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GLOBALIZATION, SOCIAL JUSTICE AND SOCIAL WELFARE
A CALL FOR PAPERS

THE JOURNAL OF SOCIOLOGY AND SOCIAL WELFARE

Although the literature on globalization has increased exponentially over the last decade, the concept is still poorly defined and its many facets and complexities are under-appreciated. A major problem is the way the effects of globalization on social welfare have been reduced to simplistic, rhetorical statements that either condemn all aspects of globalization or uncritically extol its benefits.

In reality, however, globalization has complex and paradoxical consequences for human well-being. For example, international trade is widely viewed by many progressive observers as being exploitative and unequal and many are appropriately critical of the way neoliberal writers wax lyrical about its purportedly positive impact. On the other hand, it cannot be denied that some countries have benefited from export-led development, and that incomes and standards of living have improved as a result of the increased rate of employment generated through trade. However, the argument cannot be reduced to a simple dichotomy. Improvements in incomes and standards of living have come at a cost for many developing countries. Rapid urbanization, congestion, the decline of traditional values, emotional stress and other negative manifestations of prosperity now characterize many newly industrializing, developing countries.

Globalization has also fostered the diffusion of Western cultural beliefs and practices to other parts of the world which many traditionalists abhor but, on the other hand, it has promoted communication and more frequent exchanges between people of different cultures which cosmopolitans view as highly desirable. As these examples suggest, a proper analysis of the impact of globalization requires a nuanced understanding of the complexities and paradoxes of the globalization process.

An analysis of this kind not only challenges social work and social welfare scholars to understand the complexities of globalization but to formulate principles, policies and practices that may
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Edited by Frederick MacDonald and James Midgley

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An analysis of this kind not only challenges social work and social welfare scholars to understand the complexities of globalization but to formulate principles, policies and practices that may
lead to a "socially just" system of global exchange that explicitly incorporates social welfare thinking. Efforts to promote fair trade, equitable economic exchanges and the regulation of the global economy have gained more support in recent years as activists, academics and progressive policy makers have challenged the market fundamentalism that has characterized much thinking about globalization. The goal of creating a socially just global system is now more frequently discussed in both the media and the academic literature. Since social work and social policy have long been committed to social justice ideals, there is a need for more scholarly debate on these issues in social work and social welfare circles. The tendency in the social work and social policy literature to totally reject globalization needs to be reassessed in the light of international efforts to promote international social justice. After all, few informed observers today believe that nation states can ignore global realities and retreat into economic nationalism and isolationism. The issue today is not whether globalization should be welcomed or rejected but how globalization can be regulated in terms of principles that promote social justice.

This special issue of the Journal Sociology and Social Welfare invites submissions on the theme of Globalization, Social Justice and Social Welfare that specifically address issues of social work, social policy and social welfare. The editors are particularly interested in submissions that deal with mainstream social welfare concerns (relating, for example, to social services provision, social work practice and social policy formulation) in the context of globalization. Submissions that deal with problem areas such as unemployment, inequality, exploitation will of course also be welcomed.

Submission length: 12-16 pages
Timeline and Submission deadlines: December, 2006

Information about the editors

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The Earned Income Tax Credit: A Study of Eligible Participants vs. Non-participants

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Using data from the National Longitudinal Survey of Youth, this study (N = 1,504) showed that about half the EITC eligible tax filers in 2001 did not file EITC tax returns and that differences between EITC tax filers and non-EITC tax filers varied by birth place, Food Stamp program participation, marital status, race, residence, sex, socioeconomic history, and worker classification. Findings suggested that the EITC is well targeted in the sense that economically marginalized groups are likely to participate and that increased outreach efforts are also needed to ensure greater participation among tax filers eligible for the EITC but who are less likely to claim it, especially self-employed persons and those residing in the Northeast.

Keywords: Earned income tax credit (EITC), poverty, social policy, tax policy, welfare reform

The Earned Income Tax Credit (EITC) is one of the most significant cash-transfer programs for low-income families in the United States. It serves single and/or married individuals, with or without children, as long as they meet income eligibility. The EITC offsets in part the erosion of Federal responsibility to poor families, formalized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 which ended the entitlement nature of means-tested cash-based welfare provision (Bok & Simmons, 2002; Careley, 1996; Ozawa, 1995). EITC expenditures exceed those of Food Stamps and the Temporary Assistance for Needy Families (TANF) program, although they fall shy of the Supplemental Security Income (SSI) program. Although the EITC currently targets working poor individuals regardless of whether
they have children, it lifts more children out of poverty than any other means-tested or social insurance program (U.S. Congress, 2004b, 2004c). It raises the income of many low-income workers above the poverty line, increases labor force participation among low-income single mothers, and enables many low-income families in general to meet immediate consumption as well as longer-term investment needs (Center on Budget and Policy Priorities, 1998).

Despite some misgivings in regard to compliance, the EITC has enjoyed bi-partisan political support since its inception in 1975 when it was viewed as a means of providing an offset to Social Security (payroll) taxes paid by low-income workers with children. It retains a pro-work, pro-family, and anti-welfare appeal that both Republican and Democratic presidential administrations have used to justify the 30-year Federal subsidy to low-income families. The EITC has become one of the main Federal programs to subsidize the working poor, to provide an economic incentive to retain their labor force attachment, and thereby to decrease their likelihood of remaining in poverty and of relying on TANF, Food Stamps, and other forms of public assistance.

This paper provides an overview of the EITC program and it reports results of a study that examined the likelihood of EITC participation among eligible taxpayers in 2001. The comparison between eligible participants and non-participants should provide insight into why some eligible households fail to claim the credit and help increase the effectiveness of EITC outreach efforts.

Literature Review

About the EITC

The EITC is one of nine major means-tested programs. The others are Food Stamps, Medicaid, Supplemental Security Income (SSI), TANF, the child support enforcement program, programs subsidizing child care, housing programs, and employment and training programs. The EITC is a unique means-tested program because it is a refundable tax credit. That is, if the amount of the credit exceeds the taxpayer’s Federal income tax liability, the excess is payable to the taxpayer as a direct transfer payment. As a transfer payment, the EITC is like other Federal programs
that provide poor and low-income families with public benefits. Since it requires earnings, the EITC is unique from other Federal benefit programs (U.S. Congress, 2004c). As a tax expenditure, the EITC is like the deduction of home mortgage interest (HMI) and the exclusion of employer pension (EPP) contributions from income, the two largest and best-known tax expenditures, which, however, are not means-tested (Holtzblatt, 2000). Howard (1997) provides a useful guide to the historical and political precedents of tax expenditures with social policy objectives, including the targeted jobs tax credit (TJTC), in addition to the EITC, HMI, and EPP. Weisbach and Nussim (2004) provide a more technical discussion of organizational and institutional design issues relevant to an integration of tax and spending programs.

Enacted during the Ford administration in 1975 as a way to offset the burden of Social Security tax on low-income working parents, the EITC generally equals a specified percentage of wages up to a maximum dollar amount. The maximum amount applies over a certain range of income and diminishes to zero over a certain income range. The EITC thereby has three ranges: phase-in, maximum credit, and phase-out. In the phase-in range, the EITC acts as a wage subsidy—as the family earns more, the transfer increases. In the maximum credit range, the transfer remains constant regardless of earnings. In the phase-out range, the EITC acts like a negative income tax—as the family earns more, the transfer is reduced. While the phase-in range provides a work incentive, the maximum and phase-out ranges have work disincentives for some families (Horowitz, 2002; see Moffitt (2003) for a history of the negative income tax in U.S. welfare policy). The income ranges and percentages have increased several times since 1975, expanding the credit, as have the numbers of participants. The 1975–2003 EITC parameters can be found in U.S. Congress (2004c); the corresponding number of recipient families and amount of credits can be found in U.S. Congress (2004b). It should be noted that unlike public assistance programs in some states, single-parent and two-parent families with similar income levels receive the same EITC benefit. Additionally, two-parent families with similar income levels receive the same EITC benefit regardless of whether one or both parents work (Greenstein & Shapiro, 1998).
It is also important to keep in mind that throughout the 1980s and 1990s the AFDC program was increasingly subjected to arguable criticism for sustaining, if not also creating, a class of "dependent" poor able-bodied persons, especially unmarried women with children. Ending welfare dependency had come to displace poverty reduction as a major social problem. Macroeconomic factors as causally relevant to the plight of poor persons in general and of poor mothers in particular were virtually drowned out or ignored in the policy debates about welfare. Poor mothers with young children were no longer considered "deserving" and the legitimacy of claims for cash assistance had eroded, aided in part by sustained attacks on the U.S. welfare state in general and on the AFDC program in particular since the early 1980s (Bowen, Desimone, & McKay, 1995; Caputo, 1997a, 1997b; Ellwood, 2000a; Handler, 1995; Hoynes, 1995).

Rules to tighten eligibility compliance and to improve enforcement of the EITC were incorporated into the Personal Responsibility and Work Opportunities Act of 1996, the Taxpayer Relief Act of 1997, and the Balanced Budget Act of 1997, each during the Clinton administration. It should also be kept in mind that the minimum wage, an alternative mechanism to raise the income of low-income workers, was increased to $5.15 in 1997 and that the EITC had been found to deliver a much larger proportion of a given dollar of benefits to low-income workers between 1989 and 1992 than increases in the minimum wage from $3.35 to $4.25 (Burkhauser, Couch, & Glenn, 1995). The Economic Growth and Tax Relief Reconciliation Act of 2001, the GW Bush administration's tax cut package, increased the beginning and ending amounts of the phase-out ranges for married taxpayers who filed a joint return and, among other provisions expanding the potential reach of EITC in general, excluded nontaxable employee compensation from the definition of earned income (Gale & Potter, 2002; Kiefer, D., et al., 2002; Smeeding, Ross, & O'Connor, 2000; U.S. Congress, 2004c). The three benefit formulas (for no children, one child, and two or more children) have remained in place since 1994 and the subsidy rate stabilized at 40 percent in 1997 (See U.S. Congress, 2004c). Although the levels have changed, Ozawa and Hong (2003) reported that a modified formula which included an additional category for three or more
children with a subsidy rate of 46 percent would significantly reduce the poverty rates of children. This would be the case more so when combined with the child allowances that were part of the Economic Growth and Tax Relief Reconciliation Act of 2001.\footnote{Prior studies of EITC}

In addition to documenting the broad ideological support for the EITC, Greenstein and Shapiro (1998) and the Center on Budget and Policy Priorities (1998) have summarized much of the earlier research of its use and effects (Also see Blank, Card, & Robbins, 1999; Essa & Hoynes, 1999). More than half the increase in the proportion of single mothers in the labor force was found to be due to the effects of the EITC, especially those occurring after the expansion of maximum credit benefits in 1993 (Also, see Blank, 2000; Ellwood, 2000a & 2000b). The EITC was also found to offset between one-fourth and one-third of the decline in the national share of income received by the poorest fifth of households with children over a twenty-year period. It reduced poverty among children by one-fourth. U.S. Census data revealed that the EITC moved more children out of poverty than any other program or category of programs. This was especially the case among Hispanic children as well as among children in the South, where lower wages prevail and more low-income workers are likely to qualify.

More recent data showed that in 2002 the anti-poverty effectiveness of the EITC and Federal taxes removed roughly the same percentage of persons from poverty as Social Insurance (10.9\% vs. 11.7\% respectively) and higher percentages than means-tested non-cash programs (9.7\%) and means-tested cash programs (3.5\%). These percentages were a striking contrast to the 1979 figures of 15.3\% for means-test non-cash programs, 10.9\% for Social Insurance, 7.7\% for means-tested cash program, and -1.6\% for EITC and Federal taxes. The last, negative, percent was due to the regressive nature of the Social Security (payroll) tax which the EITC did not fully offset in the aggregate until 1993 (U.S. Congress, 2004a). Relying on data from the Panel Study of Income Dynamics (PSID) for the years 1975–1992, Horowitz (2002) reported that eligible EITC households were mobile and that most spells were short. Among those who were just starting a spell, 51
percent of spells lasted one year and 74 percent of spells were
over in two years or less. Only 9 percent of spells lasted five years
or longer. The average spell was 2.135 years.

Several of the earlier EITC studies focused on marriage penal-
ties and bonuses, which are not the main foci of the present study.
Suffice it to say for present purposes that research on taxes in gen-
eral had consistently indicated that as the tax penalty on marriage
increased, individuals were less likely to marry and more likely to
divorce (Alm, Dickert-Conlin, & Whittington, 1999). The phase-
in and phase-out levels of the EITC were thought to penalize
married women who worked and to subsidize married women
who did not work, thereby distorting marriage decisions and mar-
rried women’s labor force participation decisions (Dickert-Conlin
& Houser, 2002). The EITC structure also implied that a single
mother with no earnings who married a man with low earnings
would qualify for the subsidy, thus providing a marriage subsidy;
however, an EITC-eligible mother would become ineligible if
she married and their combined income placed them beyond
the phase-out range (Dickert-Conlin & Houser, 1999. Also, see
Ellwood, 2000a&b; Holtzblatt & Rebelein, 2000).

Phillips (2001) noted that since the EITC is administered
through the Federal tax system its use was contingent on how
knowledgeable low-income taxpayers and likely taxpayers were
about it. Relying on data from the 1999 National Survey of Amer-
ica’s Families (NSAF), Phillips showed that knowledge about and
use of the EITC varied by a number of sociodemographic charac-
teristics. Nearly two-thirds of parents from the NSAF sample had
heard of the EITC and nearly 30 percent had received it at some
time. Low-income Hispanic parents were less knowledgeable
about the program than low-income non-Hispanic parents of
any race. In addition, among knowledgeable low-income parents,
Hispanic parents were less likely to receive the credit. Married
low-income parents were less likely than divorced/separated
and never married parents to know about or receive the EITC.
Divorced/separated parents were less likely than all parents to
have ever used the program. Parents who had a history of welfare
receipt had greater knowledge of EITC than were those with no
such history. Whether or not a state implemented its own EITC
The Earned Income Tax Credit

program was found to have no effect on either knowledge or use of the Federal program.

Relying on 1990 SIPP data, Scholz (1994) found that higher income taxpayers were more likely to file returns among EITC eligible persons than lower-income taxpayers, although greater levels of income derived from self-employment decreased the likelihood of EITC participation. In addition, the likelihood of EITC participation among eligible tax filers was positively related to the size of the potential EITC payment. Taxpayer characteristics associated with non-participation included AFDC participation, Social Security participation, larger family size, being unmarried, being male, and being of Spanish origin. Those with college degrees were also less likely to participate than were those without high school diplomas. Those in private household occupations such as launderers, cooks, housekeepers, and child care workers, as well as equipment cleaners, helpers, and laborers were less likely to receive the EITC than were executives, managers, and those working in specialty professional occupations.

Finally, as the preceding survey of the literature indicates, most studies of the EITC relied on micro-level data and drew conclusions about individual responses to the program's incentive structure, especially in regard to marriage, work, and welfare. A notable exception, which goes beyond the scope of the present study, is Edwards (2004) who reported that the EITC is a better fiscal stimulus tool than broad-based tax refunds.

The aforementioned micro-level studies suggested that the EITC is a well-known and well-targeted program that works. Specific subgroups of the population, however, especially Hispanic parents, were reported to be less likely to know about and hence to use EITC. The present study sought to add to the knowledge base of EITC in several ways. It included single low-income workers without children, as well as those with children. The present study took into account past tax filing behavior, which prior studies have omitted. The assumption here was that persons with a history of not filing taxes would probably be less likely to use the EITC. The present study also took advantage of longitudinal panel data by making use of family background items and cumulative measures of income status and work history obtained at the time of interview rather than relying on
respondents' recall of such measures as is the case in retrospective cross-sectional EITC studies. For example, it includes measures of work history because evidence suggested that the EITC induces labor market entry in families that do not initially have an adult worker (Neumark & Wascher, 2001). Hence a hypothesized positive relationship between EITC receipt and work history might be somewhat offset by those with weak to moderate work histories who might be EITC-eligible but perhaps not apply. Results were meant to further the outreach efforts of the Federal government and advocacy groups. The author thought that it was important to continue to monitor the use of the EITC to ensure that it remains a well-targeted and effective program and by extension, stands a reasonable probability of surviving at a time when reduction of the Federal deficit may necessitate tax increases to offset lost tax revenue from the EITC despite the efforts of the anti-tax, anti-welfare G.W. Bush administration.

Method

Data and Subjects

Data were obtained from the National Longitudinal Survey of Youth (NLSY), a nationally representative sample of 12,686 young men and women who were 14-22 years old when they were first surveyed in 1979. In 2002, the most recent year of available data, there were 7,724 respondents, representing 60.9 percent of the original sample. The primary purpose of the NLSY was collection of data on each respondent's labor force experiences, labor market attachment, and investments in education and training. The NLSY was deemed suitable for purposes of the present study because it asked questions about tax-filing behavior in general and about the EITC in particular (Center for Human Resource Research, 2004).

Reliance on the NLSY as the single source of data was not seen as problematic in light of the battery of significant legislative measures designed to curb the types of errors identified by IRS and other studies (Alstott, 1994; Greenstein & Shapiro, 1998; Kiefer, et al., 2002; McCubbin, 2000). In addition, Federal and advocacy efforts inform low-income persons about the program and about free tax preparation services, so public awareness is likely to have
increased significantly since the time of earlier studies and reports (e.g., see Shipler, 2004). Furthermore, questions about the EITC were raised after respondents were asked about whether they filed taxes in the previous calendar year, a question that had been asked in prior survey years. Nonetheless, several limitations of the NLSY are of note. The 39 percent attrition rate invariably fell disproportionately on the lower income individuals and their families. The NLSY also represented only one cohort of the U.S. population first surveyed in 1979 and hence this study excludes more recent cohorts of young families, which regarding poverty, are of interest. Study findings and implications are presented and discussed with these limitations in mind.

Measures

EITC eligibility: To be eligible for EITC in 2001, federal guidelines required that a respondent had to live in a household with reported regular/military income less than or equal to $4,760 with no children, $7,140 with one child, and $10,020 with more than one child (U.S. Congress, 2004c, Table 13-12). The determination of EITC eligibility was made mechanically at the time of interview by the survey software on the basis of respondents' responses to “lead-in” questions about sources of income, household composition (specifically for the presence of a spouse), whether any biological children had ever been reported, and whether they filed tax forms for 2001 (McClaskie, 2005). Since this procedure in all likelihood resulted in an over-count of persons eligible for the EITC, the presence of children was determined from household composition items in the NLSY79. The study sample included only those respondents who had been determined EITC eligible by the mechanical method and about whom all other information was available.

Sociodemographic characteristics: These included age, education (highest grade completed), ethnicity (Hispanic vs. other), health status (whether health limited the amount or type of work one could do), marital status (married [reference category in multivariate analysis], never married, or separated/widowed/divorced), number of children in household, residence (urban vs. rural), race (White vs. other), SES history (the number of years respondents lived in families whose incomes fell below official
poverty lines that accounted for family size), and sex. Background control measures included country of birth (US born vs. other) and mother's education, region of residence (Northeast, North Central, South, or West).

Class of worker: This measure comprised a series of dummy variables. It signified whether respondents were employed by government, private for profit companies, non-profit organizations (including tax-exempt and charitable), or family businesses (including self-employed).

Work history and related measures: Work history was captured by three measures: the average number of weeks worked per year between 1979 and 2000, the average number of week unemployed (vis-à-vis out of the labor force) per year between 1979 and 2000, and the number of weeks worked in calendar year 2001. In addition, the percentage unemployed in the area in which respondents lived was included because, as Ellwood (2000a) notes, reforms designed to support people who are working fail if people cannot find work. This measure was used as a control. Finally, the average annual percent of weeks unaccounted for in the NLSY in accounting for weeks worked was also included as a control variable.

Public Assistance Use: The public assistance measures included whether respondents reported they participated in the Food Stamps, Supplemental Security Income (SSI), or Temporary Assistance for Needy Families (TANF) programs. Each measure was coded such that 1=Yes, 0=No. Since the income eligibility thresholds are higher for Food Stamps and SSI than for TANF, participation in EITC was thought to be more likely for Food Stamp and SSI recipients.

Results

Nearly half (49%) the eligible taxpayers in the study sample filed for the EITC. As can be seen in Table 1, EITC filing status differed by age, class of worker, country of birth, marital status, mother's education, public assistance receipt, race, region of residence, SES history, sex, and work history. As Panel A shows, EITC tax filers were younger than non-EITC tax filers (40.7 vs. 41.1 years old), less educated mothers (9.9 vs. 10.3 years of completed schooling), lived in poor families for a greater number
The Earned Income Tax Credit

Table 1

Panel A

T-test results by EITC Tax Filing Status

<table>
<thead>
<tr>
<th>Measure</th>
<th>EITC Filer</th>
<th>Non-EITC Filer</th>
<th>T-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>40.69</td>
<td>41.06</td>
<td>-3.18**</td>
</tr>
<tr>
<td>Education</td>
<td>12.27</td>
<td>12.46</td>
<td>-1.81</td>
</tr>
<tr>
<td>Mother’s education</td>
<td>9.90</td>
<td>10.29</td>
<td>-2.32*</td>
</tr>
<tr>
<td>Number of children in household</td>
<td>1.65</td>
<td>0.93</td>
<td>11.22***</td>
</tr>
<tr>
<td>Number of years filed tax return</td>
<td>4.83</td>
<td>4.82</td>
<td>0.16</td>
</tr>
<tr>
<td>Number of years lived in poverty</td>
<td>5.52</td>
<td>3.44</td>
<td>9.96***</td>
</tr>
</tbody>
</table>

Sociodemographic Measures

Work history measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>EITC Filer</th>
<th>Non-EITC Filer</th>
<th>T-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of weeks worked</td>
<td>31.50</td>
<td>34.80</td>
<td>-4.78***</td>
</tr>
<tr>
<td>Average percent of unaccounted number of weeks worked, 1982-2000</td>
<td>38.97</td>
<td>51.54</td>
<td>-1.42</td>
</tr>
<tr>
<td>Number of weeks worked in 2001</td>
<td>44.95</td>
<td>43.57</td>
<td>1.81</td>
</tr>
<tr>
<td>Percent of unaccounted number of weeks worked in 2001</td>
<td>19.54</td>
<td>34.59</td>
<td>-0.60</td>
</tr>
<tr>
<td>Unemployment rate in area of residence</td>
<td>2.74</td>
<td>2.67</td>
<td>1.69</td>
</tr>
</tbody>
</table>

***p ≤ .001, **p ≤ .01, *p ≤ .05

of years (5.5 vs. 3.4), and on average worked fewer weeks per year between 1982 and 2000 (31.5 vs. 34.8). As Panel B shows, higher percentages of those born in the U.S. (94.9% vs. 92.5%), separated/divorced/widowed (49.3% vs. 32.4%), female (71.6% vs. 46.9), government employees (17.2% vs. 12.7%), Food Stamp recipients (9.8% vs. 2.2%), and TANF recipients (1.9% vs. 0.5%) were EITC tax filers than were non-EITC tax filers. Higher percentages of those married (43.7% vs. 28.3%), White (57.3% vs. 48.2%), Northeast residents (15.7% vs. 9.8%), and self-employed or in family businesses (15.0% vs. 7.4%) were non-EITC tax filers than were EITC tax filers.

As can be seen in Table 2, country of birth, marital status, number of children in household, number of years as a tax filer, number of years lived in a poor family, region of residence, sex, class or worker, use of public assistance, and work history were
### Panel B

**Cross Tabulation Results by EITC Eligibility Status**
*(within group percent)*

<table>
<thead>
<tr>
<th>Measure</th>
<th>EITC Tax Filing Status</th>
<th>Non-EITC Tax Filer</th>
<th>Chi-square value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sociodemographic Measures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born in the U.S.</td>
<td>94.9</td>
<td>92.5</td>
<td>03.84*</td>
</tr>
<tr>
<td>Health limits work on can do</td>
<td>12.2</td>
<td>12.4</td>
<td>00.03</td>
</tr>
<tr>
<td>Hispanic</td>
<td>16.8</td>
<td>16.3</td>
<td>00.63</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>28.3</td>
<td>43.7</td>
<td>38.47***</td>
</tr>
<tr>
<td>Never married</td>
<td>22.4</td>
<td>24.0</td>
<td>00.51</td>
</tr>
<tr>
<td>Separated/divorced/widowed</td>
<td>49.3</td>
<td>32.4</td>
<td>44.67***</td>
</tr>
<tr>
<td>Race—White</td>
<td>48.2</td>
<td>57.3</td>
<td>12.30***</td>
</tr>
<tr>
<td>Region of residence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast</td>
<td>9.8</td>
<td>15.7</td>
<td>11.45**</td>
</tr>
<tr>
<td>North Central</td>
<td>23.8</td>
<td>23.4</td>
<td>00.02</td>
</tr>
<tr>
<td>South</td>
<td>49.6</td>
<td>44.4</td>
<td>04.02*</td>
</tr>
<tr>
<td>West</td>
<td>16.8</td>
<td>16.5</td>
<td>00.03</td>
</tr>
<tr>
<td>Sex—Female</td>
<td>71.6</td>
<td>46.9</td>
<td>94.65***</td>
</tr>
<tr>
<td>Urban residence</td>
<td>75.4</td>
<td>75.5</td>
<td>00.00</td>
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<tr>
<td><strong>Class of worker status</strong></td>
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<td></td>
</tr>
<tr>
<td>Government employee</td>
<td>17.2</td>
<td>12.7</td>
<td>06.05*</td>
</tr>
<tr>
<td>Private, for profit sector employee</td>
<td>68.4</td>
<td>66.8</td>
<td>00.44</td>
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<tr>
<td>Non-profit organization employee</td>
<td>7.0</td>
<td>5.4</td>
<td>01.51</td>
</tr>
<tr>
<td>Self-employed or family business</td>
<td>7.4</td>
<td>15.0</td>
<td>21.93***</td>
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<tr>
<td><strong>Public Assistance Participation</strong></td>
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<tr>
<td>Food Stamps</td>
<td>9.8</td>
<td>2.2</td>
<td>39.33***</td>
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<tr>
<td>SSI</td>
<td>2.9</td>
<td>1.9</td>
<td>00.38</td>
</tr>
<tr>
<td>TANF</td>
<td>1.9</td>
<td>0.5</td>
<td>06.19*</td>
</tr>
</tbody>
</table>

* ***p ≤ .001, **p ≤ .01, *p ≤ .05*
## Table 2

*Unstandardized Coefficients (B), Standard Errors (SE), and Odds of Filing for the EITC*

<table>
<thead>
<tr>
<th>Measures</th>
<th>B</th>
<th>SE</th>
<th>Odds Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sociodemographic Measures</strong></td>
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</tr>
<tr>
<td>Age</td>
<td>-.037</td>
<td>.027</td>
<td>.964</td>
</tr>
<tr>
<td>Born in the U.S.</td>
<td>.611</td>
<td>.277</td>
<td>1.843*</td>
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<tr>
<td>Education</td>
<td>-.037</td>
<td>.035</td>
<td>.964</td>
</tr>
<tr>
<td>Health limits work on can do</td>
<td>.058</td>
<td>.186</td>
<td>1.060</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-.060</td>
<td>.209</td>
<td>.941</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
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<td></td>
</tr>
<tr>
<td>Married (reference)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Never married</td>
<td>.491</td>
<td>.181</td>
<td>1.633**</td>
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<tr>
<td>Separated/divorced/widowed</td>
<td>1.068</td>
<td>.146</td>
<td>2.909***</td>
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<tr>
<td><strong>Mother’s education</strong></td>
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</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Number of children in household</td>
<td>.537</td>
<td>.055</td>
<td>1.711***</td>
</tr>
<tr>
<td><strong>Number of years filed tax return</strong></td>
<td>.103</td>
<td>.048</td>
<td>1.108*</td>
</tr>
<tr>
<td><strong>Number of years lived in poverty</strong></td>
<td>.099</td>
<td>.019</td>
<td>1.104***</td>
</tr>
<tr>
<td><strong>Race—White</strong></td>
<td></td>
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</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Northeast</td>
<td>-.476</td>
<td>.197</td>
<td>.621*</td>
</tr>
<tr>
<td>North Central</td>
<td>-.238</td>
<td>.170</td>
<td>.788</td>
</tr>
<tr>
<td>South (reference)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>West</td>
<td>-.001</td>
<td>.208</td>
<td>.999</td>
</tr>
<tr>
<td><strong>Sex—Female</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Urban residence</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Class of worker status</strong></td>
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<tr>
<td>Government employee</td>
<td>.662</td>
<td>.251</td>
<td>1.938**</td>
</tr>
<tr>
<td>Private, for profit sector employee</td>
<td>.576</td>
<td>.207</td>
<td>1.778**</td>
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<tr>
<td>Non-profit organization employee</td>
<td>.727</td>
<td>.308</td>
<td>2.068*</td>
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<td>Self-employed or family business (reference)</td>
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<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Public Assistance Participation</strong></td>
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<tr>
<td>Food Stamps</td>
<td>1.136</td>
<td>.329</td>
<td>3.113***</td>
</tr>
<tr>
<td>SSI</td>
<td>-.229</td>
<td>.397</td>
<td>.795</td>
</tr>
<tr>
<td>TANF</td>
<td>.193</td>
<td>.661</td>
<td>1.212</td>
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<tr>
<td><strong>Work history measures</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Average annual # of weeks worked, 1982–2000</td>
<td>.004</td>
<td>.006</td>
<td>1.004</td>
</tr>
</tbody>
</table>
robust correlates of EITC tax filing status. When accounting for all study measures, those more likely to file for the EITC were born in the U.S. (1.8 times as likely), never married vs. married (1.6 times), separated/divorced/widowed vs. married (2.9 times), women (1.9 times), government employees vs. self-employed (1.9 times), private for profit sector employees vs. self-employed (1.8 times), non-profit organization employees (2.1 times), and Food Stamp recipients (3.1 times). Also, each increase in the number of children in a household increased the odds of filing for the EITC by 71 percent, while each additional year of being a tax filer increased the odds of filing for the EITC by 11 percent, of living in a poor family by 10 percent, and of working each additional week by 1.0 percent. Residence in the Northeast US decreased the odds of filing for the EITC by 38% in comparison to residence in the South.

Discussion

Findings of this study suggest that the EITC remains an increasingly well-targeted program. Food Stamp recipients, women, those with greater numbers of children, and separated/divorced/widowed persons are more likely than their low-income tax filing counterparts to participate in the EITC. These findings are consistent with much prior research (e.g., Blank, 2000; Blank, Card, & Robbins, 1999; Center on Budget and Policy Priorities,
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1998; Ellwood, 2000a & 2000b; Essa & Hoynes, 1999; Greenstein & Shapiro, 1998). Corroboration of previous research demonstrating the well-targeted nature of the EITC is important for policy makers and EITC advocates to know. If nothing else, it signifies that government policy based on work-related incentives can work as intended to the benefit of low-income individuals and their families. Furthermore, as Alstott (1999) shows, the EITC has to compete with other federal wage subsidy schemes that go directly to employers rather than to individuals (e.g., the Welfare-to-Work Tax Credit launched during the Clinton administration) and it has several competitive advantages over such tax credit programs that can hold up under empirical scrutiny. For example, the EITC is more likely than wage subsidies that go to employers to bring non-employed persons into the labor market and to increase the amount of work that part-time workers do.

Findings of this study differ somewhat from Phillips (2001) who reported that divorced/separated parents were less likely than all parents to have ever used the program and that Hispanics were less likely than others to know about or participate in the EITC. The disparate findings are probably an artifact of different samples. The present study shows that low-income married people were less likely to receive EITC. Alternatively, greater outreach efforts by the Federal government and community groups in the late 1990s and early 2000s as noted below may have also contributed to different findings. Both the present study and Phillips, however, show that married low-income persons and parents respectively are less likely than never married and divorced/separated persons and parents to receive the EITC. On the whole, findings of the present study as well as those of Phillips and others suggest that the EITC rewards economically marginalized groups of working taxpayers with a greater level of income than would be the case otherwise. In doing so, the EITC continues to serve the purposes of social justice by expanding the opportunity set among those families whose economic circumstances are precarious at best (Barry, 2005).

Findings of the present study also suggest that increased outreach efforts are also needed to ensure greater participation among those eligible for the EITC. This is especially the case for married persons, those who file tax returns less frequently
over the years, and corroborating Scholz (1994), those who are self-employed or work for a family business. In 2001 married persons may have been reluctant to file due to purported penalty effects reported in prior research if filing would make them worse off than not filing for the EITC (Dickert-Conlin & Houser, 1999; Ellwood, 2000a&b; Holtzblatt & Rebelein, 2000). To the extent the EITC is perceived as rewarding married parents less than others, especially never married, separated, or divorced parents, its political popularity with both Democratic and Republican politicians and other policy makers may erode despite the program’s pro-work emphasis. The EITC might suffer the same fate as AFDC did in 1996 when, as previously noted, it was replaced with TANF (Bowen, Desimone, & McKay, 1995; Ellwood, 2000a; Fraser & Gordon, 1994; Handler, 1995; Haveman & Scholz, 1994). Also as noted however, prior to 2002 persons with “married filing separate” status were ineligible for the EITC. Separate filing status may remove the marriage penalty for many couples and their families and thereby enable them to benefit from the EITC program. In addition, married joint tax filers after 2001 should also benefit from the increased beginning and ending amounts of the phase-out ranges for married taxpayers who file a joint return as enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001. The effects of such legislation on the EITC take-up rate for low-income married couples warrant future research. When providing services to low-income working families, social workers and other professionals should be aware of the EITC eligibility criteria and how they might affect married couples as tax filers.

Information about the EITC can be found at the Internal Revenue Service Internet site (http://www.irs.gov/individuals/article/0,,id=96406,00.html). When no economically adverse consequences are likely to follow, couples should be encouraged to pursue the EITC when filing their taxes and to have an assessment done to determine the effects of filing taxes as a couple or as individuals. If they do not already do so, social and family service agencies with low-income working clients may consider incorporating financial counseling to their mix of services with the EITC in mind. This can be done by ensuring that professional providing psychotherapeutic counseling or other interpersonal
services expand their clinical treatment regimen and attend more explicitly than might be the case otherwise to their clients' socioeconomic well-being. It can also be done by offering "concrete" financial counseling services whose practitioners are well-versed in public programs targeting low-income individuals and families. At the least, low-income working clients ($36,000 and below) can be directed to the Volunteer Income Tax Assistance program (VITA), whose local sites can be obtained by calling 1-800-829-1040. Low-income working elderly clients (60 years and over) can be directed to the Tax Counseling for the Elderly program (TCE), of which the AARP's Tax-Aide program is a part. Information about TCE can be found at 1-800-829-1040, while information about AARP's Tax-Aide program can be found at 1-888-227-7669 or by visiting the AARP Internet site (http://www.aarp.org/money/taxaide/).

As noted, among eligible taxpayers those who file tax returns less frequently, as well as those who are self-employed or work for a family business, are also less likely to file tax returns for the EITC. Apparently offers of free tax preparation services in low-income neighborhoods and on the Internet fail to capture these two groups of individual taxpayers who can benefit from filing for the EITC. Social service agencies that provide individual and family financial counseling services might pay closer attention to the tax-filing histories and self-employment status of their otherwise EITC-eligible clients and make sure they understand that they are both eligible for the EITC and that it is to their economic advantage file for it, especially for families with two low-income workers who could benefit from filing their tax forms separately.

In conclusion, this study adds to the body of knowledge about the EITC, a program that remains well-targeted. It identifies groups of individual taxpayers whom social workers and other professionals working with low-income working clients can benefit from participation in the EITC program. Several free tax preparation services are also identified so clients can locate nearby offices to help them determine their eligibility and to file tax returns accordingly. Future research should explore to what extent the EITC provides a boost for those who are already on their way escaping poverty, and to discern the proportions of families
who fall below qualifying for the credit, who are helped but still destitute, and who make it beyond what might be considered an acceptable economic marker, such as 150–200 percent of the poverty line. As noted above, future research should also determine the effects of related legislation passed in 2002 and in 2001.

References

The Earned Income Tax Credit


U.S. Congress (2004c). *Green Book: Background material and data on programs within the jurisdiction of the Committee on Ways and Means*. Section 13: Tax provisions related to retirement, health, poverty, employment, disability and other social issues. House of Representatives, Committee on Ways
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Note

1. It should also be kept in mind that prior to 2002 low-income taxpayers with a "married filing separate" status were ineligible for the credit. As Holtzblatt and Rebelein (2000) have shown, this policy created a bonus for two very low-wage workers with children because their joint return entitled them to a higher credit than was the case had they filed separately, given the eligibility and phase-out levels of the credit at the time of their study. Contrarily however, a two-earner couple with children and $35,000 of combined income was ineligible for the EITC if married, but eligible for a sizable credit if they did not marry, lived together, and raised a family. Although these two latter couples had similar income and family responsibilities, they were not treated the same under the tax code, violating the principle of horizontal equity. Many of the compliance problems that the IRS faced and that were addressed in the aforementioned legislation during the mid-to-later 1990s were a function of the same issue, namely the relative treatment of single and married taxpayers. Achieving marriage neutrality, progressiveness, and equal taxation of couples with the same income was (and remains) a longstanding tax problem (Bittker, 1975). Finally, it should also be kept in mind that 14 states and the District of Columbia had also implemented their own EITC programs by 2000, adding between 5-25 percent more credit on top of the Federal one, and that these were not taken into account in the present study of the Federal program (Johnson & Lazere, 1998). For exemplary studies that did account for state EITC programs, see Neumark and Wascher (2001) and Scholz (1995).
The Adoption and Safe Families Act (P.L. 105-89; ASFA) passed into federal law in 1997. ASFA emphasized child protection over family preservation, and introduced reforms intended to increase the likelihood and the speed with which children in the child welfare system attain a permanent home. This article details two provisions of the law, concurrent planning and reunification exception, and explores challenges in their implementation. These provisions have the potential to shift the nature of how child welfare services are delivered, and which families will receive them. An examination of implementation in the state of California suggests there is a need for further research regarding the application and effectiveness of these reforms to ensure they produce their intended effects.

Keywords: concurrent planning, permanency, reunification exception

ASFA was developed in a context of concern about the well-being of children served in the child welfare system. Legislators were troubled by the increasing numbers of children in foster care, and the long average length of stay they experienced, feeling that these problems were due to child welfare agencies making “extraordinary” efforts to reunify families (Foster Children, 104th Cong., 1996). Comments expressed during congressional debates are illustrative of these larger sentiments: “...The foster care
system is keeping children in foster care for too long. . . . Abusive parents are, today . . . given a second chance, a third chance, a fourth chance, a fifth chance, and on and on. . . . while they try to get their act together . . . their poor little children are shuttled from foster home to foster home” (Reasonable Efforts, 105th Cong., 1997). Legislators also expressed concern that children were being inappropriately returned to family situations in which they would still be at risk, due to agencies’ misinterpretation of the 1980 Adoption Assistance and Child Welfare Act (P.L. 96-272). “The principle of making reasonable efforts to reunify families is too often misinterpreted to mean reunifying families at all costs—even abusive families that are really families in name only” (Reasonable Efforts, 105th Cong., 1997).

National data provide some support for these concerns. The number of children in foster care has been rising over time. While at the end of 1986, there were approximately 280,000 children in out-of-home care (Tatara, 1994), that estimate had climbed to 523,000 by 2003 (U.S. Department of Health and Human Services, 2005a). Part of the growth in the foster care population resulted from an imbalance between foster care entries and exits: throughout the 1990s, entries exceeded exits in most large states (Wulczyn, Hislop, & Goerge, 2000). Based on point-in-time counts of all children in foster care in FY 2002, the mean length of stay for children in out-of-home care was 32 months, and the median length of stay 18 months, while approximately 20% of children who left care in fiscal year 2002 had been in care three years or more (U.S. Department of Health and Human Services, 2005b). Moreover, almost half of the 126,000 children in care “waiting” for adoption—children either with a case plan goal of adoption or who had parental rights terminated for both parents—had been waiting three or more years (USDHHS, 2005b). Longitudinal data show similar trends (for California data see: Needell et al., 2005).

For children who have been reunified, there is a relatively high rate of re-abuse and re-entry to care. In 44 states reporting these data, approximately 8% of children experience subsequent maltreatment within six months of the initial referral (USDHHS, 2005c). In California, approximately 13% of children discharged from care re-entered the system within 12 months (Needell et al., 2005).
As one means of addressing these issues, Congress passed P.L. 105-89 in 1997 with expectations of reducing children's stays in foster care, and expediting alternative permanency options for children who can not return home. ASFA did little to bolster parents' capacities or opportunities to reunify with their children; the law was chiefly designed to address issues faced by children unlikely to reunify and those for whom reunification might prove hazardous.

ASFA makes use of three primary avenues in its effort to move more children to permanency quickly. First, it decreases from 18 months to 12 the time allowed for parents to reunify with their children initially established under the Adoption Assistance and Child Welfare Act of 1980. Second, it provides a number of mechanisms to encourage adoption of children. Third, states must make reasonable efforts not only to preserve and reunify families, but also to find alternative permanent homes for children should reunification fail. ASFA clarifies that these efforts may be made concurrently with efforts to reunify the family. ASFA also enables child welfare agencies to deny reunification services to some parents under certain conditions (hereafter referred to as reunification exceptions) (Adoption and Safe Families Act of 1997).

Two of the provisions of ASFA, reunification exception and concurrent planning, are considered here in more depth. These provisions are of particular interest because they reflect important shifts in our thinking about how services should be delivered to vulnerable families, and which vulnerable families should receive them.

Reunification Exception

Background

States are required by the Adoption Assistance and Child Welfare Act of 1980 to make "reasonable efforts" to reunify a family in order to receive federal Title IV-E funds for the case. However, situations exist in which such efforts seem unreasonable. When parents of a child entering care have already lost multiple children to the system and have made no subsequent change to their lifestyle, providing another 12 months of services seems unlikely
to effect change in the parent, while unduly burdening the child with extended stays in foster care. Similarly, a parent who has committed a heinous act against a child, such as torture or murder, would seem an unlikely candidate for change within the 12 months of services agencies provide. Reunification exception is intended to address such situations, freeing agencies’ resources for those families who could benefit, protecting children from profoundly inadequate and dangerous parents, and eliminating months or years of indeterminate foster care stays.

ASFA names five specific conditions that allow states to bypass the provision of reunification services to parents. These are: when the parent has (1) committed murder of another child of the parent; (2) committed voluntary manslaughter of another child of the parent; (3) aided, abetted, attempted, conspired or solicited to commit such murder or manslaughter; (4) committed felony assault resulting in serious bodily injury to child or another child of parent; and (5) had parental rights to a sibling of the subject child involuntarily terminated. The law also allows states to develop a set of “aggravated circumstances” which can be used to exempt agencies from the requirement to provide reunification services to parents. The legislation does not require any specific circumstances be selected, but suggests abandonment, torture, chronic abuse, and sexual abuse of the child (ASFA, 1997).

States have taken different approaches to incorporating this aspect of the federal law into state statute. A 1999 survey shows that most states elected to incorporate all five of the ASFA mandated reunification exception conditions into legal codes; five states added four of the five conditions, and one state added three (NCSL, 1999). All states took advantage of the option to identify “aggravated circumstances,” defining from one to 14 additional reunification exception conditions. The majority of states used several of the aggravated circumstances suggested in ASFA and added several of their own, for an average of 5.66 aggravated circumstances in addition to the five conditions mandated by ASFA. In total, states have incorporated an average of 10.5 total reunification exception conditions into their legal codes.

ASFA does not prohibit the provision of reunification services when a reunification exception condition exists. Rather, services need not be ordered in these cases. Only four states have set a
presumption against reunification services when certain reunification exception conditions exist (NCSL, 1999). In these states, once one of the reunification exception conditions is found to exist by clear and convincing evidence, the burden of proof is on the parent to prove that reunification is in the child’s best interest.

Considerations in the implementation of reunification exception

Certain aspects of this reform have important implications for its effective application. First, the conditions are not based upon research suggesting families with these conditions are unable to parent safely. For some of the conditions, such as murder or torture of another child, one hardly wants to wait for empirical evidence to accumulate before deciding against allowing such a parent to care for another child. However, the question becomes more relevant for the other conditions that may affect a larger number of people, such as the condition allowing reunification exception for parents who have had legal rights to another child terminated previously. For some of these conditions, there is little empirical evidence that families they describe are either less likely to reunify, or less likely to safely parent upon reunification.

A primary challenge then in the practice of reunification exception lies in identifying those families who do not merit services, while ensuring services are provided to families who could benefit from them. The fact that there is little evidence connecting some of these conditions with failure to reunify or with re-entry to care suggests not only that some parents who might have reunified with services may not receive them, but also that indicators may fail to identify the most dangerous parents. Child deaths are more often associated with neglect than any other type of maltreatment (Lindsey, 2005; USDHHS, 2005c), but severe neglect is not a mandated or suggested condition for reunification exception under the federal legislation.

Although professionals vary in their opinions about when it may be safe to reunify children (Karoll & Poertner, 2003), empirical research has identified some characteristics of families and children more and less likely to reunify. Characteristics of the child, such as ethnicity and race (Berrick, Needell, Barth, & Johnson-Reid, 1998; Courtney, 1994; Courtney, 1995; Davis, Landsverk, Newton, & Ganger, 1996;) and age (Berrick et al., 1998;
Courtney, 1995; Fuller, 2005; Landsverk, Davis, Ganger, Newton, & Johnson, 1996) have been shown to be associated with both non-reunification and re-entry to care. Initial placement due to behavior problems (Fraser, Walton, Lewis, Pecora, & Walton, 1996) and child's health problems (Courtney, 1995) are also associated with re-entry to care. Placement with kin (Berrick et al, 1998), and limited or no parental visiting (Davis et al., 1996; Fanshel & Shinn, 1978), are associated with non-reunification (Leathers (2002) also shows a positive association between visitation and reunification), and multiple placements (Fuller, 2005) and previous placements (Fraser et al., 1996) are associated with re-entry. Neglect as the type of maltreatment (Berrick et al, 1998), emotional problems of the parent, and commission of a criminal offense (Rzepnicki, Schuerman, & Johnson, 1997), along with housing problems (Courtney, McMurtry, & Zinn, 2004) are associated with failure to reunify. Although parental drug abuse has been identified as a factor associated with non-reunification (Rzepnicki et al., 1997), compliance with drug treatment has been associated with reunification (Smith, 2003). The child’s AFDC eligibility (Courtney, 1995), and the parent’s inappropriate use of discipline, fewer parenting skills, and non-utilization of drug treatment, are associated with failed reunifications (Miller, Fisher, Fetrow, and Jordan, 2005; Courtney, 1995).

Examining characteristics of families that failed to reunify or whose children re-entered care may help identify families with a reduced likelihood of benefiting from services. However, a reduced likelihood of benefiting from services is not the same thing as an inability to benefit (Baird & Wagner, 2000); in other words, these characteristics are unlikely to perfectly predict which families will fail to reunify. Some families with these characteristics will successfully reunify if given the opportunity, and some will not.

Second, some reunification exception conditions are vaguely worded, and/or potentially broad in scope. For example, “aggravated circumstances” suggested in ASFA legislation include “chronic abuse” and “sexual abuse” (ASFA,1997), while some states use words like “egregious,” “cruel,” or “abusive” behavior (NCSL, 1999). Six states are no longer required to provide reunification services to parents with extensive histories of substance abuse.
Third, there are no limits on the number of "aggravated circumstances" states can develop, nor any restrictions regarding the characteristics that can be used to deny reunification services to parents. While most states have supplemented ASFA's suggested list of aggravated circumstances with an average of three additional conditions, a few states have named eight or more additional circumstances that may be used to deny reunification services (NCSL, 1999).

Given the probabilistic nature of associations that do exist, the lack of limits on the development of aggravated circumstances, and the vague wording and breadth of some of the conditions, there is the possibility the legislation may be casting the net of reform too widely. For example, estimates of the proportion of children placed in foster care at least in part due to substance abuse issues of the parents range from 50%-80% (Chasnoff, 1998; USGAO, 1998; Young, Gardner, & Dennis, 1998). Consistent application of this "aggravated circumstance" could turn the intent of P.L. 96-272 on its head, essentially denying services to most families, and only providing "reasonable efforts" to a fraction of child welfare clients in the states that make use of this condition. Given the breadth of some reunification exception conditions, it is likely that agencies will use considerable discretion in applying them. However, without explicit guidelines or empirical data to guide decision making, the likelihood that reunification exception will be administered inequitably across states, counties, and populations is great. Ample evidence suggests that children of color are disproportionately represented in the child welfare system (see: Derezotes, Poertner, & Testa, 2005; and USDHHS, 2005d, for a review of published research). Whether or not worker bias or other factors (Chibnall, Dutch, Jones-Harden, Brown, Gourdine, Smith, et al., 2003; Curtis & Denby, 2004) might play a role in applying reunification exception procedures inequitably should be investigated.

Finally, there are no reporting requirements associated with this aspect of the law. States do not have to report or monitor when reunification exception is employed, or which of the available conditions are used to deny reunification services to parents. As a result, implementation and outcomes will be difficult to track. One study reported that most states were not able to provide
data on the use of reunification exceptions (USGAO, 2003). Thus, it is not known what proportion of families are "eligible" for reunification exception, how often it is recommended by agencies or ordered by the courts, how consistently it is applied, or what conditions are used when it is ordered. How this new reform is shaping service delivery in child welfare services is unknown.

*California's experience with reunification exception*

Most states introduced reunification exception with the passage of ASFA; however, the reform has been a part of California child welfare practice for almost two decades. In the 1980s California established five conditions that allowed the denial of reunification services. Since then, the list of five original conditions has been lengthened by ten new conditions (See Table 1 for a summary of California's reunification exception conditions and the dates they were added to the Welfare & Institutions Code).

