V

WHAT ARE THE INCOME AND EMPLOYMENT EXPERIENCES OF SINGLE MOTHERS WHO EXIT POVERTY?

T he previous chapter discussed the characteristics and reasons for leaving poverty of three key groups of single mothers: (1) those who exited poverty and never reentered (*poverty leavers*), (2) those who moved in and out of poverty (*poverty cyclers*), and (3) those who returned to poverty and remained poor (*poverty returners*). The poverty leavers had higher levels of human capital than the other two groups and were more likely to have exited poverty as a result of employment and earnings events. They were also able to find employment in higher-quality jobs.

This chapter complements the analysis presented in the previous chapter by examining the overall poverty and employment experiences of these three groups of single mothers. The primary focus of the chapter is on documenting the magnitude of the difference in the experiences of the three groups. We provide summary measures of their experiences over a two-year follow-up period and look at trends over time in these outcomes. Where appropriate, we also examine the individual experiences of these single mothers, as the summary and trend measures could mask important differences at the individual level.

This chapter addresses five key research questions:

- *What are the overall poverty and income experiences of single mothers who exit poverty?*

- *What are the individual income and poverty experiences of single mothers who exit poverty?*

- *What are the employment and earnings experiences of single mothers who exit poverty?*

- *To what extent do single mothers who exit poverty receive public assistance?*

- *What factors are associated with single mothers achieving successful economic outcomes during the two years following a poverty exit?*

In general, we find that all three groups of single mothers who exited poverty demonstrate a high level of labor market attachment, as most of their income comes from earnings and most of their time is spent employed. These outcomes are particularly evident among poverty leavers and poverty cyclers. However, job quality and earnings for poverty cyclers are lower than for leavers, and cyclers tend to have incomes that are near the poverty threshold. Having higher levels of human capital and the ability to find higher-quality jobs are among the factors most strongly associated with achieving more successful outcomes following poverty exits.

A. WHAT ARE THE OVERALL POVERTY AND INCOME EXPERIENCES OF SINGLE MOTHERS WHO EXIT POVERTY?

The two most successful groups of single mothers (poverty leavers and cyclers) spent more time out of poverty than in poverty over the two-year follow-up period, although the average income for cyclers during the followup was not far above the poverty line. A large majority of poverty returners were poor for most of the followup.

- *Most poverty cyclers remain non-poor for the majority of the two years after poverty exit, while most poverty returners spend most of this time in poverty.*

Most single mothers who leave poverty were non-poor at any given point in time during the two years following their poverty exit and spent most of the followup non-poor (Figure V.1; Figure V.2). This is true, by definition, for those who did not return to poverty. However, it is also the case for poverty cyclers. In a given month, about 60 percent of poverty cyclers were out of poverty. The percentage out of poverty for this group dropped quickly from 100 percent in the first month to 60 percent in month 6. This percentage then stayed relatively constant through month 16 before recovering to about 70 percent two years after poverty exit. In contrast, the monthly percentage out of poverty for poverty returners declined quickly from 100 to 28 percent during the first year of the followup. By definition, everyone in this group was poor at the end of
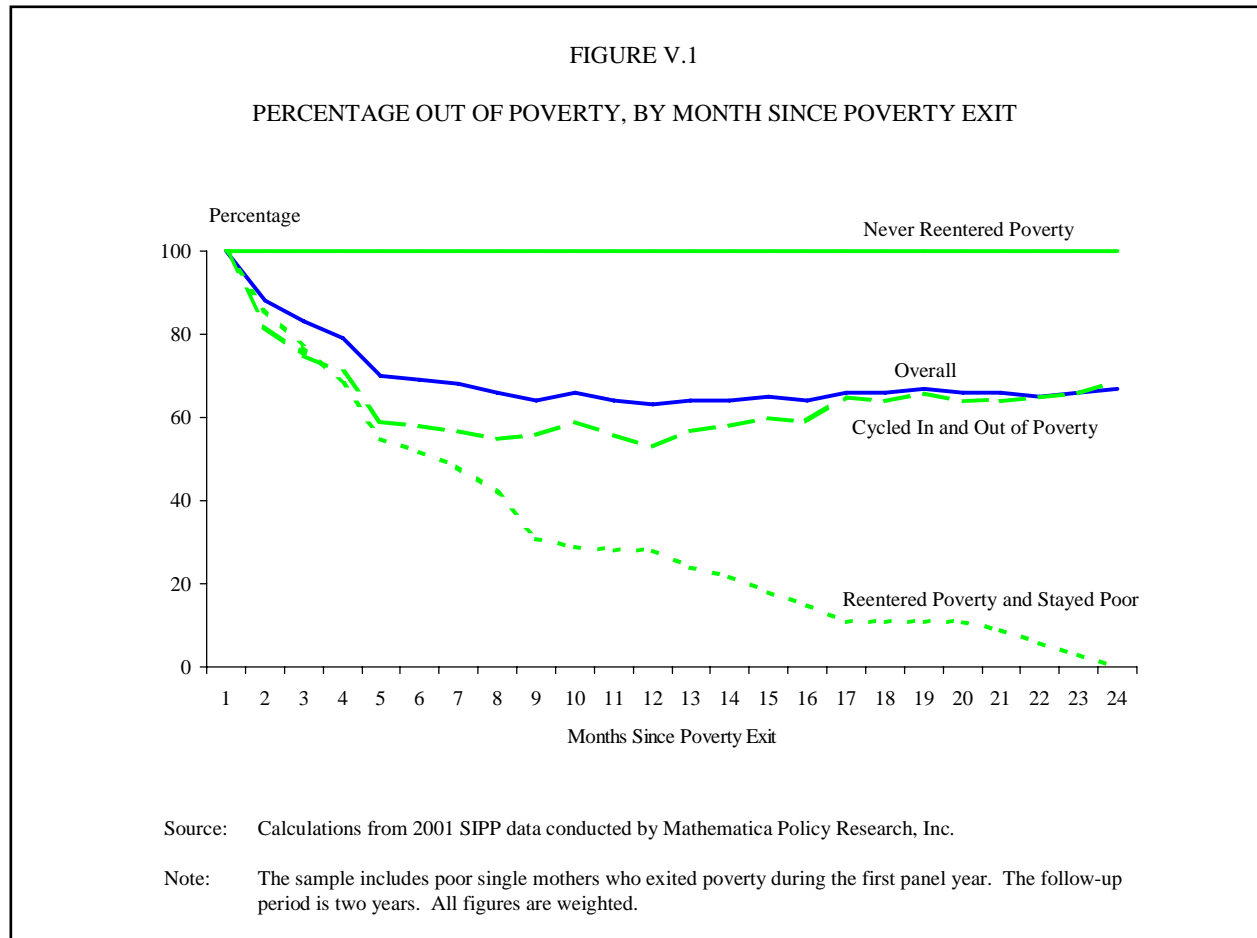
FIGURE V.1

PERCENTAGE OUT OF POVERTY, BY MONTH SINCE POVERTY EXIT

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up period is two years. All figures are weighted.

