



The Impact of TANF WR on Poverty among Women and their Families

Based on Official / Alternative Poverty Measures
[Conference Presentation at US-BIG, EEA]

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Research Outline

- Research Question: Do TANF Work Requirements (WR) affect poverty change among women and their families?
- Poverty Measures used
 - Official / Alternative Family Income
 - Official / Alternative Poverty Rate
- Data: March CPS 1992-2003 files
(FY 1991-2002)

● ● ● | Hypotheses & Research Questions

● Hypotheses:

- How the TANF WR affect poverty can depend on the particular way in which poverty is measured
- The alternatives can be better measures for TANF-poverty study

● Research Questions:

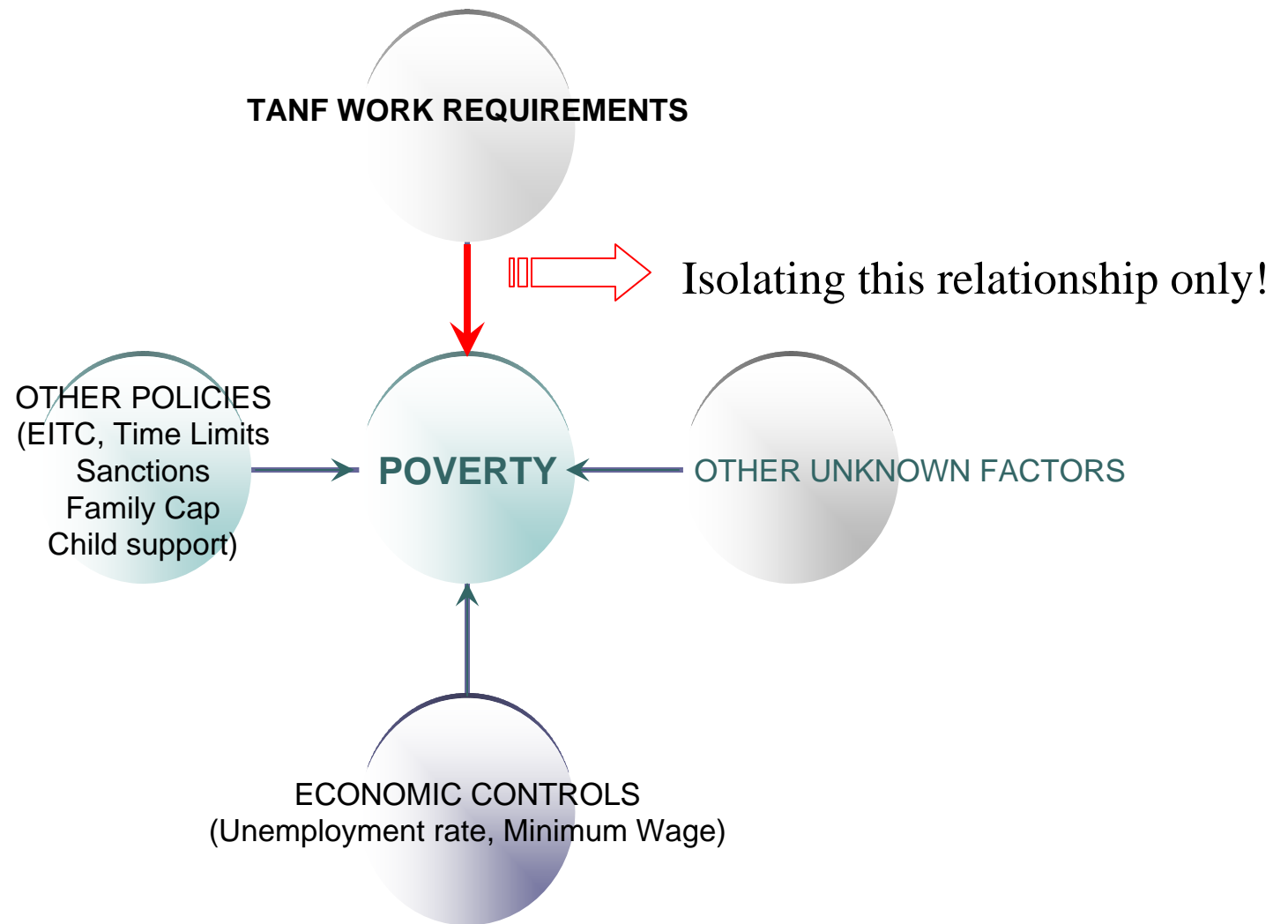
- Did the TANF WR change their official / alternative family income?
- Did the TANF WR change the official / alternative poverty rates?
(Four poverty measures are utilized)

