance and less on earnings as sources of family income than workers. The family incomes of most workers were comprised predominantly of earnings, with only a very small share from public assistance. By contrast, only half of nonworkers reported earnings as a part of family income in the previous year, while over 20 percent of nonworkers derived over 50 percent of their family income from public programs and, therefore, could be considered dependent.

Multivariate findings

In this section multivariate logistic regression analysis is used to confirm the descriptive findings and determine the relative importance of individual characteristics as predictors of work status. In all, three hierarchical models are estimated—each building on the preceding model with an additional set of variables. The use of hierarchical models rather than one full model permits a more detailed examination of the differing effects of the independent variables on the work status of the metropolitan and nonmetropolitan poor. Race, age, education, family structure and receipt of public assistance in the previous year are used as independent variables. Finally, the R indicates the relative improvements in explanatory power as more complex models are estimated, and documents the total variance in work status explained by the final model.

For each of the three models, beta coefficients (B), standard errors (SE), and transformed betas (P) were computed (Table 4). The transformed betas reflect the increased or decreased probability of working caused by the variables.

The variables. The dependent variable, worker or nonworker, is a binary variable. It is coded 1 if the family head was a worker and 0 otherwise. The independent variables are used to determine the likelihood of working. Race is a binary variable with white family heads as the reference group. Being nonwhite is expected to decrease the likelihood of working. Age is a continuous variable and, based on the descriptive findings, is expected to have a negative effect on work status. Education, used as an indicator of human capital, is measured in years of schooling

*Determinants of Work Status — Morrissey 73***Table 4.** Logistic regression of work status on individual, family and family income characteristics

	Metropolitan (N=879)			Nonmetropolitan (N=535)		
	B	SE	P	B	SE	P
Model 1						
Intercept	.430	(.352)		-.285	(.516)	
Nonwhite	-.817*	(.144)	-.191	-.480*	(.182)	-.501
Age	-.018*	(.006)	-.004	-.008	(.008)	-.002
Education	.048*	(.022)	.012	.081*	(.031)	.020
	R = .182			R = .132		
Model 2						
Intercept	.624	(.535)		.680	(.739)	
Nonwhite	-.585*	(.154)	-.141	-.195	(.197)	-.149
Age	-.026*	(.008)	-.007	-.025*	(.011)	-.006
Education	.064*	(.024)	.016	.082*	(.031)	.020
Married, children LT 6 yrs.	.234	(.358)	.058	-.157	(.416)	-.039
Married, children Lt 6, 6-18	.528	(.336)	.130	.003	(.386)	.001
Married children 6-18 yrs.	.782*	(.292)	.189	.118	(.326)	.029
Single children LT 6 yrs.	.774*	(.354)	-.182	-1.10*	(.462)	-.250
Single children LT 6, 6-18	.634*	(.314)	-.151	-1.24*	(.439)	-.276
Single, children 6-18 yrs.	-.455	(.261)	-.111	-1.12*	(.350)	-.255
Single, no children	-.209	(.300)	-.052	-.173	(.360)	-.043
	R = .241			R = .194		
Model 3						
Intercept	1.117*	(.552)		1.264	(.779)	
Nonwhite	-.360*	(.162)	-.088	-.113	(.211)	-.028
Age	-.032*	(.008)	-.008	-.035*	(.012)	-.009
Education	.042	(.024)	.010	.079*	(.032)	.020
Married, children LT 6 yrs.	.162	(.360)	.041	-.257	(.435)	-.006

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Table 4. (Continued)

	Metropolitan (N=879)			Nonmetropolitan (N=535)		
	B	SE	P	B	SE	P
Married, children Lt 6, 6-18	.408	(.337)	.101	.062	(.397)	.016
Married, children 6-18 yrs.	.853*	(.295)	.204	.147	(.335)	-.037
Single, children LT 6 yrs.	-.238	(.376)	-.059	-.400	(.508)	-.099
Single, children LT 6, 6-18	.013	(.334)	.003	-.636	(.479)	-.154
Single, children 6-18 yrs.	-.127	(.268)	-.032	-.554	(.373)	-.135
Single, no children	-.179	(.302)	-.044	.006	(.371)	-.135
Pct. Public Assis.	-.026*	(.004)	-.007	-.034*	(.005)	-.008
	R = .345			R = .353		

*= Significant at the .05 level.

completed and is expected to have a positive effect on working. Family structure is characterized by seven binary variables based on the marital status of the head and the presence and age of children, with heads of married-couple families without children serving as the reference group. Because being a single head of family with children presents barriers to employment and limits the number of workers available to work, it is expected that being a single head of family with children will significantly decrease the likelihood of working. Finally, the percent of family income derived from public assistance in the previous year is included as a measure of dependency. It is a continuous variable and is expected to exert a negative influence on working.