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Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up period is two years. All figures are weighted.

*The difference in variable means between the indicated group and those who reentered poverty and stayed poor is statistically significant at the .05 level.

the followup. The rapid drop in the percentage out of poverty for this group suggests that the large majority of them returned to poverty within a year of poverty exit.

Consistent with these trends, most cyclers are non-poor for the majority of the two years following their poverty exit (Figure V.2). About three-quarters of the single mothers in this group remained non-poor for more than half of the follow-up period, while nearly half remained out of poverty for more than three-quarters of the followup. This finding is consistent with the findings in Chapter III that non-poverty spells tend to be longer than poverty spells for this group. In conjunction, these findings underscore the point that, while returning to poverty is common for single mothers who leave poverty, most of those who become poor again leave poverty quickly and spend more time non-poor than in poverty.

- *The poverty leaver group exhibits considerable upward movement away from the poverty threshold over time. The two other groups do not experience large gains in income relative to the poverty threshold.*

During the two years following poverty exit, poverty leavers had an increase in the percentage with income of more than twice the poverty threshold (Figure V.3). About a quarter of these women had poverty ratios greater than two in the first month of the followup, while over half had this level of income two years later. Sample members from the other two groups were
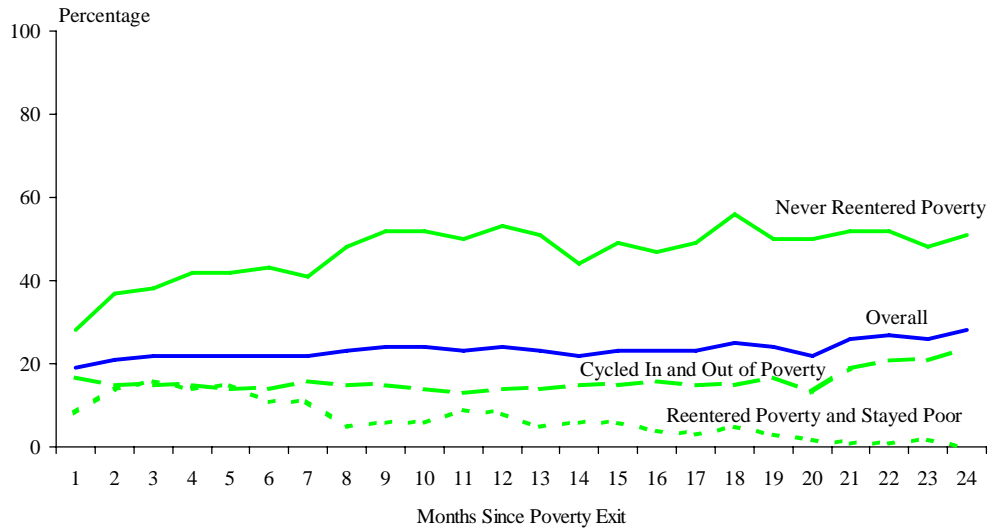
FIGURE V.3

PERCENTAGE WITH INCOME OF MORE THAN TWICE THE POVERTY THRESHOLD,
BY MONTH SINCE POVERTY EXIT

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up
          period is two years. All figures are weighted.

much less likely to experience periods with income of more than twice the poverty threshold.
For example, less than 20 percent of poverty cyclers had incomes at this level during most
months of the followup. This rate remained relatively constant through the first 20 months of the
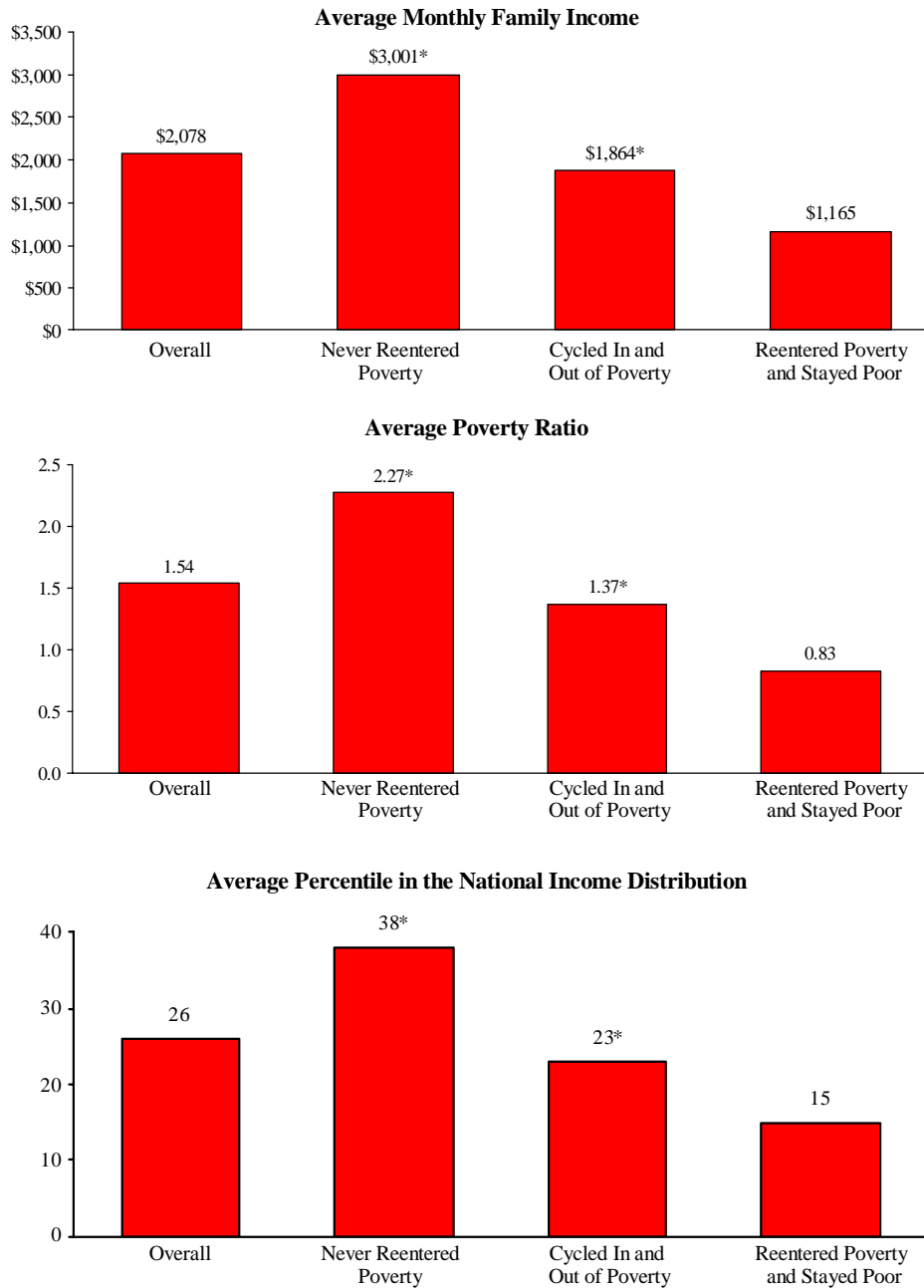followup before increasing slightly.