● ● ● | Computations of Four Poverty Measures

- Official Family Income = Census Bureau's official income
- Alternative Family Income = Census Bureau's income
+ Non-cash benefits + EITC refund
– Tax – Work expenses – Childcare – Medical expenses
- Official Poverty Rate
= Official poverty thresholds \geq Official family income
- Alternative Poverty Rate
= Alternative poverty thresholds \geq Alternative family income



Main Task of this Study





Variables

- TANF Work Requirements (IV)
- Economic:
 - State unemployment rate
 - EITC max benefit
 - Mean per capita income, min wage
- Policies:
 - TANF/Food stamps max benefit level
 - Time limits, Exemptions
 - Family cap, Sanctions
 - Waiver, Child support
- Socio demographic characteristics
- Year and State fixed effects

→ POVERTY
(DV)



Data & Analysis Category

- March CPS 1992-2003 files (FY 1991-2002)
- Major Analysis Category
 - Educational level of women - Less than HS, HS, More than HS
- Age Range of Women: 15 – 65 years old

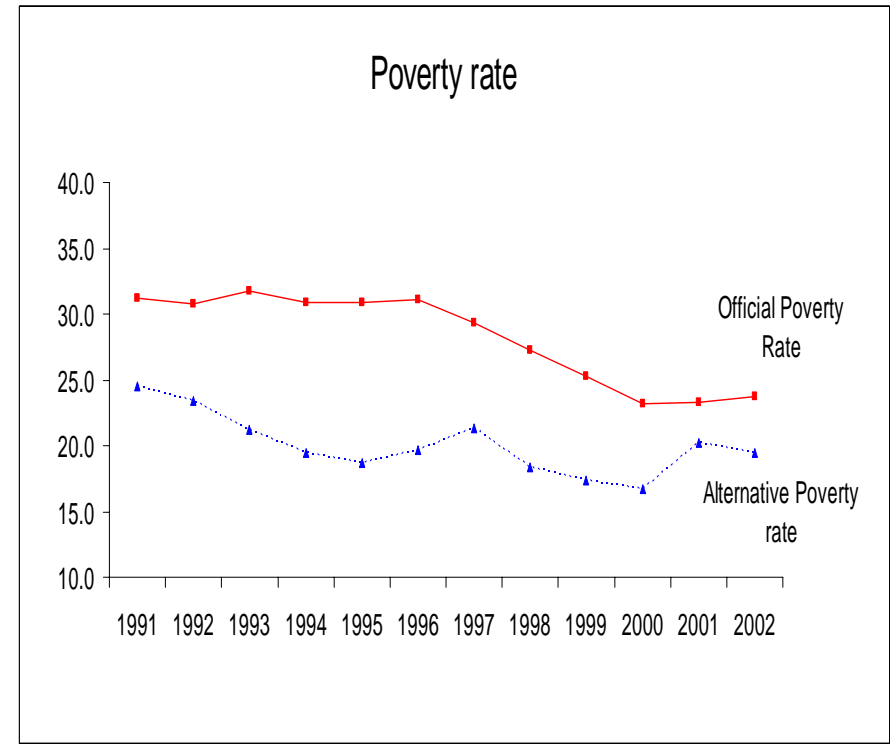
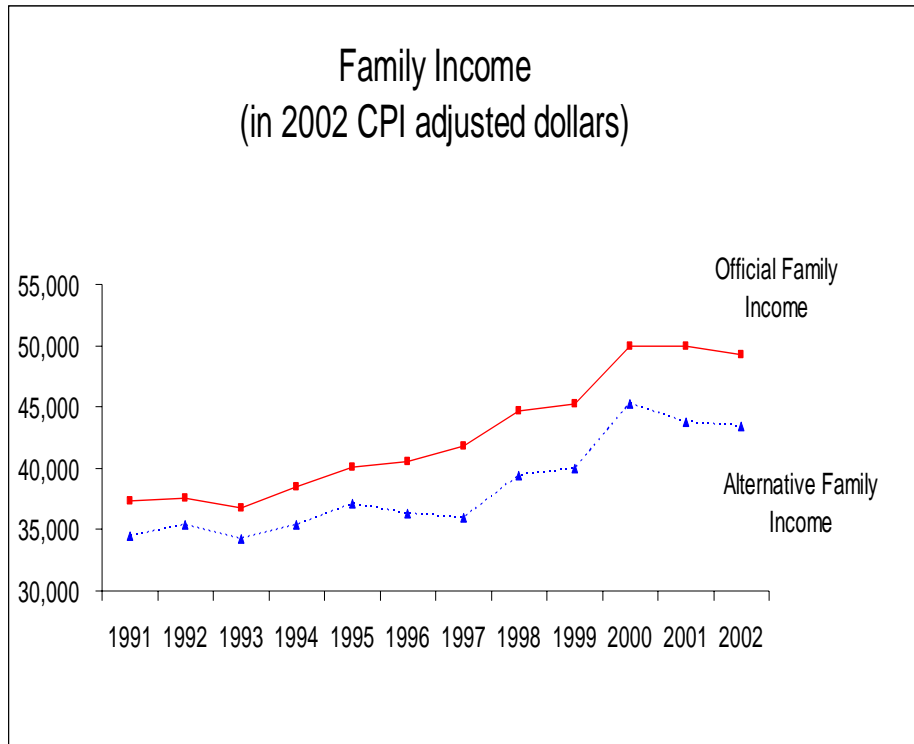