Model 1. Model 1 includes the individual characteristics from Table 1. In the model for metropolitan areas, all the estimates were statistically significant. It showed that, among the metropolitan poor compared to white family heads (the reference group), nonwhite family heads were less likely to work. After controlling for age and education, the P statistic indicates that the probability of a poor nonwhite family head working is .191 less than for a white head of family. The effect of age on working is negative and significant in this model, meaning that the older the family head, the less likely he was to be working. Finally, in

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metropolitan areas, education exerted a positive effect on the likelihood of working. For each year of education completed the likelihood of working increased by .012. The results of this model are consistent with the data in Table 1 which showed workers to be younger, more likely to be white, and better educated than nonworkers.

The results for the nonmetropolitan model were slightly different from the metropolitan model. After controlling for age and education, being nonwhite in nonmetropolitan areas had a much stronger negative impact on the likelihood of working than in metropolitan areas. In nonmetropolitan areas, the probability of a nonwhite head working was .501 less than for a white family head (the corresponding figure for metropolitan areas was only .191). While age, all else being equal, had a significant effect on work status in metropolitan areas, it was not significant in the nonmetropolitan model. As expected, after controlling for race and age, education was significant and positive. For each additional year of schooling completed, the probability of working increased by .02. The Rs for both the metropolitan and nonmetropolitan models showed that these variables accounted for relatively small proportions of the variation in work status—.182 (metropolitan) and .132 (nonmetropolitan).

Model 2. Model 2 includes the family structure and composition variables. In metropolitan areas race and age continued to have negative and significant effects after controlling for the family variables. Heads of married-couple families with only older children (6-18 years) were far more likely to work than heads in the reference group. The likelihood of these family heads working was .189 more than for a childless married-couple family head after controlling for race, age and education. Conversely, compared to the same reference group, single heads of family with only young (less than 6 years old) and young and older children (less than 6, and 6 to 18 years old) were much less likely to work. In the metropolitan model the inclusion of the family variables caused a significant increase in the R from .182 to .241.

In the nonmetropolitan Model 2, the addition of the family structure variables attenuated the previously strong negative effect of race, and revealed suppression of the effect of age in the former nonmetropolitan model. These are discussed in turn.

After controlling for family structure, the race variable was no longer significant. This suggests that a key reason why nonwhites are less likely to work is because they are more apt to have family structures that hinder labor-force participation. After controlling for family characteristics, the age variable became significant. This indicates that while the older poor are less likely to work than the young, the negative effect of age is suppressed to the extent that the young are more likely to be single heads of family and to have children.

Unlike the metropolitan model, the effect of being the head of a married-couple family with children of any age was not significant. This is explained by the fact that in nonmetropolitan areas, smaller proportions of married heads have children. However, being a single family head with young children only, or with young and older children, had a strong and negative effect on working. The probability of working for these heads of family was .276 less than for heads of married-couple families without children. Finally, the addition of the family variables

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increased the R of the model for nonmetropolitan areas from .132 to .194.

Model 3. Model 3 includes the percentage of family income in the previous year from public assistance as a measure of dependency. It had a significant and negative effect on work status in the metropolitan model. This means that families that relied more heavily on public assistance in the previous year were less likely to have a working head. Compared to Model 2 the addition of percentage of family income from public assistance further attenuated the effect of being a nonwhite family head, but caused no appreciable change in the effect of age and education. However, the effect of being the head of a married-couple family on work status increased somewhat. This is not unexpected since married-couple families are not generally eligible for public assistance in the South.

With the addition of public-assistance receipt, the significance of the effect of being a single head of family with children disappeared. This means that the likelihood of a single head of family working is the same as the reference group once the percentage of public assistance in the previous year is held constant.

In the nonmetropolitan Model 3, the effect of the percentage of family income from public assistance in the previous year on working in the present year was significant and negative. Controlling for the percentage of family income from public assistance strengthened the effect of age on work status in nonmetropolitan areas. When the public assistance variable was included, the probability of working decreased to .009 for each additional year of age compared to .007 in the previous model.