Consistent with the relatively high percentage of poverty leavers who had income of twice
the poverty threshold at any given point in time, it was common for them to experience this high
level of income for large portions of the followup. Nearly half of them had incomes that were
twice the poverty threshold for at least half of the followup (Figure V.2). This experience was
much less common among the other two groups. Less than 10 percent of cyclers and less than 5
percent of poverty returners had poverty ratios greater than two for at least half of the followup.

- ***Poverty leavers have moderately high average incomes. However, the other two
  groups have much lower average incomes; they remain near the poverty line and
  have low incomes compared to the national income distribution.***

Poverty exiters had relatively high average incomes (Figure V.4). Their average income
during the followup was \$3,001 per month, which was more than twice the poverty threshold and
corresponded to the 38th percentile of the national income distribution. However, the average
income of poverty cyclers was only \$1,864, which was just 37 percent higher than the poverty

FIGURE V.4

AVERAGE MONTHLY FAMILY INCOME, POVERTY RATIO, AND NATIONAL INCOME PERCENTILE
DURING THE TWO YEARS FOLLOWING A POVERTY EXIT

Average Monthly Family Income

	Overall	Never Reentered Poverty	Cycled In and Out of Poverty	Reentered Poverty and Stayed Poor
	$2,078	$3,001*	$1,864*	$1,165

Average Poverty Ratio

	Overall	Never Reentered Poverty	Cycled In and Out of Poverty	Reentered Poverty and Stayed Poor
	1.54	2.27*	1.37*	0.83

Average Percentile in the National Income Distribution

	Overall	Never Reentered Poverty	Cycled In and Out of Poverty	Reentered Poverty and Stayed Poor
	26	38*	23*	15

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up period is two years. All figures are weighted.

*The difference in variable means between the indicated group and those who reentered poverty and stayed poor is statistically significant at the .05 level.

threshold and corresponded to only the 23rd percentile of the national income distribution. The average income of poverty returners was lower still, at $1,165, which was 17 percent below the poverty threshold and corresponded to the 15th percentile of the national income distribution. These results suggest that, while the group of single mothers that remained out of poverty was quite successful following poverty exits, the other two groups, which represent the majority of single mothers who exit poverty, had incomes that were not far from the poverty line.

- *All three groups of single mothers who exit poverty exhibit a high degree of self-sufficiency, as most income comes from earnings, while relatively little comes from cash public assistance, such as TANF.*

For all three poverty profile subgroups, their own earnings and the earnings of other family members were the largest two sources of income (Table V.1). Poverty leavers are the most reliant on earnings, as 86 percent of their income came from their own earnings or the earnings of other family members. However, even poverty returners were quite reliant on employment, as over three-fifths of their income came from earnings. Relatively little income came from cash

TABLE V.1

INCOME SOURCES DURING THE TWO YEARS FOLLOWING A POVERTY EXIT,
BY TYPE OF SINGLE MOTHER (PERCENTAGES)

Family Income Source[a]	Overall	Never Reentered Poverty	Cycled In and Out of Poverty	Reentered Poverty and Stayed Poor
Own Earnings	55	61	53	43
Earnings of Other Adult Relatives in Family	25	25	26	18
Social Insurance and Disability	4	2	4	11
Means-Tested Government Assistance	2	0	3	8
Child Support and Alimony	7	6	7	10
Other Income	7	6	7	10
Sample Size	**615**	**172**	**340**	**103**

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: All figures are weighted. Poverty is defined at the family level using the official poverty definition. "Single mothers" include unmarried female family heads who are older than 15 and living with a related child younger than 18.

[a]Social insurance and disability income includes income from federal and state SSI, state unemployment, other unemployment, workers' compensation, employer sick benefits, and disability insurance. Means-tested government assistance includes income from TANF, General Assistance, and other welfare. Child support and alimony income includes pass-through child support, regular child support, and alimony.

means-tested government assistance programs: less than 5 percent for the two more successful groups, and less than 10 percent for poverty returners.[1]

B. WHAT ARE THE INDIVIDUAL INCOME AND POVERTY EXPERIENCES OF SINGLE MOTHERS WHO EXIT POVERTY?

In the last section, we examined the aggregate poverty experiences of the three groups of single mothers that exited poverty. Overall, we find that poverty leavers experience higher income to needs levels and move further away from the poverty threshold over time compared to the other two groups. However these trends and aggregate outcomes may mask variation in single mothers' experiences. In this section, we track the experiences of the sample at the individual level, by comparing their experiences during the first four months after they exited poverty to those during the last four months of the two-year follow-up period. We have seen that most single mothers in all three groups left poverty because they experienced earnings gains. In this section, we examine whether the income changes we observed were distributed evenly across all single mothers in a group and the extent to which single mothers gained or lost income over time.

