

A graphic of a spiral-bound notebook with a grey cover and a white page. The spiral binding is on the left side. The title is centered on the page.

# Effects of Welfare on Family Structure

# Why the Growth in Female Headship?

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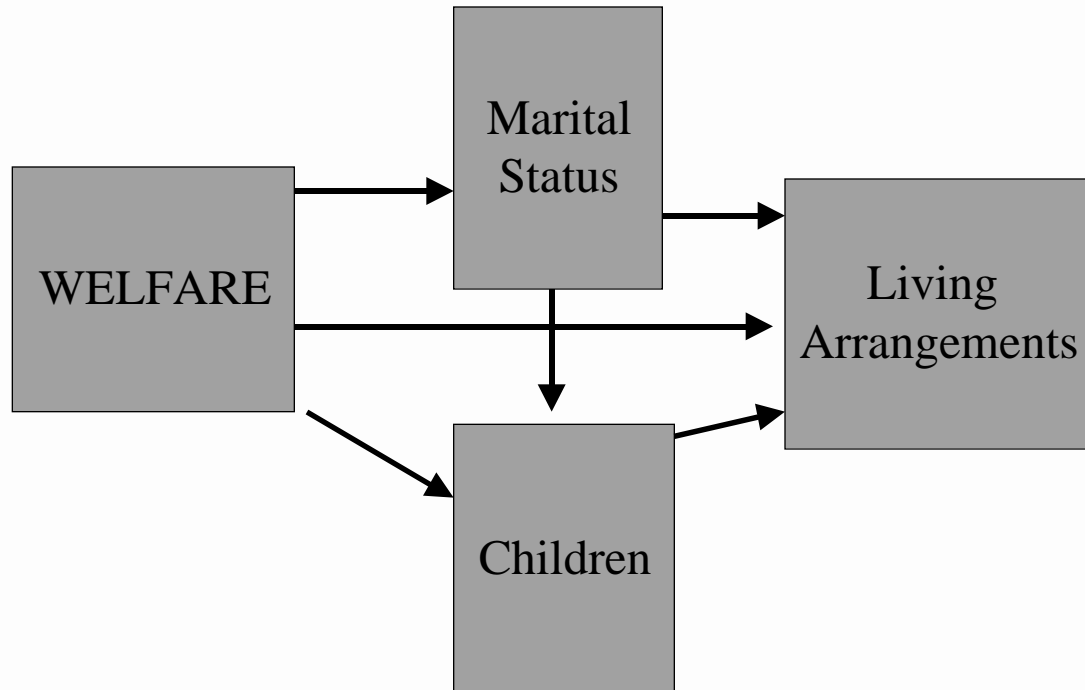
## ✓ Review of Earlier Discussion

- Decline in earnings of men
- Increase in relative wages of women
- Decrease in other benefits/costs of marriage
- Change in tastes

## ✓ Role of Welfare

- Disincentives for marriage
- Incentives for childbearing
- Incentives to form independent household

## Effect of Welfare on Number of Female Headed Families



A decorative graphic of a spiral-bound notebook is positioned on the left side of the slide. The spiral binding is on the left edge, and the notebook pages are represented by a light gray background with a white central area where the text is located. The spiral binding is composed of several loops, each with a small circular end. The notebook is oriented vertically, with the spiral binding on the left side.

## Incentive Effects of Welfare

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### ✓ Disincentives for Marriage

- Eligibility requirements
- Increase in Nonlabor income

### ✓ Incentives for Childbearing

- Eligibility Requirements
- Increase in Benefits Received
- Increase in Nonlabor Income

### ✓ Independence

- Eligibility Requirements
- At What Cost A Room of Her Own?

# Empirical Evidence

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- ✓ Marginal Benefit of Child

- ✓ Table 9, Moffitt (1992)

- ✓ Time Series data

- the proportion of households headed by women increased in the late 1960s and early 1970s as did welfare benefits. However, after mid 1970s, the two series have moved in opposite directions

- ✓ Cross Sectional Studies

- Benefit levels have weak effects of female headship and marriage
- Little evidence of effect on childbearing



## Empirical Evidence/Other Hypotheses

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### ✓ Male Marriageability Hypothesis

- Shortage of marriageable men in African American community, but most marriageable have had biggest fall in marriage rates
- Some empirical studies consistent with theory

### ✓ Growth in Labor Market Opportunities for Women