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THE EMPLOYMENT AND EARNINGS OF AFDC MOTHERS:
THE FIRST-YEAR EFFECT OF THE EARNINGS EXEMPTION IN
TWO MICHIGAN COUNTIES

By

Vernon Kent Smith

A DISSERTATION

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ABSTRACT

THE EMPLOYMENT AND EARNINGS OF AFDC MOTHERS: THE FIRST-YEAR EFFECT OF THE EARNINGS EXEMPTION IN TWO MICHIGAN COUNTIES

by

Vernon Kent Smith

Among the several public welfare provisions of the 1967 Social Security Amendments, two in particular were directed toward the objective of increased employment among individuals receiving Aid to Families with Dependent Children (AFDC). The first established the earnings exemption, which was designed to serve as a financial incentive for employment. This provision allowed working recipients to benefit financially from employment by exempting the first \$30 of monthly earnings, plus one-third of the remainder, plus necessary work-related expenses, when calculating the monthly AFDC payment. In most states the earnings exemption replaced a policy under which recipients accrued no financial benefit from employment since earnings, net only of work-related expenses, were offset by a reduction of equal amount in the AFDC payment.

Complementary to the financial incentive of the earnings exemption, the Amendments also provided for job training and placement by establishing the Work Incentive (WIN) Program. Both WIN and the earnings exemption were designed to increase the employment of recipients in jobs for which they already qualified. In addition, the WIN Program was also designed to improve recipients' earning capability through the use of education, training and placement services.

The purpose of this dissertation is to analyze the changes in employment and earnings which occurred among AFDC mothers in two Michigan counties in the first year following implementation of the earnings exemption and the WIN Program, and to identify those factors important in determining whether an AFDC mother was employed, and if employed, how much she earned. Although other factors, including the WIN Program, are considered, the major emphasis of this dissertation is upon evaluating the employment impact of the earnings exemption.

The analysis is based on data obtained for a stratified sample of 1,184 single-parent, female-headed families who received AFDC in the Michigan Counties of Genesee and Ingham in 1969 and 1970. Differential sampling rates, which depended on employment and welfare status at the beginning (June 1969) and end (June 1970) of the period under study, were used to ensure that the number of employed mothers in the sample was sufficiently large to permit statistically significant inferences. Data for sample cases were obtained from a specially-conducted survey of individual case records located in each County Department of Social Services. Use of this data collection technique allowed the gathering of case-specific information on a wide range of economic and demographic variables not otherwise possible.

These data indicated that after implementation of the earnings exemption in Michigan on July 1, 1969, the proportion of AFDC mothers in the two study counties who were employed increased significantly from 10.0 percent in June of 1969 to 14.1 percent in June of 1970. In analyzing this increase in the employment rate, changes in employment status and earnings levels which occurred over the study year were compared with similar changes which occurred during each of the previous two annual

periods. Compared with the previous annual periods, the data indicated that: (1) recipients employed at the beginning of the study year were more likely to remain employed, although they were less likely to have had an increase in monthly earnings; (2) recipients not employed at the beginning of the study period were more likely to become employed, but were neither more nor less likely to have had higher or lower levels of monthly earnings; (3) new recipients were more likely to become or remain employed, and were also more likely to have high levels of earnings.

To evaluate the extent to which the increases in AFDC employment might be attributed to the incentive effect of the earnings exemption, several factors which might also have affected employment activity were examined for their impact. These factors included a retention effect (the retention on AFDC of mothers who, except for application of the earnings exemption, would have been financially ineligible for AFDC), the WIN Program, the increasing "employability" of an increasing caseload, higher AFDC and food stamp benefits, and economic and labor market conditions. After consideration of these and other factors, the conclusion which emerged was that the earnings exemption was the primary factor contributing to the increase in AFDC employment over this period. Altogether, the exemption was found to account for 3.9 percentage points of the 4.1 percentage point increase in the AFDC employment rate over the study period, one-third of which was due to the retention effect, and two-thirds of which was due to the incentive effect.

Despite the fact that the increases in AFDC employment were statistically significant, the increases were relatively small in absolute value. Even a year after implementation of the exemption, the employment rate was a relatively low 14.1 percent. This suggests that those factors

which constrained employment prior to the exemption's implementation continued to do so after its implementation. Multiple-regression analysis, undertaken to assess the impact of demographic and economic factors upon employment and earnings, provided support for this conclusion. In both June, 1969 and June, 1970, factors identified as significant barriers to employment included the presence in the home of pre-school age children, a lack of education, a lack of job experience, and poor health. Among factors designed to counteract these barriers, the provision of welfare-funded child care was found to be of particular importance. In addition, market earnings levels in jobs of similar occupational classification were found to be an important determinant of the probability of employment and the level of earnings.