- *There is considerable diversity in the extent of income growth over time across the three groups of single mothers who exit poverty.*

We find considerable variation in the income experiences of single mothers following a poverty exit. Over the two-year follow-up period, most poverty leavers experienced income increases; 80 percent had income increases, and more than one in four had increases greater than 50 percent (Figure V.5). Poverty cyclers were as likely to experience income gains as they were to experience income losses. Most poverty returners experienced large declines in income during the two-year window following poverty exits; about two-thirds of this group had income decreases greater than 50 percent.
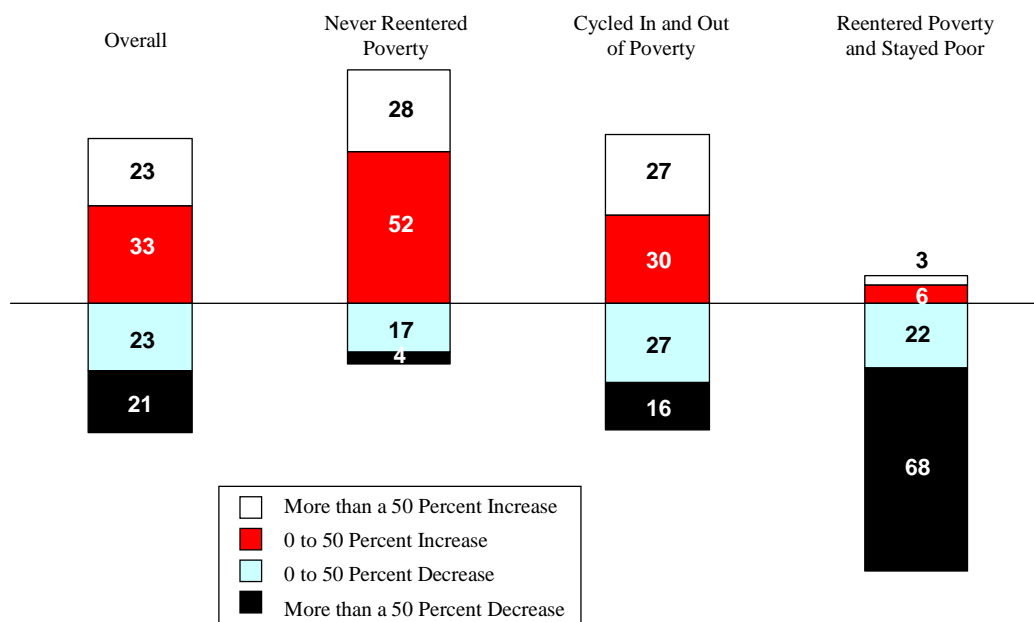
- *Average income increases are much larger for poverty leavers than for the other two groups.*

The average income change for poverty leavers was an increase of $540 (not shown). In contrast, the average income change for poverty cyclers was an increase of $84, while the average change for poverty leavers was a decrease of $1,187. These findings highlight the uncertainty and variety of experiences for single mothers following poverty exits.

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[1]In addition to own earnings and earnings from other family members, we group family income sources into four categories. Social insurance and disability income includes income from federal and state SSI, state unemployment, other unemployment, workers' compensation, employer sick benefits, and disability insurance. Means-tested government assistance includes income from TANF, General Assistance, and other welfare. Food stamps and other near-cash benefits are not included in this category. Child support and alimony income includes pass-through child support, regular child support, and alimony. Other income includes all remaining sources of income.

FIGURE V.5

CHANGE IN INCOME DURING THE TWO YEARS FOLLOWING POVERTY EXIT, BY TYPE OF SINGLE MOTHER

| Overall | Never Reentered Poverty | Cycled In and Out of Poverty | Reentered Poverty and Stayed Poor |

Overall: 23, 33, 23, 21

Never Reentered Poverty: 28, 52, 17, 4

Cycled In and Out of Poverty: 27, 30, 27, 16

Reentered Poverty and Stayed Poor: 3, 6, 22, 68

Legend:
☐ More than a 50 Percent Increase
■ (red) 0 to 50 Percent Increase
☐ (light blue) 0 to 50 Percent Decrease
■ (black) More than a 50 Percent Decrease

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up period is two years. Changes in income refer to the difference between average income during the first four months of the followup and average income during the last four months of the followup. All figures are weighted.

## C. WHAT ARE THE EMPLOYMENT AND EARNINGS EXPERIENCES OF SINGLE MOTHERS WHO EXIT POVERTY?

Earnings were the most important component of income for all three groups of single mothers who exited poverty. In this section, we examine the employment and earnings experiences of these women over a two-year follow-up period. While all groups had relatively strong ties to the labor market, these ties were stronger for poverty leavers and poverty cyclers than for those who returned to poverty and remained poor. Furthermore, the earnings of poverty leavers were considerably higher than those of the other two groups, because they were more likely to be employed and tended to be employed in higher-quality jobs.

- *The two more successful groups have much higher employment rates than poverty returners.*

Not surprisingly, employment rates were highest among sample members who never reentered poverty and lowest among those who returned to poverty and remained poor. This result further emphasizes the importance of finding and maintaining steady work in remaining out of poverty. Nearly three-quarters of poverty leavers were employed for the entire followup, and only about 1 in 10 were employed for less than half of the followup (Figure V.6). Poverty cyclers were less likely to be employed for the full followup but were nearly as likely to work for

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FIGURE V.6

AVERAGE EMPLOYMENT RATES DURING THE TWO YEARS FOLLOWING A POVERTY EXIT,
BY TYPE OF SINGLE MOTHER
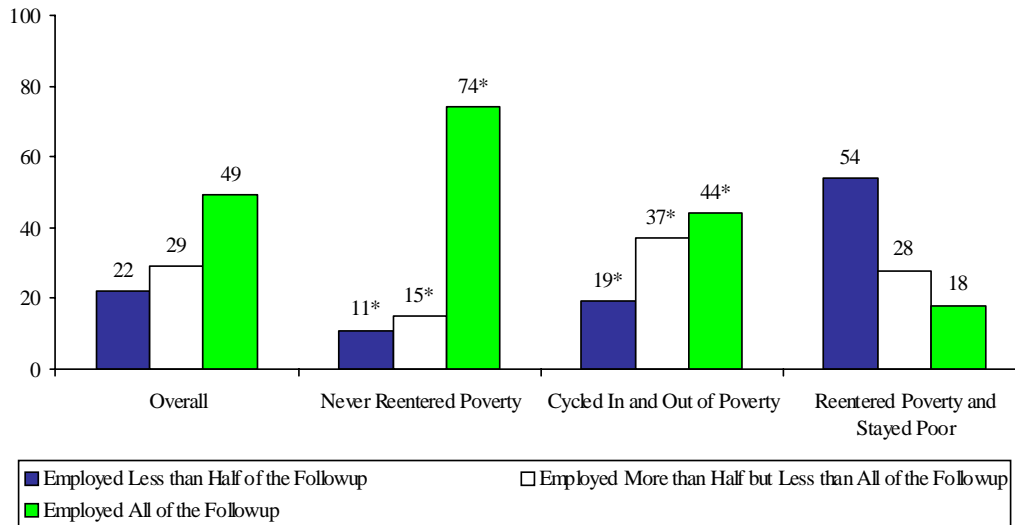
Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up period
           is two years. All figures are weighted.