Demographics of Women (*N*=650,000)

		%
Race	White	69.7
	Black	10.9
	Hispanic	13.4
	Others	5.9
Education	Less than HS	20.7
	HS	31.3
	More than HS	48.0
Employment	Employed	64.4
	NILF / Unemployed	35.7
Family type	Two parents family	65.2
	Single parent family	34.8

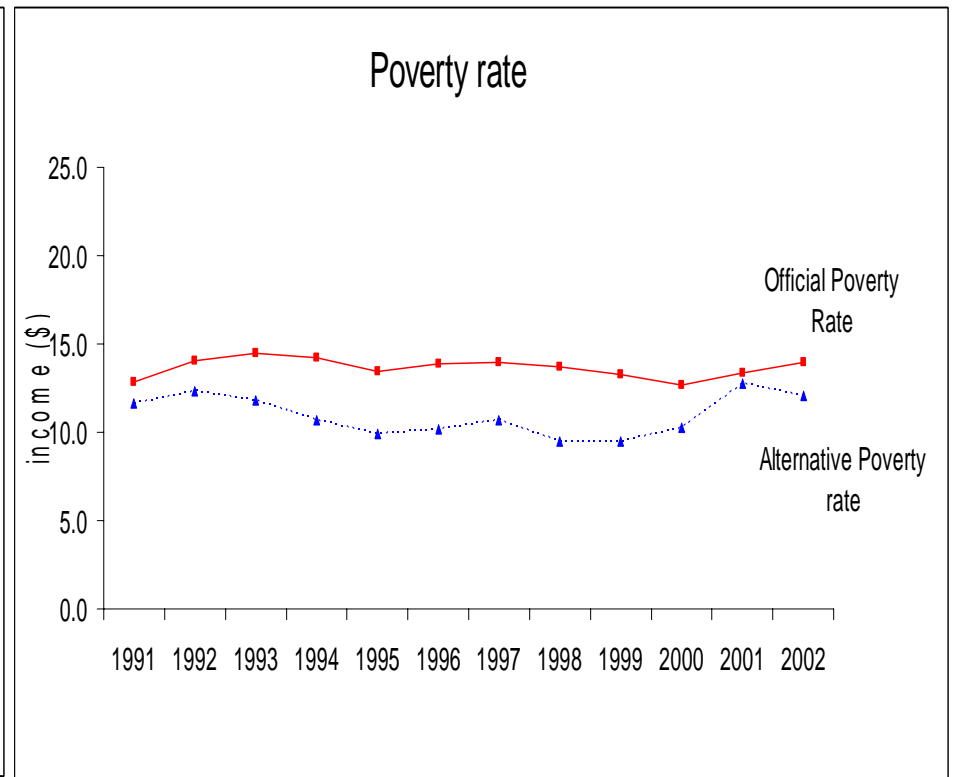
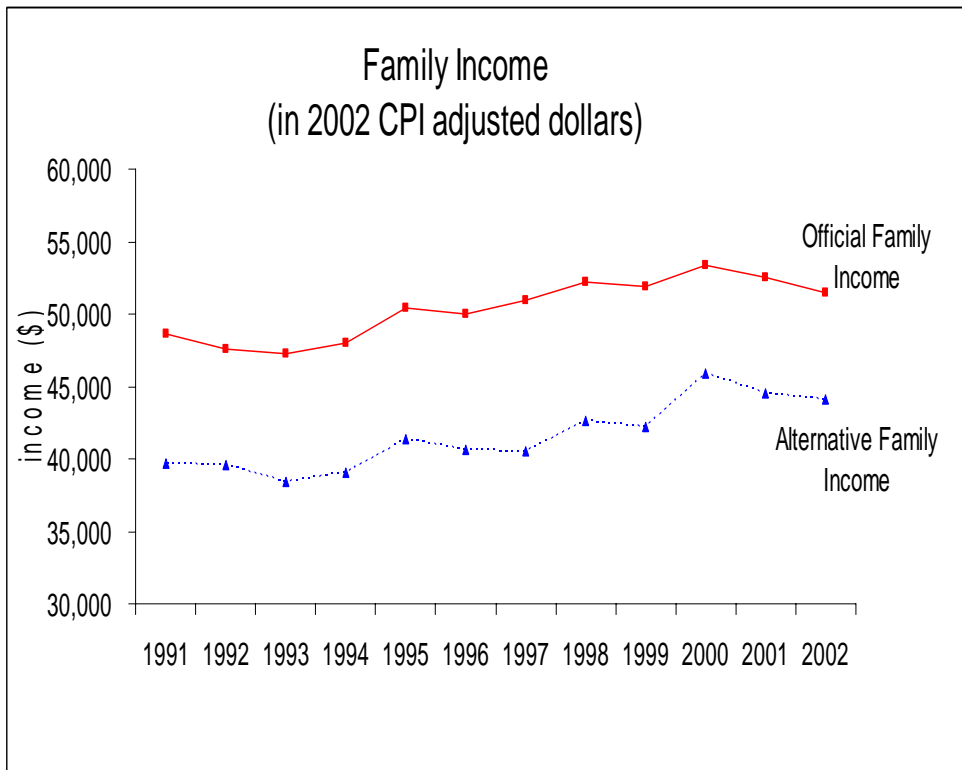