In addition to adding more conditions over the last decade, already existing conditions have been amended so that their scope has been broadened. For example, prior to 1996, the third condition—child previously removed due to physical or sexual abuse, now being removed again for physical or sexual abuse—was not to be used if jurisdiction for the prior removal had been dismissed. This qualification was eliminated in 1996. Conditions #3 and #6 originally referred only to maltreatment experienced by the subject child, but were broadened also in 1996 to cover siblings and half-siblings. The same bill amended condition #4 so that formal conviction of a child's death was not required in order to deny reunification services.

California now has fifteen total reunification exception conditions; only Oklahoma, Arkansas, and Louisiana have more (NCSL, 1999). It also uses more unique conditions—conditions neither mandated nor suggested by ASFA—than any other state. A presumption against services exists for all but two of the 15 conditions (as defined in state statute) that allow a reunification exception in California.

Given the increase in the number of conditions in California and the broadening range of existing conditions, over-breadth may be a concern. For example, in a recent study of six California
Table 1

Reunification Exceptions in California W&I Code Section 361.5(b)¹

<table>
<thead>
<tr>
<th>Year added</th>
<th>Reunification Exception Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>1. Parents whereabouts unknown</td>
</tr>
<tr>
<td></td>
<td>2. Mental disability rendering parent incapable of making use of services</td>
</tr>
<tr>
<td></td>
<td>3. Child or sibling removed from parent due to physical or sexual abuse and returned again, and now being removed again for physical or sexual abuse.</td>
</tr>
<tr>
<td></td>
<td>4. Parent caused another child's death through abuse or neglect*</td>
</tr>
<tr>
<td></td>
<td>5. Child made a dependent due to 300 (e) [under five and suffered severe physical abuse]*</td>
</tr>
<tr>
<td>1992</td>
<td>6. Child or sibling suffered severe sexual or physical abuse.*</td>
</tr>
<tr>
<td>1994</td>
<td>7. Child conceived by rape (applies only to the perpetrator).</td>
</tr>
<tr>
<td>1996</td>
<td>8. Child has been willfully abandoned and endangered.</td>
</tr>
<tr>
<td></td>
<td>9. Sibling did not receive reunification services due to #3, #5, or #6.</td>
</tr>
<tr>
<td></td>
<td>10. Termination of parent rights ordered for sibling or half-sibling, and parent has not made reasonable efforts to treat problems*</td>
</tr>
<tr>
<td></td>
<td>11. Reunification services have been terminated for sibling or half-sibling because parent failed to reunify, and parent has not made reasonable efforts to treat problems</td>
</tr>
<tr>
<td></td>
<td>12. Parent convicted of a violent felony</td>
</tr>
<tr>
<td></td>
<td>13. Extensive, abusive, chronic history of substance use, and has resisted treatment within last three years, or failed case plan compliance for substance abuse treatment twice</td>
</tr>
<tr>
<td>1997</td>
<td>14. Parent has advised court wants no services nor to have child returned</td>
</tr>
<tr>
<td>1998</td>
<td>15. Parent willfully abducted child, sib or half-sibling and refuses to disclose whereabouts or return child</td>
</tr>
</tbody>
</table>

*These conditions correspond to the conditions named in ASFA requiring that agencies need not provide services

¹ Because of wording differences between federal legislation and state statute, there may be discrepancies between the number of conditions NCSL reports, and the number in the California W&I Code (or any state's legal code). For example, California combines the first two reunification exception conditions mandated by ASFA (murder of another child of parent, manslaughter of another child of parent) into one condition (parent caused death of sibling) in the state's legal code.
counties, about two in five (38.4%) parents with children ages 0–10 entering out-of-home care in 1998–2000 had one or more reunification exception indicators in their cases making them eligible for a reunification bypass (Berrick, Choi, D'Andrade, & Frame, in review). Findings from another study suggest that a number of parental characteristics frequently highlighted in reunification exception statutes are not just common throughout the child welfare population as a whole, but also in parents of children who reunified. In the same California study, 37% of parents who had characteristics making them eligible for a denial of services but who, in fact, received services reunified with their children within three years of entry to care (Berrick, Choi, D'Andrade, & Frame, in review). Although lower than the reunification rate for parents who did not have a characteristic associated with a reunification exception (58%), the reduced likelihood of reunification for the eligible group should not be confused with an inability to benefit from services. In a study of parents who “successfully reunified” with their infants (i.e., parents who reunified with their infant child and who did not re-enter care within the following three years), many had conditions which suggest they could have been eligible for reunification exception: 78% were substance involved at the point of child removal; 59% had experienced recent criminal activity, 62% had mental health problems, 62% had used drugs during pregnancy, and 34% had documented abuse or foster care histories (Frame, Berrick, & Brodowski, 2000). If reunification exception conditions were relevant and had been used for any of the families in either study noted above, none of them would have been given the opportunity to reunify.

In addition to over-breadth, inequitable application of reunification exceptions may occur. In California, social workers act as the first gatekeeper, determining whether to recommend reunification exception to the court. Judges act as the second gatekeeper (with lawyers on all sides attempting to influence the decision) determining whether or not the exception will be applied. Depending on child welfare staff and judicial training, community standards, and agency resources, parents with similar characteristics might be treated quite dissimilarly with geography playing a greater role in case outcomes than other, more relevant factors. A recent survey of California counties suggests reunifica-
tion exception is being applied quite differently across the state, with counties tending to rely on different circumstances to deny services to parents. For example, of 51 counties responding to a survey (out of 58), 15 counties most often used conditions #10, 15 and #13, and six indicated they often used condition #3, to deny services to parents (D’Andrade, Mitchell, & Berrick, 2003). In fact, when tested empirically in six counties (Berrick, Choi, D’Andrade, & Frame, in review), we found that although recommendations to bypass services were relatively infrequent overall (about 5% of all parents in the study), significant differences were found between counties: In one county it was almost impossible for a family not to receive services (only 1.5% of eligible parents were recommended for a bypass), whereas in another, well over a third of parents eligible for bypassed services (36.9%) were recommended to the courts.

An examination of court appeals related to this portion of the state legal code shows that vague or ambiguous wording of indicators has caused some difficulties. For example, confusion has arisen with condition #13, which addresses the situation of substance addicted parents. Reunification services are not to be offered substance abusing parents when they have “resisted treatment” in the last three years, or failed related case plan requirements twice before. While some courts interpreted “resisting treatment” to mean a parent has actively refused to participate in ordered or recommended treatment (In re Brian M., 2000), other courts ruled that merely failing to seek and obtain treatment can be considered “resisting” (In re Levi U., 2000). While these concerns have since been clarified with further legislation, they resulted in legal delays due to court appeals, and inequitable application of a law that has extremely serious consequences for parents.

The state of California does not require that counties track how and when reunification exception conditions are applied, or which are used. A survey of California counties found that while most counties report using reunification exception, only half of them track use. Of those that do monitor when reunification exception is used, only slightly over half identify which conditions were used to deny services to parents (D’Andrade, Mitchell, &
Berrick, 2003); certainly there are no federal requirements for reporting, so utilization and variability between states is unknown.

In sum, the limited information available regarding California’s experience with reunification exception suggests that there may be problems with over-breadth and equitable implementation, and improved monitoring and evaluation of the practice is warranted.

Concurrent Planning

Background

While reunification exception may represent the far end of the spectrum in terms of changed practices to promote timely permanence, concurrent planning is another tool used increasingly by child welfare agencies to move children out of foster care. ASFA clarified that efforts toward alternative permanency can be made concurrently with reunification efforts (thus, “concurrent planning”). Specifically, concurrent planning provides for the provision of reasonable efforts to parents, but begins the process of locating a potentially permanent home immediately, and allows placement of a child in that home while parents are receiving reunification services. Should the parents fail, the child is already in a home willing to adopt (a “fost-adopt” home). The development of concurrent planning has been greatly influenced by the work of Linda Katz and her colleagues at Lutheran Social Services in Washington State. Potentially, concurrent planning can mean fewer placements and earlier permanency for children, as well as provide incentives for parental efforts to reunify through clear messages about consequences of inaction. While 25 states now allow concurrent planning in child welfare cases, as of 1999 only three states required it (NCSL, 1999).

Considerations in the implementation of concurrent planning

As with reunification exception, aspects of this new practice have implications that should be considered in planning its use. First, concurrent planning places a significant burden upon fost-adopt caregivers. The practice requires fost-adopt caregivers to commit to a permanent relationship with a child before it is known whether the child will be available for adoption, and
to support the parents in reunification efforts at the same time (Katz, 1999). The emotionally taxing nature of fost-adopting may result in agencies having some difficulty recruiting these special caregivers.

Second, the practice is resource intensive, requiring either two social workers per case—one to pursue reunification efforts and one adoption possibilities—or a single worker who simultaneously works toward both plans, which may necessitate caseload reductions. More extended and costly recruitment efforts may be necessary to locate caregivers capable of the degree of flexibility required. Once located, these "resource families"—a term used to denote caregivers available to provide either temporary or permanent homes for children—may require additional support services such as training, support groups, and follow-up care (Katz, 1999; for more information on resource families see: www.aecf.org). If resources are not sufficiently dedicated to this resource-intensive practice, the result may be incomplete and potentially less effective implementation.

Since the majority of children who enter out-of-home care reunify with their families (Wulczyn, 2004), it makes sense to target this challenging and resource-intensive practice toward those families least likely to reunify. In fact, according to Weinberg and Katz, "... requiring concurrent planning for all cases seriously distorts the model" (1998, p.12). A tool was developed to assist workers in targeting appropriate families, based on practice wisdom accumulated at Lutheran Social Services (Katz & Robinson, 1991). The tool lists conditions describing families believed to have a low likelihood of reunification, and hence who would be most appropriate for concurrent planning ("poor prognosis indicators"), as well as conditions thought to identify families likely to reunify ("family strengths indicators"). The tool has been adopted by many states implementing concurrent planning (D'Andrade, Mitchell, & Berrick, 2003). Table 2 lists poor prognosis indicators from the California version of the Katz tool.

The ability of this targeting tool to accurately and consistently identify families unlikely to reunify is unknown. Certainly, some of the poor prognosis indicators reflect conditions established through research to be negatively associated with reunification. For example, indicators #8 and #18 refer to substance abuse,
Table 2

Poor Prognosis Indicators from the California Tool

<table>
<thead>
<tr>
<th>Poor Prognosis Indicators</th>
<th>Similar to REI #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Parental rights to another child have been terminated following a period of service delivery to the parents and no significant change has occurred in the interim</td>
<td>11</td>
</tr>
<tr>
<td>2. Parent has killed or seriously harmed another child through abuse or neglect and no significant change has occurred in the interim</td>
<td>4, 5, 6</td>
</tr>
<tr>
<td>3. Parent has repeatedly and with premeditation harmed or tortured this child.</td>
<td>3, 6</td>
</tr>
<tr>
<td>4. Parent's diagnosed severe mental illness has not responded to previously delivered mental health services.</td>
<td>2</td>
</tr>
<tr>
<td>5. Parent’s only visible support system and means of support is found in illegal drugs, prostitution and street life.</td>
<td></td>
</tr>
<tr>
<td>6. There have been three or more CPS interventions for serious separate incidents, indicating a chronic pattern of abuse or severe neglect.</td>
<td>3, 10, 11</td>
</tr>
<tr>
<td>7. Other children have been placed in foster or kin care for periods of time over six months duration or have had repeated placements with CPS intervention</td>
<td>3, 10, 11</td>
</tr>
<tr>
<td>8. Parent is addicted to illegal drugs or alcohol.</td>
<td>13</td>
</tr>
<tr>
<td>9. Parent has a diagnosis of chronic and debilitating mental illness that responds slowly or not at all to current treatment modalities.</td>
<td>2</td>
</tr>
<tr>
<td>10. This child has been abandoned with friends, relatives, hospital, or in foster care, or once the child placed in subsequent care, the parent does not visit of his/her own accord.</td>
<td>1, 8</td>
</tr>
<tr>
<td>11. Pattern of documented domestic violence between the partners and they refuse to separate</td>
<td></td>
</tr>
<tr>
<td>12. Parent has a recent history of serious criminal activity and jail</td>
<td>12</td>
</tr>
<tr>
<td>13. Child experienced physical or sexual abuse in infancy</td>
<td></td>
</tr>
<tr>
<td>14. Parent grew up in foster care or group care, or in a family of intergenerational abuse.</td>
<td></td>
</tr>
<tr>
<td>15. Parent is under the age of 16 with no parenting support system, and placement of the child and parent together has failed due to parent’s behavior.</td>
<td></td>
</tr>
</tbody>
</table>
16. CWS preventive or family preservation measures have failed to keep the child with the parent.

17. Parent has asked to relinquish the child on more than one occasion following initial intervention.

18. Mother abused drugs/alcohol during pregnancy, disregarding medical advice to the contrary.

19. Lack of prenatal care for other than financial reasons.
   Conditions predictive of lack of bonding: sociopathic personality, drug involvement, or other serious conditions.

20. Parent is intellectually impaired, has shown significant self-care deficits, and has no support system of relatives able to share parenting.

21. In addition to emotional trauma, the child experienced more than one form of abuse, neglect, or sexual abuse.

Indicator #12 refers to criminal activity, and indicator #10 to lack of parental visitation. However, some indicators describe a slightly different condition than the one known to be associated with reunification failure. For example, indicator #8 limits its scope to those parents who are addicted to illegal drugs; indicator #18 appears to refer only to prenatally substance-abusing mothers who received and disregarded medical advice. For a few indicators, the logic associating the indicator with reunification is unclear, such as for indicator #5. While the lifestyle described is certainly illegal, it is not apparent why it would be likely to result in a reunification failure. Critical words in the poor prognosis indicators are also undefined, leaving their meaning open to subjective interpretation. For example, indicator #12 refers to a "recent" history of "serious" criminal activity, but does not specify what time frame is meant or what nature of criminal activity constitutes "serious."

The validity and reliability of the poor prognosis indicators will be important for states and agencies hoping to target concurrent planning toward families less likely to reunify, in order to maximize scarce resources and limit the emotional burden for caregivers. But some have voiced concerns that concurrent
planning itself may threaten reunification efforts, if for example social workers fail to provide adequate reunification services due to time constraints (Stein, 2000), or if through inadequate implementation foster-adopt caregivers fail to support natural parents (Weinberg & Katz, 1998).

A further issue then is that very little is known about the effects of concurrent planning. Quantitative evaluation studies are relatively few, and their conclusions arguably equivocal due to design and measurement problems. Several articles report outcomes for the original program in Washington state (Katz, 1990; Katz, 1996 as cited in Schene, 2001), but the lack of any comparison groups makes it difficult to make definitive conclusions about the program’s effectiveness. Other studies make use of various types of comparison groups (Brennan, Szolnoki, & Horn, 2003; Kelly & Taylor, 2000; Martin, Barbee, Antle, & Sar, 2002; Monck, Reynolds, & Wigfall, 2003; Schene, 1998) or employ correlational designs to examine implementation of concurrent planning (Martin et al., 2002; Potter & Klein-Rothschild; 2001). These studies have found concurrent planning associated with the following positive outcomes: higher rates of permanency at one year (Potter & Klein-Rothschild, 2001; Schene, 1998); shorter lengths of stay (Martin et al., 2002; Monck et al., 2003; Schene, 1998); fewer placement changes (Monck et al., 2003); lower placement costs (Kelly & Taylor, 2000; Schene, 1998); and improved parental compliance (Martin et al., 2002).

However, comparison group studies do not include control for possibly confounding factors, even when known differences between groups are large, and likely to be associated with permanency outcomes (see Brennan et al., 2003; Martin et al., 2002; Monck et al., 2003; Schene, 1998). Correlational studies similarly do not include controls for other variables that may affect permanency outcomes (see Martin et al., 2002; Potter & Klein-Rothschild, 2000). Overall, while studies of concurrent planning report generally positive results, they are limited in number and design, preventing definitive conclusions about the effects of the practice.

California’s experience

Many county social workers in California had interpreted “reasonable efforts” to mean that efforts to secure an alternative
permanent home for a child had to wait until efforts to reunify the parent had failed, even in cases where agency staff felt parents were unlikely to be successful. Children could linger for years in temporary foster care before efforts began to find an adoptive home, efforts that themselves could take several years. California legislation passed in 1997 mandated consideration of concurrent planning in case plans, and clarified that placement of a child with fost-adopt parents could not be considered evidence that reasonable efforts toward reunification had not been made.

For the most part, the model of concurrent planning adopted by the state of California was taken directly from the model developed by Linda Katz. The Katz targeting tool was incorporated into the California state concurrent planning training manual (CDSS, 1998). A review of several preliminary studies of concurrent planning in California suggests the state is struggling with some of the considerations delineated here. In the study of 51 California counties, over half reported they are having difficulty recruiting fost-adopt caregivers (D'Andrade, Mitchell, & Berrick, 2003). Resource issues appear to be affecting implementation as well. Although fost-adopt parenting is likely to place greater burdens upon caregivers, only half of responding counties in the same study provide them additional services beyond those provided to standard foster parents. Most counties rely on single worker models of concurrent planning, but do not offer any caseload reductions to social workers (D'Andrade, Mitchell, & Berrick, 2003).

While most California counties report targeting concurrent planning toward families less likely to reunify (D'Andrade, Mitchell, & Berrick, 2003), it is not clear how the Katz tool, offered in the state's concurrent planning training manual, should be applied; the manual does not explain what accumulation of poor prognosis indicators merits a diagnosis of "unlikely to reunify," or how or if family strengths indicators counter poor prognosis indicators and should be factored into the equation, is not addressed.

Discussion

While distinctly different approaches to improving permanency outcomes for children in out-of-home care, concurrent
planning and reunification exception share some fundamental similarities. A review of the characteristics associated with a poor prognosis for reunification, and the list of reunification exception conditions detailed in California law, shows significant overlap in these characteristics. The second column in Table 2 lists reunification exception conditions that are similar to the listed poor prognosis indicators. For example, aggravated circumstance #13 roughly compares to poor prognosis indicators #8 and #18, concerning drug involvement. The overlap is, in some ways, appropriate; both are attempting to identify the latent concept of reunification failure. In fact, in California, the state training manual suggests that reunification exception conditions not used to bypass services automatically become poor prognosis indicators, identifying cases that should be targeted for concurrent planning (CDSS, 1998).

In addition to describing some similar parental characteristics, poor prognosis indicators and reunification exception conditions also share a potential for over-breadth and bias in their application. Additionally, for both practices overall there is a basic lack of information on when and how they are being implemented, and what their effects are on the families and children served by the child welfare system. Given the leeway states have in shaping these policies, and the history of racial inequities related to child welfare outcomes (Dezerotes, Poertner, & Testa, 2005), such a lack of accountability could be cause for concern.

Of course, the reforms share similar goals as well: improving safety and permanency outcomes for children removed from home. Clearly, ASFA has shifted the focus of child welfare services towards children’s rights with an emphasis on promoting children’s safety and legal permanency. The innovation states have shown in legislating approaches to reaching these goals are positive developments, and the concerns expressed here should not be taken as a condemnation of either reunification exception or concurrent planning. Thoughtfully and appropriately employed, both reforms hold promise for improving children’s foster care experiences and outcomes. However, it must be noted that little is known about their practical application across states and localities, or their effects on children and families. As this paper
suggests, much remains to be learned about these avenues to permanence. California’s experiences with reunification exception and concurrent planning suggest care in the implementation and evaluation of these reforms will be critical to their success. The more complex and larger agenda—to promote children’s development, health, and mental health within the context of child well-being—may be the next frontier, once we gain more confidence in our capacity to appropriately facilitate permanence.

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Permanency and Child Welfare


Financial Knowledge of the Low-income Population: Effects of a Financial Education Program

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This study examines the effects of one large financial management training program for low-income people. The data are from tests of pre- and post-training financial knowledge of 163 participants. The test was designed to measure basic knowledge of participants in five content areas: predatory lending practices, public and work-related benefits, banking practices, savings and investing strategies, and credit use and interest rates.

The findings demonstrate that substantial pre-training knowledge deficiencies existed on basic financial management issues, especially on public and work-related benefits and savings and investing. Results also indicate that the program was effective in improving the financial knowledge of participants in each of the five content areas. Further analyses suggest that pre-training knowledge and levels varied according to participant characteristics. In addition, participants' education, English proficiency, race/ethnicity, and marital status were associated with their knowledge gains from the program. Policy and practice implications for developing effective financial management training for the low-income population are discussed.

Keywords: financial knowledge, financial management training, low-income audience, welfare reform

Two factors have fostered the development of financial training programs for low-income people in recent years. First, the role of financial literacy in promoting economic well-being has
increasingly been recognized (Bernheim, 1998; Jacob, Hudson & Bush, 2000). As a result, financial management training programs have emerged for diverse audiences such as employees and youth. Some of these programs have been targeted on low-income consumers, who are particularly at risk of financial illiteracy (Jacob, Hudson, & Bush, 2000). Second, the implementation of Temporary Assistance for Needy Families (TANF) programs in 1996 has resulted in large welfare caseload decreases. However, studies have found that many welfare leavers face troubling economic circumstances, and in turn may face increasing pressures to manage limited resources (Anderson & Gryzlak, 2002; Cancian, 2001; Loprest, 2001). This has generated increasing interest in educational and investment approaches designed to enhance long-term self-sufficiency among welfare recipients and the working poor.

Financial management training programs are one such approach. As a specialized form of human capital development strategy, these programs are designed to help the low-income population improve their financial decision-making skills. This is intended to help low-income persons access financial information and opportunities, and to utilize their resources more efficiently.

Despite the growth of financial management training programs, and anecdotal evidence supporting the notion that such programs can improve financial management skills of low-income persons, empirical studies on program effects have not been adequate (Caskey, 2001). Even less is known about how different participant characteristics are related to financial knowledge and to program effectiveness. In order to develop these programs more effectively, it is important to examine whether they are effective, as well as whether program success varies with the characteristics of participants.

In this article, we examine financial knowledge of participants before and after they received training from one financial management program targeted at low-income audiences. We begin by reviewing previous research on financial literacy and the effects of financial management programs, with special attention to the low-income population. Analyses are then conducted to assess initial knowledge and knowledge improvement among participants. We also examine how participant characteristics are related
Financial Knowledge

55
to pre-training financial knowledge and to program effectiveness. The implications for financial management training targeted on low-income persons are discussed.

Background

Financial Literacy of the Low-income Population

Americans in general are not very educated on financial matters, and financial illiteracy may be particularly acute among the poor (Bernheim, 1998). Previous research has shown that compared to those with high-incomes, low-income persons are much less likely to have bank accounts (Jacob, Hudson, & Bush, 2000), less likely to save or invest (Haveman & Wolff, 2000), and more susceptible to predatory lending practices (Consumer Federation of America and National Consumer Law Center, 2002).

While these financial practices largely result from lack of resources, it has been argued that knowledge deficiencies and the inefficient handling of personal finances also are problematic (Caskey, 2001; Hogarth & Lee, 2000). The limited access many low-income people have to financial and community institutions may, in turn, exacerbate their knowledge deficiencies. In addition, several studies have found that low-income persons lack information about available public benefits, which contribute to the underutilization of such services (Anderson, 2002; Anderson & Gryzlak, 2002; Julnes et al., 2000).

Effects of Financial Education

Evidence of programs for general population. For many American adults, employers are an increasingly important source of financial education related to retirement savings. Results from several studies have indicated that employer-based programs can increase both participation rates and levels of contributions (Bayer, Bernheim & Scholz, 1996; Bernheim & Garrett, 1996). Other studies similarly have reported that financial training positively impacted the personal financial practices of employees (Clark & Schreiber, 1998; Garman, Kim, Kratzer, Brunson, & Joo, 1999).

Financial education also has been stressed in many high schools (Bernheim, Garret, & Maki, 2001). Studies have found that
school-based financial training had positive effects on financial knowledge and behaviors of youth (Barrese, Gardner & Thrower, 1998; Boyce et al., 1998). Bernheim, Garrett and Maki (2001) further indicated that participation in financial education during high school raised savings rates when youth reached adulthood.

Evidence of programs targeted on the low-income population. Low-income people, however, have fewer chances to benefit from the programs developed for the general population. For example, low-income persons are less likely to work for employers who offer retirement benefits, and are therefore less likely to receive workplace financial education. In addition, because low-income youth are more likely to drop out of high school, they have fewer chances to access school-based education programs. These concerns have encouraged the development of programs targeted at low-income adults outside of employment and school settings.

Some early evaluations of financial education programs for lower income audiences have indicated that these programs improve financial knowledge and behaviors of their participants (DeVaney, Gorham, Bechman, & Haldeman, 1996; Hirad & Zorn, 2001; Hogarth & Swanson, 1995; Shelton & Hill, 1995). For example, the study by DeVaney et al. (1996) demonstrated that the Women’s Financial Information Program was successful in improving participants’ skills in cash flow management, use of credit cards, and savings. Hirad and Zorn (2001) found that the 90-day delinquency rate among those who participated in a pre-purchase home-ownership counseling for low-income home buyers was lower than that of similar individuals who did not participate.

Some financial programs for low-income people also couple education with asset accumulation incentives. This approach is exemplified by the Individual Development Accounts (IDAs) programs, which provide matched savings to low-income persons who save for home purchases, post-secondary education, or start-up of small businesses (Page-Adams & Sherraden, 1999; Schreiner, Clancy, & Sherraden, 2002; Sherraden, 1991). Evaluations of IDA programs have found that hours of financial education was positively related to savings outcomes (Clancy, Grinstein-Weiss, & Schreiner, 2001).
Purpose of This Study

Although the aforementioned studies have shown that financial management programs may be effective with low-income audiences, this previous research has several limitations. First, measurements to assess the financial knowledge of low-income persons are not well developed in the current literature. Most studies measure the financial knowledge levels of the poor in a subjective manner (e.g., participants' self-reported budget behavior). Seldom have studies employed actual tests of knowledge before and after training was completed. Also, the substantive knowledge areas covered by these training programs are often limited to budgeting behavior and credit use. We therefore know little about the knowledge of participants in other areas important to their economic well-being, such as savings and investment strategies, and availability of public benefits.

A second issue is that studies generally have not examined how participant background characteristics may be related to their financial knowledge levels, nor to examine how such characteristics may affect program outcomes. This is an important shortcoming, because the low-income population is very diverse (Schiller, 2003). The study by DeVaney et al. (1995) found that younger and more educated participants were more likely to change their savings and investing behavior after receiving training. To the best of our knowledge, this is the only study that has employed multivariate methods to explore the association between participant characteristics and financial behavior changes after the training among low-income people.

These gaps in the current research literature have resulted in the growth of financial management programs accompanied by only vague and anecdotal evidence regarding the financial education needs of low-income persons and the potential of training to address these needs. In order to improve financial management program implementation for the low-income population, it is important to gain more detailed perspectives on knowledge levels about a wide range of financial management issues. Research also is needed to more objectively measure whether financial management training leads to knowledge gains with this audience,
as well as whether training effectiveness varies by participant characteristics.

Methods

Data Collection

The data for this study were collected from participants at 10 training sites operated through the Financial Links for Low-Income People (FLLIP) program. FLLIP contracts with nonprofit community-based agencies in Illinois to provide a twelve-hour package of basic financial management training to persons earning less than 200 percent of the poverty level. The program is supported by state and private foundation funding.

The program sites have considerable discretion with respect to how participants are recruited. However, sites commonly draw a large pool of recruits from local Temporary Assistance for Needy Families (TANF) offices, because TANF recipients meet employment and training requirements by participating in FLLIP. The decentralized FLLIP recruitment process results in variation of participant characteristics that may affect financial management knowledge within the low-income population.

The following analyses are based on data from two sources collected at FLLIP training sites. First, data on demographic and socioeconomic characteristics were obtained from the program applications completed by participants as they entered the program. Second, we administered a pre- and post-training test designed to measure the financial knowledge of participants. The authors developed this test based on a review of the financial management training curriculum used in the program (Chan, et al., 1997; 2001).

The test contained 48 true-false and multiple choice questions in five major content areas emphasized in the curriculum and previously indicated by the literature as important to the financial well-being of low-income persons. These include predatory lending practices; public and work-related benefits; banking practices; savings and investing strategies; and credit use and interest rates. A brief description of the major content and samples of questions in each of the five areas are presented in Appendix A.

The pre- and post-training tests were administered by the program trainers between January 2002 and May 2003, and gen-
erally took 20–30 minutes to complete. A total of 163 participants finished pre- and post-training tests, and had no missing data on participant characteristics. Because of concerns about the reading skills of program participants, the questions were designed to be very basic and to be comprehensible for persons with limited reading ability. Some of the sites offered the training in Spanish, so a Spanish translation of the test was administered at these sites.

Data Analysis

Both pre- and post-training knowledge tests were coded according to whether a correct response was given to each question. This allows for the calculation of total correct answers for each participant, as well as the number of correct answers within each of the five substantive knowledge areas. These knowledge test responses were entered into an SPSS file with information from the application forms on participant characteristics.

In order to examine whether pre-training knowledge and knowledge gains vary with participant characteristics, repeated measures of analysis of variance were first conducted; two regression analyses were then employed, in which the number of correct answers on the pre- and post-training test was regressed on participant characteristics.

Variables

The dependent variables are the overall number of correct answers on the pre- and post-training knowledge test. The independent variables include demographic, educational, and economic characteristics of participants. These independent variables were selected if they were included in the application form, had sufficient variation, and were expected to influence the financial knowledge of participants and program outcomes.

The demographic variables include participant’s gender (female=1, male=0), age, race/ethnicity, marital status, and number of children under 18 living in households. Age and number of children are measured as continuous variables. Race was dummy-coded as White, African American, Hispanic, and others; White is the reference group. Marital status was dummy coded as married, never married, and previously married (divorced, separated or widowed), with being previously married the reference group.

Educational variables include participants’ educational sta-
tus and English proficiency. English proficiency of participants is measured according to the primary language spoken in their households (English=1; other languages=0). We consider English proficiency as an educational factor because it influences a person's reading ability. Educational status of participants was recoded as three categories: less than high school degree (reference group in regression analysis), high school degree or GED, and some postsecondary education.

Economic characteristics of participants include their monthly household income, employment status, TANF recipiency status, assets, and debts. Household income is measured as the sum of income from different sources of all household members the month prior to applying for the FLLIP program. The employment status of participants is measured as whether a participant had a paid job at the time of applying for FLLIP (yes=1, no=0), and the welfare status is whether he or she was receiving TANF or not (yes=1, no=0). Because limited asset information was available, asset variables include only whether the participant was a home owner or had a bank account (yes=1, no=0). The debt variable is whether participants reported having any of the following six sources of debts (yes=1, no=0): past due household bills, credit card balances, student loans, past due medical bills, owed money for taxes, and owed money to friends or family. Finally, whether participants filed a federal tax return last year (yes=1, no=0) is also included.

Results

Sample Characteristics

Considerable demographic diversity exists within the sample. Over half of the participants (52%) were African American, 26 percent were White and 19 percent were Hispanic. The vast majority of the participants (about 90%) were women, and the average age was 33.6. About 75 percent of the sample had at least one child in households, with an average of 1.8 children. Over half of the participants (54%) were never married, while 22 percent were divorced, separated or widowed, and 24 percent were married.
The participants also varied in their educational attainment and primary language characteristics. Although 37 percent had less than a high school degree, 26 percent had a high school diploma, and 37 percent had completed some postsecondary education. About 77 percent of participants' primary language was English, while 23 percent spoke either Spanish (17%), Russian (3%), or other non-English languages (3%).

In terms of the economic status of FLLIP participants, the mean household total income was $873 the month before entrance into the FLLIP program, and only 25 percent of the sample were employed. Twenty-nine percent were receiving TANF at the time of enrollment. About 39 percent of the sample had a bank account, and only 9 percent were home owners. About 72 percent had at least one source of debt. More than half of participants (55%) filed federal tax returns the year before the training program.

Initial Knowledge and Knowledge Changes

The results in Table I reveal that participants had low basic financial knowledge levels before the training; on average, they answered only about 54 percent of the questions correctly. The average percentages of correct answers were especially low in the areas of “savings and investing” (47%) and “public and work related benefits” (50%). Financial knowledge of participants improved significantly after the training, both overall (74% of correct answers after the training) and in each of the knowledge content areas.

Factors Related to Pre-training Knowledge and Knowledge Gains

Bivariate analyses. In order to assess if knowledge levels and knowledge gains differ by participant characteristics, repeated measures ANOVAs were conducted (Table 2). These analyses estimate the main effects of the program and participant characteristics on knowledge levels, and their interaction effects on knowledge gains (Girden, 1992).

First, the results show that the program was effective in improving financial knowledge across all participant groups in our analyses, which is indicated by the F values of program effects in the table.

Second, knowledge differences were revealed among a va-
Table 1

Percentages of Correct Responses on FLLIP Knowledge Test (N=163)

<table>
<thead>
<tr>
<th>Knowledge Area</th>
<th>Number of Items</th>
<th>Pre-Training</th>
<th>Post-Training</th>
<th>Knowledge Improvementa</th>
</tr>
</thead>
<tbody>
<tr>
<td>All knowledge items</td>
<td>48</td>
<td>54%</td>
<td>74%</td>
<td>37%***</td>
</tr>
<tr>
<td>Predator lending practices</td>
<td>8</td>
<td>58%</td>
<td>82%</td>
<td>41%***</td>
</tr>
<tr>
<td>Public and work related benefits</td>
<td>9</td>
<td>50%</td>
<td>74%</td>
<td>48%***</td>
</tr>
<tr>
<td>Savings and investing</td>
<td>10</td>
<td>47%</td>
<td>68%</td>
<td>45%***</td>
</tr>
<tr>
<td>Banking practices</td>
<td>7</td>
<td>68%</td>
<td>82%</td>
<td>21%***</td>
</tr>
<tr>
<td>Credit use and interest rates</td>
<td>8</td>
<td>61%</td>
<td>75%</td>
<td>23%***</td>
</tr>
</tbody>
</table>

* Measured as percentage improvement from pretest to posttest scores.

***p < .05; **p < .01; ***p < .001.

A variety of participant characteristics. Participants who were not married had higher scores at both tests. Hispanic participants had lower scores compared to those from other race/ethnicity groups. Education, English proficiency, and bank account and home ownership of participants were positively related to their financial knowledge. In addition, participants who filed tax returns and had debt(s) obtained higher test scores at both the pretest and posttest tests.

Third, the interaction effects between training and several participant characteristics were significant, indicating that knowledge gains varied by these characteristics when not controlling for pretest scores and other participant characteristics. For example, Hispanic participants showed greater knowledge gains than other racial groups, and those with a primary language other than English also had higher knowledge gains. In addition, the participants without bank accounts and those who had not filed tax returns improved their knowledge more than their counterparts who had experiences in these areas.

Regression analyses. In order to further examine how participants’ characteristics are related to their pre-training financial knowledge and knowledge gains while controlling for other factors, regression analyses were conducted in which pre-training knowledge and post-training knowledge were regressed on
### Table 2

**Repeated Measures ANOVA: Knowledge Test Scores and Knowledge Improvement by Participant Characteristics**

<table>
<thead>
<tr>
<th></th>
<th>Mean Pre-Test Score</th>
<th>Mean Post-Test Score</th>
<th>Knowledge Change</th>
<th>Source</th>
<th>F values</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>23.3</td>
<td>33.2</td>
<td>9.9</td>
<td>Gender</td>
<td>1.4</td>
</tr>
<tr>
<td>Female</td>
<td>26.2</td>
<td>35.6</td>
<td>9.4</td>
<td>Program</td>
<td>120.2***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gender x Program</td>
<td>.1</td>
</tr>
<tr>
<td><strong>Race</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>27.4</td>
<td>35.6</td>
<td>8.2</td>
<td>Race</td>
<td>4.2**</td>
</tr>
<tr>
<td>Latino or Hispanic</td>
<td>19.3</td>
<td>32.2</td>
<td>12.9</td>
<td>Program</td>
<td>132.1***</td>
</tr>
<tr>
<td>White</td>
<td>27.6</td>
<td>36.8</td>
<td>9.2</td>
<td>Race x Program</td>
<td>3.8*</td>
</tr>
<tr>
<td>Others</td>
<td>27.8</td>
<td>37.0</td>
<td>9.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Never Married</td>
<td>27.6</td>
<td>36.4</td>
<td>8.8</td>
<td>Marital Status</td>
<td>11.0***</td>
</tr>
<tr>
<td>Ever Married</td>
<td>28.3</td>
<td>37.8</td>
<td>9.5</td>
<td>Program</td>
<td>277.4***</td>
</tr>
<tr>
<td>Married</td>
<td>20.0</td>
<td>30.5</td>
<td>10.5</td>
<td>Marriage x Program</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than HS</td>
<td>23.1</td>
<td>32.2</td>
<td>9.1</td>
<td>Education</td>
<td>6.0**</td>
</tr>
<tr>
<td>High school /GED</td>
<td>26.6</td>
<td>37.0</td>
<td>10.4</td>
<td>Program</td>
<td>305.3***</td>
</tr>
<tr>
<td>Postsecondary Ed.</td>
<td>28.3</td>
<td>37.4</td>
<td>9.1</td>
<td>Education x Program</td>
<td>.7</td>
</tr>
<tr>
<td><strong>English as primary language</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>28.7</td>
<td>37.3</td>
<td>8.6</td>
<td>Eng. as Prim. Lang.</td>
<td>51.7***</td>
</tr>
<tr>
<td>No</td>
<td>16.7</td>
<td>28.5</td>
<td>11.8</td>
<td>Program</td>
<td>265.8***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Language x Program</td>
<td>6.1*</td>
</tr>
<tr>
<td><strong>Employed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>27.1</td>
<td>36.1</td>
<td>9.0</td>
<td>Employed</td>
<td>.7</td>
</tr>
<tr>
<td>No</td>
<td>25.6</td>
<td>35.1</td>
<td>9.5</td>
<td>Program</td>
<td>220.9***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employ x Program</td>
<td>.2</td>
</tr>
<tr>
<td><strong>Receiving TANF</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>26.6</td>
<td>35.0</td>
<td>8.4</td>
<td>Receiving TANF</td>
<td>.0</td>
</tr>
<tr>
<td>No</td>
<td>25.7</td>
<td>35.5</td>
<td>9.8</td>
<td>Program</td>
<td>241.9***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>TANF x Program</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Home owner</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>31.4</td>
<td>39.1</td>
<td>7.7</td>
<td>Home owner</td>
<td>4.3*</td>
</tr>
<tr>
<td>No</td>
<td>25.4</td>
<td>35.0</td>
<td>9.6</td>
<td>Program</td>
<td>81.3***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Home x Program</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Having a bank account</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>30.3</td>
<td>37.4</td>
<td>7.1</td>
<td>Bank account owner</td>
<td>15.0***</td>
</tr>
<tr>
<td>No</td>
<td>23.1</td>
<td>34.0</td>
<td>10.9</td>
<td>Program</td>
<td>289.2***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bank x Program</td>
<td>12.9***</td>
</tr>
<tr>
<td><strong>Filed federal tax return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>29.6</td>
<td>38.0</td>
<td>8.4</td>
<td>Filed tax return</td>
<td>30.2***</td>
</tr>
<tr>
<td>No</td>
<td>21.4</td>
<td>32.1</td>
<td>10.7</td>
<td>Program</td>
<td>321.9***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tax return x Program</td>
<td>5.3*</td>
</tr>
<tr>
<td><strong>Having debt(s)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>28.0</td>
<td>37.0</td>
<td>9.0</td>
<td>Having debt(s)</td>
<td>19.5***</td>
</tr>
<tr>
<td>No</td>
<td>20.8</td>
<td>31.2</td>
<td>10.4</td>
<td>Program</td>
<td>269.3***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Debt x Program</td>
<td>1.7</td>
</tr>
</tbody>
</table>

*p < .05; **p < .01; ***p < .001*
independent variables (Table 3). We included pretest knowledge scores as a control variable for the regression model that estimated factors associated with posttest scores (Cohen & Cohen, 1983).

The regression results on the pre-training knowledge test scores indicate that the model is statistically significant, and that the variables in the model explained 49 percent of the variance in the dependent variable. Among participants' demographic characteristics, participants with more children had higher scores, and married participants had lower scores than those who were previously married.

Both of the education-related variables were significant predictors on the pre-training knowledge scores. Participants with a high school diploma and postsecondary education obtained higher scores than those with less than a high school degree. The participants whose primary language was English had much higher knowledge scores. Among economic factors, participants having a bank account were more knowledgeable about financial matters before the training, as were people who filed tax returns.

Turning to the regression results on the post-training test scores, the model is statistically significant, and that the independent variables explained about 66 percent of the variance in the dependent variable. The results indicate that, after controlling for the pretest scores, participants' educational levels, English proficiency, race/ethnicity, and marital status significantly affected program outcomes. Hispanic participants made greater knowledge gains than white participants, and previously married persons had greater changes than their married counterparts. Compared to those without a high school degree, participants who had graduated from high school and had some postsecondary education benefited more from the training. Contrary to the bivariate findings, knowledge improvement of the participants whose primary language was English was greater than that of non-primary English speaker when other factors were controlled.

Discussion

Information Needs of Low-income Consumers

As financial management training programs for low-income audiences proliferate, our findings are instructive in considering
### Table 3

**Regression Analysis: Participant Characteristics and Knowledge Test Scores**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Pre-Training Knowledge</th>
<th>Post-Training Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>-3.49</td>
<td>-2.17</td>
</tr>
<tr>
<td>Age</td>
<td>-.04</td>
<td>-.03</td>
</tr>
<tr>
<td>Number of Children</td>
<td>1.18*</td>
<td>2.16</td>
</tr>
<tr>
<td>(White)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>-2.34</td>
<td>-1.92</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1.79</td>
<td>4.46**</td>
</tr>
<tr>
<td>Others</td>
<td>-.39</td>
<td>.02</td>
</tr>
<tr>
<td>(Ever married)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Never married</td>
<td>-1.10</td>
<td>-.94</td>
</tr>
<tr>
<td>Married</td>
<td>-4.49*</td>
<td>-2.97*</td>
</tr>
<tr>
<td>(Less than high school)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school graduate</td>
<td>3.57*</td>
<td>3.11**</td>
</tr>
<tr>
<td>Postsecondary education</td>
<td>3.24*</td>
<td>2.77*</td>
</tr>
<tr>
<td>English speaker</td>
<td>11.28***</td>
<td>6.31**</td>
</tr>
<tr>
<td>Employed</td>
<td>-2.19</td>
<td>-.05</td>
</tr>
<tr>
<td>Total household income</td>
<td>.0001</td>
<td>.00</td>
</tr>
<tr>
<td>Receiving TANF</td>
<td>-2.22</td>
<td>-1.60</td>
</tr>
<tr>
<td>Home owner</td>
<td>1.54</td>
<td>1.06</td>
</tr>
<tr>
<td>Having a bank account</td>
<td>4.82**</td>
<td>-1.3</td>
</tr>
<tr>
<td>Having debt(s)</td>
<td>2.31</td>
<td>.822</td>
</tr>
<tr>
<td>Filed federal tax return</td>
<td>4.92**</td>
<td>1.14</td>
</tr>
<tr>
<td>Pre-Test score</td>
<td>N.A</td>
<td>.50***</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.49</td>
<td>.66</td>
</tr>
<tr>
<td>F</td>
<td>7.6***</td>
<td>14.5***</td>
</tr>
<tr>
<td>N</td>
<td>163</td>
<td>163</td>
</tr>
</tbody>
</table>

*p < .05; **p < .01; ***p < .001

both the need for and potential benefits of such programs. With regard to financial information needs, the findings extend earlier research by measuring knowledge across a wider set of substantive domains. This provides a clearer delineation of important content areas in which low-income persons lack knowledge.

The finding of knowledge deficiencies on public benefits such as transitional Medicaid, subsidized child care, and the Earned
Income Tax Credit (EITC) is particularly important in this respect. However, knowledge about public benefits often has not been emphasized in financial training programs for low-income audiences, which may result from the fact that these programs often adapt curricula from programs designed for broader cross-sections of the population.

The study findings concerning lack of knowledge about savings and investing is supportive of the recent emphasis on asset development strategies. While lack of knowledge in this area probably results partially from low incomes of participants, previous research has shown that even those with very modest resources are capable of saving if offered incentives and training (Schreiner, Clancy, & Sherraden, 2002). Therefore, it is important to provide low-income persons with knowledge and basic skills on savings strategies. It is also necessary to educate them about the effect of savings and asset accumulation on eligibility for public benefits (Hogarth & Lee, 2000).

Factors Related to Pre-training Knowledge

The regression results on factors affecting pre-training knowledge levels suggest targeting strategies that may be useful when developing financial training programs. In particular, low educational attainment and limited English proficiency were both negatively related to pre-training knowledge. This may be due to general deficiencies in reading and learning skills among these groups, or may result from lack of exposure to financial information in school and work settings. In addition, it is possible that those with limited education or English skills are more likely to be intimidated by the prospect of approaching financial institutions or public bureaucracies to obtain benefits and services.

Having previously filed a federal tax return and having a bank account were the two economic characteristics associated with pre-training knowledge levels. Although the causes of these relationships are not clear, it is likely that persons with these characteristics have experiences leading to the acquisition of specialized financial knowledge (i.e., knowledge about banking and interest rates, or about public benefits available through the tax system). Persons with bank accounts also may have more oppor-
tunities to have access to financial education provided by financial institutions.

Marital status was the most intriguing demographic characteristic related to pre-training knowledge, with married participants having significantly lower financial knowledge than their previously married and never married counterparts. While we only can speculate about the causes of this relationship, it is possible that married participants simply relied more on their spouses on financial matters.

Knowledge Gains from Training

Knowledge changes after training completion indicate that such programs have promise for improving basic financial knowledge among low-income groups. Despite the fact that training included high percentages of public assistance recipients and persons with educational limitations, financial knowledge increased substantially overall and in each of the five content areas after the training, across all participant sub-groups.

Several participant factors significantly affected the extent of knowledge gains from the training. In particular, results indicated that those who were primary English speakers and those with more education experienced higher knowledge gains. This again maybe due to stronger reading and learning skills among more educated participants, as well as greater ease in assimilating instructional messages because of English proficiency.

Interestingly, after controlling for primary English-speaking and other factors, Hispanics experienced significantly higher knowledge gains from the training than white or African American participants. Further analyses indicated that two training sites consisted primarily of Hispanic participants (95% and 88% respectively), and these sites together provided training to about 80% of all Hispanic participants in FLLIP. It is possible that the trainers in these sites may have used cultural metaphors and ethnic-specific examples that facilitated learning. The more homogeneous ethnic composition in these sites may also have produced stronger group cohesion and more active interactions. Thus, this result may imply the importance of training that is sensitive to multicultural audiences.
Limitations and Future Research

Several limitations of the study should be noted when interpreting the above results. First, participants in the FLLIP program are self-selected and they are from only one state. Therefore, the findings pertain to a particular subset of the low-income population, which suggests caution in generalizing too broadly. However, many training programs are voluntary in nature, so the problem of self-selection should not be overstated.

Second, due to the lack of a control group, we do not know exactly how the financial knowledge of the participants would have changed over the same period if the training had not been provided. Further studies that include control groups would be useful in validating these findings. Nonetheless, given that the pre-test and post-test generally occurred within a one-month period, there is little reason to expect that common internal validity threats such as history or maturation were important in the current study.

Finally, while measuring knowledge gains from financial training programs is an important first step, the ultimate goal of such programs is to positively influence financial behavior. It therefore would be useful to conduct follow-up surveys with persons who complete financial training to establish both whether knowledge gains persist and whether financial behaviors change as a result.

Implications for Social Work

Several implications for social work practice and policy development may be drawn from this study. The findings demonstrate basic financial knowledge deficiencies that should be of concern to social workers, and the positive knowledge gains achieved through training are consistent with a social work philosophy of empowering low-income persons to improve financial decision-making. We therefore conclude by elaborating upon selected of these implications.

Implications for Practice

Social workers in practice can play important roles in improving the financial knowledge of low-income persons, both through the development and provision of financially related materials.
and by referring clients to community financial education programs. For example, much of the FLLIP training was provided through community social service agencies, and caseworkers in TANF offices also played a vital role by referring clients to the program. Collaborations with adult educators and university extension programs seem particularly promising in this respect, in that social workers can contribute their specialized expertise in working with low-income persons while drawing on the knowledge of consumer educators and others about financial matters.

Our study findings indicate the importance of developing curricula on public benefits for financial training programs targeted at low-income audiences, as well as the more general need for continued development of information dissemination and outreach efforts designed to inform potential beneficiaries about available benefits. Social work perspectives and expertise are vital to such endeavors, because social workers often have a depth of understanding about public programs that consumer education specialists or adult education teachers do not. In addition, as social service provision has devolved, public benefits for low-income persons increasingly vary by state and local jurisdictions. Social workers can bring a unique understanding of these varying and often confusing benefit rules to community efforts to increase the awareness of low-income consumers.

More generally, social work skills in assessment and in empowerment practice are helpful in adapting training to the specific needs of low-income audiences. One useful approach to assessment emanating from this study would be to administer knowledge tests as pre-training needs assessment tools, and then to emphasize content areas that the test results indicate are most needed. Involving participants in negotiating the training content that they view as most useful is another classroom technique consistent with a social work emphasis on empowering clients. The current study also implies that it is critical to attend to within-group differences when delivering training to low-income audiences.

**Implications for Policy**

Although financial training programs need not be limited to low-income persons receiving public assistance, implemen-
tation of TANF programs has placed increasing pressures for self-sufficiency on this group. An important role for social workers therefore is to promote programs that improve the financial knowledge and skills necessary to most effectively manage the limited resources that recipients generally have as they exit welfare and transition into employment.

Incorporating financial education and training into welfare-to-work programs is one promising approach to assisting these persons. For example, the TANF recipients participating in FLLIP met their work and training requirements through FLLIP participation. Because TANF devolved most welfare decision-making to the states, advocacy efforts to allow financial training as an allowable TANF work activity could most usefully occur at this level of government.

