Getting into Poverty Without a Husband, and Getting Out, With or Without

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Interest in the poverty of U.S. women with children but without husbands stems from numerous sources including (i) the secular growth of this demographic group—up 110 percent since 1970 to a total of 6 million (almost 20 percent of all families) in 1985; (ii) the high poverty rates of these women—34 percent in 1985; (iii) the overrepresentation of blacks in this group—about 42 percent in 1985; (iv) the increasing fraction of children raised in these families—over 16 percent in 1984 vs. 6 percent in 1959; and (v) the size of government transfers to this particular group—almost $17 billion for income support under the AFDC program alone in 1985.1 Our research uncovers some important racial similarities as well as stark differences in how women enter and exit single-mother poverty status.

To address these concerns we analyze poverty spells of young single mothers. We pause to explain this break with the existing literature, that often examines spells of poverty that transcend changes in family structure, Mary Jo Bane and David Ellwood (1986) pioneered this approach by tracking poverty spells for an individual across changes in family structure and classifying poverty spells according to the family structure at the start and, alternatively, at the end of the spell. This approach would, of course, not illuminate the origins of the class of women who are poor single mothers. Some of them would never show up as female household heads, either at entry into or exit from poverty. (For example, some poor single mothers started as poor and single; some poor single mothers go on to be poor and living with their parents.) Any poor single mother whose poverty began before her single-mother status did, or whose poverty terminated after her poor single-mother status did, would not ever be classified as a female head of household.

In light of the problems just mentioned, we focus directly on spells as a poor single mother, noting both family structure and poverty status immediately before and after. With some reluctance, throughout this paper we follow the Census Bureau’s terminology and refer to a female head of household with dependent children as a female family householder (hereafter FFH) or, less formally, as a single mother.2 For economy of language we therefore refer to spells of FFH

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1The references for these data are (i) Bureau of the Census, Statistical Abstract (1987, p. 48); (ii; iii) Statistical Abstract (pp. 443 and 445); (iv) Victor Fuchs (1986, p. 12); and (v) Statistical Abstract (p. 343).

2A woman is defined as FFH if she is the head of her household and has children in the household. She is the head of her household if she is (i) not married with spouse present, and (ii) reports herself as either the head of the household or as the sister of head of household and no related adults (including the sister) are present. She is not the head of the household if she is either (a) married with spouse present or in the armed forces, or (b) does not meet (ii) above. By this definition, a divorced woman living with her parents would not be a FFH.
and spells of FFH poverty; similarly we use "divorce" to cover any marital split: divorce, separation, or absence of a spouse.

I. Data and Spell Definitions

We use the National Longitudinal Survey of Young Women (NLSYW), which oversamples blacks (28 percent) and follows a large number (5,159) of young women (ages 14 to 24 in 1967) for 14 years through stages of their lives when most marital and fertility transitions occur. Our research would not have been possible using either of the two standard data bases for poverty research: the Current Population Survey, the source of the official U.S. poverty rates, is basically cross sectional, and the Panel Study of Income Dynamics has too few women to focus on poor single mothers, let alone make meaningful comparisons by race.

We track the poverty status of each woman in the NLSYW for each survey date from 1968 to 1982 by following each family unit to which she belonged and comparing total family income to the relevant official annual poverty threshold. Income here is the sum of each family member's income, exclusive of government in-kind and cash transfer payments. The poverty thresholds are the official ones established by the Census Bureau. Not only is official poverty status a simple index of economic well-being, but it is also often the basis for policy discussions concerning equality and the distribution of income. Because the official poverty thresholds are arbitrary meters of economic well-being, we checked the robustness of our results by varying the definition of poverty to 125 percent and 75 percent of the official thresholds by family type. All of the empirical results reported in subsequent sections are based on the official U.S. poverty threshold in the interest of brevity because those obtained with these two alternative poverty thresholds yield only two differences: raising the threshold accelerates the entry rate, slows the exit rate, and lengthens the duration of FFH poverty, and conversely; lowering the threshold increases the fraction of blacks who are FFH poor, as one expects, because the very poor are disproportionately black.