In evaluating the financial impact of the exemption, it was found that the exemption contributed to the increases in AFDC costs and caseloads which occurred over the study period. Although recipients were more likely to be employed, employed recipients received larger AFDC payments and were less likely to terminate from assistance. Altogether, it was estimated that in its first year of application the earnings exemption increased annual AFDC payments in the two study counties by more than four percent.

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CHAPTER I

INTRODUCTION

A major objective of the 1967 Social Security Amendments was to assure, to the maximum extent possible, that individuals receiving Aid to Families with Dependent Children (AFDC) "...will enter the labor force and accept employment so that they will become self-sufficient."¹

Among the several provisions of the Amendments, two in particular were designed to contribute toward the objective of increased employment among AFDC recipients. The first was a financial incentive in the form of an earnings exemption, which allowed recipients to benefit financially from employment. This provision required states to exempt in determining the amount of the AFDC grant all work-related expenses and the first \$30 of monthly earnings, plus one-third of all additional earnings. This procedure contrasted sharply with the prior practice under which recipients accrued no financial benefit from employment, since any earnings, net only of work-related expenses, were offset by a reduction of equal amount in the AFDC grant.

Second, and complementary to this financial employment incentive, the Amendments provided for training and job placement by establishing the Work Incentive (WIN) Program. While both WIN and the earnings exemption were intended to increase the employment of recipients in jobs for which they already qualified, the WIN Program was also designed to improve recipients' earning capability by qualifying them for better jobs. Education, training and placement services were to be used to increase the wage level possible in the regular labor market as well as

the probability of obtaining and maintaining employment.

In enacting these provisions, the intent of Congress was clear: increasing AFDC costs were to be controlled, and capable recipients were to go to work. Representative Wilbur Mills, Chairman of the Ways and Means Committee, said Congress faced a taxpayers' revolt if increasing welfare costs were not reduced. The provisions, said Mills, were aimed at making "taxpayers out of taxeaters."² Senator Russell Long, emphasizing the Finance Committee's desire to "reduce the welfare burden by helping AFDC recipients to become self-sufficient," said the purpose of the provisions was to encourage assistance recipients to move into private employment.³ He indicated that the provisions "should act as a restraint on burgeoning welfare rolls."⁴

Purpose and Scope of this Dissertation

The purpose of this dissertation is to analyze the changes in employment rates and levels of earnings which occurred among AFDC mothers in two Michigan counties in the first year following the implementation of WIN and the earnings exemption, and to identify those factors important in determining whether an AFDC mother was employed or not, and if employed, how much she earned. Although the WIN program is examined for its impact upon AFDC employment, a major emphasis of this dissertation is upon evaluating the impact of the earnings exemption. The reason for so placing the emphasis is simply this: Much has been written about the effect of the WIN program, but to date the effect of the earnings exemption has virtually been ignored. Literally dozens of investigators have examined WIN at the local, State and national levels,⁵ but to my knowledge, only two studies have sought to determine

the impact of the earnings exemption. In the first of these, Gary Appel used data routinely maintained by the Michigan Department of Social Services to describe and evaluate the first-year impact of the earnings exemption upon females heading AFDC families in the State of Michigan. Appel concluded that the exemption was a success:

...the incentive [created by the exemption] has contributed to increased employment of AFDC mothers in Michigan and has led to higher incomes for those employed.⁶

The second study, contracted by the U.S. Department of Health, Education and Welfare to National Analysts, Inc., did not come to the same conclusion. Based on interviews of AFDC mothers in ten major U.S. cities over the period from Winter, 1970 to Summer, 1971 the study concluded that:

...the Earnings Exemption Provision has had no measurable effect in increasing the work response of AFDC mothers.⁷

This dissertation is a third attempt to determine the impact of the earnings exemption. Although in some ways this study is similar to the two earlier studies, it differs from them in several important respects, including location and size of the study area, source of data, variables for which data were collected and techniques of analysis. These and other differences are spelled out in greater detail as the studies are reviewed in Chapter 2.

To provide perspective, the remainder of this chapter describes the background against which the 1967 Amendments were debated and adopted. In addition, some implications of the Amendments are identified. The chapter concludes with an overview of changes which occurred in program size, cost and rate of recipient employment after the Amendments'

implementation.