Further development of funding streams needed to support the provision of financial management training also is needed. Using TANF funding is one possibility for this subset of the low-income population. For example, the Illinois Department of Human Services used unspent TANF "maintenance of effort" funds to support the FLLIP training. Developing linkages with adult education programs may be another promising funding strategy to provide training to a broader range of the low-income population. Likewise, university cooperative extension offices often have service missions that are consistent with the provision of financial training. Finally, both private foundations and financial institutions have increasingly supported financial training programs as a technique of community development and service, so pursuing funding through such organizations is a viable option for program development.

Conclusion

This study has found that a sample of low-income training participants had low knowledge levels about financial matters, and that financial training improved knowledge levels across diverse low-income subgroups. Both pre-training knowledge and knowledge gains were found to differ significantly according to selected participant characteristics, suggesting the need to carefully tailor training delivery to meet the needs of varying low-
Financial Knowledge

income audiences. The findings support the engagement of social workers in the provision of such training, as well as in advocating for programs and related funding for this purpose.

References


Schreiner, M., Clancy, M., & Sherraden, M. (2002). *Saving performance in the*


### Appendix A:

**Major Content and Examples of Questions from FLLIP Knowledge Test**

<table>
<thead>
<tr>
<th>Knowledge Category</th>
<th>Major Knowledge Content Covered</th>
<th>Sample Questions</th>
</tr>
</thead>
</table>
| Predatory Lending Practices | Knowledge about predatory lending practices and their hidden high interest rates.             | 1. Buying an item through rent-to-own plans usually costs less overall than buying the same item with a bank loan.  
                              |                                                                                                 | 2. Currency exchanges usually charge less than banks for cashing checks and other financial services. |
| Public and Work-related Benefits | Knowledge about employment-based insurance and retirement benefits, transitional Medicaid, subsidized child care, and Earned Income Tax Credit. | 1. In Illinois, there is a program to help low-income parents pay for child care.  
                              |                                                                                                 | 2. The Earned Income Tax Credit (EITC) is a government payment that rewards people for working. |
| Savings and Investing    | Knowledge about strategies to save, and possible risks and returns of investment.               | 1. The rate of return on your money is the amount that you earn on your savings and investments.  
                              |                                                                                                 | 2. Investments usually are less risky than savings accounts.                               |
| Banking Practices        | Knowledge about how to open a bank account, services and fees available to account holders, and interest rates of savings account. | 1. All banks provide the same interest rates on their savings accounts.               2. A debit card is used to take money from your bank account electronically. |
| Credit Use and Interest Rates | Knowledge about strategies to keep a good credit history, and on how to calculate APRs.         | 1. Knowing the annual percentage rate (APR) for a loan is a good way to compare loans with different repayment periods.  
                              |                                                                                                 | 2. Credit bureaus keep track of how people pay their bills.                                  |
Patient Insurance Status and Do-not-resuscitate Orders: Survival of the richest?

GIGI NORDQUIST
California State University East Bay

This study investigated the effect of patient insurance status upon physicians' decisions to write do-not-resuscitate orders (DNRs). Ninety-four physicians completed a questionnaire consisting of demographic data and a case vignette. In addition to the main research question, the study explored the effect of religious affiliation on writing DNRs and performing "slow codes." Results indicate that insurance status has a significant effect upon the likelihood of writing a DNR, with physicians more likely to write DNRs for patients covered by public (i.e., government-funded, as compared to private) insurance. Religious affiliation was also significant, with greater church attendance associated with a lesser likelihood of writing a DNR. Results should be interpreted with caution; however, findings from this study support related research, and warrant further exploration.

Keywords: health care, do-not-resuscitate, uninsured

Health care resources are limited, and demand far exceeds supply. The United States spends in excess of one trillion dollars a year on health care (Callahan, 1998; Nesmith, 2004); still, estimates of the number of uninsured persons in this country range from 41 to 44 million (Mills, 2002; Beauregard, Drilea & Vistnes, 1997), and the number of underinsured has been estimated at an additional 56 million (Friedman, 1991).

There are three major sources of health insurance in the United States: private, employment-related coverage; publicly-funded, governmental programs (e.g., Medicaid); and individually-purchased private policies (Long, 1987). According to Cutler (1996), approximately 60% of the population was covered by
employer-based insurance in the mid-1990s, 20% was covered by public health insurance, and 7% by private policies. Unfortunately, spiraling unemployment, enduring economic recession, and decreasing sales revenues have severely limited state and local resources in recent years, and consequent fiscal cutbacks have led to severe restrictions or closures in many public programs which traditionally provided last-resort health care. Also, because the unemployed are less likely to have health insurance (Mills, 2002), record highs in unemployment levels mean increasing numbers of individuals are uninsured.

Those groups most likely to be uninsured are the poor, minorities, and young adults (Mills, 2002). When analyzed by ethnicity, it was found that 10% of non-hispanic whites had no insurance, compared with 19% of blacks, 18.2% of Asians/Pacific Islanders, and 33.2% of hispanics. Analyses by gender and age revealed that men were slightly more likely to be uninsured than women, and 18 to 24 year olds were the age group most likely to be uninsured. While almost all of the elderly are covered by Medicare, 8.5 million children had no insurance (Mills, 2002).

Insurance Status and Health Care

According to Kilner (1990), the uninsured use health services only about half as much as the insured, and have higher mortality rates as a result. In a retrospective analysis of hospital discharge data from a 1987 national sample of over half a million patients, it was found that uninsured patients were less likely to receive specialized services, and more likely to die during hospitalization (Hadley, Steinberg, and Feder, 1991). Even after controlling for poor health status on admission, the in-hospital death rate was 1.2 to 3.2 times higher for uninsured patients than patients with private insurance.

The poor are sometimes not told about treatments that are available to them (Kilner, 1990), and are less likely to receive costly or discretionary procedures (Hadley et al., 1991). In a retrospective study using data from the 1996–1999 Medical Expenditure Panel Survey, Thorpe and Howard (2003) found that uninsured
cancer patients received less health care than insured patients, despite paying over twice as much in "out of pocket" expenses.

Additionally, "dumping" of poor or uninsured patients (i.e., refusing admission or rapidly transferring to another hospital) has been common (Taira & Taira, 1991). In a study published one year after the enactment of the 1986 federal patient anti-dumping law, Ansell & Schiff (1987) found that approximately one-quarter million patients were dumped from hospital emergency rooms each year, causing delayed treatment and additional pain and suffering. Studies using various methodologies performed at five public hospitals across the country found that economic concerns were the predominant reason for patient transfers (Taira & Taira, 1991). In one of these investigations, a prospective study of 467 patients conducted at Cook County Hospital in Chicago, lack of insurance was the reason for 87 percent of all transfers for which information was available (Schiff, Ansell, Schlosser, Idris, Morrison, & Whitman, 1986). Of the patients transferred, 89 percent were black or Hispanic, and the average delay in obtaining treatment was 5.1 hours.

Social Value in the Medical Setting

All human societies consider certain classes of individuals to be more important or valuable than others (Crane, 1975). By interviewing and surveying physicians, Crane found that patients who were employed in high status occupations received more vigorous treatment than persons holding low status jobs. Pearlman and Jonsen (1985) reported that physician prejudices could "strongly affect" treatment plans for patients who failed to exhibit certain highly-valued social attributes. Similarly, Birdwell, Herbers, and Kroenke (1993) found that patient "presentation style" (i.e., being either "businesslike" or "emotional") affected physicians' treatment decisions. In field research conducted in the emergency room of a large county hospital in California, it was found that physicians were more likely to provide heroic life-saving efforts to persons who were perceived as contributing more to society (Sudnow, 1967). Persons who were seen as less valuable, for example the aged or 'deviant' (alcoholics, drug ad-
dicts, prostitutes, etc.), received less rigorous life-saving efforts, and less attention overall.

Do-Not-Resuscitate Orders

When a patient experiences cardiac or respiratory arrest in modern American hospitals, common practice is to announce "code blue" over the hospital intercom, including the location of the patient. This alerts all medical personnel to the emergency situation, and a hurried effort ensues to revive the patient.

In an article published in Nursing Life (1984), survey responses from 3,504 nurses were analyzed. Results indicated that "slow codes," i.e., responding slowly to a code situation (e.g., a respiratory or cardiac arrest), or not using every available lifesaving measure, had occurred in over 60 percent of respondents' hospitals across the United States and Canada. Additionally, 36 percent of the nurses responding stated that their hospital implicitly condoned such action, even though it is not legal.

The policy in many hospitals is to attempt to resuscitate all patients (Spencer, 1979), including the terminally ill (Rabkin, Gillerman & Rice, 1976), unless the physician has previously written a no-code order. Yet opinions regarding the appropriateness of resuscitation vary, and medical professionals are increasingly confronted with conundrums arising from the interplay of such factors as technological advances and growing patient autonomy (Rabkin et al., 1976).

In cases where resuscitation is clearly inappropriate, for example, when competent, terminal patients have requested that no attempts to revive them be made, the physician may include a written do-not-resuscitate order in the patient's medical chart (Rabkin et al., 1976). These orders are commonly referred to as "DNRs" or "no codes." In other circumstances, e.g., when a patient is not competent, or when a family member requests a DNR, appropriate procedures are less clear cut (Spencer, 1979). Advance directives are one method proposed to help resolve these types of predicaments.

Perhaps most relevant to the current investigation is a study conducted by Evans and Brody (1985) at three teaching hospitals
affiliated with Baylor Medical School in Houston. Using patientspecific questionnaires distributed to medical residents, Evans and Brody found that 17 percent of all do-not-resuscitate orders written by physicians were made without discussing the matter with either the patient or the family.

Summary

Differential access to health insurance coverage has been demonstrated, with ethnic minorities and young adults less likely to have insurance. Findings indicate that the poor and uninsured often receive substandard health care, and have higher mortality rates as a result. Because the distribution of poverty varies by race and ethnicity, minority populations may be disproportionately harmed by this phenomenon.

Additionally, studies reveal that physicians respond to patients not only with regard to their illness, but also in terms of their social characteristics. Furthermore, physician prejudices regarding the social worth or value of a patient can dramatically affect the type of treatment provided.

The current investigation attempts to determine whether patient insurance status is another variable that will influence physicians' decisions—specifically, decisions regarding orders not to resuscitate terminally ill patients. Given that health care resources are limited, and doctors are increasingly compelled to include financial considerations in their decision making; that uninsured patients often receive substandard medical care; and that social judgments regarding patients may influence medical treatment, it is hypothesized that physicians will be less likely to write do-not-resuscitate orders for terminally ill patients who have private insurance (i.e., more “affluent” patients) than for patients who have public insurance or no insurance information. Additionally, based on previous literature that indicates an association between religious affiliation and more “aggressive” medical treatment (Crane, 1975), it is hypothesized that physicians with a strong religious affiliation will be less likely to write DNRs, and less likely to perform a slow code, than physicians for whom religious affiliation was less important.
Methods

This exploratory study investigated the effect of patient insurance status upon physicians’ decisions to write do-not-resuscitate orders. The unit of analysis consisted of individual physicians and medical residents practicing at a large teaching hospital in urban southern California. Respondents were asked to complete a 17 item, self-administered questionnaire consisting of demographic data and a case vignette. The number of questions was limited intentionally, because it was believed that physicians would be unwilling to devote a great deal of time to completing the instrument.

Facts contained in the vignette were based upon an actual case, in order to insure saliency of content. All details in the vignette remained constant except for information regarding the patient’s insurance status—in one condition, the patient had private insurance; in another, limited, publicly-funded insurance; and in the final condition, no insurance information was provided.

Questions immediately following the vignette asked about the likelihood of writing a do-not-resuscitate order, and the reasons underlying the physician’s decision. Demographic data included questions covering: age, sex, marital status, medical status, area of specialty, year in which M.D. was obtained, ethnicity, and religious affiliation. Items included in the questionnaire were developed by the author following an extensive literature review and were pilot-tested prior to being used in this study. Questions pertaining to religion were incorporated because the literature indicated that religious affiliation was consistently associated with a tendency to treat aggressively, regardless of the characteristics of the patient (Crane, 1975). Because the questionnaire was constructed specifically for this study, no data regarding validity or reliability are available.

Sample

Three hundred sixty questionnaires and consent forms were hand delivered in a non-random, convenience sample to all accessible offices on the medical center campus. Although dissemination of the questionnaires was non-random and purposive, subjects were randomly assigned to the three conditions (private, public, or no insurance information). A cover letter, which also
acted as the informed consent form, requested that completed questionnaires and consent forms be returned in two, separate, self-addressed stamped envelopes provided by the investigator.

Data Analysis

One hundred six of the 360 questionnaires were returned, a response rate of 29%. Of these, five responses from medical students and two from psychiatrists were eliminated, because it was believed that these individuals would have little or no experience in writing DNRs. An additional five questionnaires were excluded for failure to answer the main research question, or inconsistent responses. As a result, statistical analysis was based upon information derived from 94 responses (26%). Although this response rate is low, given the population (physicians and residents at an urban medical center), it is not uncharacteristically so (BetaWaves, 1997), and no "gold standard for an acceptable response rate" among physicians has been determined (Cummings, Savitz, & Konrad, 2001).

Initial analysis of the data consisted of descriptive statistics on demographic and case vignette variables. The chi-square test of statistical significance was used to examine the relationship between patient insurance status and likelihood of writing a do-not-resuscitate order. Chi-square was also used to explore the relationship between religious affiliation and likelihood of writing a DNR, and religious affiliation and likelihood of responding with a slow code. Finally, chi-square tests were conducted to compare the responses of males and females, different ethnic groups, and long-time physicians versus doctors who had received their medical degrees within the last ten years, with regard to the likelihood of writing a DNR.

Results

The sample was predominantly male (n=76, 80.9%), and Caucasian (n=68, 73%). Other ethnic groups included Asian American (n=15, 16.1%); Hispanic, or Pacific Islander (n=3 each, or 3.2%, respectively); and, African American or Native American (n=1 each, or 1.1%, respectively). Two respondents (2.2%) marked the category "other," and one provided no information on ethnicity.
Medical specialties represented included surgery (n=22, 24.4%), obstetrics and gynecology (n=13, 14.4%), oncology (n=12, 13.3%), neurology (n=7, 7.8%), pediatrics (n=6, 6.7%), and family practice (n=3, 3.3%). Other specialties listed by respondents included: allergy, cardiology, gastroenterology, infectious diseases, infertility, internal medicine, nephrology, orthopedics, pulmonary, and urology (n=27, 30%). Four doctors failed to provide information on medical specialty. Fifty-three respondents (56.4%) were employed full-time on the medical center staff, 35 (37.2%) were medical residents, and six (6.4%) listed "other" as their current medical status. A majority of the physicians (n=55, 58.5%) had received their medical degrees within the past ten years, while 39 (41.5%) earned their medical degrees more than ten years previously.

Respondents ranged in age from 26 to 70, with a mean age of 37 years. Most were married (n=70, 74.5%), 21 (22.3%) were single, two (2.1%) reported that they were living together or involved in a domestic partnership, and one (1.1%) was separated or divorced.

As a whole, the sample was not particularly religious. Thirty percent (n=28) listed "none" for religious affiliation, and over half attended services three or less times per year. Of those who did specify a denominational alliance, the numbers of Protestants, Catholics and Jews were relatively close (n=20, 21.5%; n=18, 19.4%; and n=16, 17.2%, respectively), and two persons (2.2%) identified themselves as Buddhist. Nine respondents (9.7%) marked "other," and one provided no information with regard to religious affiliation. Fifty-one subjects (56%) attended services three or less times per year, 15 (16.5%) attended four to 12 times per year, 11 (12.1%) two to three times per month, and 14 (15.4%) once a week or more. Three subjects failed to respond to this question.

A frequency distribution of the likelihood of writing a do-not-resuscitate order based upon the hypothetical vignette revealed that, overall, subjects were twice as likely to write a DNR as not. Thirty-eight respondents (40.4%) said that they were "very likely" to write a DNR, 25 respondents (26.6%) were "somewhat likely," 20 (21.3%) were "somewhat unlikely," and 11 (11.7%) stated that they were "not at all likely" to write a DNR. Given the poor medical status of the patient described in the vignette, the fact
that a majority of physicians (67%) indicated their likelihood to write a DNR is not surprising.

When the same responses were analyzed by patient insurance status, however, a striking pattern emerged. If the patient’s insurance was listed as private, physicians were almost evenly divided as to whether or not to write a DNR: 19 physicians (54.3%) were “likely” to write a DNR, while 16 (45.7%) were “unlikely.” When the patient’s insurance was listed as “public,” however, almost 82% of physicians (n = 27, 81.8%) were “likely” to write a DNR, while only 18.2% (n = 6) were “unlikely.” In cases where insurance status was “unknown,” 65.4% of physicians reported being “likely” to write a DNR, and 34.6% were “unlikely.” These differences were statistically significant, \( X^2 (2, N = 94) = 5.87, p = .05. \)

Additional analyses were conducted separately by gender, ethnicity, and amount of physician experience. None of these analyses revealed any significant differences in the likelihood of writing a DNR, or in the influence of insurance status on the decision to write a DNR.

Asked about the possibility of responding to the given scenario by using a slow code, the physicians’ responses were more evenly distributed. Forty-four subjects (48.9%) stated that they would be “likely” to use a slow code, while 46 (51.1%) reported being “unlikely” to do so. Four subjects did not respond to this question. Insurance status did not have a significant effect on the likelihood of responding with a slow code. Finally, when analyzed separately by gender, ethnicity, and amount of experience, no significant differences in likelihood of responding with a slow code were revealed.

Although the majority of respondents in the sample were not particularly religious (i.e., 56% attended religious services three or less times per year), religion did appear to have a strong influence upon the likelihood of writing a DNR. Subjects who attended religious services at least once a week were more than two and one half times less likely to write a DNR, when compared to those who attended services three times a year or less (Table 1). The relationship between religious affiliation and likelihood of responding with a slow code was not significant. However, results appeared to reflect a trend in the same general direction as with
### Table 1

**Likelihood of Writing a DNR by Religiosity (N = 91)**

<table>
<thead>
<tr>
<th>Attendance at Religious Services</th>
<th>Likely (N)</th>
<th>%</th>
<th>Unlikely (N)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three or less times per year</td>
<td>39</td>
<td>76.5</td>
<td>12</td>
<td>23.5</td>
</tr>
<tr>
<td>Four to 12 times per year</td>
<td>10</td>
<td>66.7</td>
<td>5</td>
<td>33.3</td>
</tr>
<tr>
<td>Two to three times per month</td>
<td>7</td>
<td>63.6</td>
<td>4</td>
<td>36.4</td>
</tr>
<tr>
<td>Once a week or more</td>
<td>5</td>
<td>35.7</td>
<td>9</td>
<td>64.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>61</strong></td>
<td><strong>67.0</strong></td>
<td><strong>30</strong></td>
<td><strong>33.0</strong></td>
</tr>
</tbody>
</table>

Chi square = 8.33  df = 3  p = .04

Religious affiliation and DNR—i.e., those who were more religious were less likely to use a slow code.

**Physician Comments about the Vignette**

Following the vignette, physicians were asked to briefly describe any important factors that influenced their likelihood of writing a DNR. Ninety-three out of 94 subjects (98.9%) responded to this open-ended question. A content analysis found that the most common reply cited the patient’s “poor prognosis” or “medical condition” as an underlying consideration (N = 46, 49.5%). Ten physicians (10.8%) mentioned the patient’s mental status, usually noting the absence of data regarding this variable. Poor social or economic support was cited by three respondents (3.2%); and four physicians (4.3%) mentioned the patient’s age and/or history of smoking. Each of the above-listed factors were almost evenly distributed across the three insurance conditions.

The patient’s use of alcohol was mentioned by eight physicians (8.6%) as an underlying factor which influenced the decision to write a DNR. Interestingly, in six of these eight cases (75%), patients were listed under the “public” insurance condition. “Private” and “unknown” insurance conditions each received only one response (12.5%, respectively) which mentioned patient alcohol use. This pattern of responses may indicate that alcohol abuse
is perceived by some physicians as a more socially-acceptable justification for discontinuation of care than economic or social considerations.

The patient's desires or wishes were cited by 31 respondents (33.3%) as an underlying factor. Generally, physicians wrote that they would need to take the patient’s wishes into account before making a decision regarding the DNR. Here again, the responses were unevenly distributed across the three insurance conditions, although in the opposite direction. Patient’s wishes were mentioned by 17 of the 31 doctors (54.8%) in the “private” insurance condition, ten doctors (32.3%) when insurance was “unknown,” and only four doctors (12.9%) when insurance was “public.”

Several doctors added interesting comments which provided insight into their rationale. For example, one physician referenced the patient’s poor prognosis and wrote, “His medical condition is such that if he were to have a cardiac arrest, resuscitating him would be a cruelty.” The same doctor added that she felt there should be different levels of DNR status, ranging from traditional DNRs, to “no heroics,” to withholding antibiotics, withholding further operations, etc. She concluded with an emphatic statement that the courts should not become involved. Legal issues were also on the mind of another respondent, who wrote, “You do not address fear of legal liability, which hangs over doctors like a grey cloud and influences their behavior.”

Another physician stated that she believed most physicians are reluctant to discuss DNRs with patients and their families; then wrote,

I tend to be aggressive in doing so, and have never had a patient or family be anything but relieved that the topic had been broached. Inappropriate aggressive management of terminal patients resulting from inadequate discussions with patients and families is inexcusable.

A similar sentiment was expressed by a male respondent, who wrote,

The fact that doctors do not feel comfortable enlisting the family in the discussions of DNR orders most of the time makes me sick. Just what is a doctor’s responsibility!? When a patient is no longer treatable is it not logical to treat the patient’s family?
Other responses included one from a resident who wrote, "Prolonging an unproductive life for a short period of time is not worth it," and another from a surgeon who said, "As long as there is hope, I will not discuss DNR orders." One particularly thoughtful respondent wrote,

Physicians in this country are sometimes hesitant to confront these issues, hiding behind "no one can be 100% sure" and "no one can play God." We need to realize that modern hi-tech medicine has given us the ability to play God, and we need to come to terms with this situation.

Discussion

The major finding of this study was that patient insurance status had a significant effect upon physicians' decisions to write do-not-resuscitate orders. When presented with a patient who had private insurance, physicians were almost equally likely to write, or not write, a DNR. If the patient's insurance was listed as publicly-funded, however, physicians were four times more likely to write a DNR than not to do so. These findings supported the hypothesis that physicians would be less likely to write a do-not-resuscitate order for terminally ill patients who had private insurance (i.e., more "affluent" patients) than for patients who had public insurance or no insurance information. These findings are consistent with earlier studies in which physician prejudices regarding patient age, race, income level, and "social worth" or "presentation style" affected the type of treatment received (Birdwell, 1993; Crane, 1975; Eisenberg, 1979; Pearlman and Jonsen, 1985; Sudnow, 1967). The results also support Thorpe and Howard's (2003) study, in which uninsured cancer patients received less health care than insured patients, despite paying over twice as much in "out of pocket" expenses.

Findings regarding the effects of religious affiliation were more disparate. Religious affiliation had a significant effect on the likelihood of writing a DNR, with physicians who attended religious services "very frequently" being two and one half times less likely to write a DNR when compared to physicians who attended services infrequently (i.e., three or less times per year). This is an especially powerful outcome, considering the fact that
the overall frequency distribution of the likelihood of writing a DNR indicated that respondents were twice as likely to favor writing the order. These results provide strong support for earlier research by Crane (1975), who found that religious affiliation was associated with a tendency toward more aggressive treatment of the patient. However, no support was found for the hypothesis that physicians with a strong religious affiliation would be less likely to perform a slow code.

Limitations

The most significant limitation of this study was the inability to obtain a random sample because of time and cost constraints. This weakness effects external validity, limiting the generalizability of results. A second important limitation was the small response rate—106 out of the 360 questionnaires distributed, or 29%. Because of the sample size, few women and minorities were included in the study, further restricting generalizability of the results. Still another concern is that those subjects who did respond may have been “self-selected” in some way; for example, if only those physicians who had especially strong opinions about DNRs returned questionnaires, the results may well have been biased.

Another weakness is the lack of data regarding reliability and validity of the survey instrument. One serious concern about validity is that vignette research cannot accurately reflect actual medical practice; in real-life situations, physicians may respond very differently from the way they would on a questionnaire. Other limitations include constraints caused by the brevity of the questionnaire, and the possibility of a social desirability response bias (i.e., physicians may have answered in ways which they believed would reflect favorably on them).

Implications for Non-medical Helping Professionals

In health care settings, there are several ways non-medical helping professionals can act to influence the plight of those who may be considered “a burden on society, like the aged and the poor” (Thomasma, 1991). Social workers and marriage family therapists bring a unique set of skills to the health care setting; these can be used to facilitate interdisciplinary communication, and advocate on behalf of patient self-determination.
According to Eggerman and Dustin (1985), studies have indicated that physicians would welcome consultation or continuing education which includes techniques to be used with terminal patients. Non-medical helping professionals' distinctive focus on patient psychosocial needs may make them particularly qualified to address such matters, and to assist physicians in dealing with any of their own unresolved feelings about dying and death.

Educational programs or interdisciplinary discussion groups led or initiated by non-medical helping professionals could also be used to help health professionals from different disciplines to recognize and understand each others' feelings, clarify misunderstandings, and ultimately, lead to better-coordinated, more effective patient care. Finally, more helping professionals should become active participants on hospital bioethics committees, helping to develop better policies and guidelines regarding treatment of the poor and terminally ill.

Suggestions for Future Research

This exploratory study examined a research area that had received little previous attention. Because of the limitations associated with sample size and non-probability, the research should be replicated using random sampling techniques and a larger sample. Stratified random sampling techniques would allow for the inclusion of more female and minority physicians, leading to increased generalizability and an enlarged knowledge base. Clearly, the role of gender, ethnicity, and experience of the physician are worthy of further study.

Because subjects in the current study work in a university teaching hospital which serves a large indigent population, their responses may have been biased. Additional research is necessary to compare the responses of physicians in private practice, and those working in various community hospital settings. It would also be interesting to analyze the effect of physician specialty on the likelihood of writing DNRs.

It has been over 35 years since Sudnow conducted his pioneering observational research, and additional field studies comparing the treatment of patients with public versus private insurance would be most enlightening. This type of investigation is critically important, since physicians may respond differently on
questionnaires than in actual practice. Another promising area for field research would include the content and process of communication between physicians and other health professionals when treating indigent or dying patients.

Conclusion

This research utilized survey data from a non-random sample of 94 physicians and residents currently practicing at a large, urban teaching hospital in Southern California. The study enlarged upon the available literature to investigate an area that has received little previous research attention; i.e., the effect of patient insurance status upon physicians' decisions to write do-not-resuscitate orders. There were two basic research hypotheses. First, it was hypothesized that physicians would be less likely to write do-not-resuscitate orders for terminally ill patients who had private insurance than for patients who had public insurance or no insurance information. Second, it was expected that physicians with a strong religious affiliation would be less likely to write DNRs, and less likely to perform a slow code, than physicians for whom religious affiliation was less important. While results provided support for each of these hypotheses, additional research into this area is necessary before any definitive conclusions can be drawn.

References


The Social and Economic Impact of Sanctions and Time Limits on Recipients of Temporary Assistance to Needy Families

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A central feature of the reforms enacted through the Personal Responsibility and Work Opportunity Reconciliation Act (welfare reform) has been the adoption of strategies to involuntarily remove Temporary Assistance to Needy Families (TANF) recipients from the welfare rolls, including increased use of sanctions and time limits on welfare receipt. Drawing on data from a three year panel study of women who had been receiving welfare in a state which adopted stringent sanctioning and time limit policies, we investigate predictors of recipients' TANF status after implementation of welfare reform, and identify differences in post-reform material resources, hardships and quality of life based on TANF status. Almost half of all welfare case closures during the first time period after reforms were implemented through involuntary strategies. Relatively few baseline characteristics predicted different outcomes once welfare time limits and sanctions were implemented. Those who were timed off welfare had substantially lower incomes in the year following their removal. One third of all respondents, regardless of reason for leaving TANF reported having insufficient food, housing problems and lack of access to needed medical care.
The passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA, 1996) revamped federal welfare efforts to emphasize participation in the labor force as a primary strategy for reducing the dependence of single mothers and their children on public assistance. To amplify the consequences for failing to comply with new program requirements, Congress passed a mandatory time limit of 60 months for receipt of Temporary Assistance to Needy Families (TANF), and allowed states the option of imposing stricter sanctions on families that were not following through on mandated activities. As a result, states now have greater latitude to involuntarily remove TANF families from the welfare rolls, without regard to their social or economic circumstances.

Research on welfare caseloads has largely focused on identifying differences between welfare "leavers" and "stayers," but these studies have not differentiated between those who leave TANF voluntarily because they have obtained other income, and those who are removed from TANF involuntarily, either through time limits or sanctions. Descriptive information about the characteristics of sanctioned families suggests that they may possess certain demographic or human capital characteristics that may make them more vulnerable to involuntary removal. However, longitudinal research on this topic is limited. Even fewer studies have examined the longitudinal impact of involuntary leaving for TANF families' material resources, hardships, and quality of life.

Drawing on data from a three-year panel study of women who had been receiving welfare in Louisiana, a state that has adopted stringent sanctioning and time limit policies, we address the following questions:

1. What is the TANF status of study participants once welfare reform rules, including time limits and increased sanctions, have been implemented?
2. What baseline characteristics are predictive of later TANF status?
3. Are there differences in subsequent financial resources, hardships, and quality of life measures based on earlier TANF status?
Background

PRWORA replaced Aid to Families with Dependent Children (AFDC), a means-tested public assistance program created through the Social Security Act of 1935 to provide financial assistance to impoverished single mothers with children (Gordon, 1994). A central feature of the reforms enacted through PRWORA has been the adoption of strategies to involuntarily remove TANF recipients from the welfare rolls. These strategies were designed to serve both as an anticipatory incentive to engage in work efforts and as a punishment for non-compliance with welfare regulations (Corcoran, Danziger, Kalil & Seefeldt, 2000; Ferber & Storch, 1998). The most prominent of these efforts has been the creation of time limits and the imposition of stricter sanctions for women deemed to be non-compliant with various welfare rules.

Sanctions and Time Limits Policies

The federal government has devolved responsibility for developing welfare policy to the states, and as a result states vary widely in their applications of time limits and sanctions. Sanctions impose financial penalties on clients for failing to comply with administrative rules such as participating in mandatory work activities, pursuing child support enforcement, obtaining immunizations for children and providing required paperwork. Although time limits have received increased public attention as a new element introduced by PRWORA, more families are affected by sanctions than time limits; by one estimate, almost four times as many families will experience sanctions as time limits (Bloom & Winstead, 2002). Estimates of sanction rates range from 5 percent to 52 percent depending on the sampling methodology used (Pavetti, 2003).

Prior to 1996, many states were experimenting with reforms that were incorporated into PRWORA, including the use of a full family sanction, which allows the welfare agency to terminate benefits to an entire family for non-compliance. Under AFDC, when a parent was non-compliant with work activities, their portion of the public assistance grant was withheld, but the children's portion continued to be paid (Ferber & Storch, 1998). As of 2001, 36 states impose full family sanctions at some point in the process of deeming a client to be non-compliant, and
eighteen of these states terminate all benefits immediately upon any instance of non-compliance (Center for Law and Social Policy, 2001). In seven states, noncompliance with work activities can lead to lifetime ineligibility for TANF benefits (Bloom & Winstead, 2002).

Under PRWORA rules, states are prohibited from using TANF dollars to provide cash assistance to families for longer than 60 months. States are free to continue to provide assistance to clients using their own resources after the 60 months have been surpassed, and ten states do so, including New York and California which comprise a significant portion of the nation’s welfare caseload (Bloom, Farrell, Fink & Adams-Ciardullo, 2002). States also have the option of imposing shorter time limits than the federal maximum, which 17 states have opted to do (Bloom, Farrell, Fink & Adams-Ciardullo, 2002), the shortest time limit being found in Tennessee, which ends welfare payments after one year (Kim, 2000). As of 2002, 93,000 families have had their case closed because of time limits (Bloom, Farrell, Fink & Adams-Ciardullo, 2002).

**Correlates and Outcomes for Involuntary Leavers**

A handful of studies have identified correlates of sanctioning, but fewer have looked at which families are involuntarily removed from welfare because of time limits. Most studies note that mothers are more likely to be sanctioned if they have lower educational levels (Edeloch, Liu & Martin, 2000; Goldberg & Schott, 2000; Hasenfeld, Ghose & Larson, 2004; Kalil, Seefeldt & Wang, 2002; Westra, 2000). Contrasting findings are noted regarding age, with some finding that younger women are more likely to be sanctioned (Hasenfeld, Ghose & Larson, 2004; Kalil, Seefeldt & Wang, 2002) and others finding that sanctioned leavers are older (Lindhorst, Mancoske & Kemp, 2000). In some studies, being sanctioned is also associated with race and disability with African Americans more likely to be sanctioned (Hasenfeld, Ghose & Larson, 2004; Kalil, Seefeldt & Wang, 2002), and those who are disabled having a greater likelihood of sanctioning (Hasenfeld, Ghose & Larson, 2004).

Federal law does not require that states assess the impact of sanctions or time limits on families. As a result, only a handful of studies are available that investigate outcomes, and these tend to
Welfare Sanctions and Time Limits

focus on reported income and employment. The purpose of sanctioning is to increase women's compliance with work mandates, yet, whether sanctioning acts as an incentive to employment is unclear. Survey research with welfare recipients indicates that sanctioned leavers have lower employment rates than other welfare leavers (Lee, Slack & Lewis, 2004; Moffitt & Roff, 2000); however, when using administrative data to compare state policies and rates of work among recipients, Kim (2000) found that the probability of working is higher for recipients who live in states that employ a full family sanction for non-compliance. It is also unclear whether material hardship differs among sanctioned and voluntary leavers. In some studies, being sanctioned is associated with greater risk of having utilities turned off (Kalil, Seefeldt & Wang, 2002; Lee, Slack & Lewis, 2004; Lindhorst, Mancoske & Kemp, 2000), experiencing food insecurity (Cherlin et al, 2001; Lee, Slack & Lewis, 2004; Lindhorst, Mancoske & Kemp, 2000) and having unmet medical needs (Lindhorst, Mancoske & Kemp, 2000). Other studies, though, have found that these hardships are common for all welfare leavers regardless of the reason they left (Bloom & Winstead, 2002).

Similarly, those who left welfare because of time limits also do not appear to have significantly higher levels of material hardship relative to voluntary leavers (Bloom, Farrell, Fink & Adams-Ciardullo, 2002). Time limits do not appear to have succeeded in encouraging work among recipients post-PRWORA (Bloom, Farrell, Fink & Adams-Ciardullo, 2002; Kim, 2000), likely because those who are more employable leave before time limits are imposed.

Background on Welfare Reform in Louisiana

Louisiana has a historically high level of poverty and welfare use. In 2000, Louisiana had the highest percentage of children in single mother families living below the poverty line (50 percent), and was 48th out of 50 states for the percentage of children living in poverty (30 percent). Louisiana is second to last among the states in the percentage of children whose parents do not have full-time, year round employment. Given these facts, it is not surprising that Louisiana has one of the highest percentages of children living in high risk environments in the country (Annie E. Casey Foundation, 2000).
Welfare reform was instituted in Louisiana through the creation of the Family Independence Temporary Assistance Program (FITAP). Recipients are required to spend 20 hours per week in approved work activities, except for women with children under one year of age. Louisiana elected to implement the Family Violence Option, which allows states to grant a temporary waiver of these program requirements to any person who is a verified victim of domestic violence. Louisiana is one of a handful of states that has opted to impose both full family sanctions, as well as a shorter time limit, timing recipients off welfare after 24 months of benefits (as compared to the five-year maximum required by Congress). Families must wait two years before reapplying after they have exceeded the limit (Louisiana Department of Social Services [LaDSS], 2003). While Louisiana had already imposed sanctions of the loss of individual benefits for any household head who failed to obtain work or work training within three months, beginning March 1, 1998, the whole family could be terminated from benefits (LaDSS, 1998b).

Since 1993, the welfare caseload has decreased 72.7 percent in Louisiana, placing it well above the national mean of 56 percent in its rate of reduction (U.S. Department of Health and Human Services [US DHHS], 2004). In 1999, when the first wave of recipients reached the 24-month time limit in the state, approximately 4,200 people stopped receiving welfare benefits (DeParle, 1999). Temporary exemptions from termination were given to another 2,000 people, mainly because of physical health problems of the mother, or her care for a disabled child (Finch, 1999). The state did not record any exemptions for reasons of domestic violence in the first wave of time limits. In the year after time limits were enacted (the second year of the present study), the welfare caseload in the state declined by 48 percent (US DHHS, 2004). Louisiana is one of five states which account for the largest number of families timed off welfare (Bloom, Farrell, Fink & Adams-Ciardullo, 2002).

Methods

From 1998 through 2001, a panel study of welfare recipients was conducted to evaluate outcomes related to implementation of PRWORA in Louisiana (McElveen, Mancoske & Lindhorst, 2000).
To create the panel, a random sample, stratified to represent the rural and urban distribution of the state’s welfare caseload, was created from a recipient listing provided by the state Department of Social Services (LaDSS). Subjects were eligible for participation if they were 18 years or older and receiving welfare payments as the guardian of a dependent child during the first year of the study in 1998. Child-only cases in which welfare payments did not include the adult recipient were excluded from the panel, as these cases were exempted from many of the new PRWORA regulations. Respondents were enrolled in the panel study prior to the implementation of time limits and other increased sanctions which were initiated in Louisiana in January 1999. In year one, a response rate of 72 percent was attained. At each wave of data collection, in-person interviews were completed by either a social worker or a Master's in Social Work student, and respondents were given small financial incentives for participation.

In the second year, 348 respondents were resurveyed, representing 61.1 percent of the original sample. In reports from federally funded studies of welfare leavers, re-interview response rates vary from 51 to 75 percent (Isaacs & Lyon, 2000), indicating that the response rate for this panel study is consistent with other longitudinal studies of welfare recipients. Higher attrition rates are not unusual in longitudinal research within low-income communities where mobility is high and access to telephones can be sporadic (Katz, El-Mohandes, Johnson, Jarrett, Rose, & Cober, 2001). For the first set of analyses, we use data for the 348 women who were interviewed in year one and year two, using first year responses to construct predictors of welfare status in year two. For the second analyses, we use data for 277 women for whom responses from all three years are available to investigate consequences of involuntary welfare leaving.

Measurement

The dependent variable of TANF Status was determined by the client’s self-report, first of whether they were currently receiving TANF payments, and if not, the primary reason that they were no longer receiving TANF. Based on a list of case closure statuses provided by the LaDSS and interviewee responses, 3 additional categories were created. Voluntary leavers consisted
of those persons who were dropped from the welfare rolls because they had received other income through work or marriage, who were no longer eligible because the child turned 18 or no longer lived with the respondent, or who voluntarily chose not to reapply for benefits. Timed off leavers were those who reported reaching the 24 month time limit and having their benefits ended. Sanctioned leavers included respondents who were involuntarily removed from the rolls because they did not meet the work requirements, did not cooperate with child support, missed an appointment, didn’t know why their benefits ended, or believed the welfare office had made a mistake.

**Human capital characteristics:** To assess potential barriers to work and reasons for continued welfare use, we measured eight areas associated with these outcomes in previous studies. *Education* was a dichotomous measure of whether the respondent graduated from high school/obtained a Graduate Equivalency Diploma (GED) or not (0 = no; 1 = yes). Respondents were asked whether they had *ever married* (0 = never married; 1 = ever married); and whether they were currently *employed*, defined as self-report of any paid work outside the home, either full-time or part-time of at least 20 hours per week (0 = not employed; 1 = employed). Mothers were asked whether they or any child they cared for were currently *disabled* (0 = no disability; 1 = disabled). Measurement of *domestic violence* used the Epidemiological Survey of Intimate Partner Violence designed by the Louisiana Office of Public Health (Kohn, Flood, Chase & McMahon, 2000). Two screening questions asked respondents if they experienced physical violence (defined as having been hit, slapped, kicked, punched or beaten) or harassment (defined as being stalked or threatened with violence by someone known to the victim) in the past year. Two measures of longer-term poverty spells were also used. *Recent poverty* measures the proportion of time that a respondent reported she had received TANF in the previous five years (range = 0–5). *Childhood poverty* was measured by a proxy variable asking the respondent if, during her childhood, either parent had ever received welfare payments.

**Results of leaving:** To investigate possible outcomes of differing welfare statuses, we assess associations between TANF status and three areas in the third year: available resources, material hard-
ships, and quality-of-life experiences. *Available financial resource* is a proxy for income that measures the total monthly amount the respondent reported receiving from any of the following sources: employment, TANF payments, Food Stamps, child support, or other financial resources such as Supplemental Security Income, Social Security Disability payments, etc. We also assess current employment as noted above, and the percentage of people that receive Food Stamps. We also measured resource limitations in the areas of food, housing and health in the past 3 months. *Insufficient food* is measured as the percentage of respondents who answered “yes” to any of three questions about food insecurity: went without food for a day or more because there wasn’t any money; had to go to a food bank or a soup kitchen; or had to skip meals or eat less because there wasn’t enough money (Carlson, Andrews, and Bickel, 1999). *Housing problems* were measured as the percentage of respondents who answered “yes” to any of six questions that asked whether in the past 3 months, the respondent had been unable to pay her rent, had been without any shelter, had the electricity turned off, had to move in with others, have others move in to help cover expenses, or had the phone turned off. *Health hardships* were defined as the percentage of people needing, but not receiving Medicaid, and being unable to obtain needed medical care for themselves or their children.

We also measured areas related to quality of life in the third year. A measure of *health* from the Health-Related Quality-of-Life Measure (Newschaffer, 1998) was used to assess general health status, where respondents noted the number of days in the past 30 days in which they were in poor health. *Mental health* was measured using the Center for Epidemiological Studies Depression scale (CES-D, Radloff, 1977). The CES-D is a self-report scale of depressive symptomatology widely used to identify possible depression in research samples. We categorized each respondent as one who would likely meet clinical criteria for a diagnosis of major depression if their score exceeded 22 on the scale (Measurement Excellence and Training Resource Information Center, 2004). In addition, we measured the lifetime incidence of *domestic violence* and *sexual assault* (0 = no violence; 1 = violence) in the third year using a modified version of the Louisiana epidemiological survey mentioned above. Since these questions assess lifetime
prevalence rather than incidence post-sanctioning, they should be interpreted as associations with TANF status rather than as consequences.

**Data Analysis**

The first research question regarding TANF status was analyzed using descriptive statistics. In order to evaluate the second research question related to predictors of TANF status, a multinomial logistic regression equation was constructed since TANF status is composed of four non-orderable categories (Demaris, 1992). In this analysis, the status of remaining on TANF is compared to each of the three leaver statuses: leaving voluntarily, being timed off welfare, or being sanctioned. We present the odds ratio for each predictor variable which can be interpreted as the change in odds (greater than 1 = increased odds; less than 1 = decreased odds) of being in one of the leaver categories relative to those remaining on TANF. Overall model fit is evaluated using the \(-2\) log likelihood test (Pedhazur, 1997). The pseudo \(R^2\) describes the proportion of variance explained by the independent variables, and its interpretation is similar to that of the \(R^2\) in OLS regression. Both figures are reported at the end of the tables. The second research question regarding outcomes associated with TANF status is assessed using one way Analysis of Variance, with the post-hoc Bonferroni test (Castaneda, Levin & Dunham, 1993).

**Results**

**Description of sample**

Approximately 90 percent of the sample was African American, consistent with the demographics of the LaDSS caseload (LaDSS, 1998a). Just over half (53 percent) had received a high school diploma or GED, and 36.5 percent had been married at some point in their lives. Average age of respondents was 34.5 (SD = 12.28) at the start of the study, and they had 2.5 (SD=1.48) children on average, with 48.4 percent having a child under the age of five. One fifth of the respondents were either disabled themselves (19.4 percent) or caring for a disabled child (19.8 percent). Eight percent reported experiencing serious physical violence or harassment in the previous year. Almost eighty percent had
received TANF payments for more than a year in the past five years (recent poverty), but only 33.2 percent had parents who received welfare payments when the respondent was a child. Thirty percent of recipients were working in the first year.

**TANF status in the year after implementation of welfare reform**

After enactment of sanctioning and time limit policies, 38.3 percent of respondents continued to receive TANF, 33.0 percent had left welfare voluntarily, 12.5 percent were timed off, and 16.2 percent were sanctioned off welfare for other reasons. Using the 62 percent (n = 213) whose TANF ended in the second year as the whole, 54 percent left TANF for voluntary reasons, usually because they obtained employment (29.7 percent) and their work income made them ineligible for benefits, or because they received other income (14.4 percent), most frequently SSI or Social Security Disability payments. Over 45 percent of the respondents had their TANF benefits discontinued involuntarily, with the majority of these (21.8%) being because the mother had reached the twenty-four month time limit imposed in 1999. Families experienced full family sanctions for not meeting work requirements (7.9 percent), missing appointments (4.5 percent) or not assisting with child support enforcement (1.9 percent). Although the welfare office noted that cases could be closed if children were not immunized, didn’t meet school attendance requirements, or if the parent was no longer eligible because of citizenship status, no respondent reported these as primary reasons for their involuntary removal.

**Factors predicting TANF status**

The next analysis assesses the role of demographic and human capital variables in predicting the likelihood of achieving a particular TANF status. Odds ratios are presented for the statuses of “Voluntary leaver,” “Timed off,” and “Sanctioned” relative to those still on TANF (see Table 1).

Overall, relatively few characteristics differentiated any of the leaver statuses from those who remained on TANF. Voluntary leavers differed from those who remained on TANF in that they were less likely to have children under 5 years of age (OR = .55) and were more likely to have been working at baseline (OR = 3.24). Those who were timed off TANF were also less likely to
have young children (OR = .52), were more likely to be working at baseline (OR = 3.15) and were less likely to have a disabled child (OR=.23). Respondents who were sanctioned off TANF were not significantly different from those remaining on TANF on any of the characteristics. The overall model is significant on the goodness-of-fit $X^2$, with the full model explaining approximately eight percent of the variance in TANF status.

**Effects of TANF Status on Later Outcomes**

Differences between TANF statuses exist in fewer than half of the categories related to resources, material hardships and overall health and mental health, indicating that the groups are more alike than different. Significant differences appear in financial resources, receipt of Food Stamps, and medical care hardships. Monthly financial resources differ significantly across the four groups. Timed off leavers have the lowest monthly financial resources of the four groups, even though a sizeable proportion is working. Recipients were working in all groups, with voluntary leavers reporting the highest work level of 50 percent. Declining Food Stamps use among voluntary leavers who are working might be anticipated since increased income limits Food Stamps eligibility. However, given that the incomes of voluntary leavers are lower than TANF recipients the likelihood is that many of these families remain eligible for Food Stamp participation, whether they receive Food Stamps or not.

Material hardships differ among the three groups in two categories related to medical resources. Twenty-nine percent of timed off leavers and almost one quarter of the voluntary leavers were unable to obtain medical care that they needed, a significant difference when compared to those continuing to receive TANF. Almost three times as many of the voluntary, timed off and sanctioned leavers reported that they needed Medicaid, but were unable to obtain it. Markedly smaller percentages reported that they were unable to access needed medical care for a child, likely reflecting the availability of special child insurance programs. Almost one-third of the families across all TANF statuses reported food insecurity, but the differences between the groups were not significant. Thirty-one to 44.4 percent of respondents also reported serious housing problems, such as not being able to pay
### Table 1

**Odds Ratios (Standard Errors) from Multinomial Logistical Regression Analysis Predicting TANF Status.**

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Voluntary leavers vs. on TANF</th>
<th>Timed off vs. on TANF</th>
<th>Sanctioned vs. on TANF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>.97</td>
<td>.98</td>
<td>.98</td>
</tr>
<tr>
<td></td>
<td>(.02)</td>
<td>(.02)</td>
<td>(.02)</td>
</tr>
<tr>
<td>African American</td>
<td>1.23</td>
<td>1.87</td>
<td>1.76</td>
</tr>
<tr>
<td></td>
<td>(.58)</td>
<td>(1.35)</td>
<td>(1.22)</td>
</tr>
<tr>
<td>Children less than 5 years</td>
<td>.55***</td>
<td>.52*</td>
<td>.68</td>
</tr>
<tr>
<td></td>
<td>(.12)</td>
<td>(.15)</td>
<td>(.17)</td>
</tr>
<tr>
<td>Rural residence</td>
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<td>(.51)</td>
<td>(.32)</td>
<td>(.51)</td>
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<tr>
<td>Human Capital Variables</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Graduated high school</td>
<td>1.44</td>
<td>1.14</td>
<td>1.20</td>
</tr>
<tr>
<td></td>
<td>(.42)</td>
<td>(.46)</td>
<td>(.45)</td>
</tr>
<tr>
<td>Currently employed</td>
<td>3.24***</td>
<td>3.15**</td>
<td>.76</td>
</tr>
<tr>
<td></td>
<td>(1.10)</td>
<td>(1.37)</td>
<td>(.38)</td>
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<tr>
<td>Ever married</td>
<td>1.35</td>
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<td>1.14</td>
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<td>(.47)</td>
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<td>(.51)</td>
</tr>
<tr>
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<td>.33</td>
<td>.42</td>
</tr>
<tr>
<td></td>
<td>(.25)</td>
<td>(.23)</td>
<td>(.22)</td>
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<tr>
<td>Disabled child</td>
<td>.69</td>
<td>.23*</td>
<td>.74</td>
</tr>
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<td></td>
<td>(.25)</td>
<td>(.16)</td>
<td>(.33)</td>
</tr>
<tr>
<td>Current domestic violence</td>
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<td>(.43)</td>
<td>(.53)</td>
<td>(.62)</td>
</tr>
<tr>
<td>Recent poverty</td>
<td>.87</td>
<td>.97</td>
<td>1.11</td>
</tr>
<tr>
<td></td>
<td>(.08)</td>
<td>(.12)</td>
<td>(.13)</td>
</tr>
<tr>
<td>Childhood poverty</td>
<td>1.13</td>
<td>1.37</td>
<td>1.11</td>
</tr>
<tr>
<td></td>
<td>(.38)</td>
<td>(.62)</td>
<td>(.13)</td>
</tr>
</tbody>
</table>

$-2 \log \text{likelihood} = -360.57^{**}$

Pseudo $R^2 = .08$

---

$^\$Comparison group is those who remaining on TANF.

