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## **Abstract**

### **The Growing Problem of Disconnected Single Mothers**

Rebecca Blank and Brian Kovak

While welfare reform and other recent policy changes have been associated with substantial increases in work and earnings among low-income, single-mother families, they have made assistance less available to those who find themselves out of work. This paper documents and examines an emerging phenomenon in which low-income single mothers increasingly report that they are not working and do not receive public assistance benefits; we refer to these as “disconnected” families. As we show, this group is very poor. The majority of these families lives without other sources of household income and faces barriers to consistent employment. They appear to cycle in and out of disconnectedness, with the majority of cases beginning with job loss. Given rising numbers of disconnected single mothers, we believe it is valuable to assess possible changes in the safety net that might provide greater support to this group of women and their children. We propose and assess a number of potential policy responses aimed at strengthening the safety net for this needy and growing population.

A key issue in designing public safety net programs is the inherent tension between broad coverage and incentives to move toward economic self-sufficiency. Broader coverage and more generous benefits will provide more assistance in the short-term to needy families and individuals. But this creates incentives for persons to utilize government assistance rather than moving into employment. Over the past 15 years, the United States has increased the incentives for low-income adults to work more, reducing the availability and generosity of benefits for non-working (and non-disabled) individuals. While these policy changes have been connected to substantial increases in work and earnings, particularly among low-income, single-mother families, they have made assistance less available to those who find themselves out of work and destitute.

The other chapters in this volume discuss topics that are closely related to increased labor force participation, higher wages, and greater levels of self-sufficiency among less-skilled workers. Unfortunately, there are persons for whom self-sufficiency is not attainable, at least in the short run, given the other constraints in their lives. This chapter focuses particularly on the population of single mothers who report periods without earnings or public assistance income. We refer to these women as ‘disconnected.’ This is a group who had greater access to transfer income in the past, particularly welfare support. With the movement to enforce work, however, these women are not receiving welfare support but have not been successful at transitioning into employment. As we show, this group is very poor.

This is not a small population. In our data, 40 percent of single mothers with income below 200 percent of the poverty line report being disconnected for 1 to 4 months during a three-year period between 2001 and 2003. Over 18 percent report being

disconnected for longer than 12 months. Policy efforts to expand safety net programs to help these women will conflict with efforts to create work incentives.

The first section of the paper looks at shifts in economic need among all persons, particularly among those below the poverty line, for whom safety net programs might be most important. The second section focuses on defining and describing disconnected single mothers. Over the past 10 to 15 years, we show significant growth in the number of disconnected single mothers who report that they are neither working nor receiving means-tested cash or disability support. This trend is visible across various definitions of disconnection and in both of the national datasets that we utilize. The third section describes the characteristics of these women. The fourth section investigates the frequency with which single mothers experience a period of disconnectedness and the length of these periods without earnings or transfer support. The fifth section looks at the availability of alternative sources of support for these women. The sixth section discusses the pros and cons of possible policy responses that would strengthen safety net support for this population. The last section concludes.

### **I. Changes in poverty status and economic need**

Safety net programs are particularly important to families in extreme economic need. The greater the share of families with very low income levels, the greater the concern about an adequate safety net. A group of particular concern is single mothers. The welfare reforms of the mid-1990s significantly decreased the availability of cash assistance to low-income families with children, primarily affecting poor single mothers. Mothers were given incentives to move into work and also faced mandates to participate

in welfare-to-work programs. The result was a large decline in welfare participation and a significant increase in earnings among these families (Blank, 2006). Given these major policy changes, the ongoing well-being of this group is particularly important to understand.

Figure 1a shows the share of people living in families whose income falls within a specific range relative to the official poverty line in the years 1990, 1995, 2000, and 2005. In 2005, 5.4 percent of all persons lived in a family that reported income below 50 percent of the poverty line; we will refer to this group as “extremely poor.” For a mother with two children, this implies annual cash income of less than \$7,900 in 2005; for a single individual, this implies annual cash income of less than \$5,100. In 2005, 12.6 percent of the population had income below the poverty line, while 31 percent were poor or near-poor, with incomes below 200 percent of the poverty line. The numbers show variation over the business cycle, with rising numbers of extremely poor and poor individuals during the short recessions of the early 1990’s and 2000’s, and decreased shares in all poverty groups during the period of sustained economic growth and low unemployment in the late 1990’s.

Figure 1b shows similar numbers for persons in families headed by a single woman age 18-54 with at least one child age 18 or younger. Compared to the overall population, a far higher share of those in single-mother families is poor or near-poor, with 66.8 percent in this situation in 2005. A shockingly high 24 percent of persons in single-mother families were extremely poor in 1990; the share in extreme poverty fell substantially, however, down to 16.7 percent by 2000. The share of persons in single-mother families in overall poverty fell five percentage points from 1990 to 2000. While

overall poverty changed little from 2000 to 2005, extreme poverty rose by 2.7 percent between these two years, suggesting that the women counted among the poor in 2005 had lower average incomes than in 2000. These income changes among single-mother families are particularly striking as they were not observed for other groups, such as married couples.

As overall poverty fell in the 1990s, the share of single mother families between 100 and 200 percent of the poverty line increased somewhat, from 24.8 percent in 1990 to 29.8 percent in 2000. This suggests a shift among some single mothers out of poverty and into the near-poor category.

There are a variety of reasons to focus on changes in economic need among single-mother families. These families include children, and high rates of poverty among these families are a primary reason for high children's poverty rates in the United States. In fact, 23 percent of all children and 69.3 percent of extremely poor children lived in a single-mother family in 2005. As Figure 1b indicates, there have been significant shifts in economic well-being among this group. While average incomes have risen, as we will see below, there is evidence that a growing number of women are both off welfare and not working. This is a group for whom questions about safety net support might be particularly acute.

Table 1 looks at the changing composition of income between 1990 and 2005 among single-mother families where the mother has less than a high school education; this group is highly likely to be poor. Note that here, as in all tables in the paper, we calculate poverty status using the Census definition of income sharing. This means that we assume that all related person who live together share income and are part of the same

family. This is particularly important for single mothers, since many of them live with other relatives. In 2005, 17 percent of single mothers in poor or near-poor families (i.e. whose income was below 200 percent of the poverty line) lived with relatives. Hence, as seen in the fourth column of Table 1, more than a quarter of income in these families comes from other adults.

The data in Table 1 indicate that average income (in inflation-adjusted dollars) rose steeply among less-skilled single mothers between 1995 and 2000, with very strong growth in own earnings more than offsetting a substantial decline in public assistance support. By 2005, the majority of income among these single mothers came from their own earnings, while the contribution of public assistance income fell to only 2 percent of their total income. This growth in earnings reflects the surge in labor force participation among less-skilled single mothers, which has been linked to a variety of policy reforms, as well as the strong economic growth during this period (Blank, 2002; Grogger and Karoly, 2005). After 2000, these income gains fell off somewhat, but in 2005, average income among less-skilled single mothers was substantially higher than in 1990. Changes in earnings by other family members or changes in other income sources were relatively minor over this time period, although these other sources of income constitute a very high share of the resources available to single mothers and their children.

It is worth noting that these data are subject to a variety of caveats. Based on reported cash income, these data miss some important forms of support. In particular, in-kind resources, often available through public assistance programs such as food stamps or housing assistance, are not counted. On the other hand, the evidence is quite mixed on whether those most in need are the ones who receive program benefits; this seems to vary

across populations and programs. As Currie (2006) notes in her summary of the literature on program take-up, programs that target populations, such as the elderly or disabled, that have difficulty dealing with complex eligibility requirements may find it hard to get benefits to the most needy.

There is also a debate about whether the data on extremely poor families are accurately reported. Meyer and Sullivan (2006) have noted that reported consumption among the extremely poor seems higher than reported income. This suggests that there are measurement problems and these families are underreporting their actual income, or that these families are able to draw down savings or build debt in order to smooth their consumption. We are willing to believe that these families have more resources than they report; indeed, it is hard to understand how they survive if this were not true. Even doubling incomes among the extremely poor, however, leaves them below the poverty line.

