

IRP-ASPE research workshop

The Institute and the Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services jointly sponsored a workshop at Madison, May 3–4, 1989. The following research projects, supported under the Small Grants Program, were presented and discussed.

John Bound, University of Michigan, “Disability Transfers and the Labor Force Attachment of Older Men: Evidence from the Historical Record” (available as IRP Discussion Paper No. 899–89).

The postwar period has seen a dramatic growth in both the availability and the generosity of income maintenance programs targeted at the disabled. The number of individuals—particularly older men—receiving these benefits rose sharply through the 1960s and 1970s. During the same period of time, the proportion of older working-age men (aged 45–64) who dropped out of the labor force doubled.

This research uses trends in self-reported disability from the late 1940s through the late 1980s to gauge the impact of the growth of income maintenance programs for the disabled on the labor force attachment of older working-aged men. Assuming that the actual health of men in this age group has not changed, the trends provide inferences about the disincentive effects of disability programs. Data are taken from the censuses of 1970 and 1980, surveys conducted by the Social Security Administration, and the National Health Interview Surveys. The results suggest that the growth of income maintenance programs for the disabled can explain up to 80 percent of the drop in labor force participation of men aged 45–54 during the 1970s but considerably less (as little as 28 percent) of the larger decline for older groups.

Rachel Connelly, Bowdoin College, “The Effect of Child Care Costs on Married Women’s Labor Force Participation.”

In examining the structural relationship between child care costs and the decision of a mother to work outside the home, it is theorized that one of the parents (almost always the mother) is designated the care-giving parent, and whether or not that parent works will depend—among other things—on the total cost for child care for all children in the family per hour worked by the care-giver. A theoretical model is constructed and tested with data from the 1984 panel of the Survey of Income and Program Participation. The labor

force participation rate of married women is found to be sensitive to the average cost of child care. A number of other factors, such as the existence of nonlabor income and the predicted wage of the mother, have different effects depending on whether one is looking at the decision to pay for child care or measuring the amount that a working mother pays, once she has made the decision to purchase child care.

Timothy Maloney, Bowdoin College, “AFDC Eligibility and the Returns to Schooling among Young Women” (to be available as an IRP Discussion Paper).

Recent policy initiatives under AFDC (such as Learnfare and provisions of the federal Family Support Act of 1988) have emphasized general educational attainment as the means by which welfare recipients can become self-sufficient. Although we know something about the rate of return to education for the general population, we know little about how this rate of return may differ for a self-selected AFDC population. This study econometrically models the interrelated processes that determine educational attainment, AFDC eligibility, labor market activity, and market wage rates. Then returns to education are estimated for a sample of young women in the National Longitudinal Survey of Youth. Preliminary results of this ongoing project indicate that the returns to education in terms of wage gains among those likely to be eligible for AFDC are substantial.

Gary Solon, University of Michigan, “Intergenerational Income Mobility in the United States” (available as IRP Discussion Paper No. 894–89).

If poverty and wealth tend to be passed on from generation to generation, as many suggest, claims about equal opportunity in America begin to sound hollow. This new analysis, based on the Panel Study of Income Dynamics, is designed to be less susceptible to biases than the small number of earlier studies have been. Although the present study also has limitations, for example, in its reliance on a single data set, it suggests that intergenerational mobility is smaller than was previously reported. Results suggest that the correlation of fathers’ long-run earnings, hourly wages, and family income with that of their sons is at least .4, whereas about .2 was suggested by earlier research. (A correlation of 1 would indicate that a son’s income was always about the same as that of his father; 0 would indicate that there was no correlation at all.)

Alden Speare, Jr., and Michael Rendall, Brown University, "Poverty, Living Arrangements, and Residential Mobility of Elderly Persons" (to be available as an IRP Discussion Paper).

Data on the elderly between 1983 and 1986 from the Survey of Income and Program Participation were analyzed to study the relationship between poverty and the living arrangements of the elderly. Particular attention was paid to the way poverty is measured, since the elderly—especially the oldest groups—tend to have smaller current income than others (because they do not work) but more assets.

The study revealed that a number of the poor elderly, especially those who are single, do live in extended households, usually with their families. If they were to live alone, the official poverty rate for this group would be 50 percent higher. So, although extended families have declined over recent decades, their role in alleviating poverty remains a major one for single elderly persons.

On the other hand, neither poverty nor disability could be shown to lead elderly persons to change their living arrangements from living alone to living with others.