Income & Poverty Rate: Less than HS Women





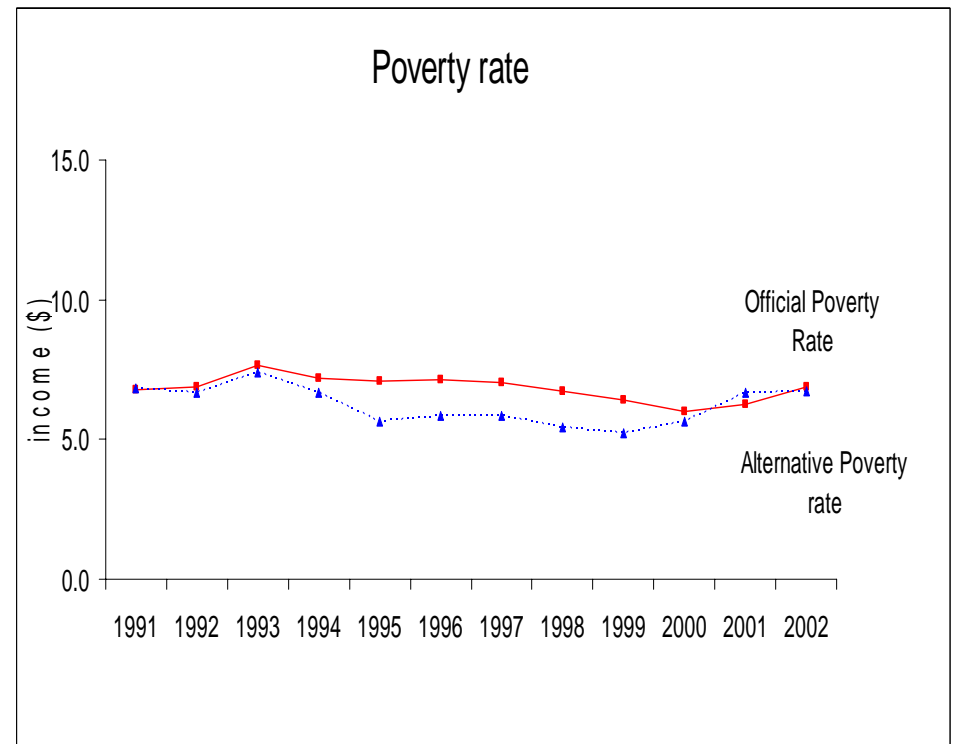
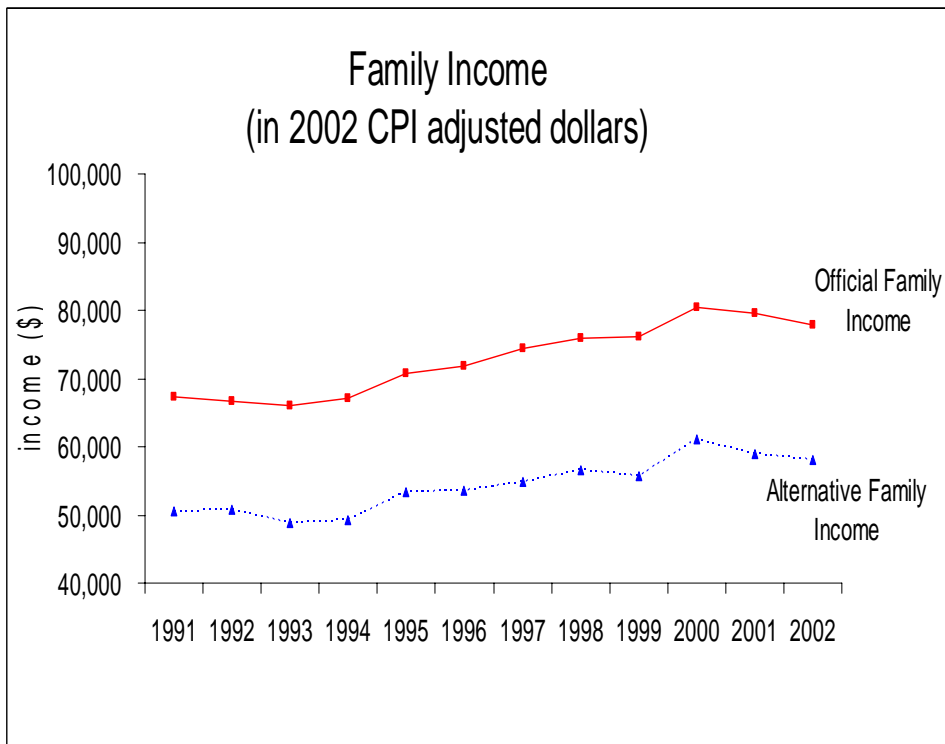
Income & Poverty Rate: High School Women