As mentioned above, we follow standard practice in defining poverty and assume that only related persons who live together share income. This means assuming that male/female cohabiters do not share income. Previous research suggests that resource sharing among cohabiters is limited. Kenney (2004) and Winkler (1997) both indicate that cohabiting couples share much less income than do married couples. Kenney (2003) and Bauman (1999) both conclude that cohabitation does much less to reduce economic hardship than marriage. Bauman looks explicitly at the question of whether cohabiters' income should be counted as shared for the purpose of poverty measurement and concludes that it should not; Kenney (2004) reaches the opposite conclusion. In calculating poverty rates, we follow the standard approach of assuming that only those

who are co-residing and related are pooling income. The share of low-income single mothers who are living with an unrelated male has remained quite stable over the 2000s, at about 18 percent, so factors other than changes in cohabitation behavior drive the results we discuss below. (To test the sensitivity of our results to this assumption, when we look at disconnected women in the analysis below, we investigate how our results vary if we exclude mothers who live with men who have substantial earnings.)

As seen in Figure 1b and Table 1, the share of single mothers who report very low incomes increased between 2000 and 2005, and the share of public assistance in single mothers' income has fallen steadily since 1990. Even if the levels may be underreported, this trend is worrisome. It is consistent with other evidence indicating that some women who left welfare have not found stable employment. For instance, Turner, Danziger, and Seefeldt (2006) follow a cohort of female welfare recipients for six years, starting in 1997. They find that 9 percent become "chronically disconnected," without employment or cash welfare, during at least one-fourth of the 79 months they are observed. Acs and Loprest (2004) indicate that a third of those on TANF in 1997 are neither working nor on welfare when they are interviewed in 1999. Blank (2007) provides evidence that the number of women without earnings or cash public assistance has grown over the 2000s.

## **II. Defining and measuring disconnected single mothers**

Historically, welfare assistance has provided a safety net of support for single mothers who were not employed. Given the recent policy emphasis on moving women off welfare and into work, we want to identify those for whom these policy efforts might have created hardship; that is, those women who have left welfare but who have not

moved into the labor market. In this section, we look at a variety of ways to define this group of women.

We use two different data sets throughout this paper, both of which collect information from a random sample of the entire U.S. population. In both data sets, we focus on the population of single mothers ages 18-54 whose overall income is below 200 percent of the official poverty line, defining disconnected single mothers from among this population. The initial results that we show come from the Current Population Survey's (CPS) Annual Social and Economic Supplement, which asks questions about income sources and employment over the past year. The CPS includes a relatively large sample each year; we have 3,532 single mothers whose family income is below 200 percent of the poverty line (the group we are most interested in) in 1990, 4,801 such observations in 2000 and 4,781 such observation in 2005. Each of these samples is based on a cross-section of women for that year, providing a useful look at how the composition of this population is changing over time.

In comparison, the Survey of Income and Program Participation (SIPP) collects data through a series of longitudinal panels, each of which follows a population sample over time. We utilize the panels that started in 1990, 1996 and 2001. The 1990 panel runs for 32 months; the 1996 panel runs for 48 months, and the 2001 panel runs for 36 months. The SIPP panels follow the same people over time, interviewing their participants every four months. Although the SIPP sample is smaller than that of the CPS, it contains a similar number of individuals that are ever low-income single mothers in a given panel. This similarity in counts is due to the oversampling of low-income individuals, the multiple-year time span of the SIPP panels, and the fact that income

levels are measured with monthly frequency in the SIPP. There are 3,045 women who are ever single mothers with family income below 200 percent of the poverty line in the 1990 SIPP, 5,380 such women in the 1996 SIPP, and 4,272 such women in the 2001 SIPP. SIPP asks about income and earnings data at a monthly level, so the SIPP definitions refer to information on last month's income rather than last year's.

Table 2 uses these two data sets to measure trends in the number of disconnected single mothers over time. The top panel is based on calculations from the CPS, while the lower panel uses the SIPP. We provide three sequential definitions of "disconnected," to make sure that the results are not sensitive to any one definition. Definition 1 identifies women in the CPS who report no earnings or welfare receipt over the entire past year and who do not report their major activity as going to school. (In the lower panel, this is based on women in the SIPP who report no earnings or welfare last month.) Definition 2 requires that women report very low levels of earnings and low levels of welfare receipt over the past year (upper panel) or past month (lower panel).<sup>1</sup> In both of these first two definitions, 'welfare income' is defined as either AFDC or TANF income, the cash support programs before and after welfare reform. In moving women off welfare, many states pushed to identify families who might qualify for Supplemental Security Income (SSI), which provides cash support to women or children with serious disabilities. If we want to identify women without public assistance, we may want to exclude SSI support as well. Definition 3 is identical to definition 2, but also excludes any women who report that their family received more than \$1000 in SSI income over the year.

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<sup>1</sup> In the CPS data in panel (1), women must have annual earnings below \$2,000 and welfare income below \$1,000, and not report "in school" as their primary activity during the past year. In the SIPP data in panel (2), 12\*earnings must be less than \$2000 and 12\*welfare receipt less than \$1000. All income is calculated in inflation-adjusted 2005 dollars.

While these three definitions result in different shares of women who are defined as disconnected, they are strikingly similar in the trends that they reveal over time. Look first at panel (1), based on CPS data. Using definition 1, the level of disconnected women rises from 10 to 20 percent between 1990 and 2005. Using definition 2, the level rises from 14 to 25 percent, while with definition 3 the level rises from 12 to 22 percent. In short, each of these definitions suggests that over 20 percent (one fifth) of all lower-income single mothers are disconnected – neither receiving economic support from their own earnings or from public assistance – by the mid-2000s. Furthermore, this number rises over the period, with a particularly large increase in the share of disconnected single mothers between 2000 and 2005.

We utilize definition 3 throughout the rest of this paper, referring to it as the ‘standard definition’ in future tables. We think it best represents what most people mean by ‘disconnected’ – women who have very inadequate levels of earnings, welfare, or SSI assistance. These women may, however, be living with other adults who provide substantial support for them. The last four columns of Table 2 explore this possibility.

Among the 21.7 percent of women who are disconnected in 2005 by our ‘standard definition’, about one third of them (8.0 out of 21.7 percent) live with at least one other adult who is either working or on welfare. About half of these women live with an unrelated male who is working, while the others largely live with relatives who work. Less than 10 percent (1.7 out of 21.7 percent) of disconnected women are living with other adults who are themselves disconnected (neither receiving significant levels of welfare, SSI, or earnings.) The majority, about 55 percent (12.0 out of 21.7 percent), live with no other adults.

While there has been some growth between 1990 and 2005 in the share of women who live with a “connected” adult, the most rapid rise is in the share of disconnected women who live alone; this number doubled between 1995 and 2005. This suggests that the data showing a growing number of disconnected women are identifying a population with serious economic needs. Single mothers who live alone and have neither welfare nor earnings have few resources with which to support themselves or their children.

In the final column of Table 2 we provide an alternative and stricter definition of disconnectedness, which is based only on that subset of disconnected women who live with no other adults or with disconnected adults. These are disconnected single mothers who do not appear to rely on other adults for assistance. This number grows from 7.4 percent in 1990 to almost 14 percent in 2005. In future tables we use both our standard definition of disconnectedness (definition 3) as well as what we call our ‘stricter definition’, based on this more restricted group. As we will see, the conclusions of this paper are quite similar regardless of which definition is used.

As a check on the data from the CPS, part 2 of Table 2 presents identical calculations using data from the Survey of Income and Program Participation (SIPP). The data come from the first waves of the 1990, 1996 and 2001 SIPP panels. We also look at the data from the 7<sup>th</sup> wave of the 2001 SIPP panel, collected in 2003. Because SIPP collects longitudinal data, there are attrition problems that are likely to be worse among the most disconnected; hence, the 2003 SIPP data may provide an undercount of this population.

Not surprisingly, when the data are based on income last month rather than last year, the share of disconnected women is slightly higher. It is striking, however, how

similar the SIPP data are to the CPS data. Both show a significant increase in the share of disconnected women between the mid-1990s and the mid-2000s, although the increase in the SIPP is not quite as large as in the CPS. Like the CPS, the SIPP also shows a rise in the share of these women who live without other adults (although not as steep as the CPS), and a rise in the share living with a “connected” adult.

### **III. Who Are These Disconnected Women?**

The data in Table 2, along with the other available evidence, confirms that there appears to be a growing number of single-mother families who have lost access to public assistance, but who have not been able to find stable employment. Table 3 looks at the characteristics of these women in more detail using the CPS data. The first column shows the characteristics of all single mother families below 200 percent of the official poverty line. The second column shows the characteristics of disconnected single mothers, based on our standard definition (definition 3 in Table 2); the third column uses the stricter definition from the last column of Table 2, showing only disconnected women who live with no other adults or with disconnected adults.