*p = .05, **p = .01, ***p = .001.

$X^2 (36, n = 309) = 65.85, p < 01.$
Table 2
ANOVA of Differences between Welfare Recipients, Voluntary, Timed Off and Sanctioned Leavers (SD in parentheses).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Receiving TANF</th>
<th>Voluntary Leavers</th>
<th>Timed Off</th>
<th>Sanctioned</th>
<th>ANOVA F (3,272)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Available Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly financial resources</td>
<td>$944.86</td>
<td>$849.71</td>
<td>$550.66</td>
<td>$820.36</td>
<td>5.77***, b</td>
</tr>
<tr>
<td></td>
<td>(459.71)</td>
<td>(486.91)</td>
<td>(420.24)</td>
<td>(480.17)</td>
<td></td>
</tr>
<tr>
<td>% Working†</td>
<td>35.0</td>
<td>50.0</td>
<td>33.0</td>
<td>45.0</td>
<td>1.83</td>
</tr>
<tr>
<td></td>
<td>(.48)</td>
<td>(.50)</td>
<td>(.48)</td>
<td>(.50)</td>
<td></td>
</tr>
<tr>
<td>% Receiving Food Stamps</td>
<td>88.0</td>
<td>70.0</td>
<td>84.0</td>
<td>73.0</td>
<td>3.61**c</td>
</tr>
<tr>
<td></td>
<td>(.33)</td>
<td>(.46)</td>
<td>(.37)</td>
<td>(.45)</td>
<td></td>
</tr>
<tr>
<td><strong>Material Hardships</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Insufficient food</td>
<td>33.7</td>
<td>30.2</td>
<td>36.7</td>
<td>35.4</td>
<td>.20</td>
</tr>
<tr>
<td></td>
<td>(.47)</td>
<td>(.46)</td>
<td>(.49)</td>
<td>(.48)</td>
<td></td>
</tr>
<tr>
<td>% Housing problems</td>
<td>31.5</td>
<td>39.8</td>
<td>37.9</td>
<td>44.4</td>
<td>.92</td>
</tr>
<tr>
<td></td>
<td>(.44)</td>
<td>(.49)</td>
<td>(.49)</td>
<td>(.50)</td>
<td></td>
</tr>
<tr>
<td>% Unable to obtain medical care for parent</td>
<td>6.5</td>
<td>23.9</td>
<td>29.0</td>
<td>20.1</td>
<td>5.22***, c</td>
</tr>
<tr>
<td></td>
<td>(.25)</td>
<td>(.43)</td>
<td>(.46)</td>
<td>(.41)</td>
<td></td>
</tr>
<tr>
<td>% Unable to obtain medical care for child</td>
<td>2.8</td>
<td>5.8</td>
<td>6.7</td>
<td>10.9</td>
<td>1.32</td>
</tr>
<tr>
<td></td>
<td>(.17)</td>
<td>(.24)</td>
<td>(.25)</td>
<td>(.31)</td>
<td></td>
</tr>
<tr>
<td>% Needed, but didn’t receive Medicaid</td>
<td>7.4</td>
<td>22.7</td>
<td>22.6</td>
<td>27.1</td>
<td>4.45**c, d</td>
</tr>
<tr>
<td></td>
<td>(.26)</td>
<td>(.42)</td>
<td>(.43)</td>
<td>(.45)</td>
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</tbody>
</table>
### Health and Mental Health

<table>
<thead>
<tr>
<th></th>
<th>.40</th>
<th>.31</th>
<th>.39</th>
<th>.42</th>
<th>.75</th>
</tr>
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<tbody>
<tr>
<td>% Current major depression</td>
<td>(.49)</td>
<td>(.47)</td>
<td>(.49)</td>
<td>(.49)</td>
<td></td>
</tr>
<tr>
<td># of days of poor physical health</td>
<td>9.54</td>
<td>7.68</td>
<td>6.81</td>
<td>8.93</td>
<td>.86</td>
</tr>
<tr>
<td></td>
<td>(11.03)</td>
<td>(9.71)</td>
<td>(8.55)</td>
<td>(10.76)</td>
<td></td>
</tr>
<tr>
<td>% Ever experienced domestic violence</td>
<td>32.4</td>
<td>22.7</td>
<td>41.9</td>
<td>42.9</td>
<td>2.54*</td>
</tr>
<tr>
<td></td>
<td>(.47)</td>
<td>(.42)</td>
<td>(.50)</td>
<td>(.50)</td>
<td></td>
</tr>
<tr>
<td>% Ever experienced sexual assault</td>
<td>16.8</td>
<td>8.0</td>
<td>9.6</td>
<td>8.9</td>
<td>1.46</td>
</tr>
<tr>
<td></td>
<td>(.38)</td>
<td>(.27)</td>
<td>(.29)</td>
<td>(.29)</td>
<td></td>
</tr>
</tbody>
</table>

*Mean proportions are reported as percentages for ease of interpretation.

*p = .10, **p = .05, ***p = .01, ****p = .001.

Post-Hoc Bonferroni differences:
- a Timed Off and Receiving TANF
- b Timed Off and Voluntary Leavers
- c Receiving TANF and Voluntary Leavers
- d Receiving TANF and Sanctioned
rent, or having the electricity or phone disconnected, but again, TANF status was not associated with these hardships.

TANF status approaches significance in its association with having ever experienced domestic violence. Almost twice as many timed off and sanctioned leavers reporting having ever experienced domestic violence in their lifetime as compared to voluntary leavers. When these two groups are collapsed into "involuntary leavers," they report significantly higher levels of domestic violence than do voluntary leavers ($F=3.74, p<.05$). While no significant differences were found between the TANF status groups in regards to their report of health or their level of depression, between 31 and 42 percent of the women endorse feelings consistent with a diagnosis of major depression. A relatively high number of women across each status also reported having experienced sexual assault in their lifetime, particularly among those still receiving TANF benefits.

Discussion

In this study, almost half of respondents noted that their cases were closed for involuntary reasons, contradicting the general public's view that women leave welfare because they find work (DeParle, 2004). Despite the emphasis in welfare reform policies on helping families to achieve economic self-sufficiency through work, less than one third of case closures in this study were as a result of achieving employment, and the majority of involuntary leavers were not working. Louisiana has been successful in implementing time limits, as this accounts for the highest percentage of involuntary leavers. These findings underscore econometric data indicating that time limit policies in particular are responsible for a significant portion of the decrease in welfare caseloads since their implementation (Grogger 2002; Fang & Keane, 2004).

A minority of the welfare leavers in this survey (29.7 percent) actually exited welfare because they had obtained employment. During the last year of the survey, 50 percent of the voluntary leavers, 45 percent of the sanctioned leavers, 35 percent of TANF recipients, and 33 percent of those timed off welfare were working. If increased sanctions and time limits were acting as an incentive to work, one would expect to see higher rates of em-
Welfare Sanctions and Time Limits

employment among involuntary leavers, given their lack of access to public financial assistance. Since a minority of women who have been sanctioned or timed off welfare were working, the policies do not appear to be successful in significantly increasing work force participation. This is consistent with earlier findings that sanctions and time limits do not act as significant incentives to improve employment outcomes (Moffitt & Roff, 2000; Pavetti, 2003).

Perhaps the most striking in these analyses are the similarities among TANF recipients, voluntary leavers and those timed or sanctioned off welfare. Very few demographic or human capital characteristics differentiated these groups. Voluntary leavers and those who were timed off welfare had similar baseline characteristics, as did respondents who remained on TANF or who reported being sanctioned off. These findings suggest that other structural rather than individual factors may be more relevant to understanding why some people leave via sanctions and time limits and some are able to obtain employment, gain other income or leave for other voluntary reasons.

Regardless of TANF status, a significant number of respondents reported serious material hardships such as having insufficient food, serious housing problems or an inability to obtain necessary medical care for the recipient (but not the child). It appears that even families leaving voluntarily left for situations that did not substantially improve their family’s social or economic circumstances. Although differences between leavers and TANF recipients were not seen in their reports of food and housing hardships, one third of respondents reported these problems, with timed off and sanctioned leavers reporting the highest levels. Other studies indicate that between 25 and 33 percent of all leavers experience food insecurity (Isaacs & Lyon, 2000; Loprest & Zedlewski, 1999), so the families in Louisiana do not differ markedly in this regard from other TANF families.

Time limits are associated with decreased monthly financial resources. As noted in other research (Pavetti, 2003), the monthly financial resources of women involuntarily removed from TANF are significantly less than either voluntary leavers or TANF recipients. Using the monthly financial resources figure as a rough proxy for actual yearly income, timed off leavers report receiv-
ing $6,608 yearly, an amount that is 50.3 percent of the poverty threshold of $13,133 for a parent with two children set by the U.S. Census Bureau for this time period (U.S. Census Bureau, 1998). Since women who are timed off TANF report the lowest monthly income and the lowest employment rates, it appears that being involuntarily removed from welfare leads to increased economic stress, which is not resolved through greater labor force participation.

Sanctioned leavers differed significantly from TANF recipients in terms of their ability to access medical resources. In this regard, they shared with voluntary leavers an inability to obtain Medicaid, and, likely as a consequence, had difficulty in obtaining medical care they needed for themselves. Although Medicaid services were administratively delinked from TANF receipt (Health Resources Services Administration, 2003), these results suggest that when TANF benefits are ended, a sizeable minority of recipients who might be income eligible for Medicaid no longer receive it.

Although having been a recent victim of domestic violence did not predict TANF status, differences in the lifetime prevalence of abuse indicate that it may be associated with sanctioning and time limits. Almost twice as many timed off and sanctioned leavers report a history of domestic violence compared to voluntary leavers, and almost one third of those still on TANF report having experienced domestic violence in their lifetimes. These data suggest that abuse may have a cumulative effect making women more vulnerable to sanctioning, rather than a strictly proximal one.

Conclusions

This study provides a glimpse into the experiences of families receiving TANF in a single state, during the beginning period of implementation of welfare reform regulations, within a more stringent policy regime than is the case in many states. Although these results cannot be generalized to the national level because of the differences in policy and economic environments among the states, these results do raise certain cautions. First, while it is possible to achieve successful caseload reduction through
the implementation of time limits and sanctions, this does not necessarily translate into increased economic self-sufficiency on the part of families who are the targets of these policies. In fact, families that are timed off the welfare rolls may instead be experiencing even deeper poverty and deprivation.

Second, time limits and sanctions do not appear to be significant motivators for employment. This may in part be related to the fact that the labor market environment for most welfare recipients consists of unstable, low-paying, geographically inaccessible positions without benefits that do not significantly improve social or economic circumstances of these families. Effective services need to build on the strengths of families and to address the many structural as well as human capital barriers that hinder them from achieving financial independence through employment rather than individualistic attempts to shape complex family outcomes. TANF policymakers can either view sanctions and time limits as guides pointing them to the families that are most in need of supportive interventions, or these strategies can be used as ways to easily exit challenging clients. If welfare reform is to be truly labeled a success, it cannot be at the expense of those who are the most vulnerable and least able to access necessary resources.

References


Welfare Sanctions and Time Limits


Note

Funding for this research comes from the Louisiana Department of Social Services, Office of Family Supports. All opinions expressed and any errors are those of the researchers and not those of the Department.
Numerous African American families have struggled for generations with persistent poverty, especially in the inner city. These conditions were further strained during the 1980s and 1990s by the widespread use of crack cocaine. For many, crack use became an obsession, dominated their lives, and superseded family responsibilities. This behavior placed additional pressure on already stressed kin support networks. This paper explores the processes prevailing in two households during this period. In the 2000s, children born to members of the Crack Generation are avoiding use of crack but face major deficits from their difficult childhoods. This presents both challenges and opportunities. The discussion considers initiatives from both a social problems and a strengths perspective that could help these families and help these families help themselves to advance their economic circumstances.

Keywords: family, crack, black, foster care, kin networks, poverty, inner-city

Introduction

Poverty can be much more than a lack of money or work or even motivation. For many, it is the circumstances resulting from a trans-generational social history filled with struggle against harsh conditions, structural impediments and limited opportunities as well as the continuation and evolution of cultural traditions, and the emergence of new subcultural norms in the face of these conditions. In this regard, elevating large percentages (if not all)
of an impoverished group means creating (or helping them to create) a positive next chapter in their collective experience. To this end, a rich appreciation of a group’s recent history provides insight into the prevailing circumstances, the complex array of associated problem, and the resources and capacities available to them. This information provides social workers and other helping professionals with a strong start on understanding the individual narratives of potential clients from the group, especially those less able to articulate their stories such as young children. This information also illuminates the ecological context in which these personal narratives are based. In doing so, the information provides social policy analysts with potential justification for larger policy initiatives that may involve changes in laws and procedures as well as require the allocation of significant effort and funding.

This paper looks at a recent chapter in the story of the African-American family, the devastation of crack cocaine on already distressed inner-city families. As an analytic vehicle, this paper presents the experiences of two households that were identified and followed in the course of an extended ethnographic study of drug use and violence in the inner-city. Their experiences are presented as sharing many characteristics common within the population of interest. Their stories provide detailed insights into the lived experience in context.

There has been a controversy raging in the social work literature between advocates of a strengths- versus a problem-focused practice (McMillen, Morris & Sherraden, 2004; Saleebey, 1996, 2004; Utesch, 2005). A similar and ongoing controversy has prevailed in the historical and public policy literatures on the African American family described later in this paper (for excellent reviews see Dodson, 1997, and Sarkisian & Gerstel, 2005). Saleebey (1996) disparages problem-focused practice as demoralizing clients by reducing their concerns to a label, as opposed to the strengths perspective, which emphasizes individual competencies that can facilitate resilience. On the other hand, McMillen, Morris and Sherraden (2004) suggest that the distinction between the problems- and strengths-based approaches is artificial, unnatural and potentially counterproductive in their article, “Ending Social Works Grudge Match: Problems Versus Strengths”. They contend that the difference in approaches is merely emphasis and
that the enlightened practice of either approach should consider both problems and strengths. We concur with their call to employ both frames in social work practice as well as in reading history and performing social policy analysis. The narratives presented describe both problems endured during the crack era and illustrate some of the historical strengths of the African American family.

To illuminate the complex dynamics of the crack era on distressed African American families, this paper takes a life-course approach (Elder, 1999; Mortimer, & Shanahan, 2003). This perspective explores how each family's experiences depend on prevailing conditions, social structures and norms that are historically rooted; historical events; the family's position relative to these macro-phenomena; and the personal capacities and agency of family members. Thus, each family's narrative illustrates the nature of the times as well as the dynamics at work in their lives. The remainder of this introduction reviews the severely-distressed conditions faced by many African American families during the 1980s and 1990s, the historical tradition of extended family among African Americans, and the Crack Era as a defining historical event for many. The discussion examines the implications of the findings for both problems- and strengths-based social work practice and social policy development.

Severely-Distressed Conditions

Entering the 1980s, many African American families were facing tremendous structural challenges in poor inner-city areas. Massey & Denton (1993) provided a comprehensive analysis of the increasing hypersegregation of African Americans and the historical forces behind this phenomenon. After World War I and continuing into the 1960s, a massive wave of African Americans migrated to cities in pursuit of industrial jobs. They were forced into a few increasingly crowded, dilapidated neighborhoods through violence, restrictive covenants (from 1900 until a 1948 Supreme Court decision), and discriminatory practices by real estate agents. Meanwhile, white families were moving to segregated suburban areas, especially following World War II. Wilson (1987, 1996) contended the civil rights movement in the 1960s had a perverse unintended impact on the inner city.
Successful African Americans moved their families to newly-integrated communities leaving an even higher concentration of poverty in the predominately African American inner city.

Based on an extensive literature review, Small & Newman (2001) identified the increasing concentration of poverty during the 1970s and into the 1980s, particularly among African Americans, as primarily the result of three phenomena: black middle-class flight, continued residential discrimination (especially against less wealthy African Americans), and the departure of low-skilled jobs from Northeast and Midwest cities. Economically, the 1970s was a particularly difficult period for inner-city families (Kasarda, 1993; Small & Newman, 2001; Sullivan, 1989): there was a recession, manufacturing plants moved to the sunbelt and abroad, many of the employers that remained in the North moved to suburban areas placing them out of the range of public-transportation for inner-city residents, and the new economy emphasized advanced education and computer literacy. Many African Americans were left unemployed and unqualified for emerging opportunities.

Poverty and long-term joblessness have been associated with a constellation of other negative consequences (Anderson, 1999; Bourgois, 1995; Currie, 1993; Duncan & Brooks-Gunn, 1997; Kasarda, 1992; Kozol, 1996; Wilson, 1987, 1996): overcrowded housing, poor physical and mental health, despair, post-traumatic stress disorder, family dissolution, teen pregnancy, school dropout, interpersonal violence, crime, and drug and alcohol abuse, among others. These factors help perpetuate disadvantage across generations. Some of these factors are the direct consequences of structural disadvantage. Others involve personal volition, particular those regarding sexuality, relationships, violence, and illicit drug use. Hence, there appears to be a clear cultural (or subcultural) basis to these behaviors.

The meaning and role of culture has been at the center of much controversy in research and public policy dialogues about the African American family. Dodson (1997) divided this contentious literature into two primary camps: ethnocentrism and cultural relativism. A number of prominent ethnocentric studies presumed the two-parent nuclear-family structure of white middle-class America represents a cultural ideal (see DuBois, 1899; Frazier,
1939; and especially Moynihan, 1965). Accordingly, this perspective maintains that female-headed households are central to a tangle of pathology that constrained African American families within a culture of poverty. Stevenson (1995) described how the civil rights movement and the larger sociopolitical sensitivities led to a revisionist perspective that celebrates the female-headed household, extended family, and fictive kin traditions as cultural adaptations indicating the strength of the African American family (see particularly Billingsley, 1992; Gutman, 1976; Hill, 1971; Stack, 1974). Moreover, much of this cultural relativism holds that these family forms are rooted in African tribal beliefs and practices regarding the central importance of extended family (Herskovits, 1938; Nobles, 1978; Sudarkasa, 1997).

This paper takes a less all-encompassing view of the nature of culture than either the ethnocentric or cultural relativism perspectives. Rather, culture is viewed as a toolkit specifying a range of behaviors as well as values, symbols, and norms from which persons construct narratives that give meaning to their lives (Jacobs, 2002; Saleebey, 1994; Swidler, 1986). This perspective dovetails with the life course approach by allowing that individuals select from a range of historically-situated cultural elements adopting or adapting them to their own purposes. For African American families these influences may include among other African traditions, conventional American (Eurocentric) expectations, popular culture movements, and subcultures of illicit drug use.

Several studies of impoverished communities have documented interconnected behaviors, norms, symbols, and values that differ from conventional expectations (Anderson, 1999; Bourgois, 1995; Crocket, 1997; Dunlap, Golub, & Johnson, 2003). We refer to these frameworks as non-conventional subcultures as opposed to various near synonyms that imply a value judgment including oppositional culture, cultural deviance (Akers, 1998), and code of the street (versus code of decency; Anderson, 1999). Non-conventional subcultures prescribe and attach significance to dress, musical preference, attitude, interpersonal interactions, carrying weapons, violence, childcare, sexuality, crime, and drug use. Adherence to non-conventional subcultures can hinder a person's ability to develop a healthy and prosperous lifestyle through the conventional paths of education and employment.
Moreover, subcultural participants frequently indoctrinate their children and serve as possible role models to youths in the community. In this manner, non-conventional subcultures further isolate the inner city from conventional society beyond the effects of discrimination and other structural disadvantages, which in turn contributes to the spread and persistence of severely-distressed conditions.

Extended Family Tradition

Historically, African American children have been less likely to live in a two-parent household. Since emancipation and up until 1960, the percentage had been roughly stable at about 70%, continually below the steady 90% level recorded for white children (Ruggles, 1994). The cultural relativism camp maintains that these household structures are not by themselves necessarily problematic. Stack (1974, p. 122) contended that, “[C]ensus statistics on female-headed households . . . do not accurately reveal patterns of residence or domestic organization.” During the late 1960s, Stack (1974) embedded herself among poor African American families living in a midwestern city and observed their daily activities. She found single mothers employed mutual-support networks of relatives and close friends who came to be defined as kin (fictive kin) providing the basis to various survival techniques: single-mothers often lived in multi-generational households; female kin frequently adopted the child of a young mother and served as the child’s mama; non-resident fathers provided money, supplies, emotional support and child care to various degrees; current boyfriends provided similar support; single mothers continually traded goods and services (especially childcare); more fortunate network members shared monetary windfalls; more stable households performed child-keeping, raising children whose household dissolved from changing relationships, eviction, and economic circumstances; and, more stable households took in boarders and allowed families with nowhere else to go to double up.

Jarrett & Burton (1999) confirmed the use of extended kin networks among low-income African American households in the late 1980s. They found many single mothers had very active extended kin (and fictive kin) networks. They also found
that many of the households were characterized by continual changes in family composition due to new relationships, births, and deaths. One child noted, "So many things keep happening all at one time. My mother gets married. My real father gets a divorce for the fifth time. My youngest sister (age 18) has her third baby. My oldest sister leaves to go live with her boyfriend. One of my brothers dies. My grandpop is dying. Another woman says she is having a baby by my father. . . . Too many changes all the time. Who is my family anyway?" (p. 182).

Since 1960, the percentage of African American children living in two-parent households plummeted from two-thirds to a low of one-third in the mid-1990s (U.S. Bureau of the Census, 2004). Conversely, the prevalence of African American children living with their mother only increased from 20% in 1960 to over 50% in the 1980s and 1990s. The prevalence of white children in mother-only households also increased from its historically steady level of 6% (Ruggles, 1994), but by 2002 still comprised less than 20% (U.S. Bureau of the Census, 2004).

This decline of African American children in two-parent households reflects a general decline in marriage among African Americans. The percentage of African American women age 15 and above that were married declined from 62% in 1950 down to 36% in 1998 (U.S. Bureau of the Census, 2004). Tucker & Mitchell-Kernan (1995) reported that African American women where facing lower prospects for marriage due to an ever-declining ratio of eligible African American men to women, especially due to death and imprisonment. Additionally, the increasing economic marginality of black men rendered even more of them undesirable as long-term household partners (also see Wilson, 1996). Social policy may have inadvertently contributed to the decline in marriage (also see Jewell, 1988). During the 1960s, many States denied AFDC payments (Aid to Families with Dependent Children) to single mothers suspected of living with a man. These types of eligibility requirements were struck down by the Supreme Court in 1968. However, even under the revised welfare policy, poor couples had an incentive to cohabit instead of marry, in order to maintain welfare eligibility.

Several recent studies have looked at the role of men in single-mother households. Jayakody & Kalil (2002) examined survey
responses collected 1992–93 from 749 African American single mothers participating in a welfare-to-work program in Fulton County, Georgia. They found that few of the children had contact with their non-resident biological fathers but that the majority had a social father they saw regularly, often daily. They found that children who had a mother’s romantic partner as a social father displayed higher levels of school readiness but, interestingly, lower levels of personal maturity. Jayakody & Kalil speculated that this immaturity might be a product of children competing with social fathers for mothers' attention. Alternatively, they suggested a possible reverse causation, that mothers may have introduced social fathers to help stabilize less well-adjusted children. An ethnographic study of inner-city New York indicated that single-mothers’ romantic partners were often a destabilizing factor. Dunlap, Golub, & Johnson (2004) found that social fathers tended to practice an authoritarian parenting style sustained by severe violence, and that they often sexually assaulted the girls in the household.

McDonald & Armstrong (2001) raised questions about whether African American kin networks were being overstressed in the face of increased teenage childbearing, illicit drug use, a menacing teen culture, persistent poverty, and welfare reform. Several studies have called attention to the growth in grandmother care during the 1990s and increasing receipt of kin foster care payments by grandparents and other extended family members (Dunlap, Tourigny, & Johnson, 2000; Fuller-Thomson & Minkler, 2000; Scannapieco & Jackson, 1996). The U.S. Bureau of the Census (2004) identified a substantial jump in African American children living in no-parent households from 7% in 1993 to 11% in 1995. However, historically this is a fairly short-term trend. The prevalence of no-parent households had been 10% and above from 1880 through 1980 (Ruggles, 1994). The prevalence had only first dipped below 10% in 1982. Summaries of the literature noted that various social factors contributed to the rise in grandparent-headed households including teenage pregnancy, divorce, persistent poverty, youth unemployment, HIV/AIDS and other illnesses, a six-fold increase in women’s incarceration 1980–1995, and especially the crack epidemic (Anderson,
Families in the Crack Era


The Crack Era

The life course perspective maintains that persons are differently affected by major historical events depending on their social position at the time (Alwin & McCammon, 2003; Elder, 1999; Newman, 1996). Sweeping events like a major war or depression can define circumstances, shape attitudes, and effect behaviors. We contend the Crack Era had this type of an impact, especially in the inner city.

Various illegal drugs have tended to rise and fall in popularity over time (Golub, Johnson & Dunlap, 2005; Johnson & Golub, 2004). Heroin had been broadly popular in the inner city during the 1960s and early 1970s. Snorting cocaine became popular during the 1970s, but mostly among wealthier populations. During the early 1980s, some cocaine users (especially drug dealers) started to smoke freebase, a costly and challenging process involving mixing powder cocaine with ether over an open flame (Hamid, 1992). Crack cocaine represented an innovation that allowed users to conveniently smoke cocaine vapors on a low cost-per-dose basis. During the mid-1980s, the use of crack spread widely, especially in inner-city New York. Use was quite common in other American cities, although the timing of the crack era and prevalence varied across locations (Golub & Johnson, 1997).

For many, continual crack use became an obsession that dominated their lives. Many crack users organized their lives around their drug habits and their extended binges (Johnson, Golub & Dunlap, 2000; Ratner, 1992; Williams, 1992). Dedicated crack users sold drugs, committed various hustles, and stole from family members to support their habits. Crack markets emerged in the inner city to serve users 24/7 (Bourgois, 1995; Jacobs, 1999; Johnson, Dunlap & Tourigny, 2000; Williams, 1989). Wealthier customers would come to these markets bringing much needed cash into impoverished communities and providing illegal jobs for many inner-city residents as dealers and in other drug distribution roles. These growing crack markets were associated with increased levels of violence in the inner city. Unfortunately, most low-level
dealers and operatives ended up consuming their profits through their own growing drug habits without having saved any of their money.

The subcultural behaviors associated with crack use also led to much interpersonal violence, duplicity in relationships, increased prostitution, child neglect and abuse, and family dissolution (Johnson, Golub & Dunlap, 2000). Crack users placed a heavy burden on families of orientation, extended kin, and community members who sought to support these persons. Crack users also greatly disappointed their offspring who might otherwise have depended upon them, thereby placing additional burdens on family, kin, and community.

Since 1989, the crack era in New York City has been drawing to a close. All across the U.S., the prevalence of crack use has been declining, especially among youths. In a related shift, inner-city violence has also decreased dramatically (Johnson, Golub & Dunlap, 2000). Moreover, this appears to be a conscious choice. Since the early 1990s, inner-city youths have been purposefully avoiding crack and heroin, having seen the devastation these drugs brought into the lives of older community members (Curtis, 1998; Furst et al., 1999). Marijuana supplanted crack as the drug of choice among inner-city youths, especially when smoked as a blunt—an inexpensive cigar in which the tobacco has been replaced with marijuana (Golub and Johnson, 2001; Golub et al., 2004). However, many existing crack users persisted with their habits throughout the 1990s and into the 2000s. Davis et al. (2003) estimated that as of 1998–99 that 10% of nearly 100,000 residents of one inner-city section of New York (Central Harlem) were still actively using crack.

Methods

Data for this project came from a series of intensive ethnographic projects on drug use and violence in poor inner-city households that spanned the 1990s and has continued into the 2000s. Field staff followed key informant procedures to recruit focal subjects from severely-distressed (predominately African American) households located in inner-city New York neighborhoods, primarily Central Harlem, South Bronx, and the Browns-
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ville and East New York sections of Brooklyn (Dunlap & Johnson, 1999). Focal subjects purposefully represented multiple social networks as well as a range of family compositions and experiences typical of the inner city. Parents were asked to give informed consent to participate and for researchers to talk to their children (who also assented to participation). The sample included 178 subjects of varying ages from approximately 72 households. A precise count of households was complicated by factors such as eviction, relationships ending, families splitting up, families broken up by child protection services, and persons moving out and moving back.

Staff regularly visited each household (and as of 2006 were still making visits) to interview subjects and make direct observations. Most households were followed for three to five years and interviewed at least quarterly over that period. As many as ten years of field notes were available for some subjects who had participated in previous studies. With time, the interviewers developed personal empathic connections into subjects’ lives. Staff also spent a great deal of time participating in the life of the neighborhood, learning about its peer groups, its informal organization, and its social structures. Staff members took careful measures to assure their safety in locations where violence was commonplace (Williams, Dunlap, Johnson & Hamid, 1992). Interviews were tape recorded, transcribed verbatim, and stored in an electronic database. Field notes of interpersonal interactions and conversations observed were also stored in the database.

This paper presents syntheses of the extensive qualitative data regarding Ricochet Strutter and Island Bersini’s households. (All names used in this paper are pseudonyms chosen by the subjects.) Based on our field work and knowledge of the inner-city, we present these experiences as typical of the inner-city at the time. These narratives illustrate the dynamic nature of distressed African American households during the crack era. This paper uses the term African American family because these experiences were typical of those faced by many persons of African descent in the United States. This designation emphasizes the connection with other literature on this topic. However, the term is somewhat inaccurate. Some of the study participants identified as neither African (some traced their most recent non-American ancestry
to the Caribbean) nor American (some did not have U.S. citizenship). Moreover, there is great diversity in African American family experiences. Clearly, these experiences are not representative of all African American families, especially wealthier families.

Findings

Ricochet's Family

The interviewer reported, "I was introduced to Ricochet on one of those calm clear winter days when a bright sun mocks the bitter-cold temperature. She was very large, well over 300 pounds. She wore an oversized dress with spandex pants underneath and slip-on shoes. Her hair was short and brushed back. She had a slight scar on her lip. She came across as friendly and outgoing, but there was a clear undertone of despair."

Ricochet was born in 1961 in Brooklyn, New York, the last of 10 living children. Unlike most of the children, Ricochet knew her father, Tom, who lived with them while she was growing up. Ricochet's mother, Joyce, hated Tom's drinking. She took out her anger on Ricochet, because Ricochet resembled him. She would force Ricochet to eat excessively and then beat her for being fat. Joyce would often tell her, "Get off your fat stinking ass." Joyce generally left the care of her children to the oldest child living at home. Ricochet reported, "My mother was into parties and stuff. Everything I ask her, 'Go ask your sister.' My father, he was like messing with everybody, everybody, [he was always at] somebody's mother's house... So, he wasn't there either... [My sister Denise] was more like my mother. You know, come to school with me and stuff."

At age 18, Ricochet dropped out of school. She started dating a man she met while he was installing new doorbells in her apartment building. They had a daughter together, Tushay, but the relationship did not last long. He had said that he was in his twenties. However, he was actually almost 40 and already married. Ricochet would leave care of the child to her mother.

Ricochet had emerged. At 19, she was in the prime of life. She had a large circle of friends. She knew what was happening. She attended parties, drank alcohol, smoked marijuana and started to smoke cocaine freebase. It was 1980, and her life was fun and
In contrast, Joyce was greatly displeased with this turn of events and would routinely fight with Ricochet, verbally and physically.

At 21, Ricochet became romantically involved with John, who had just returned from jail to live with his mother in the apartment above Joyce's. Ricochet and John had a daughter together, Fruitloops. John was a heroin addict and mostly hustled to support his habit. He was also very violent. To protect herself, Ricochet would call the police, "I kept him locked up. [To keep him] from beating me all the time... So, he's in there, [in prison,] doing another seven. So, he rather be in there. It's his second home. That's what his mother said."

Joyce got an apartment in a senior citizen building, which left Ricochet and her children homeless. They spent nine months in a shelter, until they were placed in one of Harlem's high-rise, low-income projects. Many homeless women with children turned to the shelter system for temporary housing. In conjunction with this emergency service, the New York Department of Housing attempted to place all homeless families in apartments. However, given housing shortages the demand for these placements outstripped the supply. Families often waited for months and even years for run-down apartments, most often in housing projects. Given their lack of income and lack of discipline in paying rent and bills, many families did not remain in their units for long.

Once Ricochet set up her own household, there was a steady parade of boyfriends and other shorter-term relationships. Ricochet was spending even less time with her children and more time with her crack habit. Ricochet reported, "I used to smoke up all my money. I was getting like $311 cash in the projects. But the stamps, I used to always, you know, take the stamps and buy food. I always bought food." Tushay, who was effectively in charge, disagreed. Tushay recalled, "I call the BCW [Bureau of Child Welfare] on my mother, when she didn't buy me no school clothes... She didn't even feed me. She didn't feed me for like two days." Indeed, Ricochet's mother, Joyce, as well as her two children Tushay and Fruitloops all called BCW at different times to complain about Ricochet's inattentive parenting.

After a few years, Ricochet lost the apartment for not paying the rent and the family moved back in with Joyce. At the height of
the Crack Era in 1988, Ricochet began to support her habit through prostitution. The father of her next daughter, Shena, was a one-night stand. Two years later, Ricochet obtained an apartment in the projects. There, she met Bill. He was a very violent man. Like Ricochet, he was heavily involved with crack. Bill was living with his mother at that time. When Bill came to the house, everyone was afraid. He stole money from Tushay and Fruitloops whenever he could. Bill and Ricochet had a son, Timothy. Then the housing cycle continued. Ricochet was evicted from her apartment again, moved her family into a shelter, and eventually obtained another apartment.

Tushay resented her mother's boyfriends continually invading her home and her private life. Some tried to act like a father. Many threatened her with violence. Some wanted to have sex with her. In response, Tushay learned to run away from home and stay with a friend for a while as a reprieve from her mother, the boyfriends and school. Far from protecting her daughters from sexual advances, Ricochet would encourage her daughters to prostitute. Ricochet explained, "A lotta times my vic didn't come and I didn't wanna fuck 'em, and they [Tushay or Fruitloops] used to bust them off. . . . I'm sayin' I didn't make them prostitute. But when they did, I wanted some of the money for the drugs, and I know that. I had to talk about that [years later while in drug treatment]. I said that's how fucked I was." At ages 14 and 12, Tushay and Fruitloops were hospitalized with a venereal disease. BCW removed them from the household and placed them in foster care. Ricochet was able to get them back by pleading that they were wild and she was trying to control them. However, she quickly lost custody of them again.

In 1995, Ricochet met George. Like so many of her previous boyfriends, George was intensely violent. As a young man, George had shot a man while robbing a supermarket, and served 13 years for the offense. Ricochet met him soon after he got out. Crack cocaine was their common interest and shared passion. Ricochet was soon pregnant, but George beat her so badly that she had a miscarriage. After another particularly violent domestic incident, George was arrested and returned to prison. Meanwhile, Ricochet was pregnant again. Ricochet said that one time while having sex early in their relationship, George told her, "Daddy
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die, mama die.” This cryptic avowal seemed romantic at the time. Later, she realized that George had knowingly infected her with HIV. When the next baby, Zena, was born, she was HIV positive. The hospital would not release her into Ricochet’s custody. Ricochet had Zena placed in kin foster care with one of her mother’s nieces, Willie Mae. In 1998, Ricochet also placed her next son, Vernon Jr., with Willie Mae.

By the end of 1998, all of Ricochet’s children had been removed from her household, including her two oldest daughters. However, Tushay and Fruitloops continually ran away from the foster homes and institutions in which they were placed. Eventually, BCW grew tired of continually searching for them, and they returned home to Ricochet’s apartment. In due course, Ricochet was again evicted from her apartment. This time, however she did not have any children in her care so she was not eligible for subsidized housing. Instead of living in one place, she shuttled between the apartments maintained by Tushay, Fruitloops, Joyce, and Victor, a senior citizen in Joyce’s apartment building with whom she smoked crack.

As of 2003, Fruitloops was maintaining an apartment provided by welfare. This household served as the primary residence for 15 people, Fruitloops, her four children, her long-term boyfriend Patrick (who stayed about half time and was legally married to someone else), Ricochet and her current boyfriend Brian, Tushay and her five children.

During the 1980s and 1990s, Ricochet was primarily a crack-using sex worker. Most of the time, her family did not have an apartment of its own. According to Census Bureau definitions, her family would be variously categorized over time as a multi-generational single household (with varying household heads), as members of multiple households, or as members of no household. Ricochet’s experiences illustrate the devastation that prevails when the responsible parent is caught up in her own personal concerns. Men regularly circulated through Ricochet’s household between periods of jail and prison. Children attended school sporadically, if at all. Food was often not available. Lights and water went off regularly because of unpaid bills. In a sense, Ricochet’s household can be viewed as caught in a whirlwind, moving about, bumping up against hard circumstances and send-
ing children off in various directions. In contrast, Willie Mae's household seemed like a relatively safe haven. In the inner city, however, stable residence does not alone ensure a wholesome environment for child development as illustrated by Island's story.

### Island's Family

Island Bersini chose her pseudonym because she was born in the Islands. This label also conveniently describes her family role, as an island, a possible haven in stormy times. Like Willie Mae, she accepted care of numerous children. As a kin foster care provider, She held legal and personal responsibility for them. Her home provided a constant address, food, and a place to sleep. However, it did not shield children from the hardships of poverty nor the broader ravages of the Crack Era. Crack-related problems had a wide reach in the inner city. Originally, field staff selected some poor households in inner-city neighborhoods as a comparison group because the household heads reported that no one in the family used drugs. However, in-depth interviewing eventually revealed significant drug use, especially crack, in virtually all the households included in the study.

It was a quiet day in the neighborhood. Usually, there were people hanging out near Island’s apartment building day and night, mostly teenagers, most of them involved in some type of hustle. This activity flowed like a stream from the street into the lobby of the building. They used the lobby for dice games and drug selling. Young prostitutes used the scene as a convenient spot to turn a quick trick. Essentially, the activities of the park, street, and lobby continued its flow right into Island’s apartment. Island tolerated high levels of drug use and violence in her household. It became a favorite place for drug-using family members to visit. Island’s apartment usually teemed with people, their lives and their noises. Today it was serene, eerily calm as if we were in the eye of a storm. Everyone was out except Island. Even still, the apartment felt crowded with boxes and furniture and everyone’s things. Amidst the clutter, Island Bersini, age 62, sat cross-legged with a cup of tea in her hand.

Island reported that, “Growing up, I was always kind-hearted and loved to take care of other people’s children and I guess that has followed me all my life.” Island was born in 1930 in
the Caribbean. Her biological parents were never married and their relationship didn’t last. Island never knew her mother, never knew the circumstances of her birth, never knew why her mother abandoned her and disappeared from her life. Island’s father had a common-law relationship with another woman who became Island’s stepmother and the leading influence in her early life. The stepmother already had five children of her own. So, Island became the youngest of six. When she was four, her father died. Within a year, Island’s stepmother decided to move the family to New York in search of a better life. As a temporary measure, they moved in with the stepmother’s sister, who was raising five children of her own. The arrangement became permanent and the 11 kids grew up together. Island remembered how her stepmother worked long hours as a domestic. Island dutifully did most of the daily housework, washing clothes, washing dishes and overall cleaning.

As a child, Island felt no one really cared for her and yearned for the day she would have her own family. At age 18, she was introduced to Jim, who had just gotten out of prison. After a short courtship, they married. In 1953, they had a daughter, Sonya, and in 1956, their son, Ross, was born. Jim worked hard delivering coal during the week. However, on the weekend he drank heavily, argued, and physically abused Island. No matter the strain, Island vowed, “I was willing to live with him because he was my husband and I wanted to stick by him.” Until, one day she came home and found Jim trying to have sex with Sonya, then age seven. She had Jim arrested and established her own household. Two years later, Jim was hit by a car and killed.

After Jim’s death, Island took responsibility for everyone in the family who needed help. Many of Island’s siblings or in-laws fell into criminal activity or drug addiction. As a result, their children needed to be raised by others, sometimes only temporarily but often permanently, as one thing led to another. In time, Island became the prominent caregiver of the children, grandchildren, and great-grandchildren of her generation, sometimes with foster care support and often without such support. Alas, Island’s love of family, apartment space, and food were not enough. These children did not receive much of an education, and they failed to develop the type of social capital needed for participating in the
modern economy. They did, however, receive a good introduction into street life and an education in the prevailing inner-city subcultures.

Sonya reached age 17 in 1970, during the peak years of the Heroin Era. After her initial introduction to the drug, Sonya quickly became addicted, as did many of her cousins, uncles, and aunts. She left high school and married a heroin addict and dealer. She and her husband lived in shooting galleries. Sonya raised additional money as a prostitute. After a few years, they separated and he moved to Florida. Soon afterward, Sonya was arrested and sent to prison for participating in the robbery of a jewelry store with a friend. After release, Sonya returned to live with Island. While imprisoned, she had gotten clean from heroin.

In the 1980s, Sonya started using crack and again quickly became dependent. Her life revolved around her habit. Whenever she had any money, she would smoke crack. Her main income came from prostitution. As soon as she would turn a trick and make a few dollars, she would find a dealer, buy some crack, and smoke. Sometimes she would directly exchange sex-for-crack, avoiding dealing with the money and having to find a dealer.

Island’s second child, Ross, also became part of the street scene. As a child, he always hated being poor and felt stigmatized by public assistance. At age 16, he dropped out of school to try to support the family by selling PCP. Ross married at age 18. Soon afterwards, he was arrested for dealing and sent to prison for two years. Upon release, he returned to Island’s household, rather than to his wife, and returned to selling marijuana and PCP. In 1975, he started selling heroin but hated the drug because of what had happened to his sister. Heroin had become known as one of the worst if not the worst drug on the street. When the police increased their pressure on dealers, Ross was arrested and sent to prison for another two years. After release, he was shot during a robbery. As a result, he was paralyzed and confined to a wheelchair for the rest of his life. His condition, however, did not stop him from dealing drugs. Even though he was still legally married, Ross began living with another woman, Gladys, who bore three children by him. Eventually, however, Ross moved back in with Island.

In the mid-1980s, Ross’ business practice was well established.
He had his territory, his client base, and his connections with dealers. He learned how to cook-up crack and set up a thriving business. Crack dealing evolved into the family business. When young men came to live in Island's household, they became involved in drug dealing through Ross. The family and extended family resident in the household lived in style, at least by Harlem standards. That money was never invested (no one in the family ever had a bank account) and the household returned to poverty in the 1990s as Ross' discipline gave way and he became his own best customer.

In 2003, Island's household was no longer as active as it had been in either drugs or childcare. Island had heart problems and received a pacemaker to keep her going. Sonya was hit by a car and spent several months in the hospital. Ross became progressively more sick from AIDS and passed away. Island reported, "[having] done raised 89 kids. Not one is employed at a legal job. They are all alcoholics, heroin and crack addicts, drug sellers, and what not." When asked if any came to see her, she was taken aback and replied quickly, "I don't want no drug addict around me. I'm tired of that."

Discussion

These life histories identify how the Crack Era added to the miseries facing many inner-city African American families in the 1980s and 1990s. Crack represented a major distraction contributing to child abuse, neglect, and abandonment of parental responsibilities. Children born to crack users like Ricochet had a challenging home life. The African American tradition of extended family served as only a modest stopgap for Ricochet's family. The children received some support from their maternal grandmother and from Aunt Willie Mae, Ricochet's sister, who had stepped up as a member of a broader kin support network. Even stable inner-city households were greatly affected by the Crack Era. Island held onto her apartment and her children and provided refuge for a continual flow of children from kin who were unable to support them. However, children growing up in Island's household did not fare much better with the extensive crack use, sales, and other street activities taking place in their home.
From a problems perspective, the challenges faced by distressed African American families as they emerge from the crack era are profound and complex. Children from households like these have been becoming the parents of the next generation of African Americans in the inner city. Many of these young adults inherited from their parents structural disadvantages, poor preparation for a conventional lifestyle, and counterproductive behaviors based in non-conventional subcultures (also see Dunlap, Golub & Johnson, 2003; Dunlap, Golub, Johnson, & Wesley, 2000; Dunlap, Johnson, & Rath, 1996; Johnson, Dunlap & Maher, 1998). Moreover, the legacy of the Crack Era has left profound deficits in kin support networks. Many of the older relatives who might have otherwise helped are unavailable due to persistent drug use, poor health, imprisonment, and death stemming from crack use and sales. These young parents face major challenges in obtaining and maintaining jobs that could lift them and their families out of poverty. Welfare reform has set a goal of moving families from dependence on government aid to economic independence through employment at legitimate jobs. However, many African American families are still feeling the effects of a long history of structural disadvantages (Feagin, 2000) as well as the residual consequences of the Crack Era.

It will take a wealth of services and comprehensive case management to elevate a large percentage of the distressed African American families. Many parents and responsible adults do not have the human and social capital necessary to pull together a healthy and productive lifestyle for themselves and their dependent children, let alone other unfortunate children stranded by the collapse of inner-city households. Consequently, young children in these households are at great risk of never rising above the persistent poverty dogging their family histories. There are strengths in these families and communities. However, from the problems perspective, we conclude that it is hopelessly optimistic and even immoral to applaud the strengths of the African American family and leave these distressed households to struggle or more likely wallow in their problems. These families that are embedded within the larger American experience deserve and should be entitled to greater opportunity, especially the young children that have not yet become engulfed in self-destructive
behaviors and who have all of their lives and potential ahead of them. We further contend that aggressive social service agencies should be established within distressed communities to assure that every child receives these opportunities. No child should go hungry, have medical needs untreated, endure physical or sexual abuse, or fail to receive an education because they are poor.

Helping these families, and helping them to help themselves, can be well served by drawing upon traditional strengths and emerging capacities. The African American experience has a powerful tradition of support through family, extended family and fictive kin. Strengthening and supporting these resources should be a major initiative, especially those extended/fictive families like Willie Mae and Island that have continued to serve the next generation. This post-crack era presents an opportune time to initiate these and other human services that support distressed African American families. In the inner-city, young persons are not impeding their life chances with heavy illicit drug use as much as their predecessors. Consequently, more of them could be available to rebuild kin networks, to amass family resources and to help elevate persistently distressed African American families.

References


The Effect of Parental Work History and Public Assistance Use on the Transition to Adulthood

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Though available data suggest a relationship between poverty and emerging adulthood, fewer studies have been conducted to assess whether parental work or public assistance mediates these outcomes. Using the National Survey of Families and Households, this study examines the effect of work-reliant versus welfare-reliant households on youth outcomes (i.e., welfare use, education, idleness, and income) during the transition to adulthood. Examining parents from Wave 1 and older youth from Wave 2, researchers linked childhood poverty, parents' work history, family income from work, years on public assistance, and family income from public assistance with youth outcomes. Consistent with previous research, links exist between poverty in childhood and transition outcomes; however, these outcomes are not mediated by parental work history or extent of welfare reliance during childhood. Multivariate analyses indicate that growing up in a heavily work-oriented environment or a heavily welfare-reliant environment made little difference in the youth's ability to successfully transition to adulthood. Results are discussed in terms of their implications for welfare policy.

Keywords: poverty, welfare, adolescent transitions

There is substantial evidence that growing up in poverty challenges children's optimal development. Children who grow up in low-income families are often in poorer health, less prepared academically, and have less successful transitions to adulthood than their more advantaged peers (Duncan & Brooks-Gunn, 2000).

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According to the Census Bureau (2004), for the third year in a row the US poverty rate grew, from 12.1% in 2002 to 12.5% in 2003, moving an additional 1.3 million people into poverty. Considerable research has assessed the impact of public provisions (e.g., cash aid, Medicaid, and food stamps) on these families (e.g. Moffit, Cherlin, Burton, King, & Roff, 2002; Vandivere, Moore, & Brown, 2000). Further, with current welfare policies promoting work, the body of literature related to program efficacy continues to grow. Nevertheless, relatively little is known about the differential effects of work-reliant versus welfare-reliant environments on the outcomes of low-income children.

This study aims to fill that gap by examining the effect household environment during childhood (i.e., work-reliant or welfare-reliant) has on adolescent transitions to adulthood. Areas of interest include future public assistance use, educational attainment, income and idleness (i.e., neither working, in the military, or in school). The central question explored in this study concerns the extent to which these markers of successful transitions to adulthood are shaped by the family’s source of income, as well as the adolescent’s gender, ethnicity, parental education, and family structure. We expect that the environment poor parents provide for their families, either work-reliant or welfare-reliant, will lead to different outcomes in their children’s transitions to adulthood.

Poverty, both directly, through poor nutrition, dangerous neighborhoods, and inadequate housing, and indirectly, through parenting styles, can negatively affect children’s life chances. Poor children are more likely to have behavioral and emotional problems, be in fair or poor health, have problems in school, such as increased risk of grade repetition and high school dropout, lower college attendance and fewer total years of education, and live in poor neighborhoods and unhealthy home environments, characterized by exposure to crime and toxins (Duncan & Brooks-Gunn, 2000; Sherman, 1997; Vandivere, et al., 2000).

Low-income parents are more likely to be in poor health, both emotionally and physically (Duncan & Brooks-Gunn, 2000; McLoyd & Wilson, 1990). Parent irritability and depression are associated with more conflictual interactions with adolescents, leading to less satisfactory emotional, social, and cognitive development (Flanagan, 1990; Lutenbacher & Hall, 1998). Children
of depressed mothers typically receive less attention, stimulation, and interaction than children of non-depressed mothers. Parental education, number of siblings, and the presence or absence of two parents is also related to the quality of parent/child interactions and quantity of parent time (i.e., parents with less education are less equipped to stimulate their children's development) (Smith, Brooks-Gunn, & Klebanov, 1997), and parents with more children have less time to spend with each child (McLanahan, 1997).