Income & Poverty Rate:

More than HS Women





Results: The Impact of TANF WR on Poverty - by Women's Education level

		TANF Work Requirements (IV)		
		Less than HS	HS	More than HS
Income	Offi	-0.0253	-0.0166	0.0128
	Alter	-0.3935 *	-0.0309 **	0.0039
Poverty rate	Offi	0.0272	0.0917 *	0.0262
	Alter	0.1815 ***	0.0842 +	0.0008

Notes: + : $p \leq 0.1$; *: $p \leq 0.05$; **: $p \leq 0.01$; ***; $p \leq 0.001$



Conclusions

- The impacts of TANF WR on poverty appear differently depending on which measures (official / alternative) are used
- The TANF WR have significant impacts on poverty of low educated women (less than or equal to HS) when based on the alternative measures
 - Decreasing alternative family income
 - Increasing alternative poverty rate
- The TANF WR have no impact on poverty of women when based on official poverty measures
- The TANF WR have no impact on poverty of highly educated women



Limitations of this Study

- TANF WR's lagged impact on poverty;
 - Current TANF WR can affect poverty of later years
 - How would poverty change in one or two years later, not in the current year?
- Still based on only income data. Consumption rather than income could be more comprehensive
- Unobserved factors that this analysis model could not capture



Key Variables of This Dissertation

Variables	Details
<i>Dependent Variables</i>	<ol style="list-style-type: none"> 1. Official family income measure: (continuous variable: OLS) 2. Whether the family is below or above the poverty line: (Using the official poverty thresholds: dummy coded, logistic regression) 3. Poverty gap (= official threshold – official family income): continuous variable, OLS 4. Alternative family income measure: (continuous variable: OLS) 5. Whether the family is below or above the poverty line (Using the alternative poverty thresholds: dummy coded, logistic regression) 6. Poverty gap (= alternative threshold – alternative family income): continuous variable, OLS
<i>Independent Variable</i>	<p>TANF Work Requirements' Implementation</p> <ul style="list-style-type: none"> -First way) Using the official implementation dates (Dummy coded) -Second way) Using the work participation rates (Continuous variable)
<i>Control Variables</i> <ol style="list-style-type: none"> 1. Socio-demographic 2. Macroeconomy 3. Other policies 4. State fixed effects 5. Year fixed effects 6. State time trend effects 	<p>Age, Race, Number of children younger than 6, Age of youngest child, Health problem (physical and mental), Employment status</p> <p>State unemployment rates</p> <p>EITC, Minimum wage, TANF maximum benefit level</p>

Data: March CPS (income supplement) 1990 - 2003

Computation of Poverty Measures using March CPS

Element	Official Measures of US Census Bureau	Alternative Measures of NAS
Income	<p>Gross money income (before-tax & excluding inkind benefits)</p> <p>→ From the question asking the total money income in March CPS</p>	<p>Gross money income + Inkind benefits – Income and payroll taxes (TAXSIM) + EITC refunds (TAXSIM) – Other nondiscretionary expenses (Child care and out-of-pocket medical care expenses) → Will be computed based on reliable information</p>
Poverty Threshold	<p>Based on: Food consumption times a multiplier (of three): a multiplier was used to reflect the share of food in the total expenditures & No geographic adjustments</p> <p>→ Official poverty measures already computed by US Census Bureau</p>	<p>The real sum of the consumptions of food, clothing, shelter, and utilities --based on current prices of them. (various multipliers should be applied for all other expenses)</p> <p>→ Experimental poverty measures already computed by US Census Bureau</p>



Thank you so much!