Low-income single mothers tend to be very disadvantaged, as column 1 indicates. Over half (54.3 percent) are poor, 64 percent have only a high school degree or less, and a very high share are persons of color. In comparison to this group, however, disconnected single mothers are far worse off, regardless of which definition of disconnected we use. Over 80 percent are poor. Their total reported family income is well below \$10,000. Although many have argued that these women must be cohabiting and receiving income from a boyfriend, only 19 percent report themselves as living with an

unrelated male using our standard definition. Strikingly, more than a fourth report not working for health-related reasons, although we use a definition that excludes women who are receiving public disability payments through SSI.

Other studies with richer information about individual characteristics provide more information about the group of women who fail to make a successful transition from welfare into work. In particular, a variety of studies have documented the multiple barriers to work that some single mothers face and correlated these barriers with problems in finding and holding a stable job.<sup>2</sup> Women who have difficulty finding work following welfare reform are more likely to have health problems, particularly problems of depression and other forms of mental illness. They are also more likely to be caring for someone with health problems, either a child or another relative. Compared to other women, they are far more likely to report a history of domestic violence or to be living in a situation that involves domestic violence (Riger, Staggs, and Schewe, 2004). Finally, they are also more likely to have past or current problems with substance abuse (Metsch and Pollack, 2005).

Welfare leavers who have trouble maintaining steady employment typically face one or more of these problems. One study finds that 57 percent of welfare leavers who were not employed faced multiple barriers to work, while only 17 percent of those who were employed faced multiple barriers (Loprest, 2003). One of the most striking pieces of evidence comes from a study by Pavetti and Kauff (2006) of women who hit the welfare time limit in a county in Minnesota. A series of detailed personal assessments found that all of them had some combination of cognitive limitations, mental and physical health

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<sup>2</sup> Key research that presents evidence on the range of barriers that limit women's employment options include Turner, Danziger and Seefeldt (2006), Meara and Frank (2006), Seefeldt and Orzol (2005), Stagner, Kortenkamp and Reardon-Anderson (2002), and Moffitt et al. (2002).

problems, a lack of community and social networks, and limited management and decision-making skills.

We have almost no information on these type of barriers in CPS data, but the SIPP data provides somewhat richer information. The SIPP asks more questions about why women are not working in any given month. Furthermore, a special supplementary survey is occasionally given to the family asking about child development. Table 4 uses data from the 2001 SIPP to look at the barriers discussed in the literature which can be measured in the SIPP. The first column shows the share of low income single mothers reporting problems. The second column shows the share of these problems among women who ever experience at least one month of disconnectedness. The third column shows the level of these problems among women who experience multiple months of disconnectedness.

The first part of Table 4 indicates that disconnected women are far more likely to report not working due to pregnancy, childbirth, or child care responsibilities. This is striking, since welfare income in the past was often targeted on single mothers who had very young children. A very high share of disconnected women report they are not working because they have chronic health problems or a physical or mental condition that limits work. These numbers are high, even though we have excluded women in the months when they report receiving significant amounts of disability assistance through SSI.

The second part of Table 4 uses data from the supplemental child development survey. Because this is given only twice during the panel, the responses may or may not occur at the same time as a mother reports being disconnected. These childhood

disabilities are long-lasting problems, however. Although child developmental disabilities are infrequent among all samples presented in the table, they are in general more prevalent among the disconnected.

The final row in Table 4 shows the share of women who report none of the barriers listed in the table. Fewer than half of all low-income single mothers (42.8 percent) report no barriers, indicating that many low-income mothers struggle with these problems for themselves and their children. Most of these women hold jobs, however, or receive public assistance income. There are more barriers among women who report any periods of disconnectedness. Only one quarter report none of these barriers; among those with multiple periods of disconnectedness, only 17 percent report no barriers.

All of this evidence suggests that a substantial subset of single mothers – particularly those with health, behavioral, and family limitations – will have difficulty finding and holding stable employment when welfare-to-work policies, time limits, or sanctions move them off welfare assistance. As Tables 2 and 3 suggest, disconnected women are very poor; even if their actual income is under-reported by 10 or 20 percent, they would remain an extremely poor group. Table 4 suggests that many of these women face significant barriers to work, given both their own problems and the problems that their children are experiencing.

This section documents the growth in the number of disconnected single mothers, particularly over the past 5 years. These women are highly economically disadvantaged with very low incomes; the majority live only with their children or with other non-working adults. All of this suggests that this is a population that might be of particular

concern, both because it is growing and because the economic problems facing these families might have long-term negative effects on the children in these families.

#### **IV. The timing of periods of disconnectedness**

The period of time that women spend disconnected is an important factor when considering policy responses. Hence, one may want to look at spells of disconnectedness, that is, the length of time that women go without significant earnings or welfare income. Within limits, the SIPP data allow us to do this. The 2001 SIPP panel interviewed participants every 4 months for 36 months, for a total of 9 interview cycles, called waves. In the 2001 SIPP, there are 4,272 women who are low-income single mothers at some point in the panel, each of whom is theoretically at risk of becoming disconnected. We identify spells of disconnectedness as sequential periods when women report themselves as neither working nor on welfare or SSI. Although women are asked about the past four months each time they are interviewed, there is a serious seam bias problem, so that a disproportionate number of respondents report changes in employment or public program receipt only every four months, at the point where they are interviewed. Because of this, we look only at the last month of each wave (the actual interview month), and therefore have information on women's economic status every four months during the period they are in the SIPP survey.

The top panel of Table 5 focuses on spells of disconnectedness observed in the 2001 SIPP. Columns 1 and 2 refer to all women who are ever defined as disconnected based on our standard definition (e.g. report a month in which they receive little earnings or welfare/SSI income). Column 1 reports the number of spells for which we observe

both the beginnings (i.e. the spell is non-left censored) and the endings (i.e. the spell is non-right censored) during the course of the panel. Of course, these are necessarily shorter spells, so column 2 reports the number of spells that we observe starting in the data, but includes right-censored spells as well. As indicated in column 2, there are 1,168 women who experience at least one spell of disconnectedness that is observed to start in the SIPP panel; this is 27.4 percent of all low-income single mothers. Columns 3 and 4 look at the same concepts based a sample of women who are disconnected using our stricter definition, that is, they live without other adults or with disconnected adults. Among low-income single mothers, 19 percent experience a spell of disconnectedness based on this definition.

The data suggest that a high share of the disconnected spells last for four months or less; depending upon the definition of disconnected, between 71 and 74 percent of uncensored spells are relatively short. This share is only slightly lower when right-censored spells are included. Only a small share of these spells last longer than 12 months, between 4 and 9 percent across the columns in Panel 1.

A potential problem with these tabulations is that they undercount long spells, since they show only spells that start in the data. If there are a number of very long spells, they will likely be left-censored, and will not appear in these tabulations. The number of spells that are both right and left-censored provides a rough measure of how prevalent these long spells may be. The notes to Table 5 indicate that 49 spells (among all disconnected women) last more than 12 months but are censored on both ends. If we add the both-censored spells that last longer than 12 months to the non-left-censored spells, it turns out that 13 percent of these spells last 12 months or longer among disconnected

women (among those without other adult income help, the percentage is 10.6 percent). While we have seen that all disconnected women appear to have very low incomes, those women with extremely long spells are the most destitute.

By focusing on spells, the top part of Table 5 investigates periods of continuous disconnectedness. If women move in and out of unstable employment, however, one might be less concerned with any particular *spell* of disconnectedness and more concerned with the *total number of months* in which a woman reports herself disconnected. Panel 2 of Table 5 reports on the number of months in which a single mother reports herself as without substantial earnings or public assistance support, without attention to whether these months are connected into a continuous spell. The two columns in panel (2) show this analysis for both of our definitions of disconnected. In the bottom panel, any woman who reports even a single month of disconnectedness is included, without attention to issues of left or right censoring. Hence, 40.4 percent of all low-income single mothers report at least one month spent disconnected, in the first column of panel 2, while over one-quarter of women report at least one month based on our stricter definition of disconnection in the second column of panel 2.

While the top part of Table 5 suggested that most women are in relatively short spells of disconnectedness at any point in time, the bottom panel of Table 5 suggests that the many women experience multiple spells of disconnectedness. Although less than 10 percent of uncensored or right censored spells last longer than 12 months, more than double this share of women experience more than 12 months of disconnectedness.