Research suggests that the timing and duration of poverty during childhood is also a factor. Long-term poverty produces greater cognitive problems than short-term poverty (Duncan, Brooks-Gunn, & Klebanov, 1994), and being poor in the first four years of life is associated with greater deficits than not being poor in those years (Duncan & Brooks-Gunn, 2000).

While being poor in early childhood has detrimental consequences during those years, individuals with the fewest resources also have the most difficult time achieving success during emerging adulthood (Besharov, 1999; Duncan, et al., 1994). Between the ages of 16 and 24, youth must negotiate important developmental tasks: finishing school, leaving the home of origin, securing employment and self-sufficiency, and marriage (Shanahan, 2000). Successful transitions involve positive outcomes in the majority of these areas. Furthermore, adolescents must achieve these outcomes while simultaneously avoiding criminality, substance abuse, health and mental health difficulties, and economic challenges, such as unemployment and job instability.

African-American and Latino youth consistently show disproportionate rates of unemployment, higher rates of idleness, and other transition challenges (Brown & Emig, 1999; Powers, 1996). Coming from communities with high rates of unemployment (Census Bureau, 2002b), welfare receipt (National Integrated Control System, 1993), single parenthood (Sugarman, 1998), and low educational attainment (Census Bureau, 2002a), these youth face increased barriers to success. Poor and minority youth are the highest risk group for teenage childbearing (America's children, 2001), are overrepresented in crime (FBI, 2001), have higher unemployment rates (Bureau of Labor Statistics, 2002) and have higher rates of idleness than White youth (Powers, 1996).
Research demonstrates that family background, particularly poverty, affects educational and employment outcomes for youth (Duncan, Brooks-Gunn, & Klebanov, 1994). Additionally, poverty limits the ability of parents to invest in their children, both in terms of economic and social capital (Becker, 1991). Low parental education, poverty, and family welfare receipt have all been associated with high rates of “disconnectedness” (i.e. experiencing periods of six or more months without being in school, having a job, or being married) among emerging adults (Besharov, 1999). This form of “disconnection” is experienced by approximately 25% of youth whose parents do not have a high school diploma, 30% of youth living below the federal poverty line, and more than one-third of youth from families receiving welfare (Brown & Emig, 1999).

Research is accumulating on the influence of welfare-reliant environments and work-reliant environments on child outcomes. However, much of the research looks at 1) the transition from welfare to work, a body of research that has increased substantially since the passage of welfare reform in 1996 (e.g., Chase-Lansdale, Moffit, Lohman, Cherlin, Coley, Pittman, Roff, & Votruba-Drzal, 2003; Tout, Scarpa, & Zaslow, 2002); 2) child outcomes that do not encompass emerging adulthood (e.g., Duncan, Dunifon, Doran, & Yeung, 2001) or 3) samples that do not directly compare the two groups (e.g., Orthner & Randolph, 1999).

In Orthner and Randolph’s (1999) low-income sample the highest high school dropout rates (61.7%) were found for adolescents whose parents remained on welfare throughout the entire study, while the lowest dropout rates (48.5%) were found for adolescents whose parents stopped receiving welfare. They also found that the risk for dropout was 25% greater if families received welfare benefits in more months, while dropout was 17% less for youths whose parents worked in more quarters. Yet, the authors point out that even the lower dropout rates for youths whose families have worked are considerably higher than dropout rates for middle-class youth. Similarly, Chase-Lansdale and colleagues (2003) looked at the effect of work/welfare cycling for young children and adolescents. They found that mothers’ gaining employment and leaving welfare were not related to negative outcomes for either group. There were even some tenta-
tive positive findings: having a mother working led to improvements in teens' mental health, reduced drug and alcohol use, and improved cognitive achievement, while leaving work was related to increases in teens' depressive and aggressive behaviors. However, outcomes were only assessed at 16 months after these changes occurred. Though not focusing on outcomes related to emerging adulthood, Tout, Scarpa, and Zaslow (2002) looked at welfare leavers, welfare stayers, and poor families who did not receive welfare within the prior two years. Tout and colleagues found that children of current recipients and recent leavers were more likely than other poor children to have physical, learning, or mental health conditions that limited activity. Though these studies provide some initial examination of how parental welfare or employment affects youth, they do not directly address the influence of varied childhood economic experiences on later transitions to adulthood.

**Theoretical Framework**

Bronfenbrenner and Ceci (1993) outlined a conceptual framework that describes how human development is influenced by the environment. This framework proposes that the balance of environmental forces and personal characteristics is determinant of outcomes. Since development takes place through a reciprocal process between the person and the environment, children are influenced by the context in which they are raised. Research as outlined above has examined this development in the context of poverty; however, Bronfenbrenner's (1988) person-process-context paradigm suggests that a child's environment would not only be influenced by poverty, but also the processes in which the poverty occurs. As Bronfenbrenner outlines, the environment provides constraints and opportunities, but does not dictate behavior. Parents in poverty are forced to adapt to their situation and make choices about welfare use and work that have consequences for their children. It is this reciprocal process of environmental constraints and individual choices that is the subject of this study. Using Bronfenbrenner's model, we are specifically interested in investigating whether parental decisions made under the constraints of poverty, creating a specific household context (work-reliant or welfare-reliant), affects their children during emerging
adulthood. Given this framework, one would expect, despite living below the poverty level, that outcomes for children who were raised in families where work was the source of income would differ from outcomes for children whose families relied primarily on income from welfare.

Methods

The first and second waves of the National Survey of Families and Households (NSFH) were used for this analysis (Sweet, Bumpass, & Call, 1988). The NSFH is an ongoing longitudinal dataset comprising interviews with adults (Wave 1 and Wave 2) and children (Wave 2). The NSFH used a representative probability sample of households with one adult main respondent selected per household randomly (9,643 interviews). An additional double sampling was used to insure adequate numbers of respondents from underrepresented groups (3,374 interviews), including ethnic minorities, single parent households, families with stepchildren, and cohabiting and newly married couples. This resulted in 13,017 adult Wave 1 interviews between 1987 and 1988. The second wave of data was collected in 1992 through 1994 and contains follow-up interviews with 10,007 primary respondents (82% follow-up rate) from the original sample and a sample of children (n=2,505) who were between the ages of 5 and 18 in Wave 1 (Sweet & Bumpass, 1996).

This analysis focuses on the 1,090 focal children interviewed in the second wave of data collection who were between the ages of 18 and 23 (ages 13 through 18 in Wave 1). The older focal children interviews had a response rate of 71% (Musick & Bumpass, 1998). For this analysis we used youth from the full dataset who were out of high school and for whom there was sufficient parent and income data (n=835) and a subsample of focal children at or below 200% of poverty (n=182). Poverty level was determined using the NSFH poverty variable multiplied by two. Total family income, supplied by the NSFH, was then compared to the 200% cutoff.

Demographic variables. Primary respondent variables included age, race, family structure (i.e., whether or not the parents were
married at the time of the child's birth), and educational attainment. Using Wave 1 data, parents' educational level was categorized into less than a high school education, a high school degree, and having some college education. Focal child variables included age, gender, and whether or not they have children. Information regarding race/ethnicity was only collected for the primary respondent (parent).

Public assistance. Public assistance was defined in the NSFH as welfare, AFDC, general assistance, food stamps, and emergency assistance. Two predictor variables relating to public assistance were included in this analysis: 1) if the family of the focal child had ever received public assistance; and 2) the number of years the focal child's family had received public assistance. Families were categorized as having been on public assistance at any time if the primary respondent in Waves 1 and 2 responded that they had received public assistance in a given year. The total number of years the focal child's family had received public assistance was calculated by counting the number of times the primary respondent listed a year as one in which they had received public assistance.

Income variables. Income is examined in four ways: 1) total family income; 2) percentage of total family income from public assistance; 3) percentage of total family income from employment; and 4) total family income as a percentage of the poverty line. For total family income, the sum of all income from related individuals in a household was aggregated. The first step in producing the percentage of total income represented by public assistance income was to sum the income from public assistance of all related individuals in a household. This public assistance income variable was then divided by the total family income to get a percent of total income represented by public assistance. The percentage of total family income from employment was calculated in the same way. Income as a percentage of the poverty line was calculated by dividing the total family income by the poverty line data supplied in the Wave 1 data.

Work history. Parental work history was determined by examining the total months the responding parent had worked during the youth's childhood. This was divided by the child's age to
obtain an average number of months worked during the child’s life. Average months per year are included as a variable in several analyses.

**Outcome variables.** Five outcome variables were used: 1) public assistance use; 2) high school dropout; 3) college attendance; 4) idleness; and 5) income. The focal child’s receipt of public assistance income is defined as any amount of money received from AFDC, food stamps, general assistance or other forms of public assistance in the 12 months prior to the second wave interview. Though the sample included youth who were 17 in the 12 months prior to their interview and therefore ineligible for certain categories of public assistance, these youth were still eligible for public assistance for their children; since the majority of youth on public assistance were parents, these youth would be included if they received public assistance for their children. In addition, the percentage of 18-year-old youth on public assistance (approximately 8%) was consistent with the other age groups and did not appear to be underrepresented in the public assistance outcome. Respondents who listed any income or responded that they were unsure of the amount of income they received from public assistance are included in this category. There were 97 individuals (8.9% of the sample) classified as receiving public assistance. The education level attained by the focal child at Wave 2 is based on questions asking whether a child had obtained various types of education or received a diploma or GED. The idleness variable was created using several supplied variables: currently in high school or college, currently working, and active in the military. Any focal child who was not in high school, was not in college, was not in the military, and was not working was labeled idle. Income was the sum of all of the income for the focal child at Wave 2.

Data analyses included descriptive statistics (i.e., frequencies and percentages), as well as chi-square and t-tests. They were used to summarize and analyze the data and to compare the full sample to the poverty-only sample. Linear and logistic regression were used to determine factors associated with outcomes related to the transition to adulthood: education, income, idleness, and public assistance use.
The Effect of Parental Work

Results

Sample Description

As stated earlier, the analysis relied on both the full sample (n=835) of NSFH focal children and a poverty-only sample (n=182). Demographic information for both samples is provided in Table 1.

The two samples were significantly different in terms of race, responding parent's age, responding parent's educational status, family income, family public assistance use, and family structure at child's birth. As would be expected, the poverty sample had a larger percentage of minorities, a higher percentage of public assistance use, a lower percentage of college graduates, and a lower percentage of families that were married at the time of the focal child's birth.

Bivariate Analyses

Preliminary analyses were conducted to examine bivariate associations between poverty, childhood welfare use, and transition outcomes. Specifically, chi-square analyses and t-tests, displayed in Table 2, show group differences for the full sample in transition outcomes based on childhood poverty. Consistent with previous literature, results suggest that poverty in childhood (being at or below 200% of the poverty line) is associated with lower educational attainment, increased use of public assistance, and youth idleness in early adulthood. Results are similar when evaluating childhood poverty using the poverty line as the indicator.

Similarly, as shown in Table 3, family welfare use during childhood is associated with more negative outcomes during the transition to adulthood. Chi-square analysis and a t-test were used to assess group differences in transition outcomes for youth whose families had a history of being on welfare and youth who did not. Significant differences were found in educational attainment, youth public assistance use, and youth idleness during this transition period.

To investigate the association between welfare and work context and transition outcomes, bivariate analyses were also conducted. High school dropouts had significantly more years on
### Table 1
**Demographic Information for Full and Poverty Sample**

<table>
<thead>
<tr>
<th></th>
<th>Full Sample (n=835)</th>
<th>Poverty Sample (n=182)</th>
<th>Significance Test</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Child characteristics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>Mean (SD)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20.7 (1.8)</td>
<td>20.5 (1.7)</td>
<td>P=.07</td>
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<td>Gender</td>
<td>Male</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>48.1%</td>
<td>44.5%</td>
<td>P=.27</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>51.9%</td>
<td>55.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Family characteristics</strong></td>
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<td></td>
<td></td>
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<tr>
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<td>White</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>80.8%</td>
<td>62.4%</td>
<td>P&lt;.0001</td>
</tr>
<tr>
<td></td>
<td>Black</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12.5%</td>
<td>22.1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hispanic</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.1%</td>
<td>13.8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Asian</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>0.6%</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Responding parent’s age at child’s birth</td>
<td>Mean (SD)</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>26.9 (6.1)</td>
<td>26.0 (7.2)</td>
<td>P=.05</td>
</tr>
<tr>
<td>Responding parent’s educational attainment</td>
<td>Did not complete high school</td>
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<td></td>
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<tr>
<td>H.S. graduate</td>
<td>41.9%</td>
<td>48.4%</td>
<td></td>
</tr>
<tr>
<td>Some college or more</td>
<td>44.9%</td>
<td>23.6%</td>
<td></td>
</tr>
<tr>
<td>Family income at Wave 1</td>
<td>Mean (SD)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$42,398.78</td>
<td>$11,485.39</td>
<td>P&lt;.0001</td>
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<tr>
<td></td>
<td>(51154.83)</td>
<td>(6552.03)</td>
<td></td>
</tr>
<tr>
<td>Family public assistance use</td>
<td>Ever on public assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12.0%</td>
<td>34.1%</td>
<td>P&lt;.0001</td>
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<tr>
<td>Family intact at birth</td>
<td>Biological parents married at child’s birth</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>81.0%</td>
<td>69.2%</td>
<td>P&lt;.0001</td>
</tr>
</tbody>
</table>
The Effect of Parental Work

Table 2
Transition Characteristics among Youth Based on Childhood Poverty Status

<table>
<thead>
<tr>
<th></th>
<th>Youth at/below 200% poverty</th>
<th>Youth above 200% poverty</th>
<th>Significance Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Attainment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HS dropout</td>
<td>15.4%</td>
<td>5.2%</td>
<td>P&lt;.0001</td>
</tr>
<tr>
<td>HS graduate</td>
<td>36.3%</td>
<td>26.2%</td>
<td></td>
</tr>
<tr>
<td>Some college or more</td>
<td>48.4%</td>
<td>68.6%</td>
<td></td>
</tr>
<tr>
<td>Youth Public Assistance</td>
<td>13.2%</td>
<td>6.3%</td>
<td>P&lt;.01</td>
</tr>
<tr>
<td>Youth Idleness</td>
<td>28.0%</td>
<td>19.5%</td>
<td>P&lt;.01</td>
</tr>
<tr>
<td>Mean Youth Income</td>
<td>$8,806</td>
<td>$9,707</td>
<td>P=.29</td>
</tr>
<tr>
<td></td>
<td>(SD=10190)</td>
<td>(SD=10144)</td>
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Table 3
Transition Characteristics among Youth Based on Childhood Welfare Status

<table>
<thead>
<tr>
<th></th>
<th>Family history of welfare use</th>
<th>No family welfare history</th>
<th>Significance Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Attainment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HS dropout</td>
<td>16.0%</td>
<td>6.3%</td>
<td>P&lt;.0001</td>
</tr>
<tr>
<td>HS graduate</td>
<td>44.0%</td>
<td>26.3%</td>
<td></td>
</tr>
<tr>
<td>Some college or more</td>
<td>40%</td>
<td>67.5%</td>
<td></td>
</tr>
<tr>
<td>Youth Public Assistance</td>
<td>23.0%</td>
<td>5.7%</td>
<td>P&lt;.0001</td>
</tr>
<tr>
<td>Youth Idleness</td>
<td>29.0%</td>
<td>20.3%</td>
<td>P&lt;.05</td>
</tr>
<tr>
<td>Mean Youth Income</td>
<td>$8,338</td>
<td>$9,670</td>
<td>P=.22</td>
</tr>
<tr>
<td></td>
<td>(SD=9605)</td>
<td>(SD=10264)</td>
<td></td>
</tr>
</tbody>
</table>

welfare in childhood (t=−2.26, \( p=.03 \)), a significantly higher percentage of their family’s income coming from welfare (t=−1.99, \( p=.05 \)), and a significantly lower percentage of their family’s income coming from work (t=2.52, \( p=.01 \)) than non-high school dropouts. Other differences in educational attainment were associated with years spent on public assistance during childhood, the percentage of family income from work, and the percentage of family income from public assistance. Similar differences were
also found among youth on public assistance in early adulthood; their families spent more years on welfare in childhood ($t=-3.67$, $p<.001$), a significantly higher percentage of their family's income came from welfare ($t=-3.09$, $p<.01$), and a significantly lower percentage of their family's income came from work ($t=2.68$, $p<.01$) compared to youth not on public assistance. The only aspect of the welfare/work context that was significantly associated with youth idleness was percentage of family income from public assistance ($t=-2.13$, $p=.03$). In addition, only years on public assistance during childhood was predictive of youth income during this transition period ($t=-2.61$, $p<.01$).

Bivariate analyses were also conducted using the poverty-only sample ($n=182$). For this sample, family welfare use was associated with high school dropout ($X^2=3.74$, $p=.05$), welfare use in early adulthood ($X^2=13.08$, $p<.001$), and idleness ($X^2=3.84$, $p=.05$). Welfare/work context variables were only associated with later youth welfare use. Specifically, the number of years on welfare ($t=-3.41$, $p<.01$), the percentage of income from earnings ($t=2.81$, $p<.01$), and the percentage of income from public assistance ($t=-3.08$, $p<.01$) were associated with welfare use in early adulthood.

**Multivariate Analyses Using Full Sample**

To investigate the effect of the childhood context on transition outcomes, a series of multiple regressions were conducted. These analyses, shown in Table 4, examined the influence of poverty and family welfare use on transition outcomes. These models utilized general indicators of poverty and welfare use in early adulthood. Youth characteristics, including gender, age, parenthood, and educational level, and parental characteristics, including race, educational level, and marital status at birth were controlled. Logistic models that examined high school dropout, college attendance, youth public assistance, and youth idleness, as well as a linear model examining youth income, are also presented.

Results from these analyses indicated that childhood poverty was statistically associated with high rates of high school dropout and decreased college attendance even after controlling for other variables. Family public assistance use was found to significantly increase the likelihood of a youth being on public
Table 4
Full Sample Multiple Regressions of Youth Public Assistance, High School Dropout, College Attendance, Idleness, and Income

<table>
<thead>
<tr>
<th>Predictor Variables</th>
<th>Welfare Use (OR)</th>
<th>High School Dropout (OR)</th>
<th>College Attendance (OR)</th>
<th>Idleness (OR)</th>
<th>Income Logged (Parameter estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Youth Characteristics</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Gender</td>
<td>Male</td>
<td>0.32**</td>
<td>1.45</td>
<td>0.61**</td>
<td>0.88</td>
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<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
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<tr>
<td>Age</td>
<td>Male</td>
<td>0.82*</td>
<td>0.92</td>
<td>1.16**</td>
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<td></td>
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<td>8.5**</td>
<td>8.84**</td>
<td>0.13**</td>
<td>1.89**</td>
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<tr>
<td></td>
<td>Female</td>
<td>H.S. dropout</td>
<td>Reference</td>
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<tr>
<td>Educational level</td>
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<td>H.S. dropout</td>
<td>Reference</td>
<td>Reference</td>
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<tr>
<td></td>
<td>Female</td>
<td>H.S. graduate</td>
<td>Reference</td>
<td>Reference</td>
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<tr>
<td></td>
<td></td>
<td>College</td>
<td>Reference</td>
<td>Reference</td>
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</tr>
<tr>
<td>Live at home</td>
<td>Male</td>
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<td>Reference</td>
<td>Reference</td>
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<tr>
<td></td>
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<td>Male</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>1.26</td>
<td>0.57</td>
<td>1.52</td>
<td>0.95</td>
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<td>0.55</td>
<td>0.48</td>
<td>3.46**</td>
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<td>Reference</td>
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<td>Reference</td>
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<tr>
<td></td>
<td>Other</td>
<td>H.S. dropout</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
</tr>
<tr>
<td></td>
<td>Black</td>
<td>H.S. graduate</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
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<tr>
<td></td>
<td>Other</td>
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<td>Parent's education</td>
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<td>H.S. dropout</td>
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<tr>
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<td>White</td>
<td>H.S. graduate</td>
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<tr>
<td></td>
<td>Black</td>
<td>College</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>Family intact at child's birth</td>
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<td>0.66</td>
<td>1.05</td>
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<td>Family ever on public assistance</td>
<td>Reference</td>
<td>3.25**</td>
<td>1.42</td>
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<td></td>
<td>Family at/below 200% poverty</td>
<td>Reference</td>
<td>0.87</td>
<td>2.21*</td>
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</table>

* p < .05    ** p < .01
assistance during early adulthood and decrease the likelihood of college attendance. Other predictors of negative outcomes in the transition to adulthood were being a parent while a young adult, not having a high school diploma, and low parental educational attainment. Not surprisingly, being a parent during this time period was strongly associated with all of the negative youth outcomes that were investigated.

Additional analyses were then conducted for the full sample to examine whether the welfare/work context as indicated by the number of years on public assistance, the average number of months a parent worked, the percent of income from public assistance, and the percent of income from work, had an impact on transition outcomes when controlling for other variables. In each analysis, the welfare/work context variables proved to be insignificant. General indicators of poverty and welfare use predicted youth transition outcomes, but these more specific context variables did not.

**Multivariate Analyses Using Poverty Sample**

Since the overall sample (n=835) had less than 22% poor young adults, it may have been difficult to uncover the effects of the welfare/work context using this sample. The effects of these more specific context indicators may have been masked in this larger sample. To further assess whether a work-reliant or welfare-reliant environment had an effect on transition outcomes, additional analyses examined a sample of youth who were at or below 200% of the poverty line (n=182).

In Table 5, results for the poverty-only sample are presented. When examining this limited sample, results again indicate that growing up in a welfare-reliant or work-reliant environment is not associated with different outcomes. In all key transition outcomes the number of years the youth’s family spent on public assistance, parent’s work history, amount of family income from work, and amount of family income from public assistance were insignificant.

Having a child during early adulthood predicted negative outcomes in all five markers of the transition period. Gender, youth educational attainment, and parent educational attainment were also related to transition outcomes.
Table 5
Poverty Sample Multiple Regressions of Youth Public Assistance, High School Dropout, College Attendance, Idleness, and Income

<table>
<thead>
<tr>
<th>Predictor Variables</th>
<th>Welfare Use (OR)</th>
<th>High School Dropout (OR)</th>
<th>College Attendance (OR)</th>
<th>Idleness (OR)</th>
<th>Income Logged (Parameter estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Youth Characteristics</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Gender</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Female</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
</tr>
<tr>
<td>Male</td>
<td>0.06**</td>
<td>1.21</td>
<td>0.52</td>
<td>0.49</td>
<td>2.80**</td>
</tr>
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<td>0.89</td>
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<td>0.99</td>
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<td>0.12</td>
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<td>Have children</td>
<td>6.50*</td>
<td>5.38**</td>
<td>0.18**</td>
<td>2.83*</td>
<td>-2.01**</td>
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<td>Educational level</td>
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</tr>
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<td>H.S. dropout</td>
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<td>Reference</td>
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<td>Reference</td>
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<td>1.17</td>
<td>-0.05</td>
</tr>
<tr>
<td><strong>Family/Parent Characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
</tr>
<tr>
<td>Black</td>
<td>1.19</td>
<td>0.38</td>
<td>1.16</td>
<td>1.85</td>
<td>-0.87</td>
</tr>
<tr>
<td>Other</td>
<td>0.48</td>
<td>0.82</td>
<td>2.40</td>
<td>2.22</td>
<td>-0.84</td>
</tr>
<tr>
<td>Parent's education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H.S. dropout</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
<td>Reference</td>
</tr>
<tr>
<td>H.S. graduate</td>
<td>0.35</td>
<td>0.58</td>
<td>1.01</td>
<td>0.67</td>
<td>-0.29</td>
</tr>
<tr>
<td>College</td>
<td>0.72</td>
<td>.057</td>
<td>2.99*</td>
<td>1.65</td>
<td>-0.13</td>
</tr>
<tr>
<td>Family intact at child's birth</td>
<td>2.64</td>
<td>0.98</td>
<td>0.93</td>
<td>2.09</td>
<td>-0.74</td>
</tr>
<tr>
<td>Family ever on public assistance</td>
<td>1.56</td>
<td>1.82</td>
<td>0.64</td>
<td>1.63</td>
<td>0.19</td>
</tr>
<tr>
<td>Years on public assistance</td>
<td>1.29</td>
<td>0.99</td>
<td>1.03</td>
<td>0.94</td>
<td>-0.09</td>
</tr>
<tr>
<td>Average months parent worked</td>
<td>1.07</td>
<td>1.00</td>
<td>1.02</td>
<td>0.96</td>
<td>0.09</td>
</tr>
<tr>
<td>Public assistance as a percent of family income</td>
<td>4.72</td>
<td>1.51</td>
<td>0.66</td>
<td>3.50</td>
<td>-1.39</td>
</tr>
<tr>
<td>Earnings from work as a percent of family income</td>
<td>2.91</td>
<td>0.87</td>
<td>0.79</td>
<td>3.77</td>
<td>-2.14</td>
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</tbody>
</table>

* p < .05  ** p < .01
Discussion

Few studies have addressed the specific effect of welfare-reliant or work-reliant environments on an adolescent's transition to adulthood. This study filled this gap by examining how parental work history, family welfare use during childhood, and the amount of income from welfare and work were associated with specific indicators of successful transitions into early adulthood. Relying on the ecological model, which suggests that humans develop through a reciprocal process with the environment and that these interactions vary based on both the individual and the particular environment (Bronfenbrenner & Ceci, 1993), would indicate that poverty, as well as the context in which it occurred, would affect childhood development.

Research has consistently demonstrated the strong influence poverty has on child development, including mental and physical health, school performance, and less successful transitions to adulthood (Duncan & Brooks-Gunn, 2000; Sherman, 1997; Vandivere, et al., 2000). Consistent with such research, this study found childhood poverty was associated with lower rates of college attendance and higher rates of high school dropout. In addition, family welfare use was associated with a child's welfare use in early adulthood.

Though this study showed additional evidence of links between poverty and childhood outcomes, it was unable to establish a link between the context of this poverty and these outcomes. Specifically, growing up in a welfare-reliant or work-reliant environment did not have a differential effect on poor children's outcomes in the transition to adulthood. Whether the welfare or work context was measured by time or by source of income did not influence the results; this was true in both the full sample and the poverty sample. This may suggest that the ecological context of poverty is so strong that it is detrimental to child development regardless of other factors. In addition, Bronfenbrenner (1988) suggests that environmental factors will affect individuals in different ways, therefore indicating that a work-oriented household may be beneficial for some youth, but neutral for others. These outcomes also imply that attempts to put parents to work without alleviating their poverty may do little to produce
better outcomes for their children, as prior studies indicate that about 50 to 75% of individuals exiting welfare are below the poverty level (Danziger, et al., 2002; Moffit & Roff, 2000). Similar to previous findings (Morris & Gennetian, 2003), changes in income level rather than parental employment affect child outcomes. For welfare-reliant mothers who do return to work, various costs, including decreased time with children, overtiredness, less energy when with children, parental absence and its relation to child behavior, and childcare, are offset primarily by increased income (London, Scott, Edin, & Hunter, 2004). Without income increases, work may yield little benefit to these families. For youth living in poverty, it appears not to be the extent of the welfare or work environment that influences transition outcomes, but rather another set of factors related to their educational attainment, gender, parent's educational attainment, and choices about early parenting.

Findings from this study have several implications for welfare policy. Policies currently aimed at increasing self-sufficiency should also seek to improve youth outcomes in emerging adulthood if they hope to decrease future welfare dependency. Programs that focus on the antecedents to idleness, low income, low educational attainment, and public assistance use during the transition to adulthood would be better able to end the cycle of poverty than programs aimed solely at putting parents to work. Welfare policymakers should seek to understand and target programs at the barriers that impoverished youth face during this critical period of development. Further, work-first approaches may not be enough to adequately influence youth outcomes.

Alleviating poverty seems to be a key factor in influencing these outcomes. One potential program component that works to decrease poverty, earned income disregards, has been evaluated. The Minnesota Family Investment Program (MFIP), implemented pre-welfare reform to test earned income disregards, increased employment and earnings and reduced poverty (Gennetian, Knox, & Miller, 2000). The MFIP findings are important because over 40 states incorporated such disregards post-reform. These evaluations further demonstrate that it is the increase in income that benefits children and not the employment, per se.

Furthermore, having children predicted negative outcomes in
the transition to adulthood in every multiple regression model. This suggests that more should be done to curb teen childbearing. Abstinence-only education has not been effective; in fact, most of the education has been regarded as "barely adequate to completely inadequate" (Howell, 2001, p. 1). Effective sex education programs should combine three common attributes: 1) clearly focusing on sexual behavior and contraceptive use; 2) sending a clear message that abstaining from sex is the safest choice for teens; and 3) if the teenager is sexually active, promoting the use of protection against STDs and pregnancy (Kirby, 2001).

This study provides some insight into the influence of welfare and work contexts on the transition to adulthood for impoverished youth; however, these findings are limited. First, it is important to understand that these data were collected in the pre-welfare reform era (i.e., pre-1996). This means that the population on welfare was not exposed to the same sanctions, time limits, and work requirements as today's welfare population. In today's environment, people with the ability to work are moved into the workforce while those who remain on welfare may be characteristically less capable of work due to increased occupational and vocational barriers (e.g. Moffit, et al., 2002).

This suggests that in the pre-welfare reform era, parents who left welfare for work were better off than those people working today; they were working based on choice and ability, rather than government requirements. Recent research suggests that for women who are required to work based on state work requirements, employment during their child's early years is associated with negative outcomes, while for mothers living in states without such requirements returning to work voluntarily is associated with positive outcomes (Brady-Smith, 2002). If a work-reliant environment is more beneficial for children, this fact should have been more apparent during the pre-welfare reform era when parents transitioned from welfare to work voluntarily. Since the data did not show this effect, this may be a stronger indication that work programs that people experience today are even less likely to have an effect on their children.

A second limitation in this study is that the NSFH data, though longitudinal, may not present an entirely accurate picture of family income. Data collected at only a few interviews may
not be representative of a family's entire income history over the lifetime of the study. To overcome this limitation, we used the number of years on welfare and average months worked during the child's life in addition to point in time estimates to gauge poverty.

A third limitation relates to the fact that the transition to adulthood is a long-term, ongoing process, lasting from ages 18–25 (Arnett, 2000). Though all of the youth in this study were 18–23, the youth who were 18 had less time to experience the transition outcomes being assessed. Though attempts were made to control for this using multivariate analysis, the analysis cannot predict what youth will experience as they continue to move through their transition. Recently released data from the third wave of the NSFH, conducted in 2001–2002, when youth were 27–32, will provide further insight into the youth's transition experiences.

Despite these limitations, this study makes a valuable contribution by illuminating the shortcomings of a work-first welfare policy. Putting people to work without alleviating poverty may not, in fact, be helping the next generation to more successfully transition into their adult lives. Policies that work toward alleviating poverty, decreasing teen pregnancy, and helping impoverished youth overcome barriers to successful adulthood may be more effective than policies that put parents to work and expect parental work to be sufficient to change youth experiences. Further research should examine what programs would successfully aid in this transition and how to assist low-income youth to more successfully negotiate this transition.

References

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The Effect of Parental Work


From “Poor” to “Not Poor”: Improved Understandings and the Advantage of the Qualitative Approach

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Re-analysis of qualitative data generated in six Country Poverty Assessments in the Caribbean, suggests that traditional ways of seeing the poor might well lead to unfair categorisation of a people who are unwilling to be seen as living in poverty. Use of qualitative data software was able to bring out new understandings of the conceptual difference between being poor and living in poverty. Wint and Frank suggest that this is a distinction which those responsible for designing and implementing poverty intervention strategies would be wise to bear in mind as it would allow for creative and timely use of community-based strengths.

Keywords: Poverty, qualitative assessment, qualitative software, Caribbean community, community development, NVivo

One morning the Caribbean was cut up
by seven prime ministers who bought the sea in bolts-
one thousand miles of aquamarine with lace trimmings,
one million yards of lime coloured silk,
one mile of violet, leagues of cerulean satin-
who sold it at a mark-up to the conglomerates,
the same conglomerates who had rented the water spouts
for ninety-nine years in exchange for fifty ships,
who retailed it in turn to the ministers
with only one bank account, who then resold it

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in ads for the Caribbean Economic Community, 
till everyone owned a little piece of the sea 
from which some made saris, some made bandanas 
the rest was offered on trays to white cruise ships 
taller than the post office; then the dogfights 
began in the cabinets as to who had first sold 
the archipelago for this chain store of islands 
From The Star Apple Kingdom, Derek Walcott (1986)

Introduction

Historically, approaches to poverty measurement have favoured the use of ‘objective’, quantifiable indicators which should generate internationally comparable indicators. Over the years it has become increasingly accepted by International Financial Institutions (IFIs) and the full spectrum of development agencies, that interventions based solely on these types of quantitative indicators were unable to quickly and innovatively adapt to changing social policies, changing funding directives and changing leadership. The reality is that the experience of poverty is more than per capita incomes and such indicators as quality of housing or distance from nearest school. It is people and communities who experience poverty, who know what it is to struggle against seemingly endless odds making daily life choices between health, schooling, housing, children and family members. Thus, in attempting to address the needs of the poor, policy makers have to be more willing to link the provision of social services to the daily realities and vulnerabilities of those they deem poor, to hear and respect the interpretations of the people themselves.

Appreciating the need for a more thorough understanding of the reality of poverty in the Caribbean, the authors undertook a secondary analysis of qualitative data collected as part of Country Poverty Assessments (CPA) carried out between 1999 and 2004. Use of a qualitative approach appreciated the need for self interpretation, inclusion of all stakeholders and representation of the information in the words of the respondents themselves. The authors therefore attempted to re-analyse the data already collected realising that the original analysis of the CPAs focused mainly on the weaknesses and strengths in the institutional arrangements serving the poor. For us this secondary analysis needed to pay
more attention to such areas as the coping strategies of the poor, their interpretation of who is to blame and their perceived ability to make a change. In this way we would be better able to reflect the views of the respondents particularly in respect of their interpretations of their own strengths and possible solutions which they could be part of.

Qualitative poverty assessments, although contextually bound, have shown the ability to create narratives of diverse realities which cross cultural, political, geographic boundaries giving us the chance to learn from each other. The new analysis of the data would therefore assist in developing ways of alleviating poverty locally and even more importantly, add to the international recognition of people’s feelings about what it means to be poor as opposed to living in poverty.

The paper will therefore examine the process of understanding the interpretation of the terms “poor” and “poverty” as afforded from the data generated in the CPAs; it will also examine the residents’ articulated wish to move from ‘poor to not poor,’ reflecting on the strength of the qualitative approach and the usefulness of NVivo software to assist in the process of analysis.

Context

Between 1998 and 2004, the Caribbean Development Bank carried out Country Poverty Assessments (CPAs) in six countries in the Caribbean viz. Anguilla, British Virgin Islands, the Commonwealth of Dominica, Grenada, St Kitts and Nevis, and Turks and Caicos Islands, all part of what is popularly called the West Indies. These islands fall both within the Windward and Leeward island chains, a feature which leaves them highly vulnerable to a range of natural disasters. They share a common bond of British colonial and plantation experience. As a consequence the countries contributed significantly to the development of a world economy through their exports in bananas, sugar, and spices, until the turn of the twenty—first century when world economies became increasingly fluctuating and unpredictable.

These islands are beautiful and diverse in topography and rely on tourism as a critical contributor to the national economies (on average not less than 25% of total GDP, UNDP 2004 Human Devel-
opment Report). However, despite their similarities (literacy rate, population size, public expenditure on health and education), per capita incomes are significantly higher in Anguilla, British Virgin Islands and Turks and Caicos Islands. In these three countries, economic, political and social infrastructure have developed outside of the plantation experience.

As the following table demonstrates, using a range of poverty indicators, poverty levels are very high. Eleven of fourteen territories report more than 22% of their population below the poverty line while eight of these fourteen report more than 10 percent below the indigence line. In addition there is a high level of inequality which exists between and within countries (all countries in the Caribbean region report a Gini coefficient ratio of 0.4 and over, one of the highest ratios in the world).

As the CPAs showed conclusively, these are predominantly rural populations (from 30%-66% rural populations except Anguilla which is 100% urban), in which there is an undesirable dependence on a market economy (World Bank, 2005) which must respond to changing world tastes and emphases (St Kitts & Nevis, Grenada and Dominica have suffered markedly with increasing unemployment due to market fluctuations in their export economies). Consequently, the contextual differences demonstrated in community-based and individual poverty between the countries appear to make poverty indicators country specific while lending themselves to regional comparison.

If one examines the level of vulnerability of the countries of the Caribbean (World Bank, 2002), it is clear that despite their high levels of economic vulnerability, the Caribbean’s social indicators are reasonable when compared to other developing countries. This situation, however, is at risk if the problem of poverty is not confronted directly, as the levels of poverty are still unacceptably high. Also, as a recent study points out (ECLAC, 2002), in addition to the proportions of persons currently living in poverty, there are other households above the poverty line (between 25% and 30%) who are at risk of being poor. Further, in such small developing nations which are vulnerable to both market fluctuations and climate/natural hazards, social policy directives tend to exist in a weak policy environment driven by reactive policies rather
Table 1

Poverty Indicators for Selected Caribbean Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Year CPA conducted</th>
<th>% below CPA Poverty Line</th>
<th>% below Indigence Line</th>
<th>Poverty Gap</th>
<th>FGT P2 (Severity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anguillaº</td>
<td>2002</td>
<td>23.0</td>
<td>2.0</td>
<td>6.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Barbados**</td>
<td>1997</td>
<td>13.9</td>
<td>—</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Belize*</td>
<td>2002</td>
<td>33.5</td>
<td>10.8</td>
<td>11.2</td>
<td>—</td>
</tr>
<tr>
<td>British Virgin Islandsº</td>
<td>2002</td>
<td>22.0</td>
<td>&lt;0.5</td>
<td>4.1</td>
<td>1.7</td>
</tr>
<tr>
<td>Dominicaº</td>
<td>2002</td>
<td>39.0</td>
<td>15.0</td>
<td>10.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Grenadaº</td>
<td>1999</td>
<td>32.1</td>
<td>12.9</td>
<td>15.3</td>
<td>9.9</td>
</tr>
<tr>
<td>Guyana***</td>
<td>1999</td>
<td>35.0</td>
<td>19.0</td>
<td>12.4</td>
<td>Na</td>
</tr>
<tr>
<td>Jamaica*</td>
<td>2001</td>
<td>16.8</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>St. Kittsº</td>
<td>2000</td>
<td>30.5</td>
<td>11.0</td>
<td>2.5</td>
<td>0.9</td>
</tr>
<tr>
<td>Nevisº</td>
<td>2000</td>
<td>32.0</td>
<td>17.0</td>
<td>2.8</td>
<td>1.0</td>
</tr>
<tr>
<td>St. Luciaº</td>
<td>1996</td>
<td>25.1</td>
<td>7.1</td>
<td>8.6</td>
<td>4.4</td>
</tr>
<tr>
<td>St. Vincent and the Grenadinesº</td>
<td>1996</td>
<td>37.5</td>
<td>25.7</td>
<td>12.6</td>
<td>6.9</td>
</tr>
<tr>
<td>Trinidad and Tobago****</td>
<td>1992</td>
<td>21.2</td>
<td>11.2</td>
<td>Na</td>
<td>Na</td>
</tr>
<tr>
<td>Turks and Caicos Islandsº</td>
<td>1999</td>
<td>25.9</td>
<td>3.2</td>
<td>5.7</td>
<td>2.6</td>
</tr>
</tbody>
</table>

n.a. not available
º CPAs conducted by CDB; **Barbados, CPA, IDB, 1999; ***Guyana CPA, UNDP, 2000; * Jamaica Survey of Living Conditions, Government of Jamaica, 2001; ****Trinidad and Tobago CPA, World Bank, 1999; ° 2002 Survey of Living Conditions, Government of Belize.

than well-derived economic and social models of development, with a consequent misfit between the needs of the poor and the provisions for them (Social Protection Study CDB, 2004). As a consequence, poverty interventions have shown peculiar weaknesses in being able to satisfy the needs of the potential recipients in a sustainable and socially acceptable manner (CDB, 2004; World Development Report, 2004).
What can Qualitative Methods Reveal that Quantitative Cannot?

In order to understand the terms "poor," "poverty," and contribute to a more robust base for policy development, a qualitative approach to data collection and analysis was taken drawing on methods outlined by Patton, 2002, Halmi, 1996, Guba, 1990. The use of qualitative methods of data generation allow the inclusion of such techniques as focus groups, community meetings, small group discussions, community visioning as methods of needs assessment in relation to community resources, strengths and weaknesses. Such methods also allow insight into usefulness/effectiveness of state-run and community-based development organisations. Thus as we continue to improve our techniques used in poverty assessments, the use of qualitative evaluation and needs assessment components cannot be seen as secondary but rather as essential to well-designed poverty assessments providing the opportunity to gather information while simultaneously identifying strengths and weaknesses of the communities.

Having heard "we are not poor" (an interesting finding from the study), the interpretation then becomes complex as there are now new questions to be addressed. What does it mean, to whom does it apply, what is the history underlying this interpretation, answers which are only generated through what House and Howe (2000) term inclusion, dialogue and deliberation. Qualitative approaches give respected voice to the participants, voice unrestricted by the constraints of quantitative a priori assumptions, such as poor housing stock, weak sanitation measures and inadequate/sporadic use of educational opportunities. Besides being contextual, the techniques used are non-judgemental, building on the expressions of the respondents and therefore becoming acceptable and understandable (Patton, 2002) by the poor as well as those who are involved in solution implementation.

Analysis

Data for re-analysis were culled from a total of 221 documents generated from 100 focus groups, 84 individual interviews, 17 community meetings and 16 community scans. Focus groups and
community meetings had from 3-50 participants. Community size was on the average not more than 500 persons. If we look back to the genesis of the project, we will see that data collected in the CPAs were already analysed for the purpose of assisting with the formulation of each country's social and economic policies and programs. Reflecting on the initial purpose therefore, it became clear that there were still outstanding questions which needed to be answered, questions which would benefit from more rigorous analysis if the voices of the independent communities were to be recognised. The use of computer software to assist with analysis was therefore posited as a way to develop this understanding and assist with the development of applicable and relevant poverty reduction strategies.

In discussing the use of software for use with qualitative data, we have moved a long way from "holding the potential" (Bourdon, 2002). Today, software helps us to "handle" (Richards, 2004) our data efficiently, ensuring that having applied the heuristic paradigm in approach and design, the analysis is logical, well constructed and reliably related to the research question. In this instance the researchers were satisfied that proper field procedures had already been applied and application of the Computer Assisted Qualitative Data Analysis Software (CAQDAS) at the analysis stage was appropriate.

We were a team of two, one from the Caribbean, one from Canada. Both coming 'cold' to the secondary analysis meant that considerable time had to be spent on understanding words, the subtle turn of phrase and most importantly the cultural context. Software is a tool to facilitate management of data as well as opening up new ways of thinking. To move to the analysis using NVivo software, therefore meant a first step of team agreement on the meaning of the broad themes already identified.

Our intent in analysis was guided by a critical theorist perspective which sought to identify new ways of change, new understandings of those called 'poor' and most importantly ways of strengthening the expressions of the residents as to solutions. It is important to recall; even though poverty as a concept has been researched extensively over the years, the intent of this analysis was to derive a 'new' personalised understanding of the
experience of poverty, expressed and interpreted by the residents themselves.

The second stage of analysis therefore entailed inductive, data-up coding which allowed emergent themes to reflect logical and empathic relationships being made. The analysis did not use a grounded theory approach as data sources varied widely. Rather the choice was to use thematic coding with constant re-runs to ensure coverage, interpretation and fit. Coding was done by one researcher after the meaning of the theme was agreed on. Continuous communication between the researchers helped with validation and clarity especially in relation to emergent themes. Attributes derived allowed for the use of simple tables, simple frequency counts and searches.

The secondary analysis allowed for an interpretation which residents and readers could identify with, not as the quilt-maker tells a “story” but rather as the “crier,” the mouthpiece which tries to get the attention of others. The interpretation of findings therefore involved both appreciating the purpose of the study as well as the immediacy of possible implementation of solutions as suggested by the residents. As Denzin (2003) points out, “in the social sciences there is only interpretation (p. 447).” But the framework derived from that interpretation must develop out of the words of the residents to be used to support their needs. The critical theorist seeks “not just to study and understand society but rather to critique and change society” (Patton, 2002, p. 131). As new concepts emerged from the data, it became the responsibility of the researchers to document this in a manner which would challenge the stereotypical interpretations of poverty, challenge the formal classifications of poverty and bring home the cultural difference of these people. To represent the realities and challenges and solutions posited by the communities and individuals is not a simple task as one needs to ensure a truly non-judgemental use of self, reflexive of the resident’s voices. The position of the researcher is therefore both interpretive and advocate.

From “Poor” to “Not Poor”

Some residents identified their communities as poor with others rejecting the label, comparing themselves to those who
are in a worse situation. To them, to say a community is poor disregards individual and communal efforts over the years. Such indicators as the high level of home ownership, cooperation in the community, being better off now than in the past and being better off than others show that not everyone is “poor.” Being poor was often equated with being unemployed and being in a low-paying job due to lack of education; in other words “less fortunate.” It was never being lazy, as people are always looking for a way to better themselves and their families. Indigenous families (Commonwealth of Dominica), however, did acknowledge being poor as did those who were disabled, the elderly and in the case of Anguilla and Turks and Caicos islands, the recent immigrants who were earning less than the locals or living in overcrowded conditions.

As one group of residents defined it, they are not poor. But they were able also to explain why they considered themselves not poor and who they considered to be poor. Poverty was defined universally as “the inability to meet basic needs of shelter, food and clothing,” and often called “catching hell.” However, there is a much stronger negative connotation to the term poverty as it carries with it a sense of exclusion from the larger society. Living in poverty meant more than lack of material needs. It spoke to “mental poverty,” or being in a state of anguish. This anguish can be self imposed where the people see themselves as helpless and unable to affect change. Respondents were very judgemental of those who continue to exist in poverty, as they felt that there is always the community, the church, the neighbours and to a certain extent, government institutions which can assist. They also felt it is important to maintain ones’ self respect.

This interesting position does not negate the fact that there are many reasons why people became poor, as many have experienced lay-offs due to the significant declines in the sugar and banana industries, which have made a mockery of attempts to sustain livelihoods above the poverty line. There are also the immediate effects of natural disasters; one needs only to look at Grenada which lost 90 percent of its housing and agricultural stock in the recent hurricane of 2004.

To residents, poverty has the greatest effect on the unemployed, the elderly and children of large single-parent families.
Emotional and self-esteem issues are directly associated with poverty. For example, the elderly, left alone as the younger ones migrate in search of economic opportunities overseas, remain at home on low or non-existent pensions frequently feeling a sense of sadness and in some instances hunger as they are unable to tend the fields or prepare their food. Their feelings of self competence diminish and self respect is challenged. For most families which consider themselves poor, poverty is understood to be a cycle of physical and emotional deprivation, with self respect diminishing as such factors as poor educational achievement and shrinking employment opportunities continue to weaken the smallest chances of finding work or even seeking work.

Self esteem was mentioned in 35 documents showing a fairly widespread awareness of this concept. How was it expressed? Feeling ashamed, feeling less and unappreciated, being excluded from mainstream society were some of the ways. Such embarrassments as children not being able to invite guests over due to the state of the house, or children not being properly dressed, all meant having to adjust expectations held of yourself and your behaviours. As embarrassments increased, the adjustment was more often downwards with a consequent lessening of self. In some cases the resolution was to allow a sense of dependence to take over and simply rely on whatever handouts were available. For respondents, one must have a positive sense of self and self competence if you are to take advantage of opportunities when they arise. A dependency mentality, which was seen as a derivative of the plantation experience, was not encouraged.

This understanding of the importance of maintaining a sense of self respect, a sense of self and a sense that one can in fact contribute to mainstream society tends to be underplayed in preference for more objective measures of place of residence, housing conditions and apparent non-acceptance by the larger society. The question was asked, why was poverty being measured? The answer was, so as to find ways to assist with alleviation and facilitating inclusion in mainstream society. However, many called "poor" did not consider themselves poor but because of the classification given to the community or the group, and the use of such categorical measures, they were called poor and deemed to be living in poverty. This is an important finding, as needs assess-
ment is clearly a difficult task, continuously calling on researchers to be innovative and responsive in their approaches. Particularly in addressing poverty, our methods of assessment must include substantive qualitative techniques if respondents are to feel they really are being heard and understood. Through the inclusion of such actions as use of unobtrusive measures and use of techniques which have the ability to add depth, detail and meaning (Patton, 2002), as well as instant validation and clarification, qualitative assessments continue to complement, verify and expand on the traditional indicator approach. The study has shown clearly that ‘poverty’ and being ‘poor’ are different concepts and represent different realities. The cultural context is important and definitional.

Coping with poverty emphasised the strength of the collaborative efforts by residents. Residents were able to offer nine descriptions of current coping strategies which accomplished such activities as clean-up operations, building of community centres and homes and generally assisting the poor. Women in particular spoke of this communal effort and forming of groups as their main coping strategy. This could incorporate sharing of food from backyard gardens, sharing of fish when caught and even the contents of ‘barrels’ that they might receive from overseas relatives. They looked down on depending on boy friends or family as this was seen as continuing dependency. For men, the predominant way of coping was also sharing in the same manner. Men, however, more frequently suggested that stealing or begging might be a way of coping but preferred gambling or hustling as ways of coping. For the youth, mention was made of using candles instead of electricity, borrowing books, waiting until lunch time for a meal from school and generally assisting the poor. Mention was also made of use of drugs mainly as a source of quick income and sometimes allowing one to forget his/her hardship.