*The difference in variable means between the indicated group and those who reentered poverty and stayed poor is
 statistically significant at the .05 level.

most of the followup: 81 percent were employed for at least half of the followup. In contrast, over half of poverty returners were employed for less than 12 months during the two-year followup.

Consistent with these employment patterns, average employment rates across the entire followup were highest for poverty leavers and lowest for poverty returners. On average, poverty leavers were employed for 88 percent of the followup (not shown). The average employment rate for poverty cyclers was 75 percent. On average, poverty returners were employed for only 46 percent of the followup. Despite the differences in employment across the groups, it is important to note that even the least successful group had a moderate attachment to the labor force.

- *Poverty leavers tend to have much higher-quality jobs than the other two groups.*

Findings presented in the previous chapter demonstrate important differences in job quality for the three groups immediately after the poverty exit. These differences became larger over the course of the two years following the poverty exit. Thus, poverty leavers were the most successful at finding employment in high-quality jobs and moved into even higher-quality jobs over time. For example, on average, poverty leavers spent nearly half of the followup working in a job that provided health insurance coverage, more than one-third of the followup in a job

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offering hourly wages greater than $10, and over half of the followup working in a full-time job (Figure V.7).[2] In contrast, poverty cyclers typically spent one-quarter of the two years following a poverty exit in a job that provided health insurance coverage, about 15 percent in a high-wage job, and about one-third in a full-time job. Job quality for poverty returners was lower still; they spent about 10 percent of the followup in jobs that provided health insurance coverage, about 5 percent in a high-wage job, and about 15 percent of the time in a full-time job.

- ***In addition to having higher-quality jobs on average, poverty leavers' job quality improves more over time than the job quality of the other two groups.***

Poverty leavers who were employed in the first month of the followup had average hourly wages of $9.43 in the first job held during the followup, compared to average hourly wages of $12.05 in the last job held during the followup, an increase of 28 percent (Table V.2). The average wages of employed poverty cyclers increased by 22 percent, from $7.65 to $9.37, while the wages of employed poverty returners increased by 6 percent, from $6.95 to $7.38.

FIGURE V.7

PERCENTAGE OF TIME SPENT IN JOBS WITH SPECIFIC CHARACTERISTICS
DURING THE TWO YEARS FOLLOWING POVERTY EXIT

Percentage

	High-Wage Job	Health Insurance Coverage	Full-Time
Overall	21	28	38
Never Reentered Poverty	37*	45*	52*
Cycled In and Out of Poverty	17*	24*	36*
Reentered Poverty and Stayed Poor	6	10	16

■ Overall   ■ Never Reentered Poverty   □ Cycled In and Out of Poverty   ■ Reentered Poverty and Stayed Poor

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up period is two years. All figures are weighted.

*The difference in variable means between the indicated group and those who reentered poverty and stayed poor is statistically significant at the .05 level.

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[2]Some single mothers may not consider a full-time job to be of higher quality. In particular, some mothers may prefer part-time jobs in order to spend more time with their children.

TABLE V.2

INITIAL AND FINAL PRIMARY JOB CHARACTERISTICS OF SINGLE MOTHERS WHO WERE EMPLOYED
DURING THE MONTH OF THE POVERTY EXIT
(Percentages, Unless Specified Otherwise)

Characteristic	Overall		Never Reentered Poverty		Cycled In and Out of Poverty		Reentered Poverty and Stayed Poor	
	Initial Job	Last Job	Initial Job	Last Job	Initial Job	Last Job	Initial Job	Last Job
Hours Worked per Week								
Percentage worked full time (35 hours or more)	72	69	81	79	68	70	69	40*
Average hours worked per week	31.8	35.1*	33.3	37.3*	30.9	35.5*	32.4	29.2
Average Hourly Wage Rate (Dollars)	8.07	9.88*	9.43	12.05*	7.65	9.37	6.95	7.38
Health Insurance Coverage (Percentage)	36	41*	58	70*	29	32	19	16
Occupation (Percentage Distribution)		+		+		+		+
Professional/technical	20	21	27	25	18	21	11	13
Sales/retail	14	13	14	13	15	12	9	15
Administrative support/clerical	22	22	26	28	19	18	24	24
Service	30	31	23	23	31	35	40	33
Machine/construction/production/transportation	14	12	9	9	16	13	15	15
Sample Size	**435**	**419**	**131**	**130**	**238**	**232**	**66**	**57**

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Notes: All figures are weighted. Poverty is defined at the family level using the official poverty definition. "Single mothers" include unmarried female family heads who are older than 15 and living with a related child younger than 18. Initial job refers to the primary job held during the first month following the poverty exit. Last job refers to the final primary job held during the last four months of the two-year followup.