Jay D. Teachman, University of Maryland, and Karen Polonko, Old Dominion University, "Negotiating Divorce Outcomes: Can We Identify Patterns in Divorce Settlements?" (available as IRP Discussion Paper No. 886-89); "Providing for the Children: Socioeconomic Resources of Parents and Child Support in the United States" (available as IRP Discussion Paper No. 887-89).

Both research projects are related to the need to provide for children outside of nuclear families, now that such families are increasingly likely to end in divorce. "Negotiating Divorce Outcomes" establishes that parents make trade-offs in divorce settlements, negotiating custody, visitation, child support, and the division of marital property. Data from the National Longitudinal Study of the High School Class of 1972 show that there are discernible patterns in divorce outcomes which are unlikely to be random. The authors note, however, that they cannot reject the influence of additional factors, such as judicial practices and divorce law, on divorce outcomes. "Providing for Children" focuses on the factors that influence child support awards and amounts. A sample of divorced women from the National Longitudinal Study of the High School Class of 1972 reveals that the socioeconomic resources of parents at the time of the divorce, as measured by earnings of the father and earnings and education of the mother, affect their ability to negotiate a settlement and the motivation of the noncustodial parent to provide support. Socioeconomic resources are found to be significant predictors of child support outcomes. Thus the most economically vulnerable children are the hardest hit by divorce, having no award or a small one.

Peter R. Virgadamo, University of Southern California, "Urban Poverty and Church Charity in Colonial Boston" (available as Discussion Paper No. 896-89).

Drawing on archival sources, this research contrasts the practice of charity toward the poor by two very different minority churches, Anglican and Baptist, in eighteenth-century colonial Boston, when the Puritan faith was dominant. The brief glimpses into poverty and efforts to alleviate it indicate that the feminization of poverty is nothing new: Widows and orphans were the chief recipients of assistance. And though it is close to impossible to construct a poverty line for the 1700s, it is clear that church charity provided only a small portion of what the needy required to survive.

Why are child support collections declining? (Continued from p. 26)

¹U.S. House of Representatives, Committee on Ways and Means, *Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means* (Washington, D.C.: U.S. Government Printing Office, 1989), p. 640.

²*Ibid.*, p. 638. Note that the \$4.6 billion is the amount collected through the enforcement program, not the total amount collected.

³This was the first time the tax system was used for issues unrelated to tax liabilities. This law laid the groundwork for subsequent withholding provisions, treating child support as a tax. See Philip K. Robins and Katherine P. Dickinson, "Child Support Enforcement," *Journal of the Institute for Socioeconomic Studies*, 7 (Summer 1982), 48-64.

⁴The data on the proportion of women with awards who are never married comes from the Current Population Survey (CPS) match files, which merge the April Child Support Supplements covering the years 1978, 1981, 1983, and 1985 with the March CPS covering the same years.

⁵U.S. Bureau of the Census, *Current Population Reports, Series P-23, No. 152, Child Support and Alimony, 1985* (Washington, D.C.: U.S. Government Printing Office, 1987).

⁶See Robert G. Williams, "Child Support and the Costs of Rearing Children: Using Formulas to Set Adequate Awards," *Juvenile and Family Court Journal*, 36 (Fall 1985), 41-48; and "Guidelines for Setting Levels of Child Support Orders," *Family Law Quarterly*, 21 (Fall 1987), 281-324; Diane Dodson, "A Guide to the Guidelines," *Family Advocate*, 10 (Fall 1987), 4-10; Robert D. Thompson and Susan F. Paikin, "Formulas and Guidelines for Support," *Juvenile and Family Court Journal*, 36 (Fall 1985), 33-40; and Willard H. Douglas, "Factors in Determining Child Support," *Juvenile and Family Court Journal*, 36 (Fall 1985), 27-32.

⁷See Nora Cate Schaeffer, "Principles of Justice in Judgments about Child Support," IRP Discussion Paper No. 852-87, University of Wisconsin-Madison, 1987.

⁸National Center for State Courts. "Child Support Guidelines Summary Update," NCSC Project Office, 4001 North Ninth Street, Arlington, Va., loose tables, 1989.

⁹Robins, "Why Are Child Support Award Amounts Declining?" p. 14.

¹⁰Oellerich, Garfinkel, and Robins, "Private Child Support" (see box, p. 25), pp. 19-21.