A coping measure frequently mentioned is that of community labour so as to assist less fortunate individuals in time of severe stress. This has been called engaging in a ‘maroon.’ The concept of marronage (thought to derive from the Spanish word marrana or cimarron and refers to the politically-independent, free, runaway African slaves) relates to ideas of self-identity. To hold a maroon
would therefore refer to the communal struggle to achieve an end, in this instance the building of a house, a road, a tank/reservoir, etc. In examining this activity it becomes clear that the emphasis is on interdependence and the willingness to have others maintain a respectable level of living. This action to many also reflects the Afrocentric communal regard for others which facilitates behaviours which help in the struggle to maintain a sense of self respect in spite of continued hardships.

Conclusion

To move from "poor" to "not poor" is a complex task, one in which the mind set of both the person in need and the person assisting with the reduction of that need will reflect daily emotional changes, should reflect a sense of respect for each other and ought to reflect appreciation of the multiple barriers to achievement which exist. One must also realise that those we call poor do not necessarily consider themselves poor, as being poor and therefore living in poverty, connotes feelings of lack of self respect, lack of accomplishment, and inability to critically affect change in their immediate circumstances. Often, being poor encourages dependency on others for provision of material needs.

Living in a state of poverty however, is a state which can be assuaged by the provision of basic needs such as security, housing, food, shelter and access. In the past it has been felt that this is best provided by agencies external to the immediate community of persons. As this study demonstrates, the feeling is clearly that more emphasis must be paid to strength of spirit and ability to help oneself. The solution provided therefore should assist communities and individuals to develop their surroundings and themselves in ways which have been mutually determined, ways which will assist with not only a better quality of life but also inclusion into mainstream society. Residents felt that education and skills training are crucial for success in life. They generally wanted to work but they wanted reasonable wages which could come from formal or informal jobs. In addition, limiting family size was seen as important as there is strong connection between self esteem/motivation and success. Possible solutions
would therefore include increased access to educational and skill training opportunities which will equip them for less fluctuating, money-earning employment, whether formal and/or informal. In realisation of the spoken spirit of community and self-help, this increased access and opportunity must be accompanied by formal support for communal efforts at positively changing their physical and emotional landscape.

As Njeru (2004) points out, part of addressing poverty is the need to recognise that there are variations of diets, security, leisure and recreation, dependent on the diversity of cultures and modes of production as well as the degree of socio-cultural modernity and globalisation. In the Caribbean, the multiplicity of cultures and life styles means that poverty reduction interventions must be tempered by local tastes and well thought out social policy. However, as Derek Walcott reminds us, the islands' similarities are more than their differences and any such analysis although island specific, is able to benefit all of the territories. As an Afrocentric people with strong historical and economic ties to North America and the United Kingdom, these tastes will be fluid, contemporary and strongly associated with a sense of community and sharing.

To move from "poor" to "not poor" calls for interventions which first of all realise the need to hear the voices of the respondents as they struggle to articulate their daily realities. This means adoption of measures which incorporate the qualitative paradigm as part of both data generation and analysis/interpretation. As has been shown, the use of CAQDAS brings a new strength to analysis and allows for in depth interpretation not achieved by the manual analysis. To move from poor to not poor calls also for a willingness to design methods of intervention which accept and build on low income residents' definition of their coping strengths through ways of collaboration and sharing.

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Poor to Not Poor

Citizen Participation in Neighborhood Organizations in Poor Communities and its Relationship to Neighborhood and Organizational Collective Efficacy

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Collective efficacy describes residents' perceptions regarding their ability to work with their neighbors to intervene in neighborhood issues to maintain social control and solve problems. This study examines whether citizen participation in neighborhood organizations located in poor communities is related to neighborhood and organizational collective efficacy among residents. The results indicate that the more residents participated in their neighborhood organization, the greater their level of organizational collective efficacy, but not neighborhood collective efficacy. The results of the current study will help support social workers and other community practitioners understand how to effectively facilitate citizen participation in ways that enhance collective efficacy in poor communities. Implications for social work practice and research are discussed.

Keywords: neighborhood collective efficacy, organizational collective efficacy, citizen participation, neighborhood organizations, poor communities, community practice, community level research

In recent years, there has been a revitalization of community-based social work strategies that seek to enhance citizen participation and build the capacity of residents to address problems in poor communities (Johnson, 1998; Schorr, 1997; Weil, 1996). These strategies have been used to confront a variety of issues, including those that pertain to at-risk youth, unemployment, affordable

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housing, crime and safety, and urban blight (Chaskin, Brown, Venkatesh & Vidal, 2001; Murphy & Cunningham, 2003).

Citizen participation is the active, voluntary involvement of individuals and groups to change problematic conditions in poor communities, and influence the policies and programs that affect the quality of their lives or the lives of other residents (Gamble & Weil, 1995). Citizen participation has enhanced the effectiveness of community-based social work strategies by strengthening resident participation in democratic processes, assisting groups in advocating for their needs, and building organizational and community problem-solving resources and capacities (Chaskin, et al., 2001; Johnson, 1998; Schorr, 1997; Weil, 1996).

Despite the potential of citizen participation, the barriers to facilitating it can be substantial, including the multiple demands on an individual's time. Wandersman and Florin (2001) argue that a major resource of small voluntary organizations, such as neighborhood organizations, is the participation of its members, including their time and energy which must be mobilized into active involvement and performance of tasks. Therefore, it is important that residents believe they have the capacity to make a difference. Collective efficacy is a term used to describe residents' perceptions regarding their ability to work with their neighbors to intervene in neighborhood issues to maintain social control and solve problems (Wandersman & Florin, 2000). Collective efficacy is a broad term and can be conceptualized as both a neighborhood and organizational process. Neighborhood collective efficacy is defined as the connection of mutual trust and social cohesion along with shared expectations for intervening in support of neighborhood social control (Sampson & Raudenbush, 1999). Organizational collective efficacy is defined as an organization or group's perception of its problem-solving skills and its ability to improve the lives of its members (Pecukonis & Wenocur, 1994). While there is considerable research demonstrating the positive effects of neighborhood collective efficacy on neighborhood conditions, including crime and safety (Sampson, Morenoff & Gannon-Rowley, 2002; Sampson & Groves, 1989; Rankin & Quane, 2002), less is known about the connection between citizen participation and neighborhood and organizational collective efficacy (Chavis, Florin, Rich
Citizen Participation and Collective Efficacy


This study examines whether the active involvement of residents in grassroots neighborhood organizations is related to perceptions of neighborhood and organizational collective efficacy among residents in poor communities. It helps to fill a gap in current research by analyzing citizen participation as a potential social mechanism contributing to collective efficacy. The results of the current study will help to support social workers and other community practitioners understand how to more effectively facilitate citizen participation in ways that enhance collective efficacy in poor communities.

Theoretical Framework and Prior Research

A major goal of social work practice has been empowering individuals to promote feelings of self-esteem, efficacy, and competency in individuals, organizations, and communities (Itzhaky & York, 2002). Social workers engage residents in neighborhood organizations to enhance their individual psychosocial well-being as well as their collective capacity to strengthen the systems in which they reside, particularly their often difficult neighborhoods (Checkoway, 2001). Social work practice in poor communities has been informed by theories self efficacy, and more recently collective efficacy. Theories of collective efficacy build on and are closely related to Bandura’s (1982) theory of individual self efficacy, which explored an individual’s belief in or self-judgment about his or her capabilities to organize and execute actions necessary to achieve desired goals. Bandura’s (1989) theory of self efficacy suggests that residents who have strong beliefs in their capabilities approach potential stressors with the assurance that they can exercise some control over them, including addressing the problems often found in poor neighborhoods. Theories of self and collective efficacy help social workers understand the relationship between residents’ perceptions of their individual and collective abilities and their involvement in neighborhood organizations.

Neighborhood Collective Efficacy

Sampson and Raudenbush (1999) propose an analogy between individual self efficacy and neighborhood efficacy in that
both refer to the capacity for achieving an intended effect; however, at the neighborhood level, the shared willingness of local residents to intervene for the common good depends on conditions of mutual trust and cohesion among residents. Sampson and Raudenbush also argue that residents are not likely to take action in neighborhoods where people mistrust each other and the rules are unclear. Collective efficacy, therefore, is “the linkage of cohesion and mutual trust with shared expectations for intervening in support of neighborhood social control” (Sampson & Raudenbush, pp. 612–613). Sampson (2004[b]) explains that just as self efficacy is situated relative to a particular task, collective efficacy also takes place relative to specific tasks, including maintaining public order. Furthermore, the key causal mechanism in collective efficacy theory is social control, which is acted upon under conditions of social trust (Sampson).

Prior research demonstrates the positive effects of neighborhood collective efficacy, including social control and trust, in poor communities. An early study by Sampson and Groves (1989) found that aspects of neighborhood social organization, including high levels of local participation in organizations, expectations for informal social control, the ability of residents to guide the behavior of others toward prosocial norms, mutual support for children, and the density of local friendship networks worked against criminal deviance. In their comparative longitudinal study of Chicago neighborhoods, Sampson, Raudenbush, and Earls (1997) found that neighborhood collective efficacy was linked to reduced violence and delinquency. Rankin and Quane (2002) found that youth were more likely to form positive peer attachments in cohesive neighborhoods with high levels of neighborhood collective efficacy where parents shared responsibility for social control. Finally, Elliott and colleagues (1996) showed that the effects of neighborhood disadvantage on the developmental outcomes of adolescents were largely mediated by the level and form of neighborhood organization. They found that higher levels of informal control in a neighborhood (i.e. respect for authority, social control, mutual respect, neighborhood satisfaction and bonding) resulted in lower adolescent behavioral problems and association with
Citizen Participation and Collective Efficacy

delinquent youth, and higher personal efficacy and educational expectations (Elliott, Huizinga, Sampson, Elliott & Rankin).

Organizational Collective Efficacy

Pecukonis and Wenocur (1994) define organizational collective efficacy as an organization or group’s perception of its problem-solving skills and its ability to improve the lives of its members. They argue that efficacy embraced by a collective “provides a unique structural arrangement that allows individuals with common needs to combine and maximize their efforts toward a common end” (Pecukonis & Wenocur, p. 14). A key component of collective efficacy is shared beliefs about a group’s collective power to produce desired results (Bandura, 2001). The willingness of members of a community organization to engage in challenging activities, such as addressing decaying housing or crime, is positively associated with their perceptions of their problem-solving skills and their ability to produce positive outcomes for the community (Pecukonis & Wenocur). Therefore, the perceived efficacy of collective action is important for maintaining as well as initiating citizen participation in community organizations (Perkins & Long, 2002).

Citizen Participation and Collective Efficacy

There is small but growing body of research demonstrating the relationship between citizen participation in various types of community organizations and neighborhood and organizational collective efficacy. Chavis and his colleagues (1987) found that block association members were significantly more likely than non-members to have expectations of collective efficacy (i.e., defined as thinking that they can solve problems by working collectively and expecting residents to intervene to maintain social control). Moreover, members of block associations were also significantly more likely to engage in collective (as opposed to individual) anti-crime efforts than non-members. Sampson (1997) found that neighborhood collective efficacy was significantly and positively associated with organizational participation, along with friendship and kinship ties and the presence of neighborhood services. Finally, Perkins, Brown, and Taylor (1996) found that
perceived organizational collective efficacy/civic responsibility and community attachments were consistently and positively related to participation in grassroots community organizations at both the individual and block levels of analysis.

The above studies indicate a relationship between citizen participation in block associations and neighborhood collective efficacy, organizational participation and neighborhood collective efficacy, and participation in grassroots community organizations and organizational collective efficacy. Similar to Perkins et al. (1996), this study examines citizen participation in grassroots neighborhood and community organizations. This study adds to existing research by examining citizen participation as a social mechanism through which both neighborhood and organizational collective efficacy are facilitated in poor communities.

Methods

Procedures

This study utilized a cross-sectional design to survey members and participants of nonprofit neighborhood organizations located in four different neighborhoods in metropolitan Pittsburgh. All four neighborhood organizations were located in poverty areas, defined as by the U.S. Census Bureau as census tracts where 20% or more of the residents are poor (Bishaw, 2005). The overall purpose of these four neighborhood organizations was to improve problematic conditions, and influence policies and programs that affect the quality of life in the neighborhood. All four neighborhood organizations had locally controlled boards (i.e., composed of residents and community stakeholders) and a membership base of at least 50 to 100 members. These organizations worked to improve the conditions in their neighborhoods through various community initiatives, including beautification projects, community planning, social and recreational activities, community newspapers, affordable housing, business and economic development, crime prevention and safety, youth development, leadership development, and residential block organizing.

A non-random sampling procedure was utilized in which all potential resident members and participants of the four neighborhood organizations were asked to fill out the survey. The survey
was distributed door to door, at organizational meetings, and through the mail to 231 resident members and participants of the neighborhood organizations targeted for this study. The overall response rate was 54%, with a total of 124 respondents from the four neighborhood organizations who completed the survey. The response rates from each of the four neighborhood organizations individually were 39%, 51%, 53%, and 72%. The most effective data collection method was door-to-door (76% response rate), followed by organizational meetings (62% response rate), and then through the mail (26% response rate). Surveys were mailed to potential respondents only after they were not accessible at organizational meetings or by going door-to-door to their homes.

Sample Demographics

All of the respondents were residents of poverty areas, with the poverty rates in the four neighborhoods ranging from 24% to 38% in 1999 (USCSUR, 2002). In other words, all of the respondents, whether or not they were poor themselves, resided in poverty areas. As indicated below, approximately one quarter of the survey respondents had either poverty or near poverty level incomes.

Because this study was completed in 2004, it uses the poverty thresholds for that year. The 2004 poverty threshold for a two-person household was $12,334, and for a two-person household with one child it ranged from $12,971 [65 years and older] to $13,020 [under 65 years old] (U.S. Census Bureau, 2004). The average household size for survey respondents was 2.3 persons. Overall, 8% of survey respondents had poverty level incomes at $10,000 or less a year, and 16% had very low incomes between $10,001 and $20,000 a year. Based on the survey questions in the current study it is not possible to determine exactly which respondents fall under the 2004 poverty thresholds; however, the data indicate that 24% of respondents had poverty or near poverty level incomes. Among the remaining respondents, 24% earned between $20,001 and $35,000, 15% earned between $35,001 and $50,000, and 35% had incomes over $50,000 a year.

More than half (59%) of the survey respondents were Caucasian, and 39% were African American. Sixty-two percent were female, and almost all respondents were registered voters (97%).
The average age of respondents was 58 years old, and 41% were over the age of 65, which may help to explain the fairly large percentage of respondents who were also retired (40%). Another 40% were employed full-time. The majority of survey respondents were homeowners (81%); however, the value of their homes was quite low, with almost half (48%) reporting that their homes were valued at $50,000 or less. Furthermore, respondents were very stable residents, having lived in their neighborhoods for an average of 34 years. Almost half of the respondents were married (49%), and the average household size was 2.3. The majority of respondents had some form of higher education, with 32% having a graduate or professional degree, 18% a college degree, and 25% some college. About a quarter of respondents had a high school degree (19%) or less (6%).

Measures

The survey instrument was seven pages and included and/or adapted the following scales which have been used in prior studies to explore neighborhood collective efficacy, organizational collective efficacy, and participation in neighborhood organizations. Please see the Appendix for a list of the items included in the measures in the current study.

Neighborhood Collective Efficacy. Neighborhood collective efficacy was measured using a scale developed by Sampson and Raudenbush (1999) in their study of Chicago neighborhoods. The neighborhood collective efficacy scale combined two subscales. The 5-item informal social control subscale asked residents the likelihood, on a scale from 1 to 5, 1 meaning “very unlikely” to 5 meaning “very likely,” that their neighbors can be counted on to do something if: “children were skipping school and hanging out on a street corner,” and “the fire station closest to their home was threatened with budget cuts.” The social cohesion/trust subscale contained 4 conceptually related items that asked residents how strongly they agreed on a scale from 1 to 5, 1 meaning “strongly disagree” to 5 meaning “strongly agree,” with the several statements including: “People around here are willing to help their neighbors,” and “This is a close-knit neighborhood.” The relia-
Citizen Participation and Collective Efficacy

bility for the 9-item neighborhood collective efficacy scale in the current study was .85.

Organizational Collective Efficacy. The measure for organizational collective efficacy adapted a scale developed by Perkins and Long (2002) in their study of block associations in New York City. The 8-item scale in the current study asked respondents how likely on a scale from 1 to 5, 1 meaning “very unlikely” to 5 meaning “very likely” that their neighborhood organization could accomplish several goals, including: “Improve physical conditions in the neighborhood like cleanliness or housing upkeep,” “Get people in the neighborhood to help each other more,” “Reduce crime in the neighborhood,” and “Develop and implement solutions to neighborhood problems.” The reliability for the organizational collective efficacy scale in the current study was .99.

Citizen Participation in Neighborhood Organizations. Two measures were used in the current study: participation level and participation in decision making. The scale measuring participation level was adapted from the following three studies: York’s (1990) 3-item organizational participation scale; Perkins and Long’s (2002) 8-item citizen participation index; and additional items developed by Perkins and his colleagues (1990). In the current study, respondents were asked, on a scale from 1 to 5, 1 meaning “never” to 5 meaning “often,” how often in the past year they had participated in various organizational activities and functions, including attending meetings, actively participating in discussions, working for the organization outside of meetings, serving as a member of a committee, serving as an officer or as a committee chair, recruiting new members, and serving as a representative of the organization to other community groups. The reliability of the 11-item participation level scale in the current study was .95.

Itzhaky and York’s (2000) scale measuring participation in decision making was used in the current study. Respondents were asked to indicate how involved they were in the neighborhood organization by checking one of the following items: (1) I take no part at all; (2) I play a passive role; (3) I participate in relaying information; (4) I carry out various tasks at the instruction of the staff and/or board (note: this study added “and/or board” to this
(5) I participate partially in planning, decision making and implementation; and (6) I am a full partner in planning, decision making and implementation.

**Results**

Descriptive statistics were used to generate the means, medians, standard deviations, and skewness for the key variables in the study. Bivariate correlations were used to analyze the relationships among the key study variables. Hierarchical multiple regression analyses were used to examine the relationship between the citizen participation and collective efficacy measures, controlling for neighborhood organization, race, age, and education.

**Descriptive Statistics**

Table 1 displays the descriptive statistics for the key variables in the current study.

The mean for neighborhood collective efficacy in the current study was 3.36, and the mean for organizational collective efficacy was 3.74 (on a scale from 1 to 5). The organizational collective efficacy scale was negatively skewed, and was transformed by squaring it. The descriptive results demonstrate that respondents had fairly neutral views about their neighborhoods' collective efficacy, and more positive views regarding the collective efficacy of their neighborhood organization.

Respondents' level of participation in their neighborhood organization was 2.99 on a scale from 1 to 5, signifying that respondents were engaged in the organization at a moderate level. The mean for participation in decision making was 3.53 on a scale from 1 to 6, indicating that respondents also participated in decision making at a moderate level, from relaying information to carrying out various tasks at the instruction of the staff and/or board.

**Collective Efficacy and Participation in Neighborhood Organizations**

**Bivariate results.** Table 2 displays the results from the bivariate analyses.
Citizen Participation and Collective Efficacy

Table 1
Descriptive Statistics for Key Study Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Median</th>
<th>SD</th>
<th>Skewness</th>
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</thead>
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<tr>
<td>Participation Level</td>
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<td>Participation in Decision Making</td>
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<tr>
<td>Neighborhood Collective Efficacy</td>
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<td>118</td>
<td>3.74</td>
<td>3.88</td>
<td>.78</td>
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* Transformed variable measure

Table 2
Correlations among Citizen Participation & Collective Efficacy

<table>
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<th>Variable</th>
<th>PL</th>
<th>PDM</th>
<th>NCE</th>
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<tr>
<td>Participation Level (PL)</td>
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<td>Participation in Decision Making (DM)</td>
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<td>Organizational Collective Efficacy (OCE)</td>
<td>.31**</td>
<td>.26**</td>
<td>.50**</td>
</tr>
</tbody>
</table>

*p < .05; **p < .01; two tailed

Participation level was not significantly associated with neighborhood collective efficacy \([r (117) = .16, p = .09]\), but it was significantly associated with organizational collective efficacy \([r (117) = .31, p < .01]\). Furthermore, participation in decision making was not significantly associated with neighborhood collective efficacy \([r (113) = .11, p = .25]\), but it was significantly associated with organizational collective efficacy \([r (113) = .26, p < .01]\). The results also demonstrate that neighborhood and organizational collective efficacy were also significantly correlated with each other \([r (116) = .50, p < .01]\).

Multivariate Results. Hierarchical multiple regression was conducted to analyze the relationship between citizen participation in neighborhood organizations and both measures of collective
efficacy, controlling for neighborhood organization, race, age, and education. The primary researcher controlled for neighborhood organization in the multivariate analyses by creating three dummy variables representing the four neighborhood organizations in the study, using one group as the referent group.

The assumptions for conducting the multiple regression analyses were also examined and met. No cases were eliminated, the examination of the histograms revealed normal distributions for all of the analyses, and examination of the residual plots revealed that the assumption of linearity was also met. Furthermore, both the Tolerance and VIF statistics indicated that multicollinearity was not a problem in the regression analyses.

Table 3 displays the results from the hierarchical multiple regression (HMR) analyses.

The primary researcher examined whether or not participation level and participation in decision making contributed to neighborhood or organizational collective efficacy. For neighborhood collective efficacy, $R = .24$, $R^2_{adj} = -.02$, $F (8, 96) = .72$, $p = .67$, and for organizational collective efficacy, $R = .41$, $R^2_{adj} = .10$, $F (8, 96) = 2.39$, $p < .05$, indicating that the model was not significant for neighborhood collective efficacy, but was significant for organizational collective efficacy. Furthermore, the $R^2$ change for organizational collective efficacy was significant indicating that participation level and participation in decision making as a block significantly contributed to organizational collective efficacy, and the amount of variance explained by this block was 10%. Upon review of the coefficients, participation in decision making was not significant; however, participation level was a significant individual contributor to organizational collective efficacy ($B = .323$, $t (96) = 2.15$, $p < .05$).

Discussion

Summary and Discussion of Results

The results indicate that the more residents participated in their neighborhood organization, the greater their level of organizational collective efficacy, but not neighborhood collective efficacy. The correlations demonstrated that the citizen participation
Table 3
HMR for Citizen Participation and Collective Efficacy Measures

<table>
<thead>
<tr>
<th>Variable</th>
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<th>SE B</th>
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<th>t</th>
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<td>.01</td>
<td>-.01</td>
<td>-.04</td>
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<td>.21</td>
<td>.12</td>
<td>.83</td>
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<td>.01</td>
<td>-.01</td>
<td>-.11</td>
<td></td>
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<tr>
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<td>.18</td>
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<tr>
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<td>1.00</td>
<td>-.03</td>
<td>-.34</td>
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<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.04</td>
</tr>
<tr>
<td>Group 1</td>
<td>2.25</td>
<td>1.47</td>
<td>.21</td>
<td>1.51</td>
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<tr>
<td>Group 2</td>
<td>2.37</td>
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<td>.13</td>
<td>1.16</td>
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<tr>
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<td>2.10</td>
<td>.29</td>
<td>1.76</td>
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<tr>
<td>Step 3</td>
<td></td>
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<td>.10**</td>
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<tr>
<td>Participation Level</td>
<td>1.43</td>
<td>.66</td>
<td>.32</td>
<td>2.15*</td>
<td></td>
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<tr>
<td>Participation in Decision Making</td>
<td>-.02</td>
<td>.51</td>
<td>-.00</td>
<td>-.00</td>
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</tbody>
</table>

*p <.05; **p <.01

measures (i.e., participation level and participation in decision making) were significantly associated with organizational collective efficacy, but not with neighborhood collective efficacy. The multivariate results demonstrated that the citizen participation measures significantly contributed to organizational collective efficacy, accounting for 10% of the variance. Furthermore, participation level individually influenced organizational collective efficacy; however, participation in decision making did not.
The more residents were involved in various activities and functions of their neighborhood organization, the greater their perception of their neighborhood organizations' collective ability to solve neighborhood problems, and get people in the neighborhood to know one another and work together. Pinderhughes (1983) uses the ecological framework to suggest that the powerlessness of individuals and families living in poor communities can only be addressed through empowerment strategies whereby residents can influence the external environment to reduce destructive forces and work with systems outside the family, including community organizations, to improve their difficult and poor environments. Furthermore, in the current study, residents' perceptions of their neighborhood organizations' collective ability to solve problems was fairly high. As Bandura (1982) points out, residents' perceptions of their collective abilities can influence what they choose to do to address difficult problems, the amount of effort they exert, and their staying power when their efforts fail to produce intended results. In other words, when residents have a greater sense of their own collective agency and power, they are more likely to persevere as problems get more complex and difficult to solve.

Bandura (2001) also points out that a key component of collective efficacy is shared beliefs about a groups' collective power to produce desired results. It is important to note that in the current study, there was a strong positive association between organizational and neighborhood collective efficacy. In other words, the more positive residents' perceptions of their organization's capacity to produce intended results, the more positive their perceptions of their neighborhood's capacity to intervene in support of neighborhood social control. In the same study, Ohmer (2004) also found residents' perceptions of their organization's actual accomplishments and successes, particularly in achieving tangible community improvements (e.g., increased safety, improved housing and business conditions), influenced their perceptions of both neighborhood and organizational collective efficacy. The more positive residents' perceptions of their organization's actual accomplishments in improving areas such as safety and housing, the more positive their perceptions of their neighborhood and organization's collective capacity to solve problems now and in
Citizen Participation and Collective Efficacy

the future. Therefore, it is important for social workers to engage residents in ways that develop their sense of collective efficacy, and their ability to make tangible community improvements such as increasing neighborhood safety, affordable housing and other resources.

The results indicating no relationship between citizen participation and neighborhood collective efficacy are somewhat disturbing, particularly given the linkage between neighborhood collective efficacy and crime reduction (Sampson, Raudenbush & Earls, 1997). There is limited research analyzing the social mechanisms through which neighborhood collective efficacy is effectively facilitated in poor communities. The prior studies discussed in this article examined two forms of citizen participation, one which found that participation in small scale block associations was associated with neighborhood collective efficacy (i.e., see Chavis, et al., 1987), and the other by Sampson and Raudenbush (1999) which found that organizational participation was associated with neighborhood collective efficacy. However, these studies did not examine the level or extent of involvement in these organizations and whether or not increased involvement led to increases in neighborhood collective efficacy. The current study examined the frequency (i.e., participation level) and extent (i.e., participation in decision making) of involvement in neighborhood organizations and neighborhood collective efficacy. Neighborhood collective efficacy is a fairly new concept in social work and has not been studied extensively. Because of its importance in reducing crime and violence (Sampson, et al., 1997), social work practitioners and researchers should continue to develop and examine strategies for facilitating neighborhood collective efficacy in poor communities. Potential social work practice and research strategies for facilitating and analyzing collective efficacy are discussed below.

Implications for Social Work Practice

The results of the current study demonstrate the importance of engaging residents in local neighborhood organizations to help them develop the confidence that they can address difficult neighborhood problems through organized collective action. Social work and community development practitioners have developed
clear and deliberate strategies for building the capacity of neighborhood and community organizations and fostering a sense of organizational collective efficacy among residents who are actively involved in such organizations (i.e., see Chaskin, et al., 2001; Checkoway, 2001; Murphy & Cunningham, 2003; Rothman, Erlich, & Tropman, 1995).

Facilitating neighborhood collective efficacy, on the other hand, may require the exploration and development of different strategies that specifically focus on building the kinds of relationships necessary for social control to be activated. While residents may develop trusting relationships and social networks with residents who are fellow members of their neighborhood organization, they may not know other non-involved residents, including neighbors on their own block. Furthermore, practitioners have spoken of an “us against them” mentality that can develop in areas with strong neighborhood organizations, where involved residents see themselves as the solution and non-involved residents are viewed as part of the problem. Social workers and other community practitioners, therefore, need to focus on strategies that facilitate social networks and build trust among residents and their neighbors, whether or not they are involved in the local neighborhood organization. Practitioners need to help involved residents build bridges to non-involved residents and to see non-involved residents as valuable when they support the goals of mutual trust and social cohesion along with shared expectations for intervening in support of neighborhood social control. For example, Sampson (2004[a]) has said crime reduction can be as simple as knowing the names of neighbors and their children.

Sampson (2004[b]) also points out that trusting relationships and social networks among residents help to foster the conditions under which collective efficacy may develop; however, they are not sufficient for social control to be exercised. These relationships and networks must be acted on to be “ultimately meaningful” (Sampson, 2004[b], p. 108). Therefore, community-based strategies must provide residents with opportunities to activate social networks and trusting relationships so that residents feel they can intervene when local youth are hanging out on street corners, or when public services are cut, such as a fire station closing on their street.
Facilitating both organizational and neighborhood collective efficacy and capacity are essential to helping residents address difficult conditions in poor neighborhoods. Sampson (2004[b]) argues that strong neighborhood organizations are able to foster collective efficacy through their capacity for social action and their ability to connect and collaborate with other organizations in the neighborhood to address issues, such as garbage removal and school improvements. In fact, a community’s capacity to solve problems is directly related to the individual capabilities of community residents, as well as the connections to and commerce with external systems of which the community is a part (Chaskin, et al., 2001). Furthermore, community capacity operates through the agency of individuals, organizations, and networks of relations designed to perform particular functions that enable a community to perform successfully (Chaskin, et al., 2001).

Local neighborhood organizations are a potential vehicle through which social workers can build community capacity and facilitate neighborhood and organizational collective efficacy. However, deliberate strategies must be incorporated into the organization’s overall agenda to build relationships among neighbors, develop strong organizations capable of addressing community-wide issues, and facilitate trust and social control among neighbors, including those not currently involved in the organization. For example, building leadership, using community organizing to engage residents and key external resources, and fostering collaboration among community organizations can help facilitate strong neighborhood organizations and build community capacity (Chaskin, et al., 2001).

Neighborhood organizations could also sponsor block-level activities to build connections with and among neighbors, including block-level organizing, crime watch groups and projects which help residents turn vacant lots into community gardens. For example, in the Kansas City Building Blocks program, community development corporations hired community organizers to work block-by-block to generate commitment and nurture relationships with and among residents (Kansas City LISC, n.d.). The community organizers assisted residents in creating a vision/collaborative plan for their block, and developing projects to make
that vision a reality, including forming crime watch groups, shutting down crack houses, developing community gardens, and rehabilitating dilapidated housing. Jeff Spivak (1997) reported in the *Kansas City Star* that the program helped to “revive relationships like those in bygone days when neighbors looked after each other, before drug dealing and gunfire drove them off their front porches” (p. A11). It is important for social workers to incorporate block-level relationship and capacity building strategies into community-based efforts to facilitate neighborhood collective efficacy in poor communities.

**Limitations of the Current Study**

While the results of the current study contribute to the understanding of citizen participation and collective efficacy, there are several limitations. Prior studies on neighborhood collective efficacy have used more sophisticated research designs, including the use of nested designs and hierarchical linear modeling where individuals are nested within ecologically defined groups, such as neighborhoods and structural characteristics, such as poverty, are expressed as aggregate-level measures (Sampson, et al., 2002). Nested designs allow the explicit modeling of the variation between and within groups (i.e., neighborhoods or organizations) (Coulton, Korbin & Su, 1999). The current study is limited to the analysis of the perceptions of individuals, and the data was not analyzed at the organizational and/or neighborhood level.

Another weakness of the current study is that it used a cross-sectional design. Cross-sectional studies have limited internal validity, thereby affecting the confidence that the results of a study accurately depict a causal relationship (Rubin & Babbie, 2001). One of the ways that researchers attempt to improve internal validity is by “attempting to rule out the plausibility of rival hypotheses by controlling for alternative variables through multivariate analyses” (Rubin & Babbie, 2001, p. 323). Therefore, the primary researcher for the current study controlled for several variables (i.e., demographics and neighborhood organization) in the multivariate analyses that could also have influenced the key study variables.

While the high response rate in the current study allows the
participating organizations to generalize their findings to their entire membership, the findings are not generalizable beyond the study population. However, similar types of neighborhood organizations working in poor communities in urban areas may use the results as a benchmark for measuring citizen participation and collective efficacy in their own organizations. A major strength of the current study is the reliability of the measures, which can be used in future studies analyzing citizen participation and collective efficacy in poor communities.

**Implications for Future Research**

While the results of the current study did not demonstrate a relationship between participation in neighborhood organizations and neighborhood collective efficacy, future studies could examine other forms of citizen participation to determine if they contribute to developing mutual trust/social cohesion and social control in poor communities. For example, future research could examine the impact of social work interventions on the development of neighborhood collective efficacy in poor communities, and individual and community level outcomes, such as crime and delinquency. Social work practitioners and researchers could explore, develop and implement community-based strategies that may be particularly effective in facilitating neighborhood collective efficacy such as the block level organizing program described above. Researchers could simultaneously analyze whether or not neighborhood collective efficacy developed through these strategies influences community level outcomes such as crime and disorder.

In summary, the current study adds to the existing quantitative research on community practice by analyzing the relationship between citizen participation in neighborhood organizations and neighborhood and organizational collective efficacy in poor communities. The results can help social work and other community practitioners and researchers as they develop and analyze strategies to build collective efficacy in poor communities. The results of this study may also be useful in understanding how social work strategies might facilitate collective efficacy and affect individual and community level outcomes.
Appendix
Measures Used in the Current Study

Neighborhood Collective Efficacy

(a) Informal social control: Scale: from 1 (very unlikely) to 5 (very likely). The following are things people in your neighborhood might try to do. For each one, indicate how likely your neighbors could be counted on to do something if . . .

1. children were skipping school and hanging out on a street corner
2. children were spray painting graffiti on a local building
3. children were showing disrespect to an adult
4. a fight broke out in front of their house
5. the fire station closest to their home was threatened with budget cuts

(b) Social cohesion/trust. Scale: from 1 (strongly disagree) to 5 (strongly agree). Please indicate how strongly you agree or disagree with each of the statements below:

1. People around here are willing to help their neighbors
2. This is a close-knit neighborhood
3. People in this neighborhood generally don't get along with each other
4. People in this neighborhood do not share the same values

Organizational Collective Efficacy

Scale: from 1 (very unlikely) to 5 (very likely). The following are things a neighborhood organization might try to do. For each one, indicate how likely it is that (name of neighborhood organization) can accomplish that goal.

1. Improve physical conditions in the neighborhood like cleanliness or housing upkeep
2. Get people in the neighborhood to help each other more
3. Persuade the city to provide better services to people in the neighborhood
4. Reduce crime in the neighborhood
5. Get people who live in the neighborhood to know each other
6. Increase decent, affordable housing in the neighborhood
7. Improve the business district in the neighborhood
8. Develop and implement solutions to neighborhood problems

**Citizen Participation in Neighborhood Organizations**

*Participation Level: Scale: from 1 (Never) to 5 (Often). We would like to know what kinds of things people have done with (name of neighborhood organization). In the past year, how often have you . . .*

1. Attended organizational functions and activities
2. Actively participated in discussions
3. Attended meetings of the organization
4. Done work for the organization outside of meetings
5. Served as a member of a committee
6. Served as an officer or as a committee chair
7. Helped organize activities (other than meetings)
8. Tried to recruit new members
9. Tried to get people out for meetings and activities
10. Served as a representative of the organization to other community groups
11. Worked on other activities for the organization

*Participation in Decision Making. How involved are you in (name of neighborhood organization)? (Check One)*

1. I take no part at all
2. I play a passive role
3. I participate in relaying information
4. I carry out various tasks at the instruction of the staff and/or board
5. I participate partially in planning, decision making and implementation
6. I am a full partner in planning, decision making and implementation
References


Citizen Participation and Collective Efficacy


Sampson, R. (2004, December[a]). *A Conversation with Robert Sampson*. A meeting sponsored by the United Way of Metropolitan Atlanta, Atlanta, GA.


Social Assistance and the Challenges of Poverty and Inequality in Azerbaijan, a low-income country in transition

NAZIM N. HABIBOV  
LIDA FAN

Although low-income countries in transition are facing the challenges of poverty and inequality, evidence on the performance of safety nets in these countries is scarce. This article uses micro-file data from a nationally representative household budget survey to analyze the existing social assistance programs in Azerbaijan, a low income country in transition, from the perspectives of poverty and inequality reduction. The empirical evidence presented in this paper indicates that the poverty and inequality reduction effectiveness of social assistance programs is inadequate. First, the benefits are very modest and the poor receive only a small proportion of them. Second, some programs are not aimed at poverty reduction by design. Third, the heterogeneous nature of poverty and the significant scale of shadow economy during transition make the identification of the poor complicated. Finally, the existing patchwork of numerous programs with small-scale benefits is costly and administratively demanding. A consolidated and better designed social assistance program is needed to effectively tackle the challenges of poverty and inequality in Azerbaijan.

Keywords: Income distribution, welfare, poverty, inequality, safety net, social assistance, transition, and Azerbaijan

Starting with the same ground of the Soviet-style social assistance of the 1990s, countries of the former Soviet block have demonstrated divergent patterns in reforming their social welfare safety nets. However, most of the literature regarding social assistance reform focuses on the Baltic or Slavic countries, while the development of social assistance systems in the low-income transitional countries of Central Asia and Caucasus has been largely
ignored (Klugman, 1997; Manning, 2004; Manning & Tikhonova, 2004; Rimashevskaia, 2003; Whitefield, 2002). This study attempts to fill this gap in the literature by focusing on the assessment of social assistance in Azerbaijan, a low-income transitional country, located on the Caucasus between Russia and Iran. There are two major benefits of this study. First, the analysis in this study is based on high-quality micro data from a nationally representative household budget survey. Second, the analysis of social assistance is relevant for Azerbaijan given that the government of the country has recently reiterated a commitment to reform social assistance in the framework of the Poverty Reduction Program of Azerbaijan (GoA, 2004; 2005).

Background: Social Assistance and Transitional Shocks

Until 1991 Azerbaijan was a part of the USSR, and the development of social assistance in the country followed the unified Soviet model that had three major legs. The first leg was a broad net of cash benefits for several categories of households such as families with children, veterans, the disabled, elders, parentless children, and certain categories of workers such as miners and teachers. Thus, by the end of 1980s, families with children in the Soviet Union were eligible for up to 10 types of benefits which were effective tools in decreasing child poverty and promoting women's employment (Bradbury & Jantti, 1999; OECD, 1996). The second leg included: day care, sport, food and leisure services subsidized by the state-owned enterprises, as well as consumer goods, housing, transport, communication and utilities subsidized by the budget revenue of the state. It is estimated that the consumer and producer subsidies together accounted for about 10 percent of GNP by the end of 1980s (Rashid et al., 2000). The third leg was the centrally-planned economy with primarily state ownership of the means of production, which guaranteed full employment and made unemployment assistance unnecessary.

The first years of transition were marked by profound economic crisis in Azerbaijan, which negatively affected all three legs of social assistance. First, privatization of the economy made guaranteed full employment impossible. Employees of the former state-run enterprises were forced to move to the informal sector
of employment that exceeded 38 percent in Azerbaijan (Yoon et al., 2003). As a result, the share of shadow economy of the total GDP of the country grew to 60 percent (Schneider, 2002). Second, by the year 2003, the private sector share of GDP reached more than 70 percent (MED, 2003). The former state-run enterprises reemerged as privately-owned companies and ceased playing an active role in delivering social assistance benefits, considered to be inappropriate for profit-oriented businesses. Third, the government’s capability to administer social protection was severely undermined by the profound decline in state revenues. Consequently, Azerbaijan lagged far behind the high and middle income countries of the former Soviet Union in public spending for social programs (Table 1).

Economic depression, multiplied by the dismantling of the Soviet-style social assistance, led to a sharp increase in poverty. The poverty rate, the share of the total population living below the poverty line, grew in Azerbaijan from 33 percent in 1989 to 50 percent in 2001 (Falkingham, 2004). In total, about 24 percent of the population of Azerbaijan or 1,860,000 people live under the international extreme poverty line of 2.15 USD PPP/day (Falkingham, 2005). In addition, the determinants of poverty have changed. Determinants of poverty were fairly homogenous before the transition: the majority of the poor were pensioners, families with a large number of dependents or single mothers (Klugman, 1997; Manning & Tikhonova, 2004). Since the transition began, poverty has become more diffused, and demographic characteristics have ceased to be strong determinants of poverty.

Finally, the impoverishment was accompanied by a significant increase in inequality. The Soviet society was fairly equal in terms of income; before the independence of Azerbaijan, the Gini coefficient, a measure of inequality, was only 0.27 in the country (Falkingham, 2004). By the end of a transition decade, in 2000, the Gini coefficient nearly doubled to 0.50.

Objectives of the Study

Responding to the rising poverty and inequality during transition, the government of Azerbaijan has administered new social assistance programs. However, on the basis of the data sketched
Table 1
Comparison of social programs expenditures between Azerbaijan and other countries of the former Soviet Union in 2000

<table>
<thead>
<tr>
<th></th>
<th>Azerbaijan</th>
<th>Average for western countries of the former Soviet Union</th>
<th>Average for the Baltic countries of the former Soviet Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government spending for social programs (USD per capita)</td>
<td>34</td>
<td>57</td>
<td>390</td>
</tr>
<tr>
<td>Government spending for social programs (% of GDP)</td>
<td>5.3</td>
<td>7.8</td>
<td>12.1</td>
</tr>
<tr>
<td>Total GDP per capita PPP (in constant 1995 USD)</td>
<td>2,358</td>
<td>4,939</td>
<td>8,137</td>
</tr>
</tbody>
</table>

Notes: Western countries of the former Soviet Union include Russia, Ukraine and Belarus. The Baltic countries of the former Soviet Union accepted in the European Union in 2004 are Estonia, Latvia and Lithuania. Social programs include expenditures on transfers for population, in-kind social services and support to institutionalized population.

Sources: Authors' calculations based on World Bank (2003a, 2005)
in the previous section (e.g. high level of poverty and inequality), the actual impact of social assistance on poverty and inequality is expected to be minuscule. This intuitive observation allows us to articulate the two objectives of this study. First, this study attempts to quantify the performance of social assistance programs in Azerbaijan from the perspectives of poverty and inequality reduction. Second, it seeks to provide specific recommendations to improving the existing social assistance programs.

Data

Collecting data about income distribution in Azerbaijan has a long history, the Family Budget Survey (FBS), a nationwide survey of family income, was administered in Azerbaijan quarterly since 1922 (Dmitrichev, 1992). However, the FBS was extensively criticized for being unrepresentative of the total population and providing misleading information about income distribution (Flemming & Micklewright, 2000; Micklewright & Marnie, 2005; Shenfield, 1983). In 2003, the State Statistics Committee of Azerbaijan, the national statistical agency, introduced a new survey, the Azerbaijan Household Budget Survey (AHBS). The new survey is an instrument from a “familyhood” of the Living Standards Measurement Surveys developed by the World Bank to assess poverty in developing and transitional countries. In this section, we provide a brief description of the distinguished features of Azerbaijan’s survey, since the Living Standards Measurement Surveys has already been described in detail elsewhere (Deaton, 1997, Grosh & Glewwe, 2000).

The AHBS is a cross-sectional annual survey collecting information about demographics, housing, education, health, economic activities, and consumption and expenditure of households. It employs three-stage probability sampling with preliminary stratification by regions and by urban and rural areas. As a rule, each quarter about 2,000 new households participate in the survey, meaning that the total sample contains about 8,000 households per year. Importantly for the analysis of income poverty and inequality, the survey contains a diary where daily income and consumption are recorded by participants. In our analysis, we use the data set of 2003, a micro file containing records of 33,731
individuals in 8,525 households. We use the weight variable contained in the micro-file to make the survey representative to the total population of Azerbaijan.

Overview of Programs

Currently, all social protection programs in Azerbaijan can be broadly classified as social assistance and social insurance. Under the term "social assistance" we include all social programs which are: (1) paid from the general revenue of the state to the population deemed to be poor, (2) included in the social assistance line item of the state budget, and (3) administered by the state social protection agencies. Social insurance, a Pay-As-You-Go scheme, is paid from mandatory contributions of employees and employers to provide protection from the loss of income as a result of old age, disability, death of bread earners, sickness, maternity and unemployment. However, this study focuses only on social assistance.

Table 2 reports household-level descriptive statistics about the social assistance programs as estimated from the AHBS. In total, all social assistance programs reach 11.47 percent of the total population and provide them with an average of 92,366 AZM\(^1\) benefits. Among them, Children Benefits is the only income-tested social assistance program in Azerbaijan and the only program with an explicit poverty-reduction mandate. The Children Benefits provides cash income for families with children assumed to be poor. The program covers about 0.09 percent of households and consumes 1.16 percent of total social assistance expenditures. Procedures of eligibility determination for the Children Benefits consist of a categorical test to determine how many children are in an applicant’s family and an income-test to determine the salary of the applicant. Should the results of categorical and income-tests prove that the family’s income per capita for the previous quarter is less that the eligibility level of 16,500 AZM, the applicant is eligible for the benefit.

All the other social assistance programs in Azerbaijan are categorical, meaning that no income or consumption of claimants is assessed. Rather, eligibility for benefits is based on belonging to the designated categories assumed to be poor. Thus, Scholar-
Table 2

Household descriptive statistics for social assistance programs

<table>
<thead>
<tr>
<th>Programs</th>
<th>Program participation Rate (%)</th>
<th>Mean benefit per Recipient AZM</th>
<th>Program share in total social assistance expenditures (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>11.4</td>
<td>92,366</td>
<td>100.00</td>
</tr>
<tr>
<td>Children benefits</td>
<td>0.09</td>
<td>136,537</td>
<td>1.16</td>
</tr>
<tr>
<td>Scholarships</td>
<td>2.30</td>
<td>17,562</td>
<td>3.38</td>
</tr>
<tr>
<td>Social Pensions</td>
<td>2.30</td>
<td>107,830</td>
<td>35.00</td>
</tr>
<tr>
<td>Karabakh benefits</td>
<td>0.04</td>
<td>103,167</td>
<td>0.46</td>
</tr>
<tr>
<td>Chernobyl benefits</td>
<td>0.04</td>
<td>83,394</td>
<td>0.31</td>
</tr>
<tr>
<td>Child disability</td>
<td>0.62</td>
<td>91,559</td>
<td>5.32</td>
</tr>
<tr>
<td>Other benefits</td>
<td>5.19</td>
<td>110,090</td>
<td>53.89</td>
</tr>
</tbody>
</table>

Sources: Authors' calculations based on AHBS (2003).

Social assistance programs provide benefits to full-time students and redistribute 3.38 percent of total social assistance benefits. Social Pensions provide protection for the elderly who do not qualify for a social insurance pension because of the lack of contribution to the Pay-As-You-Go scheme. Social Pensions redistribute 35 percent of the total social assistance budget which makes this program the second largest program by expenditures after the Other Benefits. Scholarships and Social Pensions have a similar participation rate—2.3 percent of the households—and are the second and the third largest programs by coverage after the Other Benefits.

Karabakh and Chernobyl benefits are aimed at households with disabled members during the Karabakh conflict with Armenia (1988-present) and disabled from the Chernobyl nuclear accident in Ukraine in 1986. These programs have the same participation rate: 0.04 percent, and redistribute a similar amount of total social protection expenditures: 0.46 and 0.31 percent respectively. Child Disability provides benefits for households with disabled children by redistributing 5.32 percent of the social assistance budget to 0.62 percent of the households.

The Other Benefits is the largest program both by coverage and by expenditures among all social assistance programs: 5.1
percent of the households and 6.9 percent of total social protection expenditures. One category of the Other Benefits is the merit-based privileges for war and labor veterans, and citizens decorated with orders and medals. Another category is the occupational benefits for personnel of civil, security and military services, and some other government organizations. This category provides exemption from or discounts for rents, utility payments, electricity, telephone service, medicines, medical appliances, medical care and urban transportation as well as vouchers to spas and summer camps.

Poverty Measurement and Poverty Reduction Effectiveness

Quantification of poverty depends on the selection of standards which can substantially affect the results of poverty measurement. These standards include welfare indicators (income or consumption), equivalence scales, poverty lines and poverty indexes. In this section, we briefly describe the specific standards used in this study.

We choose to use consumption, not income, as the welfare indicator of poverty. As compared with consumption, income is underreported in the AHBS, which can affect the outcomes of computations (GoA, 2005). In addition, consumption is a better indicator of poverty than income for households which consume a significant amount of home-made products. Since there is no consensus regarding what equivalence scale is more appropriate for transitional countries, we choose to use a per capita equivalence scale. By using this scale, our study is also consistent with the previous poverty assessments made in Azerbaijan (GoA, 2004, 2005, World Bank, 2003b). Per capita consumption is estimated by dividing total consumption of a household by the number of people in the household.

We choose to use two poverty lines set up by State Statistics Committee of Azerbaijan. The official poverty line in Azerbaijan is computed as the cost of consumption of 2,200 calories and includes additional allowances for non-food goods and services of 30 percent of total costs. There is also an extreme poverty line that does not include the costs of the allowances and can be referred as the food poverty line. The official and food poverty
lines were set up for the year of 2003 as 178,850 and 124,137 AZM per capita per month accordingly (GoA, 2004). To measure poverty we select three indexes from Foster, Greer and Thorbecke’s (1984) “family”, namely, poverty rate, poverty gap and poverty severity. The poverty rate shows the percentage of people in the total population whose consumption is below the poverty lines. The poverty gap indicates the shortfall of the consumption of the poor from poverty lines as an average of all people in the population. The poverty severity measures inequality among the poor by giving more weight to the poorest of the poor.

As the primary purpose of social assistance transfers is to lift beneficiaries out of poverty, poverty reduction effectiveness is one of the major characteristics of a social assistance program. To quantify the effectiveness, the poverty rate, gap and severity are recomputed in the absence of social assistance benefits to estimate how the poverty indexes would be affected if no social assistance programs existed. Thereafter, poverty reduction effectiveness is computed in the following way (Sainsbury & Morissens, 2002):

\[ PE = \frac{(P_{\text{prior}} - P_{\text{post}})}{P_{\text{prior}}} \times 100 \]

Where PE is the poverty reduction effectiveness of social assistance in percentage, and \( P_{\text{prior}} \) is the poverty indexes before the receipt of social assistance benefits, and \( P_{\text{post}} \) is the poverty indexes after the receipt of social assistance benefits.