*Indicates the difference in variable means between the initial job and last job is statistically significant at the .05 level.
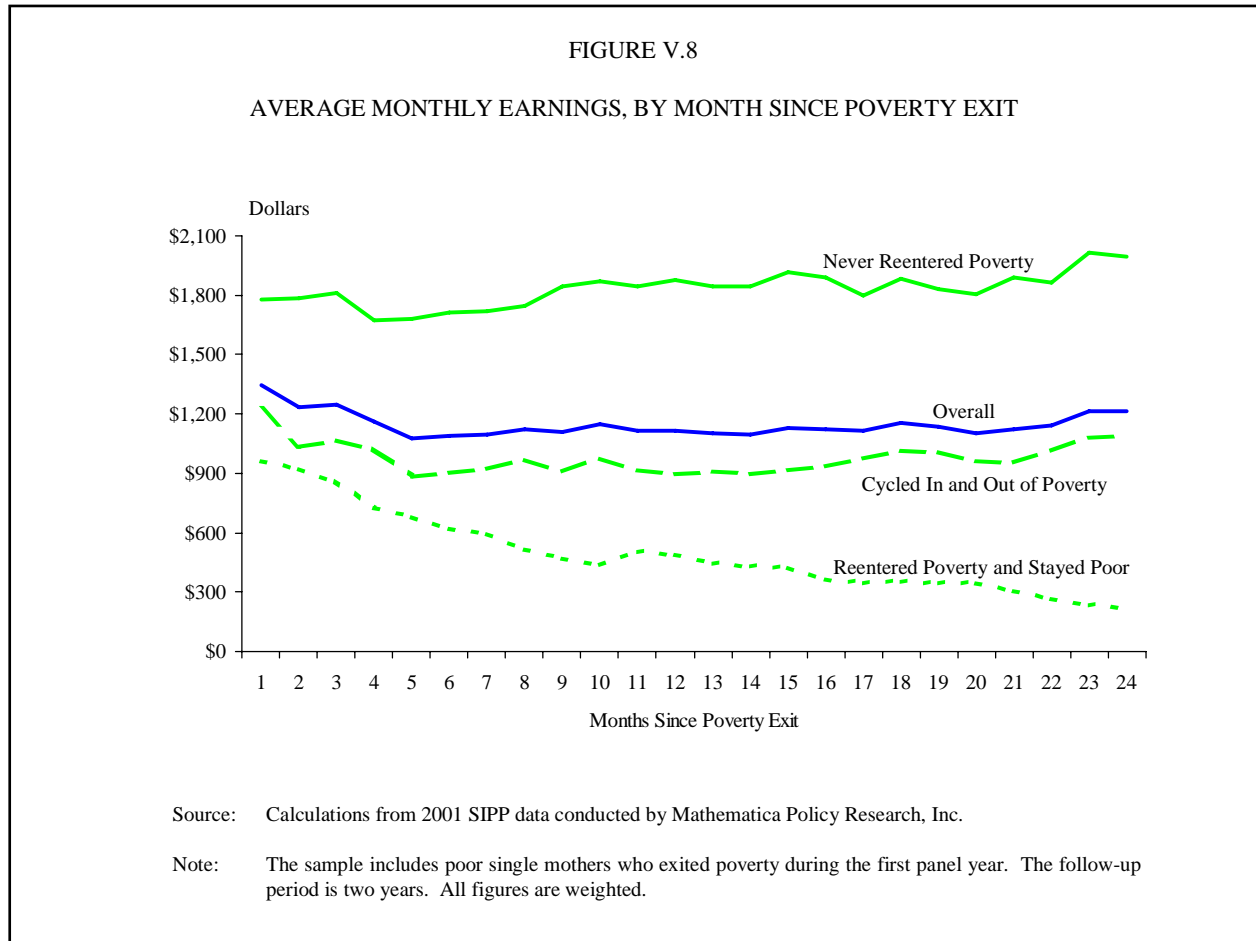
+Indicates the difference in variable distributions between the initial job and last job is statistically significant at the .05 level.

The pattern that emerges for having a job that provides health insurance coverage is even more dramatic. Employer-based health insurance coverage increased by 12 percentage points for employed members of the most successful group, while coverage increased slightly for poverty cyclers and decreased slightly for poverty returners.

- ***Differences in the employment and job quality of the three groups translate into very large differences in their earnings.***

As with employment rates and job quality, earnings were highest for poverty leavers (Figure V.8). However, earnings patterns suggest a much larger difference between poverty leavers and poverty cyclers than is indicated by employment rates.

Monthly earnings for poverty leavers increased from about $1,800 in the first month of the followup to about $2,000 at the end of the followup (Figure V.8). Average earnings across the followup were $1,829 for this group, and nearly 40 percent had average earnings greater than $2,000 per month (Table V.3).[3] The average earnings of poverty cyclers were much lower. In a

FIGURE V.8

AVERAGE MONTHLY EARNINGS, BY MONTH SINCE POVERTY EXIT

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up period is two years. All figures are weighted.

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[3]These average earnings figures include months in which sample members had earnings of zero. If months with no earnings are excluded from the calculation, average earnings are somewhat higher for all three groups, and the differences in earnings across groups are similar to the differences presented here.

typical month of the followup, this group had average earnings between $900 and $1,000. Average earnings across the followup were almost 50 percent lower for this group than for those who did not return to poverty, at $980 per month. The earnings of poverty returners were lower still. This group's monthly earnings declined steadily from about $1,000 in the first month after the poverty exit to about $200 two years later. More than 60 percent of this group had average earnings less than $500 per month (Table V.3).

TABLE V.3

AVERAGE MONTHLY EARNINGS DURING THE TWO YEARS FOLLOWING A POVERTY EXIT,
BY TYPE OF SINGLE MOTHER
(Percentages)

Outcome	Overall	Never Reentered Poverty	Cycled In and Out of Poverty	Reentered Poverty and Stayed Poor
Average Earnings		+	+	
Less than $500	28	13	26	61
At least $500, less than $1,000	19	6	25	25
At least $1,000, less than $1,500	25	25	29	8
At least $1,500, less than $2,000	15	19	15	6
At least $2,000, less than $2,500	6	14	3	0
At least $2,500	8	23	2	1
Average (dollars)	$1,146	$1,829*	$980*	$497
Sample Size	**615**	**172**	**340**	**103**

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: Sample includes single mothers who exited poverty in the first year of the panel period. The follow-up period is two years. All figures are weighted.

*The difference in variable *means* between the indicated group and those who reentered poverty and stayed poor is statistically significant at the .05 level.

+The difference in variable *distributions* between the indicated group and those who reentered poverty and stayed poor is statistically significant at the .05 level.

D.   TO WHAT EXTENT DO SINGLE MOTHERS WHO EXIT POVERTY RECEIVE PUBLIC ASSISTANCE?

Another potential source of income for single mothers is public assistance. In this section, we examine the reliance of our sample on TANF and FSP benefits during the two years after their poverty exits. We find that, while relatively few single mothers consistently rely on TANF after their poverty exit, food stamps remain a common means of support for poverty returners.