Table 6 provides information on the reasons why women enter and leave disconnected spells. Part 1 shows reasons for the beginning of disconnected spells, based

on the first spell observed (if any) for each low-income single mother in the SIPP data set. Part 2 shows reasons for the ending of disconnected spells, based on the first spell ending observed (if any) for each single mother.<sup>3</sup> We base these calculations on our standard definition of disconnection.

In part 1, 16.3 percent of the spells start because either a woman's marriage breaks up, a child is born, or she becomes a disconnected single mother. Only 13.8 percent of the spells start because of the loss of welfare or SSI income (this number would surely have been much higher in the late 1990s when many women were leaving welfare.) More than half (57.5 percent) of spells start because of a change in earnings, probably caused by the loss of a job. Part 2 shows equivalent reasons for disconnected spells to end. The beginnings of spells mirror endings very closely. Fourteen percent end a spell because they get married or they no longer have a younger child. About 15 percent leave because their welfare or SSI income increases, while 55 percent leave because of an increase in own earnings. In the early 2000s, job gains and losses are clearly the primary reason why women are becoming disconnected. The safety net, through welfare or SSI, plays a relatively minor role in helping women escape from (or enter into) a period of disconnectedness.

These findings yield important lessons for safety net policies directed at disconnected, single-mother families. Most spells of disconnectedness last eight months or less, and generally begin and end with a shock to the woman's earnings. This is perhaps not surprising in a post-welfare-reform world. When welfare is less available to

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<sup>3</sup> These reasons are prioritized, so the reasons sum to 100. This means that women whose marriage breaks up (reason one) are coded in this category and do not show up in any other category. Clearly, the order in which these reasons are tabulated will matter; we have experimented with slightly different orderings and the conclusions we describe here do not change.

single mothers, their economic fortunes rise and fall with their labor market opportunities. Thus, the most appropriate programs will provide potentially recurring short-term income support rather than a single long period of support, and will focus on finding and maintaining stable employment.

#### **V. Are There Other Sources of Support Available to Disconnected Women?**

The cash resources reported Table 1 are not the only resources available to women. They may receive in-kind government support, through food stamps, Medicaid, or other programs; they may receive help from non-governmental organizations through food pantries or community-based service organizations; or they may receive in-kind help from other family members with whom they do not live. Officially, if they received cash gifts from others, they should be reporting this to the CPS or to the SIPP; most people believe that in reality, such transfers across families are largely unreported.

While Table 1 indicates that cash support through the public assistance system has fallen substantially, other programs have not contracted. Historically, many women on welfare were connected with other government programs by their welfare caseworker. As a result, when welfare programs were redesigned to move women from welfare into employment, women's use of some other government programs decreased. For example, for a few years food stamp usage declined almost as fast as welfare usage, even though many women leaving welfare remained eligible for food stamps. As a result, the Food Stamp Program worked hard to rework its eligibility rules and outreach so that food stamps were more easily used by working low-income adults. Office hours were changed to accommodate working applicants who were only available for evening or weekend

visits; longer eligibility certification periods were offered to some eligible recipients; and asset limits on cars (a necessity for many workers) were raised. The result of these changes was a turnaround in food stamp usage. The earlier declines were reversed and a growing share of working families (particularly single mothers) received food stamps.<sup>4</sup> Similar efforts were made to cover women and their children with Medicaid.

Table 7 tabulates the extent to which low-income single mothers participate in assistance and insurance programs in 2005, based on CPS data. The first three columns show program usage among non-disconnected low-income single mothers, divided between those who report high welfare income, high earnings, or high SSI income (a few women may be in multiple categories.) The last two columns show program usage among disconnected women, using both the standard and the stricter definition.<sup>5</sup>

As expected, many more women among the ‘not disconnected’ report welfare or SSI income (by definition, only those with very low levels can be included in the disconnected columns). Among women with welfare or SSI income, a high share also receives food stamps and Medicaid. (Table 7 is based on data indicating that someone in the family is covered by these programs. We do not know whether all family members are covered. So, for instance, Medicaid coverage is likely to be more available to children in these families than to the mothers.) Single mother’s connections with public assistance assure their coverage by a range of programs. Not surprisingly, few of these women receive private insurance. Even among women with significant earnings, over

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<sup>4</sup> Danielson and Klerman (2006) and Hanratty (2006) both try to estimate the extent to which policy changes have driven the recent increase in food stamp caseloads; both studies find significant effects.

<sup>5</sup> We cannot distinguish between women who do not receive these programs because they are ineligible and women who are eligible but not receiving benefits.

one-third receive food stamps and 58 percent report themselves covered by Medicaid. Another 37 percent report having employer-provided insurance.

Disconnected women receive less protection from these programs. Their very low incomes suggest that virtually all of these women should be eligible for food stamps, yet only about half receive them. A larger share (two-thirds) report that someone in the family is receiving Medicaid. This is perhaps not surprising, given the evidence in Table 4 of substantial own and children's health problems. Very few of them have employer-provided insurance.

The evidence in Table 7 may be reassuring since it suggests that a significant number of these disconnected women and their families are not entirely outside the public safety net. A number of them receive food stamps and even more receive some help through Medicaid. On the other hand, despite the extremely low incomes of these families, a significant number are not receiving any help from public programs, or are only receiving Medicaid assistance, which provides no help in paying rent and grocery bills. Table 4 indicated that a high share of these women report health problems that prevent them from working, yet they are not receiving SSI. In short, many of these families appear in need of greater public assistance than they are currently receiving.

Not all assistance comes through government programs, of course. Private organizations also provide support for poor families. Many communities have organizations that run food pantries or soup kitchens, or that provide free access to used clothing. Tiehen (2002) indicates that 6.4 percent of single parent families report using a local food pantry in 2000. This number is down slightly from 1996. While a large number of visits to food pantries are reported over the year, few people can rely on them as a

primary source of food assistance. Most food pantries have rules about how often a family can receive help, and help is typically limited to a certain quantity of items.

Most evidence suggests that food pantries are used occasionally as a supplement to other resources. In fact, at least one-third of food pantry users also receive food stamps, but visit the pantry toward the end of the month when food stamps run low (Daponte and Bade, 2006; Biggerstaff, Morris, and Nichols-Casebolt, 2002). Other studies of welfare leavers have found that food assistance from community organizations is as common among those who stay on welfare as it is among those who leave (Jensen et al., 2002; Dunton and Mosley, 2000).

For families in economic need, food pantries are more likely to be available in their community than other types of private help.<sup>6</sup> Edin and Lein (1997), interviewing poor women in inner-city neighborhoods, find that 22 percent of working single mothers report some income from a community agency during the year, receiving on average \$165 in assistance from these organizations. While we have no data to indicate how much disconnected women make use of food pantries or other agency help, they are likely to use them at least as much as other low-income single mothers and probably more. Our general reading of the evidence is that food pantries or other community service organizations can provide, at best, only limited support to disconnected women.

An alternative source of support is through other family members, who might provide assistance to relatives in need. Our data already take into account the income available from other related adults who share a residence with the single mother, since we (like the Census) assume that all co-resident and related individuals share income. The

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<sup>6</sup> A national organization, Second Harvest, helps communities organize the collection of unused food from retailers for redistribution through food banks. Over 200 food banks are currently affiliated with Second Harvest. Food banks in turn provide food to food pantries, to soup kitchens, and to other food programs.

CPS also asks about cash gifts from other (non-co-resident) family members. The amount reported is quite small, but there is reason to believe that such transfers might be underreported (Haider and McGarry, 2006). Given this, what other evidence exists about whether low-income single mothers are likely to receive support from non-co-resident family members? There are relatively few studies of kinship support among poor single-mother families, and few of these distinguish between co-resident kin and other kin.

Magnuson and Smeeding (2005) do make this distinction. They indicate that two-thirds of single mothers received no cash support at all from their families after a child is born; among those who do receive family help, much of it comes through shared expenses due to co-residence. Almost no financial support comes from non-co-resident kin. In an older study, Parish, Hao, and Hogan (1991) indicate that the primary benefit that single mothers receive from nearby relatives is child care assistance; they provide little financial support. Of course, for disconnected mothers who are not working, child care assistance is not needed as much as it is among working single moms. Haider and McGarry (2006) find that only 0.3 percent of income among less-skilled single mothers comes from private financial transfers.