The general impression from the data is that poverty is widespread in Azerbaijan—44.6 percent live below the official poverty line and 9.64 live below the food poverty line. In comparison, poverty is not very deep as the poverty gap is relatively small—0.0882 and 0.0132 for the official and the food poverty lines respectively. Poverty severity is also relatively limited—0.0256 for the official poverty line and 0.0030 for the food poverty line. Taken together, these findings are important for our analysis by indicating that the majority of the poor are clustered just below the official and food poverty lines in relatively concentrated groups. The poverty indexes are, therefore, fairly unstable and can easily be changed. Consequently, the poverty status of the poor is highly sensitive to even a small variation in consumption including variation triggered by change in the amount of received social
transfers. In particular, it is important for the food poverty line, where the number of poor is small and the poverty line itself is set too low.

Table 3 presents the poverty reduction effectiveness of social assistance in Azerbaijan. As shown, only the Other Benefits and Social Pensions demonstrate relatively greater effectiveness by decreasing the poverty rate by 27.79 and 21.37 percent respectively. By contrast, Scholarships and Child Disability benefits have less satisfactory performance by decreasing poverty rate by 2.33 and 4.08 percent respectively. All other social assistance benefits have a relative effectiveness of less than 1 percent.

Looking from the perspective of poverty gap and severity reduction, a similar picture can be observed. The Other Benefits, Social Pensions and Child Disability have the most effect in reducing the poverty gap—69.23, 56.00 and 16.46 percent respectively. They also are most effective in reducing poverty severity—90.83, 81.37 and 37.50 percent correspondingly. All other social assistance benefits have negligible effectiveness in reducing both the poverty gap and severity.

Taken together, the findings suggest that social assistance programs do reduce poverty. However, poverty reduction effectiveness is inadequate—the number of the poor is still alarmingly high after the receipt of all social assistance benefits. The results also show that different programs have varying impacts on poverty. Among all of the analyzed programs, the Other Benefits have the best performance followed by Social Pensions and Child Disability, while other programs demonstrate minuscule effectiveness.

Inequality Measurement and Inequality Reduction Effectiveness

Combating poverty is an important but not the only goal of social assistance programs. The inequality reduction may also be considered as an important indicator of how effective social assistance is. It is also noteworthy that in contrast to social insurance benefits reflecting past earnings, social assistance can potentially play a more direct role in redistribution of wealth by channeling more benefits to the lower strata of the population regardless of
Table 3

Poverty reduction effectiveness of social assistance (%)

<table>
<thead>
<tr>
<th></th>
<th>Children Benefits</th>
<th>Scholarships</th>
<th>Social Pensions</th>
<th>Karabakh Benefits</th>
<th>Chernobyl Benefits</th>
<th>Child Disability</th>
<th>Other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OP</td>
<td>FP</td>
<td>OP</td>
<td>FP</td>
<td>OP</td>
<td>FP</td>
<td>OP</td>
</tr>
<tr>
<td>Rate</td>
<td>0.45</td>
<td>0.62</td>
<td>0.13</td>
<td>2.33</td>
<td>3.67</td>
<td>21.37</td>
<td>0.02</td>
</tr>
<tr>
<td>Gap</td>
<td>0.56</td>
<td>3.65</td>
<td>1.34</td>
<td>0.75</td>
<td>3.82</td>
<td>56.00</td>
<td>0.34</td>
</tr>
<tr>
<td>Severity</td>
<td>2.29</td>
<td>21.05</td>
<td>1.92</td>
<td>6.25</td>
<td>37.86</td>
<td>81.37</td>
<td>1.16</td>
</tr>
</tbody>
</table>

Notes: OP and FP mean official and food poverty respectively and are explained in the text. Poverty indexes after transfers which are shown in Table 2 provide the baseline for these computations. Data are rounded up.

Source: Authors' calculations based on AHBS (2003).
the work history or amount of previous contributions made by the poor.

To measure inequality this study chooses to use the Gini coefficient, one the most commonly used inequality measures. The higher the Gini coefficient, the higher the level of inequality. Using the Gini coefficient has advantages insofar as it satisfies three important principles: (1) anonymity—it does not take into account who the wealthy and poor are; (2) scale independence—it does not take into account the size of economy, wealth of the country and the size of population of the country; (3) transfer principle—if income is transferred from the wealthy to the poor, the Gini coefficient demonstrates more equal distribution. As a rule, the Gini coefficient is expressed in the percentage form as the Gini index that is equal to the Gini coefficient multiplied by 100. The disadvantage of using the Gini is that it is highly sensitive to selection of units of analysis (e.g. individuals or households), grouping (e.g. deciles or quintiles), and welfare indicators (e.g. income or consumption). As a result, the reported Gini may fluctuate greatly. For instance, for Azerbaijan in 2002, the United Nations' inequality database reported that Gini exceeded 50 percent, while the Azerbaijan government reports that the Gini is about 27 percent (GoA, 2004; UNU-WIDER, 2005). However, this study concentrates on measuring the Gini before and after social assistance transfers rather than on measuring the Gini per se. Thus, we avoid the impact of sensitivity to the results of computations.

Although it is more common to calculate the Gini of income, this study uses the coefficient computed on the base of consumption. This allows us to overcome underreporting of income in the data set and to provide consistency with poverty analysis. The units of analysis are households and the welfare indicator is per capita consumption.

The second column of Table 4 demonstrates the Gini index before receipt of social assistance benefits. As expected, our result for 2003, 21.35 percent, is different from the previously reported, but closer to the figure reported by the Azerbaijan government for 2002. After this, we recalculate the Gini index in the absence of social assistance benefits to measure how inequality would change without social assistance programs. Hence, the inequality
Social Assistance and the Challenges of Poverty and Inequality

Table 4

<table>
<thead>
<tr>
<th>Programs</th>
<th>Gini before receipt of benefits</th>
<th>Gini after receipt of benefits</th>
<th>Inequality reduction effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>21.805</td>
<td>21.359</td>
<td>2.045</td>
</tr>
<tr>
<td>Children benefits</td>
<td>21.372</td>
<td>21.359</td>
<td>0.061</td>
</tr>
<tr>
<td>Scholarships</td>
<td>21.363</td>
<td>21.359</td>
<td>0.019</td>
</tr>
<tr>
<td>Social Pensions</td>
<td>21.541</td>
<td>21.359</td>
<td>0.845</td>
</tr>
<tr>
<td>Karabakh benefits</td>
<td>21.358</td>
<td>21.359</td>
<td>-0.005</td>
</tr>
<tr>
<td>Chernobyl benefits</td>
<td>21.361</td>
<td>21.359</td>
<td>0.009</td>
</tr>
<tr>
<td>Child disability</td>
<td>21.374</td>
<td>21.359</td>
<td>0.070</td>
</tr>
<tr>
<td>Other benefits</td>
<td>21.590</td>
<td>21.359</td>
<td>1.070</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations based on AHBS (2003).

reduction effectiveness is computed as the following (Kopri & Palme, 1998):

\[
IE = \left( \frac{G_{prior} - G_{post}}{G_{prior}} \right) \times 100
\]

Where IE is the inequality reduction effectiveness of social assistance in percentage, and \(G_{prior}\) is the Gini index before receipt of social assistance benefits, and \(G_{post}\) is the Gini index after receipt of social assistance benefits.

The results of computation are presented in the third column of Table 4. In general, social assistance programs do decrease inequality. However, the magnitude of the impact is minuscule. The inequality reduction effectiveness of all social assistance programs taken together is about 2 percent. Two programs, namely, the Other Benefits and Social Pensions are the most successful in inequality reduction with an effectiveness of 1.070 and 0.845 percent respectively. All other programs also reduce inequality, but their effectiveness is almost negligible. The notable exception is Karabakh benefits which slightly increase inequality.

Allocation of Benefits

To investigate why the poverty and inequality reduction of social assistance is inadequate, we need to focus on the allocation...
of social assistance benefits to different groups of the population. In this section, households are ranked by deciles based on their per capita consumption to assess take-up, allocation efficiency, and benefit generosity of social assistance programs. Although we analyze the allocation of benefits to the total population, we especially test the extent to which benefits affect the poor. As shown in preceding sections, about 9.6 percent of the total population of the country lives below the food poverty line which is almost equal to the poorest decile. Consequently, we assume that the bottom decile represents the most vulnerable (Braithwaite et al., 2000; Milanovich, 2000).

**Take-up**

Take-up of social assistance benefits can be analyzed from the perspectives of horizontal and vertical efficiency (Atkinson, 1995; Beckerman, 1979). Horizontal efficiency indicates inclusiveness of the program and is measured by the Error of Exclusion, an indicator showing how many poor are erroneously excluded from the participation in the programs. The Error of Exclusion is computed as the percentage of the poorest population not covered by social assistance to the total percentage of the poor:

\[ E_e = \frac{D_{1n}}{D_1} \]

Where \( E_e \) is the Error of Exclusion, and \( D_{1n} \) is the number of the poor not receiving social assistance benefit in the first decile, and \( D_1 \) is the total population in the first decile.

On the contrary, vertical efficiency indicates to what extent coverage of social assistance programs is restricted to the poor and can be measured by the Error of Inclusion, an indicator showing what percentage of the non-poor are "mistakenly" covered by the programs. The Error of Inclusion is computed as the percentage of non-poor participants covered by social assistance to the total percentage of participants in the program:

\[ E_i = \frac{(D_2+D_3+D_4+\ldots+D_{10})}{(D_1+D_2+D_3+\ldots+D_{10})} \]

Where \( E_i \) is the Error of Inclusion in percentage, and \( D_1, \ldots, D_{10} \) are the percentage of non-poor participants covered by social assistance, meaning the first, second, \ldots and tenth deciles, respectively, and
the sum of \( D_1, \ldots, D_{10} \) is the total percentage of participants in the program.

Table 5 exhibits the take-up of social assistance programs, the Error of Exclusion and Error of Inclusion. In general, the Error of Exclusion is very high. About 87 percent of the poor living in the first decile do not receive any support from current social assistance programs. On the other hand, the Error of Inclusion is considerably high. About 89 percent of households covered by social assistance are not the poor. The same picture can be observed for separate programs. Some programs, namely, Chernobyl and Children benefits do not cover the poorest households and have the highest errors of exclusion of the poor—100 percent both. Even the programs that attained the best performances such as the Other Benefits and Social Pensions, still allow a high Error of Exclusion of the poor—94.87 and 95.21 percent respectively. The general impression from these findings is that the existing social assistance programs are not pro-poor. The main problems in the take-up of social assistance programs are the exclusion of the poor and the inclusion of the non-poor.

Allocation efficiency

Having been deemed an important performance indicator, social assistance take-up fails to take into account the variation in the share of social assistance transfers received by households. For instance, even if the poorest and the wealthiest deciles have the same number of households covered by a program, the actual proportion of benefits received by those households can be different. Hence, the proportion of benefits collected by deciles must also be assessed to measure what share of total social assistance benefits reach the poor (Coady & Skoufias, 2004).

The results of the computations are presented in Table 6 and provide two interesting insights. First, overall, the allocation efficiency of social assistance is minuscule, only a small share of social assistance benefits reaches the most vulnerable. Households in the first decile receive only 12.6 percent of total social assistance benefits. Nevertheless, as the first column in Table 6 demonstrates, distribution of social assistance benefits is progressive with the amount of benefits steadily decreasing with the growth in the
Table 5

*Take-up of social assistance by household per capita consumption by deciles*

<table>
<thead>
<tr>
<th>Deciles</th>
<th>Total Social Assistance</th>
<th>Social Pensions</th>
<th>Karabakh Benefits</th>
<th>Chernobyl Benefits</th>
<th>Children Benefits</th>
<th>Children Disability</th>
<th>Scholarships</th>
<th>Other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12.92</td>
<td>4.79</td>
<td>0.23</td>
<td>0.00</td>
<td>0.00</td>
<td>1.02</td>
<td>2.06</td>
<td>5.13</td>
</tr>
<tr>
<td>2</td>
<td>13.45</td>
<td>3.98</td>
<td>0.00</td>
<td>0.00</td>
<td>0.23</td>
<td>0.95</td>
<td>2.99</td>
<td>5.30</td>
</tr>
<tr>
<td>3</td>
<td>13.45</td>
<td>3.94</td>
<td>0.00</td>
<td>0.36</td>
<td>0.09</td>
<td>0.58</td>
<td>2.03</td>
<td>6.61</td>
</tr>
<tr>
<td>4</td>
<td>12.39</td>
<td>2.69</td>
<td>0.00</td>
<td>0.00</td>
<td>0.24</td>
<td>0.43</td>
<td>1.99</td>
<td>7.25</td>
</tr>
<tr>
<td>5</td>
<td>12.27</td>
<td>4.20</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.28</td>
<td>1.86</td>
<td>6.42</td>
</tr>
<tr>
<td>6</td>
<td>11.45</td>
<td>3.74</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.74</td>
<td>2.60</td>
<td>4.57</td>
</tr>
<tr>
<td>7</td>
<td>10.60</td>
<td>3.65</td>
<td>0.09</td>
<td>0.00</td>
<td>0.12</td>
<td>0.38</td>
<td>1.99</td>
<td>4.21</td>
</tr>
<tr>
<td>8</td>
<td>9.94</td>
<td>2.56</td>
<td>0.00</td>
<td>0.00</td>
<td>0.07</td>
<td>0.73</td>
<td>2.17</td>
<td>4.78</td>
</tr>
<tr>
<td>9</td>
<td>10.25</td>
<td>3.28</td>
<td>0.00</td>
<td>0.00</td>
<td>0.09</td>
<td>0.34</td>
<td>2.99</td>
<td>3.71</td>
</tr>
<tr>
<td>10</td>
<td>8.02</td>
<td>1.59</td>
<td>0.12</td>
<td>0.00</td>
<td>0.08</td>
<td>0.26</td>
<td>2.37</td>
<td>3.95</td>
</tr>
</tbody>
</table>

| Error of Exclusion | 87.08 | 95.21 | 99.77 | 100.00 | 100.00 | 98.98 | 97.94 | 94.87 |
| Error of Inclusion | 88.74 | 86.09 | 47.70 | 100.00 | 100.00 | 83.50 | 91.07 | 90.12 |

*Note:* Figures in the table indicate coverage by the programs. For instance, Social Pensions for Decile 1 is 4.79, meaning that 4.79 percent of all households in this decile received benefits from this program. Errors of Exclusion and Inclusion are explained in the text. Data are rounded up.

*Source:* Authors' calculations based on AHBS (2003).
Table 6
Allocation of social assistance benefits by household per capita consumption by deciles

<table>
<thead>
<tr>
<th>Deciles</th>
<th>Total Social Assistance</th>
<th>Social Pensions</th>
<th>Karabakh Benefits</th>
<th>Chernobyl Benefits</th>
<th>Children Benefits</th>
<th>Children Disability</th>
<th>Scholarships</th>
<th>Other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12.60</td>
<td>12.85</td>
<td>50.69</td>
<td>0.00</td>
<td>0.00</td>
<td>14.54</td>
<td>8.51</td>
<td>12.58</td>
</tr>
<tr>
<td>2</td>
<td>11.21</td>
<td>10.75</td>
<td>0.00</td>
<td>0.00</td>
<td>18.45</td>
<td>12.75</td>
<td>13.69</td>
<td>11.17</td>
</tr>
<tr>
<td>3</td>
<td>12.02</td>
<td>10.52</td>
<td>0.00</td>
<td>100.00</td>
<td>7.13</td>
<td>9.32</td>
<td>8.31</td>
<td>13.26</td>
</tr>
<tr>
<td>4</td>
<td>11.87</td>
<td>7.40</td>
<td>0.00</td>
<td>0.00</td>
<td>22.71</td>
<td>6.25</td>
<td>8.37</td>
<td>15.48</td>
</tr>
<tr>
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<td>4.14</td>
<td>9.60</td>
<td>11.78</td>
</tr>
<tr>
<td>6</td>
<td>9.59</td>
<td>11.07</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>14.80</td>
<td>11.34</td>
<td>8.32</td>
</tr>
<tr>
<td>7</td>
<td>9.19</td>
<td>10.64</td>
<td>20.66</td>
<td>0.00</td>
<td>11.07</td>
<td>12.11</td>
<td>7.83</td>
<td>7.98</td>
</tr>
<tr>
<td>8</td>
<td>9.41</td>
<td>9.32</td>
<td>0.00</td>
<td>0.00</td>
<td>32.49</td>
<td>17.26</td>
<td>7.78</td>
<td>8.43</td>
</tr>
<tr>
<td>9</td>
<td>7.29</td>
<td>10.52</td>
<td>0.00</td>
<td>0.00</td>
<td>2.14</td>
<td>5.08</td>
<td>13.36</td>
<td>5.19</td>
</tr>
<tr>
<td>10</td>
<td>5.45</td>
<td>4.30</td>
<td>28.65</td>
<td>0.00</td>
<td>6.02</td>
<td>3.75</td>
<td>11.22</td>
<td>5.79</td>
</tr>
</tbody>
</table>

Notes: Figures in the table indicate the percentage of total benefits redistributed by programs to households. For instance, Social Pensions for Decile 1 is 12.85, meaning that 12.85 percent of total benefits from this program are allocated to the households in this decile.

Data are rounded up.
Source: Authors' calculations based on AHBS (2003).
households' consumption. Likewise, the poorest decile receives almost twice as much transfer from various social assistance programs as the wealthiest decile. Second, the programs are very different in allocation efficiency. Karabakh Benefits achieve the highest efficiency by providing more than half of the total benefits for the poorest decile. Social Pensions and the Other Benefits exhibit to some extent progressive allocation of the benefits. By contrast, other social assistance programs do not have clear pattern of benefit allocation.

**Benefit generosity**

Benefit generosity shows the proportion of benefits in the total consumption of different groups of population. Assessing the benefit generosity permits us to estimate the importance of social assistance benefits for each decile of the population (Gilbert & Van Voorish, 2003).

The benefit generosity of social assistance programs is shown in Table 7. In general, benefit generosity is low for all analyzed social assistance programs inasmuch as benefits comprise only a small fraction of consumption for all deciles. However, in relative terms total social assistance benefits are marginally more important for the poor than the non-poor. In total, social assistance benefits comprise about 11.86 percent of total income of the poor households and 1.35 percent of the non-poor. Again, the performance of separate programs is divergent. The Other Benefits and Social Pensions are the most important programs for the poor. They provide the largest shares in consumption of the poor—6.39 and 4.24 percent respectively. On the other hand, other social assistance programs are less important to the poor, their shares in consumption in all the deciles are almost negligible.

**Summary and Implications for the Future Reforms**

This article focuses on the effectiveness of social assistance in Azerbaijan, a low-income country in an era of transition from the centrally-planned to a market economy. The findings of this paper demonstrate that social assistance has decreased poverty and inequality. Nevertheless, a significant number of people, 44.6 percent, are still poor. Furthermore, about 10 percent of the total population lives below the food poverty line. Therefore, the
Table 7

Benefit generosity of social assistance benefits by household per capita consumption by deciles

<table>
<thead>
<tr>
<th>Deciles</th>
<th>Total Social Assistance</th>
<th>Social Pensions</th>
<th>Karabakh Benefits</th>
<th>Chernobyl Benefits</th>
<th>Children Benefits</th>
<th>Children Disability</th>
<th>Scholarships</th>
<th>Other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11.86</td>
<td>4.24</td>
<td>0.20</td>
<td>0.00</td>
<td>0.00</td>
<td>0.73</td>
<td>0.31</td>
<td>0.39</td>
</tr>
<tr>
<td>2</td>
<td>8.39</td>
<td>2.82</td>
<td>0.00</td>
<td>0.00</td>
<td>0.16</td>
<td>0.51</td>
<td>0.39</td>
<td>0.51</td>
</tr>
<tr>
<td>3</td>
<td>8.04</td>
<td>2.46</td>
<td>0.00</td>
<td>0.19</td>
<td>0.06</td>
<td>0.33</td>
<td>0.21</td>
<td>0.79</td>
</tr>
<tr>
<td>4</td>
<td>7.24</td>
<td>1.58</td>
<td>0.00</td>
<td>0.00</td>
<td>0.16</td>
<td>0.20</td>
<td>0.19</td>
<td>0.09</td>
</tr>
<tr>
<td>5</td>
<td>6.36</td>
<td>2.48</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.12</td>
<td>0.21</td>
<td>0.56</td>
</tr>
<tr>
<td>6</td>
<td>4.91</td>
<td>1.99</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.40</td>
<td>0.22</td>
<td>2.30</td>
</tr>
<tr>
<td>7</td>
<td>4.31</td>
<td>1.74</td>
<td>0.04</td>
<td>0.00</td>
<td>0.06</td>
<td>0.30</td>
<td>0.14</td>
<td>0.02</td>
</tr>
<tr>
<td>8</td>
<td>3.96</td>
<td>1.37</td>
<td>0.00</td>
<td>0.00</td>
<td>0.16</td>
<td>0.39</td>
<td>0.13</td>
<td>0.91</td>
</tr>
<tr>
<td>9</td>
<td>2.66</td>
<td>1.34</td>
<td>0.00</td>
<td>0.00</td>
<td>0.01</td>
<td>0.10</td>
<td>0.19</td>
<td>0.02</td>
</tr>
<tr>
<td>10</td>
<td>1.35</td>
<td>0.37</td>
<td>0.03</td>
<td>0.00</td>
<td>0.02</td>
<td>0.05</td>
<td>0.11</td>
<td>0.77</td>
</tr>
</tbody>
</table>

Notes: Figures in the table indicate the percentage of distributed benefits as the share of total consumption of households. For instance, Social Pensions for Decile 1 is 4.24, meaning that transfers from the program on average compose 4.24 percent of the total consumption of the poor households in this decile.

Data are rounded up.

Source: Authors' calculations based on AHBS (2003).
performance of current social assistance should be improved to tackle the challenges of poverty and inequality. But, first of all, the reasons for modest performance should be identified.

Empirical evidence presented in this paper shows that the unsatisfactory performance of social assistance programs can be attributed to four major factors: (1) the benefits transferred to the poor are too small to significantly decrease the existing poverty and inequality; (2) some programs do not have an explicit mandate to reduce poverty and inequality; (3) the programs officially aimed at poverty reduction often have minuscule ability to identify the most vulnerable; and (4) the existing network of many programs with almost negligible benefits may be costly and administratively demanding.

The first and the most important factor for the ineffectiveness is the lack of funds to finance social assistance programs. The benefits are too low to "correct" poverty. As outlined, the reason for the low level of benefits is the overall low government spending per capita and as a percentage of GDP, which is caused by a weak economy and the comparatively small size of the total GDP. However, even if more resources were to be allocated to the existing programs, without taking into consideration the three other factors of inefficiency, the outcomes would still be insufficient.

The second factor is that even these scarce resources are distributed inefficiently by allocating a significant share of funds to the programs with low poverty reduction performance. Current social assistance programs suffer from high Errors of Exclusion and Inclusion. Comparison between programs, however, should be made with care inasmuch as they have different objectives. Some programs evaluated in this study such as Karabakh and Chernobyl Benefits do not have the explicit objective to confining benefits to the poor. Nevertheless, measuring poverty and the inequality-reduction effectiveness of these programs seems necessary under the current circumstances. Widespread poverty, inequality and general economic insecurity associated with transition in Azerbaijan have elevated the importance of social programs aimed at reducing poverty. There is also significant pressure to increase the impact of social assistance on poverty and inequality. At the same time, budgetary pressure limits the gov-
ernment's ability to increase the amount of benefits. Confronted with tight fiscal constraint, the government may have no other option but to adopt a more narrow approach by allocating more resources to the programs targeting the poor.

Third, the problem is further aggravated by the large number of the poor. In such circumstances, priority should be given to the most vulnerable, perhaps those who live in extreme poverty—below and close to the food poverty line. To cover more of the extremely poor and to provide them with a larger share of benefits, the social administrators need to know who the extremely poor are. Assessing poverty status of household is extremely difficult because of the diffused nature of poverty during transition and a large size of the informal economy. Current social assistance programs are not able to identify the most vulnerable. As shown, neither income-test nor categorical assistance is sufficient to properly assess the poverty status of households.

However, international experience shows several approaches to administering social assistance programs when poverty status cannot be easily assessed. One approach is community targeting, identified as contracting out social assistance programs to a community that will identify recipients, deliver benefits, and monitor and evaluate program implementation based on locally-agreed notions of poverty, deprivation, need or capabilities (Conning & Kevane, 2002). The underlying premise of community targeting is that community members are in a better position to identify the most vulnerable among themselves than social assistance workers. The transitional countries have already had some experience with implementing community targeting schemes for poverty reduction. For example, Uzbekistan has implemented the “Mahalla” scheme since mid-1990s (Micklewright & Marnie, 2005). Under the scheme, each community is provided with a part of the country's total social assistance budget. A committee comprised of the most respected representatives of the community is entrusted to allocate the benefits to the households according to local knowledge about their needs.

Another approach is proxy-mean targeting, identification of the poor by easily observable characteristics such as education, gender, age, access to a plot of land and clean water, possession of cars, and size of apartments. These characteristics, called
"proxies", can be used to statistically predict the poverty status of a household (Abdul Naga, 2003; Bisongo & Chong, 2001). The households exhibiting the identified set of proxies are classified as the poor and receive social assistance benefits. A well-known example of a proxy-mean targeted program is the "Opportunities" (formerly "Progressa") program in Mexico.

Fourth, after an appropriate method of allocating benefits is selected, it is useful to create a single poverty reduction benefit instead of continuing the existing hodgepodge of programs. Consolidating several benefits into one allows for decreasing administrative costs and increasing the amount of the benefit to the level required to lift beneficiaries out of poverty.

Finally, however efficient and effective social assistance might be, it is not a panacea for poverty during transition. Social assistance is only one element of a broader system of social protection that should be gradually developed in Azerbaijan. Other elements of the system such as pensions, unemployment insurance, maternity leave and sickness benefits should also be developed concurrently with the reforms in social assistance. In addition, social assistance is a fairly passive mechanism: it applies when a person or a household has already fallen into poverty. Hence, more pro-active strategies such as investments in education and health care, and access to inexpensive credit resources should also be used to achieve poverty reduction.

Notes


2. Neither the UN nor the Azerbaijan government fully disclose the details of their respective Gini calculations.

References


The Sequential Costs of Poverty: What Traditional Measures Overlook

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This research note proposes an addition to the poverty measurement debate. Motivated by dissatisfaction with the official poverty measure, which many scholars and practitioners share, we propose the use of sequential costs of poverty to enrich the poverty measure so that it might capture more closely the life-experiences of low-income families. After presenting some background on poverty measurement, this research note explores the conceptual framework that surrounds the notion of sequential costs. Drawing on our past research, we propose ways in which these sequential costs surface, with illustrative examples from health, employment, housing, and income maintenance.

Keywords: poverty measurement, low-income, latent and sequential costs of poverty

Background on Poverty Measurement

Devised by the Social Security Administration in the mid-1960s, the U.S. poverty threshold is computed as three times the USDA thrifty food budget. Families whose income falls below that threshold are considered to be poor. The threshold includes adjustments for family size but otherwise is essentially the same for all families across the U.S. This official poverty line was never intended to be a long-standing measure of poverty. Even creator
Mollie Orshansky assumed that it would be updated (Orshansky, 1965). Some of the most common criticisms associated with the official poverty measure are that:

- It does not account for geographic variation in cost of living. The poverty line in New York is the same as in Mississippi despite the observation that a dollar goes much further in Mississippi.
- It was based on 1950s consumption patterns, which have changed substantially, such that food may no longer account for one-third of a family's expenditures (Bernstein, Brocht, and Spade-Aguilar, 2000).
- Although the poverty measure adjusts for inflation, it does not account "for the increases in real family income and consumption by children" (Lichter, 1997, p. 124).
- It does not account for in-kind (non-cash) public assistance, such as food stamps, housing or health assistance, which have grown markedly in the past four decades. The implication is that those who receive these sources of assistance may be less poor than they appear by a cash income measure alone.
- It does not account for the costs associated with working, such as child care, which, when considered, would make working families more often appear poor.
- It does not account for taxes, both payments and receipts (credits), which have wide state variation.

In addition to these common critiques, other problems with the measure also have been identified. According to some (e.g., Lichter, 1997), the official poverty measure does not equilibrate adequately for family size despite existing variation in the poverty line by family size and structure. For instance, it does not account for the growing share of children being raised by single parents with cohabitating partners whose incomes are not included in the official measure (Manning and Lichter, 1996). Although these sources of income might make some families appear less poor, there is no guarantee that resources from cohabiters will be used to benefit children. In other words, the official poverty measure "implicitly assumes that parents' resources are invested in children—biological, step, noncustodial—in an equitable or altruistic way (i.e., equally according to need)" (Lichter, 1997, p. 124). Recent
work of ours has argued that, even more so than work expenses or payroll taxes, there are other, yet unmeasured costs associated with being low-income (Peck and Segal, 2006). If these “latent” and “sequential” costs would be accounted for, then more low-income families would be considered poor and we would have a better understanding of their true needs. We assert that, for several reasons, the official poverty measure underrepresents the proportion of families experiencing income hardship. Although the poverty measure’s limitations are widely cited (e.g., Citro and Michael, 1995; Haveman et al., 1988; Ruggles, 1990), it is still commonly used because scholars and policy makers alike understand it, and it has been consistently measured over time. Alternative measures are used but often only in addition to, rather than as substitution for, the official poverty measure (U.S. Department of Health and Human Services [DHHS], 2004). Real headway on the revision of the official poverty measure came in the 1990s with the National Academy of Sciences report (Citro and Michael, 1995), which was followed by the U.S. Census Bureau’s expanded use of what it calls “experimental” poverty measures to gauge well-being by measures more inclusive than money income alone.

Income poverty—whether measured by the official poverty line or some alternative—may still be insufficient to capture family and child well-being. In turn, some researchers have explored approaches to measuring and testing “hardship” indicators (e.g., Beverly, 2001; DHHS, 2004; Mayer and Jencks, 1989). Although income poverty and hardship have been shown to be correlated, there is not a perfect overlap. For example, among a Chicago sample in the 1980s, Mayer and Jencks (1989) found that income explains just 14 percent of the variance in material hardship. While measuring hardship is perhaps more desirable than measuring income poverty—because it may more closely capture real deprivation or well-being—it is a difficult task because of the large variation in possible measures.

Sequential Costs of Poverty

As noted above, we propose that previously unmeasured costs of being poor can be classified as latent and sequential (Peck and Segal, 2006). Latent costs are hidden, underlying or unac-
knowledged costs of having low-income. Sequential costs are consequential; they are those costs that come as a serial outcome of being low-income, may result in lost opportunity, and have subsequent cost implications. This section describes the framework we use to develop these concepts and fit them into the existing debate on poverty measurement. Two main reasons compel studying the latent and sequential costs of poverty. The first reason is to enable understanding the important lifespan issues—both to individuals and to society—associated with poverty’s varied costs. The second reason is that we, as a nation, demand of people living in poverty that they achieve certain outcomes, but those outcomes are limited by structural costs that may prevent achieving them.

The two concepts of latent costs and sequential costs of poverty are intertwined. Latent costs are always there: simply being poor limits a person’s life outcomes. Sequential costs affect outcomes that surface as a result of poverty. One latent cost of childhood poverty stems from living in a poor community where the schools are underfunded and overcrowded, a widely documented condition (Kozol, 1991; Phillips and Chin, 2004). The impact of this latent cost of poverty surfaces throughout a child’s lifetime, resulting in sequential costs. The sequential costs of a poor education are lower abilities in reading, writing, and math, making a person both less likely to pursue further education and less marketable in the employment arena. These limitations reduce lifetime earnings as well as access to broader opportunities for a child who grows up poor. The long-term implications of these sequential costs of poverty are cumulatively significant.

Although not a new sentiment, the attitude that people who are poor must strive toward economic self-sufficiency gained widespread publicity during the 1990s, first with the Contract with America proposed by Congressional members in 1994 and then codified into law with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. One of the key purposes of this act is to “end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage” [Section 401 (a) (2)]. Embodied in that sentence is the powerful belief that poor people using government cash assistance are dependent and can be cured of this
dependency through work and marriage. If this is the end result desired by policy-makers and the American public, then we need to unravel the steps that led people to become dependent on government benefit programs to begin with. Analyzing sequential poverty provides the framework for understanding this pathway. The path of sequential poverty can be intricate and differs for various kinds of people. This means that the end goal of economic self-sufficiency requires the "undoing" of sequential poverty. Therefore, it is imperative that we explore the pathways of latent and sequential poverty.

Sequential Costs in Action

To illustrate what these sequential costs of poverty actually are, we draw on interviews from a recent qualitative study with working poor and welfare reliant individuals, couples and families in the Phoenix, Arizona, metropolitan area. Using a purposive sample drawn from local social service agencies, the in-depth interviews were conducted during Summer 2003 and followed a semi-structured guide designed to elicit discussion about costs of living in the following areas: migration, work, income maintenance, money matters, transportation, health, housing, and legal issues, among other topics. The resulting 458 pages of narrative text comprise the study's data set. More information on study methods and sample are available in Peck and Segal (2006).

For this research note we select one example of sequential costs in each of several key areas. These examples are not intended to be representative of the lives of all poor people; instead, they provide at least initial evidence that some families experience what we have termed the "sequential costs" of being low-income. Each example is intended to demonstrate how the new concept of sequential costs might operate in four key areas—health, employment, housing, and income maintenance—of the lives of people living in or near poverty.

Health

Within the health arena, one example that illustrates how sequential costs operate comes from a research participant's dental
care experiences. In our research, one couple described that dental coverage through Medicaid was insufficient to meet their dental health needs. Specifically, they state that Arizona's Medicaid program, AHCCCS, pays for "extractions and stuff; I've had a couple of extractions." That experience is similar to another study participant who notes that he "didn't have a choice" when it came to how to treat a dental problem that called for a root canal, which AHCCCS does not pay for; instead, he had his tooth pulled, a procedure that AHCCCS would pay for, regardless of whether it was appropriate or ideal for his specific circumstance. In contrast, any other (non-poor) person who was in need of a root canal most likely would get the root canal rather than being restricted in choice—because of the insurer's preferences and limitations—that might cause future problems.

The sequential costs inherent in this example involve jeopardized dental health due to a lost tooth (instead of a fixed tooth) and the related future health complications and costs. A tooth extraction relative to a root canal is less expensive in money terms, but longer-term problems arise. For instance, teeth around the extraction site can shift and may erupt further. The underlying health problems are mirrored by aesthetic problems and related implications. That is, many low-skill or entry-level jobs, such as service jobs that require interaction with the public, become limited to people with visible dental health problems. As such, a sequential cost of such a tooth extraction is limited employment opportunities. These costs exist because these families have low-incomes. Though the costs to the insurance company to perform an extraction are smaller in the short-term, greater costs, both to the individual and to the health insurance provider, associated with not saving a tooth arise in the long-term.

**Employment**

It is widely acknowledged that many low-paying jobs are unstable and unsupportive (Mishel, Bernstein, and Allegretto, 2005). Evidence from our research reveals the ways in which this is true for some people and how those types of jobs carry with them sequential costs for workers and their families. The husband in one couple in our research study cycles between holding industry jobs and being self-employed. He really likes his chosen line of
work—stereo installation—but when he installs independently, his pay is irregular and he is without health insurance. When he works for an employer, he has lower but more stable income and often also has health insurance. The tradeoff is that he is happier working independently. To make up for the income instability, the wife sometimes works as the lunch coordinator at her son’s school, but she is embarrassed about being the “lunch lady.” This couple is markedly more stable than most of the people in our research, yet they still report getting about $250 per quarter in financial help from her parents, and they lost their house after a chance birth defect (during a period of no health insurance coverage) caused them to fall more than $50,000 in debt. Added costs of his line of work include paying for ongoing certification to be an audio and mobile installer, and, similar to many such low-paying jobs, his employer does not reimburse such expenses despite their being prerequisite to the job.

Embedded in this employment example are several instances of sequential costs. The lower self-esteem that comes from being in a job that one perceives as menial has implications for parenting; likewise, the stress associated with shifting between freelance work and more traditional jobs has psychological consequences as well. Research has shown that parenting is worse among those who face financial stresses, resulting in poor children experiencing greater levels of physical abuse than their non-poor counterparts (Conger and Elder, 1994; Kruttschnitt et al., 1994; McLanahan and Sandefur, 1994). Although this family did not demonstrate that abuse was occurring, there was a period after one child’s birth that the mother had a breakdown related to financial stress and relied heavily on her mother and others to care for her children. This makes clear that the long-term consequences of having unstable work are costly—both financially and emotionally—for families who experience them.

Housing

Shelter is one of the more fundamental needs that humans have. In the U.S., we have tied our “American Dream” to home ownership such that housing holds deep meaning as well as security. Furthermore, housing is one of the larger expenses that families have, and, as such, those with low incomes often face
challenges in meeting this need. While the challenge itself is often simply financial, there are repercussions that occur increasing the already relatively high costs of housing. One couple in our study has $600 in income per month, but their rent is $609 per month. They had been homeless in the past and this imbalance in income and expenses threatens homelessness again. Even families whose rent is less than their monthly income face other problems with housing. For example, initial costs—such as security deposits in rental housing or down-payments for buying a home—are prohibitive for low-income families. The higher levels of housing turnover that low-income families experience puts them at additional risk for losing money otherwise tied up in a security deposit.

Further, having housing is not only about having a roof over one’s head, but it also requires furniture, which has posed a problem for several people in our study. Common problems that have sequential cost implications include renting furniture, buying furniture on layaway or simply going without furniture. One research participant reported sleeping on the floor at the time of our interview because she did not have a bed or couch to sleep on. Another research participant reported that the beds she bought for her daughters would have been $200, but, because she purchased them through a rent-to-own store, she ended up paying $800 for them. She reported feeling cheated by having to pay four times the amount simply because she could not pay for them all at once. More importantly, these added costs mean that she was not able to save that money or use it for other, perhaps more valuable, purposes. These examples illustrate how housing—getting into housing, maintaining housing, and furnishing—can all have sequential costs that burden those who are poor even further than the money costs alone.

**Income Maintenance**

In the area of income maintenance, many categories of sequential costs exist: accessing banks and general money management result in sequential costs. When people have low incomes, they are systematically restricted from accessing mainstream financial institutions, and the implications are far-reaching. People who can not maintain a minimum balance at a bank must pay fees for
the bank to hold their money. This means that, as a percent of their income, people with low income—by virtue of having low income—pay more to have bank accounts. Some people in our research report being “blacklisted” because of having bounced checks in the past, and this additionally prevents them from establishing a bank account. In instances when people do not have a bank account, they face other costs. For example, many participants in our study either purchase money orders to pay their bills or deliver payments in cash. Purchasing money orders costs more, and the time (and therefore money, at least in terms of opportunity costs) required to hand-deliver payments costs more as well. The examples described here pose a challenge for almost all of the participants in our research.

Although the daily inconveniences and costs are important—perhaps we all face some of these, regardless of income—even more important are the sequential costs that follow for low-income people in particular. Specifically, not having a bank account or having bad experiences with financial institutions means that people do not build credit, which is necessary for long-term security, such as being able to secure a mortgage to buy a house and thereby build equity and assets. Several research participants in our study have poor credit, primarily because of their low incomes, and therefore report having to pay for goods up front and having no resources or credit available in emergencies. Poor credit also means paying higher interest rates, which therefore means that the same car, for example, costs more to someone who is low-income than to someone who is not. With little or no demonstrable credit, people in our study use check cashing services for loans to pay bills in emergencies; but these loans have extremely high interest rates. One example from our research was $60 every two weeks on a $300 loan; this is a 20 percent bi-weekly interest rate, which translates to 520 percent annually. Such high rates mean that repayment can be a daunting and lengthy process and may serve to damage credit even further. These sequential costs arise because of being poor and make it, in fact, more expensive to have very little money. These added, sequential costs create a situation in which a person pays more for daily transactions meaning that even less is available to save for longer-term income security.
Discussion and Conclusion

We identify clear examples of sequential costs related to health, employment, housing and income maintenance. David Shipler's recent journalistic chronicling of the lives of America's working poor reported that: "a run-down apartment can exacerbate a child's asthma, which leads to a call for an ambulance, which generates a medical bill that cannot be paid, which ruins a credit record, which hikes the interest rate on a car loan, which forces the purchase of an unreliable car, which jeopardizes a mother's punctuality at work, which limits her promotions and earnings capacity, which confines her to poor housing" (2004, p. 11). We have identified sequential costs within each of four arenas, but this quote from Shipler's work reveals that costs in one area have implications in other areas as well.

The intent of this research note is to identify conceptually and practically the sequential costs of poverty. These costs have been yet unmeasured in determining whether one falls below the official poverty line, yet we believe they are important because of the implications that exist for people's well-being. That is, a family might be considered non-poor according to the official poverty measure, but when the added, sequential costs of their life activity are taken into account, they would fall below the poverty threshold. These sequential costs are similar to other kinds of costs that the debate over the official poverty measure has concluded are relevant. For instance, the costs associated with work—such as child care, transportation, or uniform costs—are increasingly recognized as expenses that should be netted out of families' income in order to determine their poverty status.

This new category of costs—sequential costs—is important for understanding more fully the experience of poverty, with implications both for how we measure poverty and how we address the outcomes of poverty. This is important because of the consequences of living in poverty for children. Children who grow up in poverty have not only impaired physical growth and impaired cognitive abilities but also impaired social functioning (exhibited in greater levels of depression and behavioral problems) (Hill and Sandfort, 1995; Korenman et al., 1995). As noted above, abuse
Costs of Poverty

may be greater among children living in poverty (Conger and Elder, 1994; Kruttschnitt et al., 1994; McLanahan and Sandefur, 1994). These relatively short-term consequences have long-term implications, and these long-term implications are what we are terming “sequential costs.” For example, in the longer term, children from poor families are less productive as adults, both in terms of earnings and hours worked and welfare use (Duncan et al., 1994; McLanahan and Sandefur, 1994; Zill, 1993), which means that they earn less over a lifetime, a sequential cost of their earlier experience. In Lichter’s (1997) words, “The effects of high rates of economic deprivation among today’s children may only be fully realized by tomorrow’s adults” (p. 122). In general, poor families report higher levels of material hardship (Federman et al., 1996), and these hardships have important consequences for children’s well-being. Although above we have discussed mainly the sequential costs for adults and families, this discussion here identifies how past research has focused on the longer-term sequential costs of poverty for children.

Furthermore, understanding the sequential route of poverty can help in promoting the desired outcomes of economic well-being. Simply demanding that people find jobs ignores the sequential pathway of how they came to be in poverty. Perhaps a better way to deal with poverty is to address the sequential steps that led to impoverishment.

Future research on the far-reaching implications of this proposed view of poverty might include quantifying the sequential costs in a variety of ways. One possibility is to quantify some of these sequential costs more specifically than we have done here. Doing so would be useful because they could then be integrated more fully into an alternative poverty measure and help to develop alternative ways to address poverty. In addition, not only do sequential costs accrue to individuals as described here, but they also accrue to institutions and the community. An exploration of the community and institutional costs would be worthwhile and in line with other efforts to contain the costs of providing public social and health services. Understanding the complexity and sequential nature of impoverishment can lead to new ways to measure poverty and to address and prevent poverty.
References


Note

1. Arizona’s Medicaid program is the Arizona Health Care Costs Containment System, AHCCCS, which is commonly pronounced as “access.”
This study provides the first empirical test of whether searching for jobs on the Internet can help people gain access to high quality jobs. Using new data from former welfare clients in Florida, we present results from a multivariate regression analysis of Internet job searching on wages and on a number of job benefits. On average, Internet job searchers receive better jobs than people who conducted more traditional job searches, net of numerous control variables. These findings suggest that welfare recipients have a great deal to gain from searching for their jobs on the Internet.

Keywords: welfare; Internet; computer; job search

The remarkable increase in online recruiting and Internet job searching in the last decade has fundamentally transformed job searching and job allocation (Feldman & Klaas, 2002; Cappelli, 2001; Kuhn & Skuterud, 2000, 2004). The use of the Internet in job searching has the potential to lower unemployment and increase productivity to the economy as a whole (McConnell, Brue, & McPherson, 2002). However, Internet job searching and recruiting could also lead to an increase in labor market inequality, as employers may use the “digital divide” as a filtering technique (Cappelli, 2001). Firms often advertise on the Internet to screen out less desirable workers. Employers tend to view Internet applicants as better educated, more motivated and more resourceful (Niles
Therefore, employers often use newspapers and print ads to recruit less-skilled employees, while using the Internet to target skilled workers to fill higher-level positions.

By relying solely on traditional job search methods, a job seeker may be limiting her access to low-pay, low-quality jobs. This assertion, however, has yet to be tested empirically, as most researchers simply assume that people can convert Internet access into valued resources (Dimaggio, Hargittai, Neuman, & Robinson, 2001). Only recently have researchers begun to examine the relative effectiveness of Internet job searching, although these investigations have focused on unemployment duration rather than on job quality (Kuhn & Skuterud, 2004; Fountain, 2005).

The potential for employment benefits from Internet job searching is greatest among vulnerable populations. Research on welfare recipients has focused on job matching processes and outcomes for former welfare clients (Lindhorst, Mancoske, & Kemp, 2000; Vartanian & McNamara, 2000; Anderson, Halter, Julnes, & Schuldt, 2000) and on the importance of the direct intervention of welfare program managers to help clients find jobs (Livermore & Neustron, 2003; Wilson, Stoker, & McGrath, 1999). However, few have considered the Internet as a viable option for matching welfare clients to jobs. Internet job searching among former welfare recipients is comparable to Internet searching among unemployed workers in the general population (Crew and Lamothe, 2003; Kuhn & Skuterud, 2000, 2004). By tapping into the opportunities online, welfare recipients may be able to use the Internet as a bridge to stable, high quality employment.

Data and Sampling

Drawing from telephone survey data and administrative records on former welfare recipients in Florida, we provide the first empirical test of the extent to which Internet job searching results in the receipt of better jobs than traditional search methods. The sample was randomly selected from a list (provided by Florida's Department of Children and Families) of people who had been on welfare but did not receive a Temporary Aid to Needy Families (TANF) check for two consecutive months at some point between
January and September of 2001. The sample consisted mostly of women (about 90 percent).

Florida State University’s Survey Research Laboratory (SRL) conducted the interviews between April and July of 2003. Among eligible respondents that the SRL was able to contact, almost half completed the survey (cooperation rate COOP1 = 48%, AAPOR, 2004). However, contacting eligible respondents is extremely difficult given the population’s mobility and susceptibility to interruptions in telephone service. As a result, many of the phone numbers were no longer working or were wrong numbers. The SRL made numerous attempts and called additional phone numbers for non-respondents (found through prior administrative data and an electronic telephone directory program) in order to increase the response rate. In the end, 845 respondents (out of 5,000 potential respondents) completed the survey (raw response rate RR1=17%, AAPOR, 2004). This response rate, though low, is quite similar to response rates for telephone surveys of similar populations (e.g., RR1=25% for Lindhorst et al., 2000).

Welfare populations are notoriously difficult to track, which introduces the potential for non-response bias. Non-response bias can occur when the characteristics of respondents systematically differ from the overall sample and when these differences contribute to biased estimations. Researchers of low income and welfare populations have used a variety of techniques to address the potential for non-response bias in their samples (e.g. Michalopoulos, Card, Gennetian, Harknett, & Robins, 2000; Groves & Wissoker, 1999; Kauff, Olsen, & Fraker, 2002; Crew, Eyerman, Graham, & McMillan, 2000). None of this research shows a significant response bias. Several independent sample t-tests were run to determine the extent to which the demographic characteristics of the people who completed the survey differ from the characteristics of people from the overall sample. The small differences do not appear to reflect a systematic pattern of non-response bias. Based on these results, we feel confident that our data present a fairly accurate picture of the activities of individuals who left Florida’s TANF program in 2001.

These survey data on former welfare recipients are unique because they contain a module on respondents’ Internet search activities that was adapted from questions asked in the December
1998 Current Population Survey Computer and Internet Use Supplement. These questions were only asked of respondents who had found a job since leaving welfare, or about 70 percent of all respondents. Consequently, the respondents who were unable to find work since leaving welfare are excluded from the analysis. To correct for potential selection bias due to this exclusion, a Heckman selection procedure was run to obtain the inverse Mill’s ratio (Breen, 1996), which was used as an independent variable in all of the multivariate analyses.

Findings

Twenty percent of respondents reported that they had used the Internet to search for their current (if employed) or most recent (if unemployed) job. Respondents were also asked about the kinds of Internet job search activities that they engaged in and where the searches were conducted. Three out of four read online job ads or searched online job listings, by far the most popular Internet search strategy. Respondents also submitted resumes and applications (28%), researched information about employers (23%), and posted resumes on job listing sites (12%). Close to 60 percent of the former welfare recipients who conducted Internet job searches did so at home. Other places (such as community centers, public libraries, employment agencies, someone else’s computer, school) were used much less frequently and very few reported using the Internet at the TANF office or at work. Most respondents cited either the lack of access to a computer and/or the Internet (44%) as the main reason for not using the Internet to search for jobs or they explained that they did not need to use the Internet because they were able to find a job some other way (24%). The final Internet questions reveal that 43 percent of former welfare clients have access to a computer and 36 percent have access to the Internet in their households.