- *Only a small fraction of single mothers who exit poverty receive TANF benefits during the two-year period following their poverty exit.*

Although TANF participation rates were low for all three groups, they were lowest for poverty leavers, as would be expected, since members of this group would generally not have

qualified for TANF (Table V.4). Only 5 percent of poverty leavers ever received TANF income in the two years after exiting poverty, while 20 percent of poverty cyclers and 39 percent of poverty returners received TANF at some point during the followup (Figure V.9). Rates of TANF receipt were fairly steady throughout the followup for all three groups. The rate of TANF receipt for the most successful group remained less than 5 percent in each month of the followup, the rate for poverty cyclers remained around 10 percent, and the rate for poverty returners remained near 20 percent. These findings suggest that most single mothers who leave poverty are not receiving TANF in the time following poverty exit.

TABLE V.4

PERCENTAGE OF MONTHS RECEIVING TANF AND FOOD STAMPS
DURING THE TWO YEARS FOLLOWING A POVERTY EXIT,
BY TYPE OF SINGLE MOTHER
(Percentages)

Outcome	Overall	Never Reentered Poverty	Cycled In and Out of Poverty	Reentered Poverty and Stayed Poor
Percentage of Months Receiving TANF		+	+	
None	81	95	80	61
Some, less than 25 percent	7	3	7	12
At least 25 percent, less than 50 percent	4	1	5	6
At least 50 percent, less than 75 percent	4	1	5	13
At least 75 percent	4	0	6	7
Average (percent)	8	1*	9*	19
Percentage of Months Receiving FSP		+	+	
None	54	80	49	23
Some, less than 25 percent	12	8	14	10
At least 25 percent, less than 50 percent	8	4	10	8
At least 50 percent, less than 75 percent	9	5	9	15
At least 75 percent	18	3	18	44
Average (percent)	26	8*	27*	55
Sample Size	**615**	**172**	**340**	**103**

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.
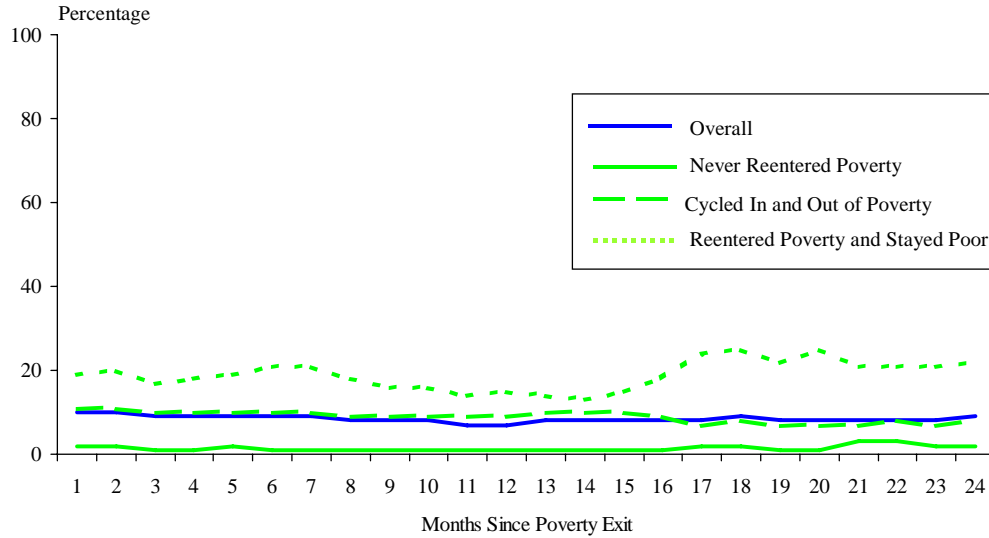
Note: Sample includes single mothers who exited poverty in the first year of the panel period. The follow-up period is two years. All figures are weighted.

*The difference in variable *means* between the indicated group and those who reentered poverty and stayed poor is statistically significant at the .05 level.

+The difference in variable *distributions* between the indicated group and those who reentered poverty and stayed poor is statistically significant at the .05 level.

FIGURE V.9

PERCENTAGE RECEIVING TANF BENEFITS, BY MONTH SINCE POVERTY EXIT

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up period is two years. All figures are weighted.
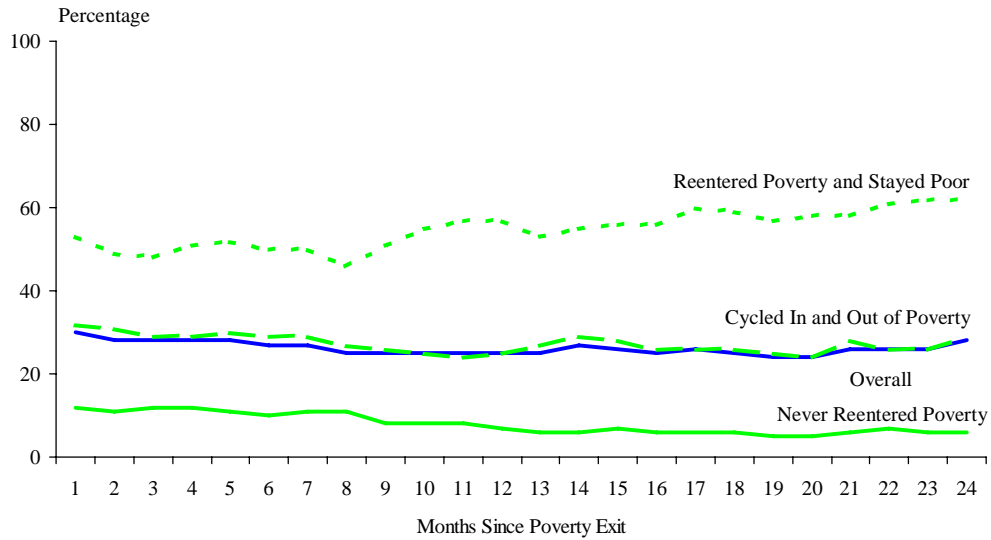
- *Food stamp participation rates are low for the two more successful groups of single mothers that exit poverty, but are higher for poverty returners.*

Food stamp receipt was higher than TANF receipt for all three groups. Food stamp receipt was highest for poverty returners, which is not surprising, given they had the lowest income of the three groups. Nearly 60 percent of this group received food stamps for at least 12 months during the two years following their poverty exit (Table V.4). Thus, food stamps are an important means of support for the least successful group of single mothers who exit poverty. Their rate of food stamp receipt is much higher than that of the other two groups. About one-quarter of poverty cyclers received food stamps for at least half of the followup, while less than 10 percent of poverty leavers did so.