Finally, our analysis focuses on the first-observed FFH-poverty spell, which avoids oversampling from multispell individuals. Although there is information in second- and higher-order spells, they tend to be associated with second divorces or other repeated changes in family structure and are of secondary importance here.

II. The Ins and Out of FFH Poverty

The black rate of entry into FFH poverty is nearly quadruple the white rate of entry in our data; the mirror image of this is that the exit rate for blacks is only half that of whites. Thus, young black women are both much more likely to experience FFH poverty and, once in FFH poverty, have longer average spells, 3.8 vs. 2.5 years for the young white women in our sample. Data on year of exit by year of FFH-poverty entry for blacks and whites separately show that for most young

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3 The NLSYW did not survey the panel every year: 1974, 1976, 1979, and 1981 are missing. This gives rise to the following sort of problem. Suppose that a woman was FFH in 1973 and not FFH (hereafter denoted as NFFH) in 1975, with her status, of course, missing in 1974. Assuming, for the ease of discussion only, that she made one transition between the observed years, the question is was she out of FFH poverty in 1974, or not until 1975? We first explored the consequences of the two obvious possible extreme assumptions, the truth lying somewhere in between. At one extreme, we maintain that the spell ended in 1974. At the other extreme, we maintain that the poverty spell ended in 1975. We also made similar contrasting assumptions for the other missing years and spells of NFFH. Because our results were decidedly robust to these extremes, we report only the results for the first type of assumption—that the example spell ended in 1975 and that the other missing survey years were treated similarly.

4 The income from a former (or absent) husband is also excluded. By ignoring cash transfers, the discrepancy between our poverty count and that of the federal government is the number of individuals who are lifted out of poverty via such cash transfers. An appendix that contains more discussion of how we determine poverty status is available from the authors upon request.
women poverty is a short-term phenomenon. For a few, however, especially certain young black women, it is a long-term situation.

To discover what underlies the race differences in FFH poverty we have been discussing, we examined the entry and exit modes in the NLSYW. For both races, nearly all first observed FFH-poverty spells commence with a change in family structure; isolated drops in income mark the beginning of very few spells (0.6 percent for whites and 3.4 percent for blacks in our sample). However, the composition of changes in family structure differ markedly by race. Divorce is the prevalent entry mode for whites, but not for blacks: divorce accounts for 71.1 percent of white entries, but only 29.9 percent of black entries. Leaving the household of another adult is much more important for blacks, accounting for 45.8 percent of black entries and only 17 percent of white entries.

Most commonly, whites exit FFH poverty via remarriage 47.9 percent, while blacks exit via remarriage only 31 percent of the time. The dominant exit mode for blacks is what we have labeled “other change in family structure,” the most typical one being rejoining their parent(s)’ household or the household of an unrelated male adult. In contrast to FFH-poverty entry, isolated income changes play a significant role in FFH-poverty exit, terminating 33.3 percent of white and 29.9 percent of black spells.

For each type of entry into FFH poverty we calculated the percentages who (i) were not poor in their prior family structure, (ii) were poor prior to poverty entry, or (iii) had unknown prior poverty status due to missing data. We also determined poverty status immediately following FFH-poverty spells. These cross tabulations clearly show that the bulk of FFH poverty is neither carried over from a woman’s prior family status nor transmitted to her subsequent family status. For at least 75.1 percent of white and 51.4 percent of black entrants, FFH poverty is new poverty; similarly, at least 75.1 percent of white and 58.7 percent of black exits are to nonpoverty. For both races, those who enter FFH poverty via divorce are even more likely to be newly poor (at least 77.9 percent of whites and 66.2 percent of blacks). At the other end of FFH-poverty spells, of those that terminate via (re)marriage, at least 79.7 percent of white and 60.0 percent of black exits are to nonpoverty. Marriage clearly keeps young women of both races out of poverty, doing a somewhat better job for whites than for blacks.

In contrast, those blacks who enter FFH poverty via leaving the household of another adult or who exit FFH poverty via (re)joining the household of another adult were predominantly poor before entering (57 to 70 percent enter from poverty in another family structure) and after exit (49 to 74 percent exit to poverty in another family structure). The story here is different for the corresponding whites; they are mostly nonpoor before FFH-poverty entry (at least 57.4 percent), but even more likely than blacks to exit to poverty (71.1 to 80.7 percent do). These racial differences in family structure and poverty patterns bring to mind the recent resurgent concern over the development of a permanent “underclass” within which poverty is passed from one generation to the next, especially in black families.