Other studies that don't distinguish support from co-resident and non-co-resident kin also indicate that kinship financial help is limited. Chin (2002) finds that 30 percent of new unmarried single mothers get financial help from relatives in the year after a child's birth, but this declines rapidly as the baby gets older. Schoeni (1997) indicates that lower income families are much more likely to give time (such as child care assistance) than money. Edin and Lein (1997) have some of the highest estimates of family support, perhaps reflecting the nature of their inner-city sample. They indicate that

47 percent of working single mothers reports some family support, averaging \$140 per month among those who receive it (this number includes in-kind as well as cash gifts).

Women reported that this support often came with return obligations.

Our reading of this literature suggests that outside of shared living expenses, financial support from other non-co-resident relatives is often low for single mothers. Most support comes as child care assistance from nearby kin, assistance that probably would be less useful for disconnected mothers since they are largely not employed.

A final source of financial assistance may come from men who are boyfriends or fathers of a mother's children. As we have noted, only about 18 percent of disconnected women live with an unrelated male, and (discussed above) cohabitators share much less income than do married couples. Nonetheless, these women have potential access to the earnings of another adult, one reason why our tables look at disconnected women who live only with their children and other non-working adults.

Non-resident fathers may be a source of assistance as well, however. Information on formal child support payments received by the mother is collected in the CPS and included in our data on financial resources; information on regular cash support outside of formal child support is also requested (although may be under-reported). Covert or informal support amounts are relatively low and hard to collect information about. Edin and Lein (1997) report that 42 percent of working single mothers receive income from absent fathers, but they do not break this down between formal and covert support. This constituted 10 percent of the budget for these women. This number may be high, however, since it was collected in the early 1990s when a more selected group of single mothers worked; as more women have left welfare and entered the labor market, it is

likely that these women are less-skilled and the fathers of their children are also likely to be lower earners with less income to share.

Overall, we know that most of these disconnected women have some resources available to them beyond those that they report to surveyors from the CPS or SIPP. Almost surely these women get help – much of it in-kind – from families, friends, community organizations, boyfriends, and the fathers of their children. Indeed, if they did not get this sort of help, it would not be possible to survive on the incomes they report. We would be very surprised, however, if this other income constituted enough to change our overall conclusion that this is a very poor group whose numbers are growing. Certainly these other sources of income are unreliable and variable, and do not offer the economic security that stable employment or public assistance support would provide.

## **VI. Possible Policy Responses**

In past decades, increases in the number of poor, non-employed women would be likely to generate a conversation about increasing take-up of welfare among this eligible population. In the current policy environment, many of these women were once on welfare but have been encouraged to leave. The evidence suggests that many of the most disadvantaged women who are neither working nor on welfare have hit time limits or have been sanctioned, making it impossible for them to utilize welfare as an income source (Fording, Schram, and Soss, 2006; Pavetti, Derr, and Hesketh, 2003.)

The difficulty of returning these women to welfare programs has increased with the recent federal revisions in the Temporary Assistance to Needy Families (TANF) block grant that occurred in January 2006. TANF provides the primary federal funding

stream for state cash welfare programs. The new law requires that 50 percent of the current welfare caseload needs to be working in order for states to receive their TANF funding.<sup>7</sup> While states have faced such requirements in the past, a legal provision allowed them to reduce caseload work requirements if their caseloads fell after 1995. Since all states experienced sharp caseload declines post-1995, state caseload work requirements were also reduced. The recent legislation “resets the base” to the 2005 caseload levels, requiring 50 percent of the caseload to work, and allowing a reduction in this fraction only if caseloads decline post-2005. Few states currently meet this 50 percent requirement. “Work” includes employment as well as a variety of approved work activities, such as supervised job search or job training programs. Women must take part in employment or work activities for at least 30 hours per week to be counted as “working” (20 hours if they have a child under age 6.)

The result is that states are increasingly concerned not only with moving women off welfare and into work, but with increasing work hours among current welfare recipients. Providing expanded assistance to disconnected women – women who have already demonstrated difficulty in holding stable employment – is likely to prove expensive and not very politically attractive to many states.

One option, of course, is to do nothing and to avoid any policy changes focused on disconnected women. If special resources are provided to those who experience an extended period off work and off welfare, this sends the message to women who have difficulty finding a job that they should “wait it out” until they can get additional assistance. Those who insist on sending a strong message about the value of work are likely to resist efforts to build a better safety net for disconnected women. Furthermore,

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<sup>7</sup> For more details on these new federal requirements, see Center on Budget and Policy Priorities (2007).

if many of these women have already faced sanctions or time limits, special assistance overrides the purpose of those policies.

“Doing nothing” would be more compelling if we thought that these women could work more steadily and earn higher incomes, but have chosen not to. The evidence we present here or that we summarize from other research suggests that a very high share of these women face serious barriers to work that are not easily dealt with (domestic violence, depression, caring for a sick or developmentally disabled child, learning disabilities, etc.) Furthermore, we are very worried about the effects of low and unstable family incomes on the children in these families, particularly given the health and developmental problems these children already face. So far as we know, no study to date has looked at child outcomes among women who experience extended spells off both work and welfare. We do know that periods of extreme poverty have long-term negative effects on children’s health and school outcomes (Duncan and Brooks-Gunn, 1997.) Even if one has mixed feelings about helping the mothers, one may argue for supplementing family income if the harm done to children in these households is great enough. Research is needed on how children in these disconnected families are faring.

For all of these reasons, we believe that pro-active policy attention needs to be given to the growing problem of disconnected single mother families. We discuss four options here: expanding in-kind program take-up; expanding SSI eligibility; designing new state (or federal) programs aimed specifically at this population; and revising welfare rules.

Option 1: Expand support for non-cash, means-tested programs, and work hard to enroll disconnected women in these programs. This option requires greater efforts to increase participation in food stamps, housing programs, Medicaid, or other non-cash assistance programs. The evidence suggests that about half of disconnected women are already enrolled in food stamps (see Table 7), but increasing take-up among the remaining women who are not enrolled would expand their resources. Women who have left welfare – especially those who were sanctioned or time limited – may be misinformed about their ongoing eligibility for food stamps. Similarly, it would be useful to make sure that children from these families participate in school lunch or breakfast programs, and that families are aware of their Medicaid options.

Some states are working to keep these families enrolled in Medicaid or food stamps, providing them with special counseling and assistance when their TANF eligibility ends. There may be best practices to be learned from these states that could be more broadly helpful. It may be useful to think about the possibilities for demonstration projects, focusing on generating greater take-up in targeted, in-kind assistance programs among eligible low-income families.

Since program officials have made efforts to increase take-up among working single mothers, the implementation of this option is already under way. The problems that prevent women from working can also make it difficult for them to participate in public assistance programs, however. At a minimum, in-kind public assistance programs should think about the particular challenges that may be faced by disconnected single mothers and develop a strategy to encourage greater take-up among those eligible within this population.

Option 2: Expand SSI to allow for partial or temporary coverage. At present, those eligible for SSI must show proof that they are permanently unable to work. As Burkhauser and Daly (2002) have discussed, U.S. disability programs are open only to those who are permanently disabled, with no part-time or temporary disability coverage. Public programs that provide partial or temporary disability coverage are much more common outside the United States. The advantage of adopting such a program would be that more individuals who face health limitations on work might receive support through SSI. Essentially, this policy change would provide cash support to a larger subset of low-income individuals, through disability payments rather than welfare.

Revising the SSI program to include partial or temporary disability determination and benefit payments would require a very substantial change, one that would take time and thought to do correctly.<sup>8</sup> This type of major reform is often difficult to enact and implement. While any effort to define “disability” is difficult, the more one moves away from a severe disability eligibility rule, the harder it becomes to establish clear and justifiable eligibility rules. Rising use of disability programs among older workers indicates the extent to which greater eligibility might lead to much higher SSI caseloads and costs. Changes in SSI eligibility would apply broadly to all low-income individuals, not just single mothers. A temporary or partial SSI program is likely to attract far more older persons (too young to collect Social Security and Medicaid, but facing health limitations) than single mothers. Hence, this “fix” to assist disconnected single mothers would likely have many far-reaching consequences. Helping a broader set of adults with

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<sup>8</sup> For a description of the SSI program and its operation, see Daly and Burkhauser (2003).

health limitations might be a good thing to do, but it is likely to be costly and bring far more people into the SSI disability payment system.