Rates of food stamp receipt were fairly steady throughout the followup for all three groups (Figure V.10). The rate of food stamp receipt for the most successful group remained between 6 and 12 percent in each month of the followup, while the rate for poverty cyclers remained between 26 and 32 percent. The rate for poverty returners increased somewhat, from about 50 percent at the beginning of the followup to about 60 percent two years later.

FIGURE V.10

PERCENTAGE RECEIVING FOOD STAMP BENEFITS, BY MONTH SINCE POVERTY EXIT

Percentage

Reentered Poverty and Stayed Poor

Cycled In and Out of Poverty

Overall

Never Reentered Poverty

Months Since Poverty Exit

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: The sample includes poor single mothers who exited poverty during the first panel year. The follow-up
         period is two years. All figures are weighted.

E. WHAT FACTORS ARE ASSOCIATED WITH SINGLE MOTHERS ACHIEVING SUCCESSFUL ECONOMIC OUTCOMES DURING THE TWO YEARS FOLLOWING A POVERTY EXIT?

Results presented so far in this chapter emphasize the varied experiences of single mothers who exit poverty during the two years following poverty exits. Poverty leavers have relatively high levels of income and earnings, and low levels of public assistance receipt. Poverty cyclers remain out of poverty for the majority of the followup, but tend to have incomes that are near the poverty threshold and to have earnings that are much lower than those of poverty leavers. Poverty returners have less labor force attachment, steadily declining earnings, and more reliance on public assistance, particularly food stamps.

Given these divergent experiences, it is important to assess which factors may be associated with single mothers being in each of the three poverty profile groups, or with attaining other broad measures of economic success. In this section, we present results from multivariate analysis that allows us to identify these factors. In particular, we use a multinomial logistic regression to assess factors associated with being a poverty leaver, a poverty cycler, or a poverty returner. We examine a diverse set of factors, including demographic and family characteristics, state characteristics (economic conditions, poverty levels, and welfare rules), reasons for leaving poverty, and initial job characteristics.

Table V.5 presents key findings from this analysis. In particular, it provides the predicted probability of being in each of the three groups that is associated with possessing different characteristics. Consistent with the strong relationship between employment outcomes and poverty pattern group, we find that human capital and job characteristics are the factors most associated with achieving economic success after leaving poverty.[4] Most other variables, such as demographic and state characteristics, are not significantly associated with successful outcomes.

- ***Initial job quality, education, and health status are strongly associated with poverty experiences during the followup.***

Initial job characteristics are among the most important factors associated with poverty patterns following poverty exit. Sample members who were able to find a job that provided health insurance coverage were nearly 60 percent more likely to remain non-poor than otherwise similar sample members who did not. Similarly, those who were able to find a job offering hourly wages greater than $10 were over 50 percent more likely to remain non-poor than those who did not.

When initial job characteristics are included in the model, none of the reasons for leaving poverty (trigger events) had a significant association with being in a better or worse group. However, when job characteristics are not included, experiencing an earnings-related trigger event is significantly and positively related to remaining non-poor throughout the followup (not shown). Thus, employment is important in achieving success following a poverty exit, but the type of employment is even more important.

Other factors associated with poverty patterns following a poverty exit are education and health. Compared to sample members with no high school degree, those with a high school degree are nearly twice as likely to remain non-poor following a poverty exit. Those with health limitations are significantly less likely to be poverty cyclers and are more likely to return to poverty and remain poor.

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[4]We also use logistic regression to look at other broad measures of success, such as remaining out of poverty for three-quarters of the followup or remaining non-poor for the majority of the followup. The factors associated with these outcomes are similar to those associated with poverty patterns following a poverty exit.

TABLE V.5

SINGLE MOTHERS' PREDICTED PROBABILITIES OF REMAINING NON-POOR FOLLOWING
A POVERTY EXIT, CYCLING IN AND OUT OF POVERTY, AND REENTERING
POVERTY AND REMAINING POOR, BY CHARACTERISTIC

	Never Reentered Poverty	Cycled In and Out of Poverty	Reentered Poverty and Stayed Poor
Education			
Less than high school	0.173	0.628	0.199
High school	0.324*	0.540	0.136
Some college, no degree	0.311	0.554	0.135
Associates or vocational degree	0.250	0.588	0.162
College degree	0.402	0.487	0.111
Health Limitation			
No	0.283	0.587	0.130
Yes	0.361	0.357*	0.282*
Food Stamp Participation			
No	0.329	0.565	0.107
Yes	0.185*	0.575	0.240*
Reason for Leaving Poverty			
Own employment or earnings	0.282	0.571	0.147
Other family member's earnings	0.372	0.436	0.192
Family composition change	0.308	0.559	0.133
Combination of earnings and family composition changes	0.418	0.478	0.104
Other changes	0.221	0.600	0.179
Initial Job Characteristics			
Full-time			
No	0.292	0.563	0.145
Yes	0.292	0.552	0.156
Provides health insurance coverage			
No	0.239	0.592	0.169
Yes	0.380*	0.512	0.108
Hourly wage greater than $10			
No	0.253	0.589	0.158
Yes	0.395*	0.481	0.124

Source: Calculations from 2001 SIPP data conducted by Mathematica Policy Research, Inc.

Note: Sample includes single mothers who exited poverty in the first year of the panel. The follow-up period is two years. The figures presented in this table are based on multinomial logistic regression and represent the predicted probabilities of having a particular poverty profile given a characteristic. For example, the first cell in the first row shows the predicted probability that a single mother who has less than a high school degree will remain nonpoor for the two years following poverty exit. Please see the appendix for more description of the methodology used for deriving these estimates. The multinomial logistic model controls for demographic characteristics (age, race/ethnicity, educational attainment, whether in school, age of youngest child, number of adults in the family, whether ever married, cohabitation, TANF receipt, food stamp receipt, whether lives in public or subsidized housing, income to poverty ratio before exiting poverty, and region), state economic conditions and welfare policy parameters (unemployment rate, poverty rate, TANF earnings disregard, TANF sanction type, and length of TANF time limit), main trigger event (own employment or earnings, other adult's employment or earnings, family composition change, and combinations of these three events), and initial job characteristics (provides health insurance coverage, offers hourly wages greater than $10, and is full-time). All figures are weighted.

*Statistically significant at the .05 level. Italics indicate the reference group for significance tests.