Logistic regression analysis was used to identify the factors associated with Internet job searching (see Table 1). The results indicate that there are few differences between welfare recipients who searched for their jobs on the Internet and those who did not. Gender, race, region, and number of children in the household are not significantly related to the odds of Internet job searching.
Table 1  
*Odds Ratios for Binary Logistic Regression on the Likelihood of Internet Job Search*

<table>
<thead>
<tr>
<th>Internet job search</th>
<th>Model 1</th>
</tr>
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<tbody>
<tr>
<td>Female</td>
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<td>[Male]</td>
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</tr>
<tr>
<td>Black</td>
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<tr>
<td>[White]</td>
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<tr>
<td>Married</td>
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</tr>
<tr>
<td>[Unmarried]</td>
<td>.439</td>
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<tr>
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<tr>
<td>Female*number of children</td>
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<td>Central Florida</td>
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<td>[South Florida]</td>
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</tr>
<tr>
<td>Fair/poor health</td>
<td>1.050</td>
</tr>
<tr>
<td>[Good health]</td>
<td></td>
</tr>
<tr>
<td>High school graduate</td>
<td>1.501</td>
</tr>
<tr>
<td>Post high school graduate</td>
<td>.982</td>
</tr>
<tr>
<td>[Less than high school]</td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>.709</td>
</tr>
<tr>
<td>[Employed]</td>
<td></td>
</tr>
<tr>
<td>Number of jobs since leaving welfare</td>
<td>1.109</td>
</tr>
<tr>
<td>Length of most recent unemployment gap</td>
<td>.731</td>
</tr>
<tr>
<td>Drives to work</td>
<td>.943</td>
</tr>
<tr>
<td>[Does not drive to work]</td>
<td></td>
</tr>
<tr>
<td>Hardship</td>
<td>1.080</td>
</tr>
<tr>
<td>Government assistance</td>
<td>1.197</td>
</tr>
<tr>
<td>Offline job search intensity</td>
<td>.257</td>
</tr>
<tr>
<td>Computer in home</td>
<td>2.364</td>
</tr>
<tr>
<td>Internet access at home</td>
<td>5.993</td>
</tr>
<tr>
<td>[No computer in home]</td>
<td></td>
</tr>
<tr>
<td>Inverse Mill's ratio</td>
<td>10.285</td>
</tr>
<tr>
<td>N</td>
<td>538</td>
</tr>
<tr>
<td>Pseudo R-squared</td>
<td>.166</td>
</tr>
</tbody>
</table>

*p < .01, *p < .05, *p < .06; two-tailed test  
The reference categories for the dummy variables are bracketed.
However, the unmarried are more likely to have conducted Internet searches than the married. And younger people are more likely to have searched on the Internet for their jobs, which is consistent with prior evidence (Bimber, 2000; Strober & Straubhaar, 2000).

Surprisingly, there are also few differences in the kinds of skills and resources of Internet versus traditional job searchers. Health is essentially unrelated to the chances of Internet job searching. Education is not significantly related to Internet job searching, which runs counter to other research noting a positive relationship between education and Internet use (Bimber, 2000; Strober & Straubhaar, 2000). People with high school degrees are more likely than people without high school degrees to have searched for their jobs on the Internet, though the relationship is not statistically significant. People with degrees beyond high school have roughly the same odds of conducting an Internet search as people without a high school degree. Current employment status and the number of jobs that a person has had since leaving welfare are unrelated to the odds of Internet searching. People with longer unemployment spells were, however, less likely to have searched for their jobs on the Internet.

We also included in the model several additional measures designed to assess differences in material resources. For example, we include a measure of whether or not a person drives their own car to work (versus using public transit or other forms of transportation), which serves as a proxy measure for owning a car. However, this variable is unrelated to Internet searching. We also constructed a hardship index—a count of negative life events that people may have experienced since leaving the welfare program (e.g., Has the electricity in your home ever been cut off?). The index ranges from 0–12 and has an alpha reliability score of .66. Again, this variable is unrelated to Internet job searching. In similar fashion, we constructed an index of the number of different forms of government assistance that people receive (i.e., Food Stamps, Medicaid, SSI). The variable ranges from 0–8 and has an alpha of .53. People who receive greater government assistance are significantly more likely to have conducted an Internet search.

Several other factors are associated with the likelihood of
Internet job searching. The number of offline (non-Internet) job search methods used is inversely related to Internet searching. In other words, the Internet job searchers did relatively little job searching offline. Offline job searching consists of getting a job through a personal contact (friend, relative, or acquaintance), through formal job search methods (through want ads or through an employment matching service), or by applying directly for the position. Access to computers and the Internet in the home are the most powerful predictors of Internet job search among welfare recipients. People with access to both computers and the Internet at home are almost 6 times more likely than people without computers to have searched the Internet for their jobs. Interestingly, people with computers but without Internet access at home are more than twice as likely to have searched for their jobs on the Internet as people without computers in their homes. This suggests that familiarity with computer technology is an important determinant of Internet job searching, as people without Internet access in the home are more likely to conduct an Internet job search if they have a computer in the home.

It is important to note that the inverse Mill's ratio is positively associated with the likelihood of Internet job searching. This shows that the characteristics of people who did not find work since leaving welfare are significantly different from the characteristics of people who searched for their jobs on the Internet. Based on this, we would expect that the people who did not find employment after leaving welfare were less likely to have conducted Internet job searches. On the whole, then, Internet searchers appear to have somewhat greater skills and resources than respondents who did not search for their jobs on the Internet. The greatest difference, though, is access to the Internet.

Finally, we assess the extent to which Internet job searching is consequential for job outcomes. For this set of analyses, several job quality indicators are used as dependent variables. We ran weighted least squares regression models on the log of hourly wages plus logistic regression models on the likelihood that the job is full time or offers pension benefits, health care for the respondent and for their children, and training opportunities. In the regression models, we include most of the variables listed in Table 1 in order to control for personal characteristics, skills and
resources that might moderate the relationship between Internet job searching and job quality (see Table 2 for details).

While a direct measure of job-related skills is not available in the dataset, we used information on occupation to construct a "job zone" variable which measures vocational preparation—the amount of experience, education, and training that would be necessary to perform the job (O*NET Consortium Database, 2005; Hadden, Kravets, & Muntaner, 2004). Job zone values range from one (little or no preparation needed) to five (extensive preparation needed). The job zone variable is positively associated with both Internet searching and with each of the employment outcomes, suggesting that (1) the Internet searchers have greater job-related skills than people who do not search on the Internet and that (2) highly skilled jobs are more likely to be advertised on the Internet. By controlling for job zones, we assess the relationship between Internet searching and job quality net of the skill requirements of the job.

The results of the regression analyses are summarized in Table 2. Internet searching is positively associated with all six of the job quality indicators (see Model set A), though the relationship is statistically significant for only half of these dependent variables. People who searched for their jobs on the Internet are significantly more likely than people who did not search online to have received a job with pension benefits, health care for their children, and training opportunities. Post-hoc analyses (not shown) reveal a significant interaction between gender and Internet searching for the wages model, such that, among women, Internet job searchers receive significantly higher wages than women who did not search for their jobs on the Internet. Offline job seeking is not nearly as successful as Internet searching. None of the offline search methods (personal contact use, formal job seeking, or direct application) is significantly associated with a positive job outcome. In fact, these offline methods are more often negatively associated with the job quality measures.

We also investigated the role of job search intensity (see Model set B). The intensity measures reflect a count of the different search activities that the respondent engaged in. Internet searching includes the following four possibilities: (1) reading online
Table 2
Summary of Regressions of Internet Job Search on Job Outcomes

<table>
<thead>
<tr>
<th></th>
<th>Full time</th>
<th>Log of hourly wages</th>
<th>Pension</th>
<th>Health care</th>
<th>Health care for children</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Logistic</td>
<td>WLS</td>
<td>Logistic</td>
<td>Logistic</td>
<td>Logistic</td>
<td>Logistic</td>
</tr>
<tr>
<td></td>
<td>Odds</td>
<td>B (SE)</td>
<td>Odds</td>
<td>Odds</td>
<td>Odds</td>
<td>Odds</td>
</tr>
<tr>
<td></td>
<td>sig.</td>
<td>sig.</td>
<td>sig.</td>
<td>sig.</td>
<td>sig.</td>
<td>sig.</td>
</tr>
<tr>
<td>Model set A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet search</td>
<td>1.295</td>
<td>.041 (.033)</td>
<td>2.382 **</td>
<td>1.346</td>
<td>1.780 †</td>
<td>2.101 *</td>
</tr>
<tr>
<td>Offline search</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal contacts</td>
<td>1.139</td>
<td>-.081 (.068)</td>
<td>.518</td>
<td>1.279</td>
<td>1.287</td>
<td>.536</td>
</tr>
<tr>
<td>Formal</td>
<td>1.484</td>
<td>-.023 (.067)</td>
<td>.686</td>
<td>1.050</td>
<td>.914</td>
<td>.589</td>
</tr>
<tr>
<td>Direct application</td>
<td>.768</td>
<td>-.127 † (.065)</td>
<td>.886</td>
<td>1.164</td>
<td>1.435</td>
<td>.406</td>
</tr>
<tr>
<td>R-square</td>
<td>.084</td>
<td></td>
<td>.169</td>
<td>.141</td>
<td>.126</td>
<td>.167</td>
</tr>
<tr>
<td>Pseudo R-square</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>
Table 2  Continued

Summary of Regressions of Internet Job Search on Job Outcomes

<table>
<thead>
<tr>
<th></th>
<th>Full time</th>
<th>Log of hourly wages</th>
<th>Pension</th>
<th>Health care</th>
<th>Health care for children</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Logistic</td>
<td>B</td>
<td>Logistic</td>
<td>Logistic</td>
<td>Logistic</td>
<td>Logistic</td>
</tr>
<tr>
<td></td>
<td>Odds</td>
<td>(SE)</td>
<td>Odds</td>
<td>Odds</td>
<td>Odds</td>
<td>Odds</td>
</tr>
<tr>
<td></td>
<td>Ratios</td>
<td>sig.</td>
<td>Ratios</td>
<td>sig.</td>
<td>Ratios</td>
<td>sig.</td>
</tr>
<tr>
<td>Model set B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet search intensity</td>
<td>1.255</td>
<td>.044 *</td>
<td>1.977 **</td>
<td>1.449 *</td>
<td>1.539 **</td>
<td>1.384 †</td>
</tr>
<tr>
<td>(0.021)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offline search intensity</td>
<td>1.086</td>
<td>-.072</td>
<td>.712</td>
<td>1.212</td>
<td>1.189</td>
<td>.459</td>
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<tr>
<td>(0.064)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-square</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pseudo R-square</td>
<td>.075</td>
<td></td>
<td>.180</td>
<td>.148</td>
<td>.131</td>
<td>.160</td>
</tr>
<tr>
<td>N</td>
<td>529</td>
<td>455</td>
<td>513</td>
<td>525</td>
<td>521</td>
<td>520</td>
</tr>
</tbody>
</table>

**p < .01, *p < .05, † p < .06; two-tailed test

All models control for gender, race, marital status, number of children, female*number of children, region, age, health, education, employment status, number of jobs since leaving welfare, length of most recent employment spell, drives to work, hardship, government assistance, full time job status, required vocational preparation for each occupation, and the inverse Mill's ratio.
job ads or searching online job listings, (2) submitting a resume or application to an employer online, (3) researching information about potential employers, and (4) posting a resume on a job listing site or with a service online. As mentioned above, offline searching consists of using personal contacts, formal search, and direct application. The regression results reveal that intensity of Internet search is positively and significantly associated with all the job quality indicators except for full time employment. In other words, each additional Internet job search strategy is associated with an increase in the likelihood of receiving most job benefits. Each additional strategy is also associated with about a 4.5 percent increase in hourly wages (calculated as 100*[exp(B) – 1]; see Hardy, 1993, pp. 56-60). Offline search intensity, on the other hand, is essentially unrelated to job quality.

Discussion

Some of the best jobs are advertised on the Internet. Employers often rely on the Internet to fill skilled positions rather than unskilled positions, using the digital divide as a sorting mechanism to identify qualified candidates (Niles & Hanson, 2003). As a result, former welfare recipients who search for their jobs on the Internet tend to receive better jobs on average than those who rely on traditional job search methods. Indeed, the welfare recipients who used the Internet had greater skills, but the advantages to Internet searching remain even after controlling for the skill requirements of the job.

Of course, searching on the Internet does not guarantee that the searchers will be hired for the jobs. But by searching for jobs on the Internet, welfare clients can expand their knowledge of potential openings, increasing their likelihood of landing a good job. Internet searching also signals to employers that workers have desirable skills and characteristics. When making hiring decisions, employers often look for signals that may be indicative of workers’ productive capacity (Bills, 2003). A recent study demonstrates that simply listing an e-mail address in a resume significantly increases the chances of a receiving a call back from the employer (Bertrand & Mullainathan, 2003). By responding to an online position announcement, workers project a sense
that they are young, educated, web-savvy, and computer literate, regardless of whether or not that is actually the case.

Prior research examining job matching processes and outcomes of former welfare recipients has often focused on the role of case workers in helping clients find their jobs (e.g., Livermore & Neustron, 2003; Wilson et al., 1999). But welfare recipients rarely rely on their case workers to find them jobs (Crew and Lamoth, 2003; Crew, McDonald, and Johnson, 2000). Most low income people find employment in much the same way as do people in the "regular" workforce... on their own (Rankin, 2003). Internet searching is a particularly effective way that low income people find jobs. Therefore, policy makers should implement programs that promote Internet job searching among welfare clients. Internet job searching should not replace traditional search methods, but supplement these methods for the 80 percent of former welfare clients who do not search the Internet. The results demonstrate that the greatest impediment to searching for a job on the Internet is access. Welfare offices should offer sufficient Internet access for their clients to allow them to search for their jobs. In addition to providing access, welfare offices should also provide training on how to search the Internet for jobs. Internet search intensity is positively related to job outcomes, suggesting that people who conduct more thorough Internet searches are more likely to receive better jobs. Welfare clients could be taught different search strategies (e.g. conducting research on employers, submitting a resume directly to a company, etc.) and they could be pointed in the right direction for where to look for jobs on the Internet.

In Florida, welfare offices generally provide Internet access for their clients, but lack formal training or classes on computer or Internet use (Hall, 2005). Informal help is sometimes provided, but the extent to which this occurs varies widely across the state. On the national scene, the federal government provides funding opportunities for the states to facilitate the creation of one-stop career centers. These centers generally provide access to the Internet and other resources that offer labor market information (Sampson, Reardon, Kolodinsky, & Herbert, 1998; Sampson & Reardon, 1998). However, access to this information alone is unlikely to be effective by itself (Sampson & Reardon, 1998). These centers
generally lack formal guides for using these resources and instead emphasize self service. More importantly, one-stop centers have suffered from a lack of coordination with TANF work programs and the kinds of services and resources offered vary substantially across localities (Nilsen, 2002).

By empirically establishing the link between Internet searching and job quality, this study provides an important starting point for future research. First, researchers should explore whether or not the labor market advantages of Internet searching extend beyond low income populations. Second, future investigations should test the robustness of these findings by employing better measures of workers’ skills and resources or analyzing longitudinal data in order to control for unmeasured characteristics in a fixed effects framework (see Kuhn & Skuterud, 2004). Third, recent analyses suggest that the payoffs to Internet searching may diminish over time (Fountain, 2005). As such, researchers should examine trends in the effectiveness of Internet searching over time. By further investigating the role of the Internet in job allocation processes, we can enhance our understanding of labor market stratification, barriers to achievement, and the ways that people can use technology to overcome these barriers.

References


The Self Sufficiency Project at 36 Months. Social Research and Demonstration Corporation. Montreal, Canada.


Karín Kurtz and Hans-Peter Blossfeld (Eds), *Home Ownership and Social Inequality in Comparative Perspective*. Stanford, California: Stanford University Press, 2004. $70.00 hardcover.

Although home ownership features prominently in the lives of many ordinary people, providing equity, wealth and status, its significance for scholarly inquiry into social inequality has not been adequately researched. This useful book is an important attempt to address this issue. By examining the relationship between inequality and home ownership, it makes a significant contribution to social science research.

The editors begin by asking why home ownership has been so neglected in social stratification studies? Addressing this issue in the Introduction to the book, they argue that it may be attributed to the shortcomings of traditional stratification studies which normally assume home ownership to be a dependent variable. Since home ownership is usually linked to class, occupation and income, there seems to be little interest in singling it out for detailed analysis. However, as the editors rightly point out, this is a shortsighted approach and they seek to focus attention on the question. They note that recent research has to some extent begun to address the issue. Home ownership, in real estate terms, is capable of losing or gaining value over time and, accordingly, affects personal and family wealth position enormously, and hence is directly related to social inequality. The editor’s contribution is to present a series of country case studies that show how important home ownership is for understanding wider social inequalities.

The editors make extensive use of Esping-Andersen “three worlds of welfare” typology (social democratic, liberal and conservative) to frame the discussion. They point out that home ownership does not exist in a vacuum and that it is linked to a country’s unique history, culture, institutions, and most important, its government housing policy. By using Esping-Andersen’s regime approach, the editors and authors of the individual chapters attempt to connect public policy, home ownership and stratification.
Accordingly, twelve country studies are presented: Germany, France and Belgium represent the conservative regimes; the Netherlands, Denmark and Norway represent the social democratic regimes; and Britain, Ireland and the United States represent the liberal regimes. Added to the list is a fourth group comprised of Italy, Spain and Israel, which does not fit into Esping-Andersen’s welfare regime schema. Three research questions are raised in the case studies. First, how do different occupational classes affect access to home ownership? Second, what role do intergenerational transfer play? Finally, how do patterns of access to home ownership vary and why?

The finding to the first question is not unexpected. The case studies show that across all countries, income and social class still play an important role in home ownership. However, what is more interesting is that even for social democratic countries like Denmark, Norway and Netherlands, which are supposedly more egalitarian, access is still significantly affected by class and income position. Perhaps welfare regimes might not after all be such a significant factor in determining home ownership and inequality when compared to more dominant factors like income and class.

The discussion of inter-generational transfer and its influence on housing access is weaker and more ambiguous, since the data vary significantly and are not strictly comparable. However, there appears to be some relationship in Germany, the Netherlands, Denmark and Israel. The case studies reveal that parental assets play a lesser role in home ownership in Germany and the Netherlands, while they are more important in Denmark.

On the final question of how do patterns of access to home ownership differ, it is interesting to note that in Italy and Spain, where self-building practices are more popular among blue collar workers, home ownership rates tend to be higher. Also, other than the general finding that the agrarian traditions of these societies tend to favor home ownership also plays a significant role in facilitating home ownership.

In assessing the book, two concerns may be expressed. First, most of the empirical findings presented in the volume still reflect the traditional practice of treating home ownership as a dependable variable. No evidence (or limited evidence in the case of Ireland) is provided to show how wealth gained through
home ownership affects the life chances of different cohorts and classes of households. Readers will still be unclear as to how home ownership affects class formation and social inequality?

Second, the conclusion that there is an inverse relationship between home ownership and welfare expenditure appears flimsy. The case studies suggest that a collective regime generally has a smaller home ownership rate than a liberal regime. However, it is not clear why Norway (a social democratic regime) has a high home ownership rate. The link between welfare regime and the housing system seems to be more complex than suggested by a simple inverse relationship. Perhaps the book relies too extensively on the welfare regime approach.

Nevertheless, the book makes a seminal and important contribution to the literature. The criticisms that may be made of the study do not detract from its overall contribution. The book is scholarly and well grounded in theory. It is a highly recommended reference work for students and researchers alike working in the fields of housing, planning, urban sociology and public policy. It has certainly set a high standard for future research in this neglected field.

James Lee
City University of Hong Kong


There is an ongoing international as well as national battle over the issue of same-sex marriage which involves profound legal, social, political, and moral considerations—invoking the most basic understandings of values, traditions, and prejudices. Mello examines the issue in his analysis of the 1999 decision of the Vermont Supreme Court in Baker v. State and as of which the Vermont Legislature enacted a "civil union" law. The issue of same-sex marriages has been highlighted in a plethora of court cases and has been used in national political campaigns to energize conflicting political and social forces. These forces of social change project polarizing views of modernity, social values, and of civil society. Changes in the structures and functions of
families symbolize critical influences on how we wish to define the basic unit of society—the family. Mello documents these forces of social change as they played out in the political, social, and legal climates of Vermont as it confronted the conflictual issues of same-sex marriage and reached what is viewed as a political compromise—the legal establishment of civil unions.

About a century ago theorizing on structural and functional changes in patriarchal and extended family life brought about by "Westernization" and industrialization charted changes in family life. Many families functions were diminished, except for the "affective function," which was enhanced by these powerful social and economic forces. Family life became less of a force of control over family functions such as economics, status giving, education, religion, recreation, and protection, which have since dissipated into other social institutional arrangements. Ideological efforts to control change may have influenced the functions family life, but "Westernization" and industrialization continued to define and shape the forces of culture including the way families are defined and how they interact with other societal structures.

Re-definitions of family evoke challenges to existing structures, laws, and customs. Mello describes these processes in his analysis of civil unions by first describing the court's decision on same-sex marriage, by cataloguing some of the publicly expressed hatred that followed the decision, by delineating the court's role in protecting the interests of minorities, and by noting the political and the cultural climate in which these events took place. The book provides a richly detailed ethnographic account of a court decision, the backlash against the decision, the legislative response to the issues ordered in the case, the political compromise of civil unions, and how this compromise both addresses and avoids the locus of social change.

Same-sex marriages and civil unions intersect with some of the more fundamental questions of family life—care of children, the stability of relationships, and family resources. A host of other legal and social policies overlap in this discussion. They include health insurance, social security benefits, taxes, home ownership, inheritance, adoption, income, and immigration. Advocates are demanding changes to assure the same protections as afforded
other citizens, while others believe they can reverse social change by enshrining penalties and fostering stigma on the alternative families involved. Inequality and hardship are distributed as social change ebbs and flows.

Mello comes to the conclusion that civil unions are not an end to the matter. He makes the argument that civil unions not only stamp same-sex couples as inferior, but also that they are unequal to marriage in numerous ways—ways in which privilege and protections as well as stigma and hardships are distributed. Mello argues that just as "separate but equal" was the wrong decision when it came to racial segregation, it is the wrong decision for civil rights for other devalued populations such as same sex couples.

That change is occurring is undeniable, and that struggles to support as well as regress change is evident in the struggles for same-sex marriage recognition. There are social forces and social activists propelling change as well as those fighting to turn back change. Civil unions are thought by some to be a compromise which reflects incremental change and avoids ongoing conflict. They believe that change will be more palatable if it comes slowly and in stages. Mello challenges this notion by recalling what Martin Luther King called the "myth of time," as though freedom and equality come to those who simply wait. Strategists ponder how best to keep movements for change alive in a climate of backlash and of compromised civil rights freedoms.

A recent court decision on same-sex marriage in New York dealt with a case where one of the plaintiffs was born of a multiracial couple. The judge wrote in her decision that this person's parents faced anti-miscegenation laws which were not unlike the case before her. She wrote that the fundamental right to marry the person of one's choice may not be denied because of long-standing and deeply held traditional beliefs about who are appropriate marital partners. The foray into change brings some freedom and equality in and sweeps some out. Social change is not evitable, though the struggle for justice and equality may well be.

Ronald J. Mancoske
Southern University at New Orleans

We continue to be awed and dismayed by the perpetration of violent crimes by adolescents. The wide-spread prevalence of youth gangs and their sub-cultures of violence together with the availability of guns and other weapons have contributed to a predictable societal reaction emphasizing the value of public safety over the important and sometimes competing value of rehabilitation. As the author points out there is a high incidence of mental disorders among youthful offenders. Consequently, how the juvenile justice system and the mental health system intersect and interact are major concerns not only for these two human services systems, but for American society also. In this work Thomas Grisso addresses the complex issue of how the juvenile justice system should appropriately meet its obligation as caretakers of adolescent offenders with mental disabilities.

Organizing the book around sociolegal contexts for adolescent offenders with mental disorders, he articulates three principal concerns: (1) custodial treatment obligations, (2) due process in adjudication proceedings, and (3) public safety. Significantly, Grisso indicates that DSM diagnosis must play a primary role in any effort to circumscribe the population of youths with which we are concerned", but he quickly adds that "this does not mean that we should limit our notion of 'disorder' to DSM diagnoses and our notion of treatment only to modify them.

Two reasons are presented for resisting the knee-jerk reaction to prescribe treatment for all adolescent offenders with mental disorders. First, it would require the expenditure of huge resources, both professional and financial, in identifying each youth’s mental disorder and then providing treatment for it. Second, beneficent interventions unrestrained can carry with them potential dangers to liberty and self-determination.

The author considers the current state of the identification of mental disorders in adolescents. He gives considerable attention to issues regarding the diagnosis of conduct disorder. In critiquing the DSM’s classification system regarding mental disorders of adolescents, Grisso emphasizes the value of the conceptual
approach of developmental psychopathologists. He points out that developmental psychopathology is not merely the study of psychopathology in childhood and adolescence—it is the study of how psychopathology emerges and changes in a developmental context, structured and guided by what is known about normal biological, cognitive, emotional, and social development during childhood, adolescence, and adulthood. This invokes a shift from viewing adolescent psychological disturbance as either the further development of childhood disturbance or the immature expression of adult psychopathology.

In reviewing methods of assessment, Grisso discusses DSM diagnostic interviews, personality and behavioral/emotional problems inventories, symptom interviews, and measures of functional impairment. He considers their applicability in the juvenile justice context relative to justice processing, feasibility, relevance, and resilience. The author addresses questions about youths that have been identified as having mental disorders and functional impairments. Important topics such as modes of intervention that include psychopharmacological agents, psychotherapies, and psychosocial interventions are covered as well as treatments of value. He observes that the evidence-based treatment requirement should be redefined in order to try out efficacious treatments in everyday clinical practice to see if they work in the real world.

Grisso emphasizes that diagnosis does not define the obligation, that not all treatment is worthwhile, that clinical care is sometimes harmful, and that justice systems are not ideal settings for clinical care. Topics covered in these chapters include interventions for crisis conditions, screening processes, outcomes of screening, diversion, stabilization treatment, and maintenance treatment. Other critical issues deal with competence to waive Miranda rights, capacities to participate meaningfully in their trials and criminal responsibility ("questions of not guilty by reason of insanity").

The book ends by focusing on public safety obligation. Major issues include mental disorders and long range risks of harm (including the judicial transfer of young offenders to criminal court for trial and nonjudicial transfer (statutory exclusion, prosecutor discretion) and unanswered questions for policy and research. As
one of his policy perspectives, the author challenges the continued rigid application of determinate sentences. He proposes that community release should sometimes occur when risk has been sufficiently lowered to begin the system's primary intervention—occurring after the youth's release—to reduce middle- and long-range risk.

In this volume Thomas Grisso, steering away from offering a comprehensive set of standards or strategies, masterfully integrates a prodigious array of material from a virtual encyclopedic command of the substantive issues, knowledge, and facts relating to three sociolegal contexts. His measured writing flows precisely. One caution, it is hard to take in all of his pertinent points without rereading or going back in the text. Here he helps the reader by making reference to preceding discussion as appropriate. For professionals, policy makers, and students in the areas of juvenile justice and mental health, this book should be required reading. Also, it merits high marks as a valuable reference work.

James W. Callicutt
The University of Texas at Arlington


This book is one among the extensive body of literature on multiculturalism, multiracialism, diversity, and racial identity. However, multiracialism is a political movement which should not be confused with multiculturalism. Many readers, African Americans in particular, will find the contents of this book informative, provocative and at times, disturbing to read. The color blind emphasis (or attempts to erase the color line) which characterizes the overall multiracial movement in some ways seems a setback to the civil rights movement and in other ways may be seen as helping the ideals of the civil rights movement come to fruition. This social movement consists of organized activities at the community level, political activism and is manifest in academic life and various media outlets. While some perspectives in the movement are more liberal than others, it should be thought
of as having a conservative agenda, at times coming across as anti-black.

Included in this anthology are twelve articles which attempt to provide an understanding of multiracial thinking from both an historical and a contemporary perspective. The multiracial movement is comprised of mixed race families who attempt to promote social justice through organized political and other activities which de-emphasizes race. The context, discourses, and lessons from the movement are described in this edited collection. The movement has benefited greatly from the social gains achieved from the civil rights movement of the sixties. While in many respects, the ideology of multiracialism undermines the traditional civil rights movement, in effect, the multiracial movement has benefited immensely from the social gains achieved during the sixties because of the organized civil rights struggle. Multiracialism or the mere existence of multiracial families is certainly possible because of the civil rights movement, but as a whole, the ideology is contrary to civil rights thinking.

The chapter on transracial adoptions is an anecdotal and personal account from a scholar and white parent of an adopted African American child who acknowledges that the activities of the sixties made transracial adoptions appealing. The author, Barbara Katz Rothman is not advocating for or against transracial adoptions, but calls attention to the fact that such children in such situations, straddle the color line, and that racism must be taken into account. Acknowledging oppression, exclusion and discrimination based on race and how race has divided us both currently and historically, the author does not deny the importance of race as a social construct, but suggests that, for the future, hard work is necessary to create a better worldview and social reality about physical differences. Most proponents of civil rights would be in accord with this slant on multiracialism. Many civil rights proponents would not argue against the fact that race is more a social construct than a biological construct, but civil rights proponents would not negate the importance of the continued need for attention to governmental race-based initiatives such as affirmative action. As expressed in the views of the outspoken African American, Ward Connerly, the prevailing ideology of the multiracial movement is in opposition to race-based initiatives
such as affirmative action. For example, Connerly received the 2000 Racial Harmony Hall of Fame award from *A Place For Us Ministry for Interracial Couples*. This multiracial organization is politically more conservative than some of the other organizations and proponents of the movement.

It appears that there are different perspectives within the movement. As noted by Dalmage, there are contending ideologies within the movement, with some views overlapping with others as well as other views that seem contradictory. No matter in which form the ideology is expressed, the movement's ultimate goal is to alter racial thinking in this country, to promote color blind worldviews, and to ultimately achieve social justice by diluting white power and privilege. Multiracial families have emphasized the fluidity of racial categories and developed strategies such as influencing the way race related data was collected in the 2000 Census, resulting in expanded options for categorizing race.

Collectively, the multiracial movement, its organization and various manifestations, is a social movement which is counter to the thinking of civil rights organizations such as the National Council of LaRaza, the National Association for the Advancement of Colored People, the Urban League, and the National Congress of American Indians. This anthology sheds light on this new social movement and this new way of thinking about race, or better yet, not thinking about race. Clearly, the multiracial movement is a political force to be reckoned with!

Wilma Peebles-Wilkins
Boston University


The abundant literature on the future of the welfare state seems dominated by predictions of its imminent—or at least eventual—demise. Discussions range from mournful to gleeful at the prospect that national social expenditures will decline and may disappear in the foreseeable future. A balanced discussion such as this book provides is not easy to find.

Francis Castles examines three key issues in the debate: the
impact of globalization on welfare state economies; the problem of their aging populations; and their decline in fertility. These issues have profound implications for the ability of welfare states to sustain social programs. The issues are addressed jointly and severally. Castles avoids ideology, instead using empirical evidence. He compares past predictions to what actually happened and projects trends to posit possible futures in the twenty one member states of the Organization for Economic Cooperation and Development, relying OECD data and comparable information from other sources.

Castles begins his analysis by outlining main points in arguments describing what he calls “crisis myths”: (1) Globalization of the economy puts welfare states in competition with countries where industry does not carry a social spending tax burden. In order to compete, welfare states must slash or eliminate social commitments. Other states must match or surpass these moves, leading to a “race to the bottom”. (2) All industrial nations are aging; for most, their major social welfare expense is in programs for the aged. As a greater proportion of the population ages, the burden on the rest will become too great to sustain. (3) Industrial countries have undergone sharp declines in fertility; only the United States has retained a replacement rate. The economic consequences of this trend are calamitous in terms of support for social welfare programs.

Having outlined the main arguments on each of the issues, Castles provides an analysis of what has happened in each area during two periods. The first is 1960–1980; the second, 1980–1998. Castles claims that the decades 1960–1980 were a “golden age” followed by slower expansion in established welfare states, but compensated by rapid expansion in newer ones. He sees the slowing as a correction for “overshoot” and the acceleration as “catch-up”. He finds no significant diminution in aggregate social spending and hypothesizes that the slowdown is a normal part of welfare state “maturing” after exuberant growth and diversification in early stages, leading to a kind of “steady state”. Growth does not stop, but becomes more deliberate as welfare states approach the outer limits of feasible welfare generosity. They have not reduced overall spending but have shifted priorities. “How much countries spend and what they spend it on
are quite different matters", he observes (p. 68). Overall, he finds no credible evidence of general reductions in the standards of protection provided by welfare states.

Castles claims that alarms about the impact of population aging on welfare spending are overstated and are based on spurious assumptions. In addition to his statistical analyses, Castles points to history, noting that aging in industrial countries is not a recent phenomenon but has been in process for over 100 years without any negative effects on social program provision. Despite some major differences among countries, Castles concludes that an aging population "has had no discernible effect on the growth of social expenditure or total outlays" (p. 122). To claim that an "aging crisis" will destroy the ability to fund social programs involves, he says, a "serious distortion" of the facts. It is a claim usually made by the most wealthy but least generous countries, which are well-suited to deal with any impact of aging for many decades to come.

In examining the precipitous fertility decline in OECD countries, Castles makes his most explicit claims for the place of social policy as the legitimate resource for addressing these problems. Fertility rates in industrial nations have declined sharply since 1960, mostly in Catholic countries with the lowest divorce rates. Scandinavia and the United States, with the highest rates of divorce and extramarital births have higher replacement rates than Southern Europe, with its emphasis on the traditional family. Where fertility is lowest, it cannot be offset by immigration and anyhow, heavy immigration carries risks of political tensions and potential social instability. Castles notes that "reversals" in declining fertility rates have also been recorded for example in Scandinavia. He attributes this to Swedish social policy initiatives that made it possible for women to work and also raise children; initiatives that are absent in Southern Europe. He concludes that problems of infertility can be addressed effectively through adoption of a few well-chosen social policies, although they would be expensive.

The book ends with optimism about the ability of welfare states to deal with their problems, providing they have the will to do so and do not adopt "a renewed emphasis on the external security function of the state . . . occasioned by a real or imagined
threat" leading to expensive wars, since big deficits reduce resources for social welfare spending. Throughout the book, specific exception is made for the United States which is not considered a true welfare state, lacking the "partisan incumbency" or the "legacy of the Left" found elsewhere. However, in all the twenty-one nations studied, including the United States, Castles considers the welfare future to be subject to intervention through specific social policies rather than the inexorable laws of economics. The future of the welfare state, he concludes, is a matter of political will.

Charles Guzetta
Hunter College, City University of New York


Childhood sexual abuse is a topic that, while difficult to read about, is one that _must_ be confronted by both its victims and those who help them to heal. This book is devoted to the journey women victims of childhood sexual abuse take during their healing process. As such, it offers an interesting perspective that includes not only personal narratives from women who have been traumatized, but also offers a detailed therapeutic process related to each stage of the traveler's journey and examples of women's struggles along the route. Divided into ten chapters that mirror the therapeutic sequence and an equal number of appendices, this volume provides useful insights for both healers and those being healed. The book uses humanistic, cognitive and feminist perspectives as its theoretical underpinnings, is well documented, has a user friendly index, limited bibliography, and a list of some suggested resources.

Its strengths lie in its frank discussions of each stage of the therapeutic process as described by those providing the therapy as well as those receiving it. There are detailed and frank discussions related to the initial trauma of sexual abuse, remembering specifics, recognizing familial patterns of abuse, and prolonged problems that stem from childhood sexual abuse. Moral and legal issues associated with exposing perpetrators are explored.
and central to the book's purpose is the therapeutic process that evolves with various stages of healing. Each chapter ends with a section called "supporting your healing" which encourage victims to use as they move through their unique healing experiences. A lovely feature of the book is the way that the voices of the women who have been traumatized buy childhood sexual abuse are loudly heard throughout. The final chapter is devoted to letters from those who have worked with the author and now share their experiences with others who may be in the recovery process.

As helpful as the ten chapters are the ten appendices that present useful information in the form of checklists related to topics like the characteristics of healthy families, distorted thought patterns, symptoms of chronic shock and tactics for establishing boundaries and forgiveness. When used in tandem with the therapeutic sequence, these appendices will be exceedingly helpful to both the helper and those being helped.

Those wed to therapeutic approaches and theoretical orientations that do not embrace a narrative approach with its emphasis on the strengths perspective (where the client's unique story is the basis for treatment) may have some trouble with the book's approach, but there is enough cognitive content to woo even the most conservative behaviorist into believing that this treatment approach has merit. While presented in a linear fashion, the treatment approach is not wholly linear as each woman's journey takes unique twists and turns. For those academics who pooh-pooh anything that appears to be of the "self-help" variety, this book may not rise to their level of "scholarship." However, academicians, therapists, and helpers who are looking for an easily readable, well documented book that does not shy away from all the issues confronting women who have suffered childhood sexual abuse, should recommend this to their students, clients, and friends. Finally, for those women who have been victims of the horror of childhood sexual abuse, this volume presents one way to begin the healing process.

Carol T. Tully
University of Louisville
Book Notes


Theoretical conceptualization of social policy in the development context have evolved significantly in recent years. Although the term "development" carries different connotations in different countries and regions of the world, it has been most frequently used to connote a process of economic growth. However, economic development in many parts of the world has not been accompanied by a concomitant level of social progress. Economic growth that fails to raise standards of living for all can hardly be described as development. As Anthony Hall and James Midgley argue in this book, it is at this juncture that social policy interfaces with development.

This book is an update of *The Social Dimensions of Development* (Wiley, 1982), written by Margaret Hardiman and James Midgley. In this new version of the book, Hall and Midgley re-examine the role and scope of social policy in development and refurbish the core contents of the old volume. The new edition reflects the rapidly evolving theoretical and practical debates that are taking place in social policy today. It also extends the content presented in the earlier book.

The book consists of nine chapters that cover various theories and topics of social policy concerning development in the South. The first chapter redefines the role of social policy and broadens the scope of social policy from welfare to livelihoods. The authors apply normative theories in a practical way, and adopt a holistic approach. Chapter two examines the concept of poverty and inequality and examines the policy implications of addressing these issues. The authors contend that the social development approach provides the most useful framework for dealing with the challenge of poverty and inequality today. Chapter three considers changing approaches to rural development in the evolution from modernization towards a sustainable livelihoods policy approach, while Chapter four analyses urban development and social policy. Chapter five reviews the way the expansion
of formal education now serve a diverse development agenda, while Chapter six describes changing health policies and the gradual demise of primary health care in the context of economic liberalization. Chapter seven and eight respectively examine the role of social work and social security policies in the South. Finally, Chapter nine explores the contributions of overseas development assistance to advancing the global social policy agenda.

The strength of this book lies not only in its effective theoretical framework and knowledgeable account of social development issues in the South, but also in its feasible and practical social policy proposals that permeate all the chapters. What seems to be missing, however, is the interaction between developmental social policy and other important developmental dimensions, such as environment and politics. Needless to say, social policy in the development context must interface with the environmentalist's critical arguments and concerns. With regard to politics, the success of social policy will also depend on political stability, especially in view of the vicissitude of power struggles in the South.

Nevertheless, by articulating original and feasible solutions for sustainable development in the South, this book makes a significant contribution to social policy thinking. It will be of particular benefit to students of social policy and development studies but also to those working in related interdisciplinary fields. Practitioners in government and in the international and non-governmental organizations will also find it useful.

Joon-Yong Jo, University of California, Berkeley


Interest in community practice has intensified in recent years and many more books on the topic have been published. Most of these are textbooks intended for course adoption at schools of social work where students today appear to be more eager to engage in community practice. Some social work educators will view this as a desirable development when compared to
the strong preference for clinical courses which characterized social work education in the 1980s. However, some will question whether there really is a need for yet another book on the subject. Students and faculty alike, it seems, are overwhelmed by the large number of community practice books that are now available.

While Kristina Smock's book adds to the volume of teaching materials on community practice, it has a number of strengths that deserve special attention. First, unlike many other textbooks, it is intellectually stimulating requiring the reader to grapple with complex issues. Second, Smock makes extensive use of the literature and of wider theoretical concepts. Third, the book offers an analysis of the different normative orientations that have been used in the field over the years. Specifically, the author identifies five models that she believes encapsulate different approaches to community organizing. These are the power-based model, the community—building model, the civic model, the women—centered model and finally the transformative model. She then makes extensive reference to case study material of community practice in different communities in Chicago and Portland, Oregon to illustrate the way these models have been implemented. Although most standard community practice textbooks use case study material to emphasize the practical aspects of community organizing, Smock links practical examples to theoretical models and offers a sophisticated account of the way the community organizing process should be implemented.

This is an engaging and readable book which is most suitable for graduate students who will appreciate the author's use of theoretical ideas and concepts and no doubt respond to the challenges she poses. Not all will agree that her five models encompass all forms of community organizing or that they are mutually exclusive. Some will question her optimistic view of the transformative model and its ability to bring about significant social structural change. Others will ask for a more explicit exposition of what structural change involves and question whether community organizing has, as the author suggests, actually promoted democratic values and practices. Is precisely because this book stimulates readers to think about these complex issues, that it is strongly recommended.
Residential care is one of the most neglected areas in social welfare today. This is hardly surprising since the use of residential services for children, people with disabilities, and the elderly is generally viewed as an inappropriate way of addressing their needs. Also, as a result of deinstitutionalization, retrenchments in social service budgets and professional antipathy towards the use of residential care, residential services are no longer widely used. Today, most social workers and social welfare administrators believe that residential services should play a very limited role, and serve as a last resort for those with special needs that cannot be met in community settings.

Nevertheless, as this edited collection reveals, residential services are still an important resource for social workers providing services to people in need, and particularly to children and young people. The book seeks to examine different aspects of residential care for children and young people today and it does so by drawing on the expertise of social work scholars and practitioners in different European and North American countries. The book is organized into four parts dealing respectively with innovations in residential services, the use of foster care, mainstreaming the educational experiences of children in residential care (with particular reference to ethnicity and cultural issues), and the role of research in residential and foster care. In addition, a recurrent theme in the book is the use of anti-oppressive practice in residential care.

Although there is an urgent need to debate issues of residential care, this book lacks coherence and its chapters deal with disparate topics that are not well connected to each other or to the theme of the book. Despite the editor’s intention to use an anti-oppressive practice perspective to frame the material, few chapters even make reference to the subject and the opening chapter, which deals explicitly with the anti-oppressive practice perspective in social work, makes little reference to residential care. Instead, this chapter raises important and skeptical questions about anti-oppressive social work which apply not only to residential care but to all forms of social work practice.
Nevertheless, there is much in this book that will be of interest to social workers everywhere. It asks important questions about the role of residential care in social welfare today and provides useful comparative information. Since residential care is often perceived as a means of exercising control over people with severe behavioral problems, the notion of anti-oppressive practice in custodial residential settings is particularly interesting. Hopefully, the book will serve as a catalyst for more extensive debates on the role of residential care in social work and permit a thorough review of this much neglected field.


The concept of social exclusion is frequently used in social policy circles in Europe today, and although it has not been widely adopted in the United States, many more American social work and social welfare scholars now employ the term. However, as in Europe, the term is still poorly defined. While some use it as a synonym for poverty, others relate it more specifically to the notion of the underclass. In this latter sense, the excluded are a sector of poor people with particular needs arising out of an inability to engage with the wider society. These ambiguities have called the usefulness of the concept into question, and some have concluded that it should be abandoned.

However, as this publication reveals, the concept is now being used by international agencies such as the International Labour Organization and it is likely that scholars in many more countries will adopt the term. Is also likely that it will be more frequently used in international social policy and social development circles. For these reasons, there is a need to standardize the term and ensure that social welfare researchers around the world are clear about its meaning.

Estivill devotes the first chapter of the book to a discussion of the concept and the way it has been defined. He acknowledges the problems of seeking to standardize the term, and shows that it has been used loosely in much social policy writing. He
pays specific attention to the relationship between the concept of social exclusion and poverty, making the point that social exclusion has a broader connotation since people who are not poor are sometimes excluded from mainstream society. He cites a study by Amnesty International which found that gay people are persecuted in at least 70 countries of the world. Even though a significant number may not be poor, their persecution clearly involves social exclusion.

However, the primary purpose of the book is not to debate terminology, but to focus on the strategies that governments can adopt to combat social exclusion. Estivill offers a useful typology of anti-exclusionary strategies that have been employed in different countries and he provides a set of recommendations for dealing with the problem. The author places great emphasis on the role of public awareness and education, and he believes that great effort should be made to involve civil society institutions in the process of combating social exclusion. Nonprofit organizations, trade unions, business corporations as well as governments have a vital role to play. By outlining these strategies, the book makes a useful contribution to the literature. It’s discussion of the meaning of the concept, and of the way it is manifested in social life today, will also be helpful to practitioners and scholars concerned with the challenges of fragmentation and factionalism that increasingly characterize modern societies.


As a society we are presented daily with “expert opinions” promoting the pros and cons of abortion, stem cell research, genetic testing, reproductive technologies, and right to die issues. Indeed it would seem that the “good old days” of the nuclear family has gone by the wayside. Enveloped by nostalgia, we tend to idealize the past as a time when the simple life prevailed, and our decisions were not mired in the outrageous ethical dilemma’s induced by modern technology.
Johanna Schoen has shattered the myth of a simple and honorable American past. By mining historical data, Schoen exposes the brutal truth about the struggle of a culture engrossed with the morals of eugenics, women's reproductive rights and politics. Schoen initiates this saga by providing the reader with personal accounts and little known information about the history of sterilization and abortion in the United States. The horrific experiences of a population of women who were forced to accept abortion and sterilization based on poverty, disability and color are emotionally relayed by those who were subjected to this treatment. Schoen keenly weaves these stories with historical caveats highlighting the societal and political forces which shaped each decade from the 1850's to the present. She demonstrates a sharp connection between these forces and the ultimate experiences of the underprivileged women who were victims of judgment by the society at large.

Schoen additionally provides the reader with facts concerning the history and motivation behind the architects of contraceptives. Beginning in the southern United States and extending her treatise to the international stage, Schoen assesses the social, political, and financial incentives behind the initiators of global population control. The book contains an abundance of data regarding women's reproductive rights. Schoen is clearly enthusiastic about this topic. Periodically the reader's focus becomes clouded by the redundancy and broad scope of the material. The author appears to be outraged by the tactless actions of a nation that promotes "liberty and justice for all", and impels her indignation by employing far too many accounts of wrongdoing that eventually overwhelm the reader. Additionally, she compares past segments of American history to those of Nazi Germany. However analogous these episodes are to the horrors of Nazi experiments, Schoen employs this assessment almost to excess. However, in spite of these problems, this book is a "must read" for those who study gender and political issues. In particular, social workers, political scientists, historians, and students of population studies will find this book to be an invaluable resource.

*Peggy Proudfoot McGuire, University of Louisville*

Cynthia Enloe’s early scholarship on the militarization of women’s lives in the 1980s paved a way for her later work, which challenged assumptions about the proper role of women in international politics. In this book, Enloe, a Research Professor of Women’s Studies and International Development at Clark University, continues her exploration of the relationships between masculinity, femininity, and militarization through a series of accessible critiques that are grounded in, as Enloe describes it, a feminist curiosity dedicated to “taking women’s lives seriously.” While she casts her theoretical net to the lives of women broadly, her chronicles of ordinary lives seek to unravel the complex cultural and economic relationships between the powerful and the marginalized.

In Part I of the book, Enloe explores how cultural values of feminine respectability and sense of duty buttress the globalizing economic forces that draw corporations such as Reebok and Nike to Southeast Asia. Through a gendered line of inquiry, she demonstrates that it is not only the imperial instruments of power that keep the workers of Asian “tiger” economies beholden to US corporations: the role of the dutiful daughter is highly complicit in these economic arrangements.

Enloe further demonstrates in Part II of the book how patriarchal cultural values are necessary features in the maintenance of patterns of violence against women in places such as Bosnia and Okinawa. Her analysis highlights the ways in which masculinity and militarism are frequently intertwined to inform nationalist agendas and showcases the way in which military expertise has become equated with political leadership, particularly in the U.S. context.

Through analyses of the post war societies of Vietnam, Bosnia, and Rwanda, as well as commentaries on the more recent conflicts in Iraq and Afghanistan, Part III examines the implications of persistent militarization in postwar societies. These essays suggest that the stubborn persistence of masculinity requires a feminist response that demands, among other things, institutional
accountability. Throughout the book, Enloe reveals her professional and personal development as a feminist through a set of interviews with feminist scholars, editors, and specialists in international relations. The autobiographical content culminates in Part IV as Enloe sifts through her memoirs to assess just how her own girlhood was militarized.

The *Curious Feminist* is a lively and readable collection with a sardonically comical edge. Despite the often-harrowing content, Enloe remains optimistic and forward looking. She achieves this by demonstrating how gendered analyses can be used to identify sites for feminist organization and action. Simultaneously, she sets forth a research agenda for the feminist study of international politics that emphasizes the urgent need for a sustained feminist curiosity. Ultimately, as Enloe suggests, the possibility of instituting change in unequal power structures requires it...

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Preparation
Articles should be typed, double-spaced (including the abstract, indented material, footnotes, and references) on 8 1/2 x 11 inch white bond paper with one inch margins on all sides. Tables may be submitted single-spaced. Please provide a running head and keywords with manuscript.

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Overall style should conform to that found in the Publication Manual of the American Psychological Association, Fifth Edition, 2001. Use in-text citations (Reich, 1983), (Reich, 1983, p. 5). The use of footnotes in the text is discouraged. If footnotes are essential, include them on a separate sheet after the last page of the references. The use of italics or quotation marks for emphasis is discouraged. Words should be underlined only when it is intended that they be typeset in italics.

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Please use gender neutral phrasing. Use plural pronouns and truly generic nouns ("labor force" instead of "manpower"). When dealing with disabilities, avoid making people synonymous with the disability they have ("employees with visual impairments" rather than, "the blind"). Don't magnify the disabling condition ("wheelchair user" rather than "confined to a wheelchair"). For further suggestions see the Publication Manual of the American Psychological Association or Guide to Non-Sexist Language and Visuals, University of Wisconsin-Extension.

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