Previous Programs: CWT and WET

While statements reflecting the intent of these Amendments may have been clear, those statements differed from the rhetoric which accompanied earlier legislation primarily only in intensity rather than their focus. Over the 1960's the objective of controlling welfare costs by restoring recipients to financial independence from assistance has remained unchanged. President Kennedy, in a February, 1962 special message to the Congress on public welfare, cited the need to "...find ways of returning far more of our dependent people to independence."⁸ Toward this end, the 1962 Amendments established the Community Work and Training (CWT) program. Under this program recipients, especially unemployed male recipients, were to earn their welfare payment through participation in CWT work relief projects. This was, said President Kennedy, "...a new approach--stressing services in addition to support, rehabilitation instead of relief, and training for useful work instead of prolonged dependency.... Our objective is to prevent or reduce dependency and to encourage self-care and self-support."⁹

The CWT program was expanded by the Economic Opportunity Act of 1964. Title V of that Act allowed states to establish, at full federal cost, Work Experience and Training (WET) projects. The objective of WET was similar to that of CWT: to provide useful and meaningful training and job experience to participants. However, under WET eligibility for participation was extended to include individuals not receiving welfare whose net income was below a certain low level. With both CWT and WET, the primary focus in practice continued to be

that of income maintenance combined with a range of traditional rehabilitative social services. Despite the provision under Title V which authorized vocational training, work experience, education and day care to increase the skill level and employability of unemployed persons, the welfare administrators generally failed to take advantage of these opportunities. As a result, well over half of the funds expended under CWT and WET were for income maintenance.¹⁰

The overall success of CWT and WET was quite modest. CWT was always a small program, and its impact upon an AFDC caseload of nearly one million families in 1963 may be assumed to have been negligible. WET was a broader program, reaching a peak enrollment of 71,000, half of whom were women, in 1967 (when the AFDC caseload included 5.3 million recipients in 1.3 million families). Of course, all enrollees did not successfully complete their course of WET training, become employed and leave welfare. One study indicated that only about one-fifth terminated from the program to take a job; half of all enrollees continued to receive welfare assistance, including some who were employed. There is some evidence that in many cases completion of the prescribed WET training did little to improve the employability of program participants: only three-eighths of those who completed their course of training were able to obtain a job. This success rate is rendered even less impressive by noting that during this period the average unemployed father who received public assistance obtained a job and left welfare within a year whether he enrolled in the program or not. This suggests that many would have found a job and left welfare even in the absence of program participation.¹¹

Nevertheless, the increased effort to provide training, education and work experience to the unemployed reflected a greater awareness that increased aggregate demand alone, as reflected in part by a decreasing overall rate of unemployment, was insufficient to reduce unemployment among certain groups of less-educated, less-skilled individuals. Even in a relatively tight overall labor market, such as that which existed in the mid-1960's, these persons remained unable to compete successfully for available jobs. Under these circumstances, a proper part of the remedy appeared to be training, education and a general upgrading of skills which would enable these individuals to qualify for available positions.

Unfortunately, CWT and WET failed not only to train and find jobs for a significant number of program participants, but these programs also failed to have any noticeable effect upon welfare costs and caseloads, which in fact began to increase at an accelerating pace. The reasons for the lackluster program performance are several, but certainly a major factor was that welfare agencies themselves were generally untrained and unprepared to perform the tasks of retraining the unemployed. Thus, faced with a pool of trainees with limited skills and education, program administrators often responded by making work experience assignments in low-pay, low-skill occupations. Such assignments may have been consistent with the rather short-sighted goal of increasing any employment experience, regardless of type, on the hope such experience would be self-reinforcing and lead to further employment. However, little actual upgrading of skills occurred under either CWT or WET which was designed to improve future job prospects of enrollees.¹²

The lack of full success in these programs was but one factor in

the large increase in the AFDC caseload which occurred in the early and mid-1960's. Over the period from 1961 to 1967, for example, the number of recipients increased from 3.6 million to 5.3 million. Children under the age of 18 receiving AFDC increased from 4.2 percent to 5.6 percent of all persons under the age of 18. Simultaneously, total money payments to AFDC recipients doubled from \$1.1 billion to \$2.2 billion. To some observers, it seemed paradoxical that these increases in program size and cost should occur in a period when the overall rate of unemployment declined from 6.7 percent to 3.8 percent, and the number of individuals with an annual income below the defined poverty line declined from nearly 40 million to less than 28 million.¹³