Furthermore, revising the SSI system would only help those women whose failure to find stable employment is due to health-related reasons. In general, this option proposes a potentially large and costly reform that may have a limited impact on the population of single mothers that we most want to help.

Option 3: Create special programs aimed at helping highly disadvantaged single mothers who are having problems finding stable employment. The changes in work requirements for TANF recipients are already generating efforts within some states to create what are known as solely state funded programs (SSFs), which are entirely outside the TANF structure and whose funding does not count toward the so-called state maintenance-of-effort (MOE) requirements for TANF programs.<sup>9</sup> These programs can be used to provide long-term support to women who are not able to find steady employment, or to provide ongoing support to women who do not meet work requirements or who have been removed from TANF support due to sanctions or time limits. CBPP (2007) lays out the possibilities for such programs.

A number of states are working to screen and identify women with serious barriers to work, including depression or other types of health problems. Programs aimed at ‘hard-to-employ’ women are being tried and evaluated in several locations. So far, however, these efforts are scattered and there is no consensus on what constitutes best practice for these efforts.

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<sup>9</sup> MOE funds are funds that states must spend on the welfare-eligible population in order to be eligible to receive their federal TANF grant.

One proposal for this sort of program was made by Blank (2007), who proposes a Temporary and Partial Work Waiver Program. This would be run by states, allowing them to provide either short-term support, say to help supplement income for a woman dealing with an ill elderly relative who cannot live alone, or a partial benefit payment, say to help a woman whose personal problems prevent her from holding a job that pays enough to support her family but who can find and maintain at least some employment. This type of program would require ongoing monitoring and more extensive casework than a traditional welfare program. Blank emphasizes the need to regularly reassess women's ability to work, pushing women whose personal situations change to move more fully toward work when possible.

A key part of an effective program is not only to provide ongoing benefits, but also to provide assistance that addresses the barriers to work a woman faces. For instance, such a program could fund substance abuse treatment, counseling, special learning classes, etc. These are expensive services and there are often constraints on the number of treatment slots available. Some states may be willing and able to fund more of these services than others.

Of course, it would be useful if federal funds were available to supplement state funds for such a program. Federal aid would be dispensed through a program separate from SSFs, and the interaction between this program and TANF would have to be worked out. Federal funds could help low-income states operate such a program and could help smooth the greater cyclicalities in state budgets, which cannot provide the sort of deficit financing available to the federal government. The biggest drawback to such a proposal – at the state or federal level – is the additional administrative machinery and

bureaucracy that a new program requires, much of it potentially duplicating some of the casework and assessment activities already found within the TANF program.

Option 4: Remove the barriers within TANF that make it difficult for states to provide ongoing support to single mothers who have difficulty finding and keeping employment. With the recent revisions in the federal TANF block grant, some states are already implementing SSFs. Fifty separate state programs may not be the best way to deal with the problems of single mothers who are unable to find steady employment but who are no longer on welfare. An alternative, of course, is to revise the TANF rules so that some group of women can receive TANF benefits for a longer period of time, without facing the same work requirements.

At least in the short run, this is not likely to happen. Over the past 10 years, TANF has become less and less of a safety net program, and has focused more on moving women into work. While this has accomplished many good things, it is not obvious that it is a workable solution for all women. Some recognition of the growing share of disconnected women could conceivably result in rolling back some of the recently increased work requirements that states face in their TANF program, or allowing states to exempt some share of women from those work requirements while still funding them as TANF recipients. Alternatively, states could be encouraged to consider some ongoing assistance to families that face time limits or sanctions; this need not be cash support, but could be in-kind help or help to address personal barriers that limit women's ability to work. In many ways, these changes to the existing TANF program might be

more attractive than option 3, since they can be done within the parameters of an existing program and do not require creating new program machinery.

Even some relatively small changes in TANF might make a difference. For instance, it would be useful to change the federal rules so that TANF does not count months in which a woman on welfare meets work requirements against the TANF time limit. This would allow women who are working part-time to indefinitely continue to receive partial benefits. Another option could be revising MOE requirements to allow states to put more of their own money into SSFs to help disconnected women who are no longer on TANF.

The biggest constraint on changes in the current TANF program is political. This program has become known for its push to move women into work and off cash support. Making the sort of revisions suggested here would weaken the nature of these reforms. Whether this is attractive depends upon weighing the value of work incentives for all single mothers against the problems faced by those who have found it difficult to hold steady employment.

Before ending this policy section, we want to comment on our focus on single-mother families. There are many extremely poor individuals who do not have children but who suffer economic hardship and do not hold steady jobs. These persons may also benefit from efforts designed to provide greater safety net coverage to those who have difficulties finding employment. Ideally, a safety net should cover all those who are destitute. Historically, the United States has never provided much public assistance to non-disabled adults who do not care for children. The value of maintaining strong work

incentives for this population has always been viewed as more important. The Food Stamp Program is a notable exception, available to all low-income individuals and families; greater food stamp outreach efforts to eligible non-recipients are likely to benefit more than just single mothers. Other programs are not available to adults who do not care for children. As long as these individuals are viewed as undeserving of public support, and expected to work, the political effort to include them in any expanded safety net program is likely to be an uphill battle. Our own advice would be to focus first on the single mothers – a group that citizens have always been more willing to help – and then see if there is anything learned from that effort that might be useful to apply to other extremely poor families or individuals.

## **VII. Conclusions**

While many effects of welfare reform have been positive, one disturbing trend is the growing number of disconnected single mothers, who for some period of time go without earnings or welfare support. The recent shift in public assistance programs has left this group without a regular source of public support. While many of these women and their children receive food stamps or Medicaid, many do not. A significant minority of these single mothers report health problems but do not receive disability income. Hence, these families have very low incomes and limited support.

Our information about this group of women is still quite limited. As noted above, further research that looks at how these women are actually surviving during their spells of disconnectedness would be very useful. This would also help us judge the extent to which the women and children in these families are experiencing the problems that

extreme poverty often brings – residential instability, lack of health care, occasional food shortages, and psychological distress.

Given the low reported incomes in these families, the evidence that many of these women face multiple problems that limit their employability, and the needs of the children in these families, it may be foolish to wait for more research evidence before we begin to address this growing problem. Changes in public assistance programs, of the sort laid out in options 1 through 4 above, are worth conversation and consideration. Our own preference would be to roll back some of the stricter TANF rules and allow states to use funds to support these women as part of the TANF program or a closely-aligned state program. If this is not feasible, providing entirely separate state programs aimed at this population is another option. Finally, ongoing efforts to increase disconnected women's involvement with other public assistance programs, particularly food stamps and Medicaid, are also likely to be helpful.

This country has chosen to limit its safety net for poor non-workers in favor of greater support for those who work. Recent history has demonstrated that many single mothers are able to work, allowing them to receive supplementary support through work-oriented assistance such as the Earned Income Tax Credit. Our concern is for those who have not benefited from these program changes and who have not found steady employment. The preceding analysis has demonstrated the serious need for a more effective safety net for these women and their children, warranting an equally serious response by policy makers.

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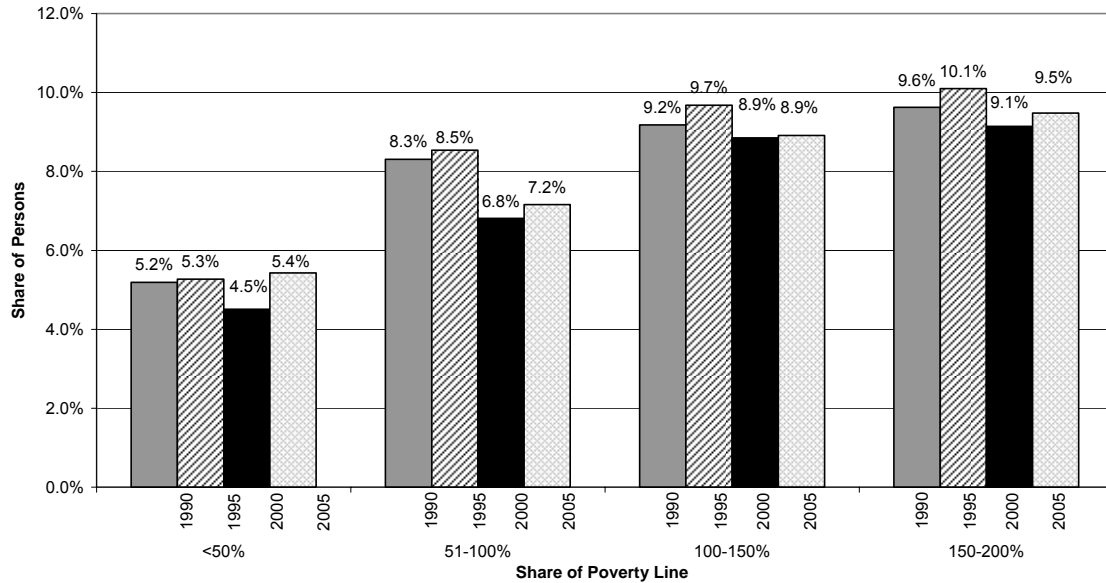
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Figure 1a