Controlling for public assistance had no effect on the strength of the education variable. After controlling for race, age and education, being a single head of family with children lost its significance. This echoes the finding in the metropolitan model that once receipt of public assistance in the previous year was controlled for, single heads of family, regardless of the presence or age of children, were as likely as the reference group to work.

Finally, inclusion of the percentage of family income from public assistance markedly increased the Rs in both the metropolitan and nonmetropolitan areas. The R for the metropolitan model increased from .241 to .345, while the R for the nonmetropolitan model increased from .194 to .353. The addition of the public assistance-variable accounts for more of the variance in work status than either the individual or family structure variables.

In summary, the final model confirms and elaborates on the descriptive findings. Race clearly plays a stronger role in work status in metropolitan than nonmetropolitan areas. Metropolitan nonwhites are less likely to be workers than their nonmetropolitan counterparts. In addition in nonmetropolitan areas race appears to suppress the effect of family structure. Age exerts an independent effect on work status. After controlling for race, education, family characteristics, and receipt of public-assistance income in the previous year, age remains negative and significant regardless of residence. Education has a stronger effect on work status in nonmetropolitan areas than metropolitan areas. This is

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most likely related to the low levels of education in nonmetropolitan areas, which may make finding a job very difficult.

The role of family structure is somewhat ambiguous. While it is fairly clear that being the head of a married-couple family with children exerts a strong positive influence on work status in metropolitan areas but not in nonmetropolitan areas, the effect of being a single head is somewhat less straightforward, largely because work effort is bound up in public-assistance eligibility. The findings suggest that being a single head of family with children, in and of itself, may not be a strong barrier to employment, but reliance on public assistance in the previous year, which is closely related to single-headship, is obviously a barrier to employment. It is not clear why this is the case. Possibly, because a family can receive public assistance as long as there is a child under 18 years old in the family, eligibility can last for a relatively long time (for those who choose to receive it). Even though a definitive conclusion is difficult to reach, the strong negative effect of public-assistance receipt in the previous year on work status in the present year lends some support to the notion of a connection between receiving public assistance and prolonged dependency.

Finally, although Model 3 explains about a third of the total variance in work status, a substantial amount of variance remains unexplained. This suggests an important role for structural explanations of labor-force participation. Further study that includes structural variables would shed additional light on the explanations of work effort among the poor.

Policy implications

Based on the results of the descriptive and multivariate analysis, policies formulated to encourage attachment to the labor force should focus on both the individual and societal levels. One of the clearest implications is that educational levels, particularly among nonworkers in the rural areas of the South, must be raised. In addition, some nonworkers may be helped by manpower training in conjunction with a national economic policy favorable to increased employment. However, jobs must be available for these prospective workers in order to offset the costs of training and to prevent worker discouragement.

The unemployed, about one-fourth of nonworkers, will benefit from macroeconomic policies that promote economic growth. Further, national labor-force strategies that foster adaptation to changing employment opportunities, such as retraining and relocation assistance, along with unemployment insurance, will also benefit this group.

Female heads of family, particularly those who rely on public assistance for large shares of their family income, will require additional assistance to enter the labor market. For example, provisions for child care and job training with continued cash assistance for a short period of time may encourage work effort. Again, jobs must be available for those women who complete the training.

Finally, some nonworkers may not be able to participate to any extent in the labor force. The disabled and those who are unable to compete in the local labor market may continue to require some level of cash assistance.

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Appendix A

The population residing in metropolitan statistical areas (MSAs) constitutes the metropolitan population, the remainder of the population is the nonmetropolitan population. An MSA, as defined by the Office of Management and Budget, is a geographic area consisting of a large population nucleus, together with adjacent communities that have a high degree of economic and social integration with the nucleus. The definitions specify a boundary around each large city so as to include most or all of its suburbs. Entire counties form the MSA building blocks, except in New England where cities and towns are used.

An area qualifies for recognition as an MSA if (1) it includes a city of a least 50,000 population, or (2) it includes a Census Bureau-defined urbanized area of at least 50,000 with a total metropolitan population of at least 100,000 (75,000 in New England). In addition to the county containing the main city or urbanized area, an MSA may include other counties having strong commuting ties to the central county. If specified conditions are met, certain large MSAs are designated as consolidated MSAs and divided into component primary MSAs.