In closing this section it is important to note the findings of Bane and Ellwood, who use the Panel Study of Income Dynamics to summarize the poverty spells of all individuals (men, women, and children) whose spells began prior to age 64. They found an important role for drops in income for female heads’ poverty spells: about 24 percent of their sample women who began a poverty spell as a female head did so via a reduction

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5FFH-poverty spells that end because a child left account for less than 1 percent of the total.

6The minimum percentages and ranges of percentages appearing in this and the next paragraph reflect the fact that some women enter FFH poverty from unknown poverty status or exit FFH poverty to another family structure with unknown poverty status. We speculate that many of those with unknown poverty status in their original or destination family structures are poor.
in income. Superficially, this appears to contradict our finding of almost no role for income changes in entries. It needs to be emphasized that their sample of spells is, without a myriad of adjustments, noncomparable to ours for a number of reasons.

First, they used all spells of poverty, a procedure that, unlike ours, includes individuals' repeated spells. Because income changes occur more frequently than family structure changes, we speculate that their procedure emphasizes spells that begin or end with changes in income as opposed to changes in family structure. Second, Bane-Ellwood track women's spells of poverty through changes in family structure, rather than track spells of poverty in a particular family structure (FFH), as we do. Hence, their category of women who began a poverty spell as a female head would exclude all FFH poor women who began their current spell of poverty in some other family structure—while married, for example. Third, our women are exclusively young women (ages 14–24 at the beginning of the sample period), while theirs can start a poverty spell as late as age 64. Because our women are in the peak years for childbearing, divorce, and remarriage, this would account for some of the prominence that changing family structure has in our study vs. Bane-Ellwood. Fourth, we restrict our sample to young women heads with at least one dependent minor child. In contrast, their closest category is female headship. Thus, by not requiring the presence of a minor dependent child, they find that the earnings of adult children of the female heads play a major role both in their entry and exit from poverty. Finally, we examine pre-transfer income poverty, while they examine post-transfer poverty.

III. Conclusion

Single mothers are a growing fraction of the U.S. population, are disproportionately black, often poor, raise an increasing fraction of U.S. children, and, along with their children, are the beneficiaries of the controversial U.S. welfare system. Our research is a first attempt to assess directly how young women become poor single mothers, determine how they leave this situation, and ascertain how the events just mentioned differ between blacks and whites.

We find strong racial similarities in two broad and important areas. First, the relative importance of family structure and income changes in entering and exiting FFH poverty are the same for young black and young white women: changes in family structure account for nearly all entrances into FFH poverty; changes in family structure also dominate exits from FFH poverty. Isolated increases in income play an important secondary role, though. Second, to a surprising extent, for both races FFH poverty represents new poverty rather than poverty carried over from some previous family structure. Further, leaving FFH poverty means escaping poverty for most women, not merely experiencing poverty under a different family structure.

In contrast to the two racial similarities just noted, three crucial racial distinctions emerge from our research. The first is that blacks enter FFH poverty at much higher rates than do whites, exit at much slower rates, and hence average significantly longer spells of FFH poverty. The second race difference appears when we disaggregate changes in family structure: the dominant role of divorce and (re)marriage for whites and the parallel dominant role of leaving or (re)joining the household of another adult for blacks. Third, blacks who enter FFH poverty by leaving the household of another adult or who exit FFH poverty by joining the household of another adult have quite different poverty patterns than their white counterparts. These young black women are much more likely to be poor before and less likely to be poor after a spell of FFH poverty than the young white women who enter or leave FFH poverty through the routes just noted. This contrasts to those young women who enter FFH poverty via divorce or leave via (re)marriage. In this case, whites and blacks look similar; most are not poor before divorce and not poor after (re)marriage. The race differences in the link between poverty and family structure uncovered here highlight the need for much more research on the link between well-being and family
structure in general and on transitions into and out of FFH poverty in particular.

REFERENCES

- Center for Human Resource Research, National Longitudinal Survey of Young Women, Columbus: Ohio State University, various years.