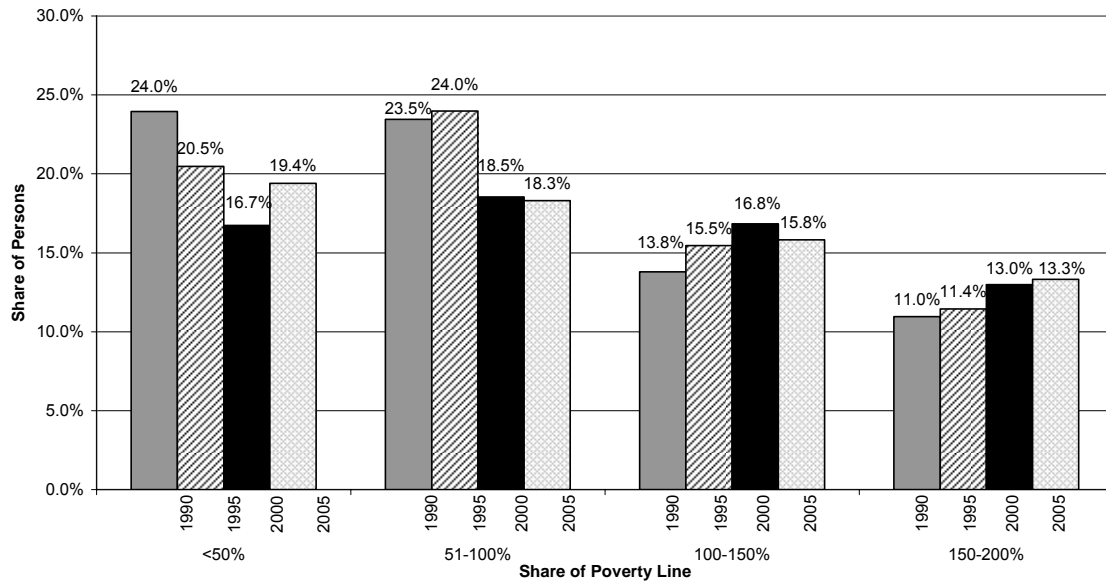
Persons Categorized by Family Income as a Share of Poverty Line, 1990-2005



Source: Authors' tabulations from the Current Population Survey, Annual Social and Economic Supplement.

Figure 1b

Persons in Single Mother Headed Families by Family Income as a Share of Poverty Line, 1990-2005



Source: Authors' tabulations from the Current Population Survey, Annual Social and Economic Supplement.

Table 1

**Family Income Components for Families Headed by Single Mothers with less than a High School Education**

<u>Year</u>	<u>Total Family Income</u>	<u>Income Component Percentages</u>			
		<u>Family Public Assistance Income</u>	<u>Own Earnings</u>	<u>Other Family Members' Earnings</u>	<u>Other Family Income</u>
1990	\$22,022	10.3%	44.9%	28.2%	16.5%
1995	\$23,891	8.1%	44.8%	27.8%	19.4%
2000	\$27,002	2.4%	52.7%	28.1%	16.8%
2005	\$25,023	2.1%	53.2%	26.7%	18.0%

Note: Author's calculations from Current Population Survey data. All monetary values in real year 2005 dollars, deflated using the BEA's PCE price deflator.

Table 2

## Trends in the numbers of disconnected single mothers

Based on single mother family heads whose family income is below 200% of the official poverty line

<b>(1) Current Population Survey (Annual Social and Economic Supplement)</b>							
				Using Definition 3			
Calendar	Definition 1 <sup>a</sup>	Definition 2 <sup>b</sup>	Definition 3 <sup>c</sup>	(1) Living w/ at least one 'connected' adult	(2) Living w/ other disconnected adults	(3) Living alone, w/out other adults	Without other adult income help: Sum of (2) & (3) <sup>d</sup>
Year							
1990	9.9%	14.1%	12.4%	5.0%	1.0%	6.4%	7.4%
1995	11.7%	15.8%	13.0%	5.7%	1.2%	6.1%	7.3%
2000	14.6%	18.6%	16.2%	6.6%	1.6%	8.0%	9.6%
2005	20.0%	25.1%	21.7%	8.0%	1.7%	12.0%	13.7%

<b>(2) Survey of Income and Program Participation (based on 1990, 1996 &amp; 2001 panels)</b>							
				Using Definition 3			
Calendar	Definition 1 <sup>e</sup>	Definition 2 <sup>f</sup>	Definition 3 <sup>g</sup>	(1) Living w/ at least one 'connected' adult	(2) Living w/ other disconnected adults	(3) Living alone, w/out other adults	Without other adult income help: Sum of (2) & (3)
Year							
1990	18.8%	19.9%	19.0%	5.4%	4.0%	9.5%	13.6%
1996	17.0%	18.8%	16.4%	5.4%	2.3%	8.7%	11.0%
2001	23.2%	24.5%	20.8%	7.6%	2.4%	10.8%	13.3%
2003	24.9%	26.3%	23.3%	8.7%	3.1%	11.5%	14.6%

<sup>a</sup> Not in school, no earnings, no welfare receipt over past year.

<sup>b</sup> Not in school, annual earnings ≤ \$2000; annual welfare receipt ≤ \$1000 (real year 2005 dollars).

<sup>c</sup> Not in school, annual earnings ≤ \$2000; annual welfare receipt ≤ \$1000; annual household SSI receipt ≤ \$1000 (real year 2005 dollars). This is the 'standard definition' used in the following tables.

<sup>d</sup> This is the 'stricter definition' used in the following tables.

<sup>e</sup> Not in school, no earnings, no welfare receipt over past month.

<sup>f</sup> Not in school, 12 x monthly earnings ≤ \$2000; 12 x monthly welfare receipt ≤ \$1000 (real year 2005 dollars).

<sup>g</sup> Not in school, 12 x monthly earnings ≤ \$2000; 12 x monthly welfare receipt ≤ \$1000; 12 x monthly household SSI receipt ≤ \$1000 (real year 2005 dollars).

Table 3

**Characteristics of Disconnected Single Mothers in 2005**  
(Based on 2006 CPS, Annual Social and Economic Supplement)

	All Single Mothers with Family Income Below 200% of PL	Disconnected Single Mothers	
		Standard Definition <sup>a</sup>	Stricter Definition <sup>b</sup>
Percent live with parents	11.0%	15.9%	8.1%
Percent live with other relatives	6.0%	7.4%	2.9%
Percent live with an unrelated male	18.2%	20.1%	1.9%
Percent live with an unrelated female	2.3%	2.3%	0.5%
Percent live alone, no other adults	63.7%	55.3%	87.6%
Average number of children	1.9	1.8	1.9
Average number of preschoolers	0.6	0.7	0.6
Average own earnings	\$9,802	\$200	\$196
Average earnings from other family members	\$2,437	\$3,933	\$702
Average family income	\$16,445	\$9,459	\$7,045
Percent white or other, non-Hispanic	40.7%	41.9%	42.4%
Percent black, non-Hispanic	33.2%	29.0%	35.2%
Percent Hispanic	21.1%	23.8%	17.9%
Percent education less than High School	23.8%	31.8%	27.1%
Percent education exactly High School	40.1%	39.7%	39.6%
Percent education more than High School	36.1%	28.4%	33.3%
Percent list 'health problems' as reason for not working	17.4%	25.7%	31.6%
Percent poor	54.3%	82.1%	86.2%
Immigrants	9.9%	12.7%	9.6%

<sup>a</sup> Based on Definition 3 in Table 2. This includes all single mothers in families whose total family income is below 200% of the official poverty line, who are not in school, and with annual earnings ≤ \$2000, annual welfare receipt ≤ \$1000 and annual SSI receipt ≤ \$1000 (real year 2005 dollars).

<sup>b</sup> Includes disconnected single mothers living without other adults or living with other disconnected adults only (i.e., neither working nor on welfare, using the same definition.)

Note: All monetary values in real year 2005 dollars, deflated using the BEA's PCE price deflator.

**Table 4**

**Barriers to Work and Disconnectedness<sup>a</sup> among Low-Income Single Mothers**  
 Tabulated from the 2001 SIPP Panel. Includes only individuals observed in all waves.

	(1)	(2)	(3)
<u>Barrier to Work</u>	Fraction of all low income single mothers experiencing the barrier	Fraction experiencing the barrier among those who report any period of disconnectedness	Fraction experiencing the barrier among those who report multiple months of disconnectedness
<i>Mother reports the following barriers at least once during a period of disconnectedness</i>			
Child in family age $\leq 2$	21.8%	17.9%	20.3%
Report not working due to pregnancy/childbirth	6.8%	9.2%	12.6%
Report not working due to caring for children/others	27.7%	41.4%	55.9%
Report not working due to chronic health condition or disability	9.5%	12.1%	16.2%
Physical or mental work-limiting condition	24.3%	23.0%	29.7%
<i>Mother reports the following barriers in a supplementary survey, not necessarily concurrent with disconnectedness</i>			
Child in family with developmental disability	0.8%	0.6%	0.6%
Child in family with physical or mental disability	1.8%	2.4%	3.1%
Child in family with mental retardation	0.9%	0.9%	0.8%
Child in family with other developmental disability	5.1%	5.9%	6.5%
No observed barriers	42.8%	25.7%	17.0%

<sup>a</sup> Based on Definition 3 in Table 2. This includes all single mothers in families whose total family income is below 200% of the official poverty line, who are not in school and have 12 x monthly earnings  $\leq$  \$2000; 12 x monthly welfare receipt  $\leq$  \$1000; 12 x monthly household SSI receipt  $\leq$  \$1000 (real year 2005 dollars).

Table 5

**Dynamics of Disconnectedness among Single Mothers with Family Incomes Below 200% of the Poverty Line in the 2001 SIPP Panel**

<b>(1) Spells of Disconnectedness (Based on First Non-Left-Censored Spells)<sup>a</sup></b>				
	Standard Definition <sup>b</sup>		Stricter Definition <sup>c</sup>	
	Uncensored	Uncensored & Right Censored	Uncensored	Uncensored & Right Censored
≤ 4 months	71.2%	65.4%	74.4%	70.4%
5-8 months	16.6%	17.8%	15.0%	15.4%
9-12 months	7.7%	7.5%	6.6%	6.4%
13-16 months	2.9%	4.9%	3.0%	4.8%
17-20 months	0.8%	1.5%	0.7%	1.1%
21-24 months	0.5%	1.3%	0.2%	0.7%
25-28 months	0.3%	0.9%	0.2%	0.6%
28-32 months	0.0%	0.7%	0.0%	0.5%
Average length (months)	4.4	5.3	4.2	4.8
Total number of non-left censored spells		1168		812
Fraction of low-inc. single mothers w/ a non-left-censored spell		27.4%		19.0%
<b>(2) Total Time Spent Disconnected (Without Regard to Continuity of Spells)</b>				
	Standard Definition <sup>b</sup>		Stricter Definition <sup>c</sup>	
≤ 4 months	51.7%		56.1%	
5-8 months	20.1%		18.1%	
9-12 months	9.8%		8.3%	
13-16 months	6.9%		7.5%	
17-20 months	3.7%		3.6%	
21-24 months	2.9%		2.6%	
25-28 months	2.0%		1.4%	
28-32 months	1.5%		1.2%	
32-36 months	1.4%		1.2%	
Average number of months	7.4		6.9	
Total number of individuals ever disconnected	1726		1139	
Fraction of low-inc single mothers ever disconnected	40.4%		26.7%	

<sup>a</sup> This panel does not include left-censored spells, thus omitting spells that are both right- and left-censored. There were 49 both-censored spells that lasted more than 12 months based on the standard definition of disconnectedness and 26 both-censored spells based on the stricter definition.

<sup>b</sup> Based on Definition 3 in Table 2. This includes all single mothers in families whose total family income is below 200% of the official poverty line, who are not in school and have 12 x monthly earnings ≤ \$2000; 12 x monthly welfare receipt ≤ \$1000; 12 x monthly household SSI receipt ≤ \$1000 (real year 2005 dollars).

<sup>c</sup> Includes disconnected single mothers living without other adults or living with other disconnected adults only (i.e., neither working nor on welfare, using the same definition.)

**Table 6****Reasons for Entering and Leaving a Spell of Disconnectedness<sup>a</sup>**

Based on the 2001 SIPP, single mothers (age 18-55) with family incomes below 200% of the poverty line

<u>(1) Reasons for Starting a Spell of Disconnectedness<sup>b</sup></u>	
<u>Reasons</u>	<u>1st non-left-censored spell</u>
Left marriage	6.0%
Child under 18 entered family	8.7%
Mother aged into sample (became 18)	1.6%
Welfare income fell below \$1000/year or SSI income fell below \$1000/year <sup>c</sup>	13.8%
Earnings fell below \$2000/year <sup>c</sup>	57.5%
Family income fell below 200% of PL	5.4%
No longer in school as primary activity	6.8%
<u>(2) Reasons for Ending a Spell of Disconnectedness<sup>b</sup></u>	
<u>Reasons</u>	<u>1st non-right-censored spell</u>
Entered marriage	5.7%
Mother aged out of sample (became 56)	0.4%
No more children under 18 in family	8.2%
Earnings rose above \$2000/year <sup>c</sup>	55.1%
Family income rose above 200% of PL	8.2%
Welfare income rose above \$1000/year or SSI income fell below \$1000/year <sup>c</sup>	15.1%
Entered school as primary activity	7.3%

<sup>a</sup> Based on Definition 3 in Table 2. This includes all single mothers in families whose total family income is below 200% of the official poverty line, who are not in school and have 12 x monthly earnings  $\leq$  \$2000; 12 x monthly welfare receipt  $\leq$  \$1000; 12 x monthly household SSI receipt  $\leq$  \$1000 (real year 2005 dollars).

<sup>b</sup> Reasons sum to 100% (up to rounding error) and are tabulated sequentially, so (for instance) changes in marital status take precedence over changes in earnings. As a result, ordering of reasons matters, although changes in order produce little change in relative magnitudes.

<sup>c</sup> In real year 2005 dollars, deflated using the BEA's PCE price deflator.

**Table 7****Receipt of Public Assistance and Insurance Coverage of Low-Income Disconnected Single Mothers in 2005**

Tabulated from the 2006 Current Population Survey, Annual Social and Economic Supplement

<u>Receipt / Coverage</u>	<u>Not Disconnected</u>			<u>Disconnected</u>	
	<u>With Significant Welfare Income<sup>a</sup></u>	<u>With Significant Earnings<sup>b</sup></u>	<u>With Significant SSI Income<sup>c</sup></u>	<u>Standard Definition<sup>d</sup></u>	<u>Stricter Definition<sup>e</sup></u>
Welfare	100.0%	8.3%	25.3%	4.0%	4.8%
SSI	11.8%	2.2%	100.0%	1.1%	1.2%
Food Stamps	92.5%	34.8%	74.9%	44.7%	52.5%
Medicaid	100.0%	57.6%	99.3%	65.4%	65.2%
Employer-Provided Group Health Insurance	5.7%	37.2%	5.2%	5.6%	5.2%
Any of the above	100.0%	84.0%	100.0%	74.4%	75.5%

<sup>a</sup> Annual welfare receipt > \$1000 (real year 2005 dollars).

<sup>b</sup> Annual earnings > \$2000 (real year 2005 dollars).

<sup>c</sup> Annual household SSI income > \$1000 (real year 2005 dollars).

<sup>d</sup> Based on Definition 3 in Table 2. This includes all single mothers in families whose total family income is below 200% of the official poverty line, who are not in school and have annual earnings ≤ \$2000; annual welfare receipt ≤ \$1000; annual household SSI receipt ≤ \$1000 (real year 2005 dollars).

<sup>e</sup> Includes disconnected single mothers living without other adults and disconnected single mothers living with other adults, all of whom are also disconnected (i.e., neither working nor on welfare, using the same definition.)