Congressional Debate

It was in the context of the rising AFDC caseloads and declining unemployment that the Congress convened in the Summer of 1967 to consider a bill to amend the public welfare provisions of the Social Security Act. The mood of many, including Wilbur Mills, the primary architect of what was later to become law, bordered on open hostility toward the failure of previous programs and policies to control welfare caseloads and (in particular) costs. Mr. Mills spoke as follows on behalf of the bill:

We want the states to have a work and training program. We want the states to see to it that those who are drawing as unemployed father, or drawing as mothers, unless there is good cause for them not to be required to take it, that they take training and then work. Is there anything wrong with that? What in the world is wrong with requiring these people to submit themselves, if they are to draw public funds, to a test of their ability to learn a job?

* * *

What else have we done? We have taken what can be an expensive step because we tell the states that you must disregard certain earnings of these people in determining their needs as an inducement to get them out of their house and to work.

What do they say now? They say they cannot work. If they work, they lose their assistance payments. Maybe they are not qualified in all instances to earn very much, but to the extent that they can work and make something, we want them working. If there are any jobs available for them, we want them to have them. This is what we wanted to do in 1962. We left it to the option of the States, and they did not do it. Five years later, today, we are on the floor with a bill which requires that it be done.

* * *

What does this do? ...In 1972, the Department [of Health, Education and Welfare] tells us, in all probability they expect 400,000 fewer children on the rolls than there would have been under existing law.... [this] will reduce the cost of the programs by approximately \$713 million by 1972.¹⁴

Thus, Mr. Mills stated his support for a new training program, a tougher work requirement for welfare recipients, and the earnings exemption, and he indicated what he expected enactment of these provisions to accomplish. However, much of the debate centered on a controversial "freeze" of AFDC rolls, which would have limited federal matching funds to the existing proportion of the child population receiving AFDC in each state. This provision would have provided a very powerful stimulus for states to hold down assistance rolls by any available means. Congress enacted this measure, but pressure from organizations who believed it to be an unnecessarily punitive means to limit expenditures led to its repeal before it was implemented.¹⁵

Nevertheless, the fact that the freeze was enacted was clear indication that Congress intended to halt the trend of increasing welfare rolls, and was willing to invoke new and more extreme measures to accomplish that goal in as short a time as possible.

The WIN program and the earnings exemption also reflected this willingness to try new approaches. WIN differed from both CWT and WET in several important respects. First, primary responsibility for program administration was shifted from the Department of Health, Education and Welfare (HEW) to the Department of Labor (DOL). This shift reflected general dissatisfaction with the earlier programs administered by HEW which had failed to produce the desired results. The DOL, with greater experience in providing job training and placement, was expected to concentrate more on improving employability and obtaining jobs for program participants.

WIN also differed in that the target population was limited to AFDC recipients. Earlier programs, as part of a general anti-poverty effort, were not so constrained, and many enrollees were not receiving public assistance. But while the target population was so limited, the size of the program was to be expanded. WIN capacity was to be approximately twice the maximum enrollment under WET.

In addition, WIN differed from CWT and WET in its general approach to training and employment. For example, expense and incentive payments were provided for enrollees participating in training programs. Training was not limited to WIN-funded programs since enrollment in other manpower programs through WIN was made possible. Able-bodied (AFDC-U) fathers not in training, youths age 16 or over and not in school or training, and certain mothers were subject to a mandatory work requirement. A

referral system was established which was designed to "cream" the AFDC population, so the most employable recipients would be enrolled first. Those who became employed while enrolled in WIN were to remain enrolled after placement for a three to six month "follow-up" period during which supportive social services were to be used if necessary to assist in maintaining employment.¹⁶

The earnings exemption, of course, also was a drastic departure from prior policy, inasmuch as it represented the unprecedented step of providing a general financial work incentive to AFDC recipients in all states. Prior to the implementation of this provision, AFDC payments in many states were reduced one dollar for each dollar of earned income (usually net of allowable work-related expenses such as taxes and transportation).¹⁷ Since a dollar increase in (net) earnings resulted in a dollar decrease in the welfare payment, this procedure was sometimes referred to as the "100 percent welfare tax rate." The earnings exemption altered this procedure by "disregarding" the first \$30 of earned income, plus one-third of the remainder, when calculating the AFDC payment. This had the effect of allowing total income to increase as earned income increased. In effect, the welfare tax rate was reduced from 100 percent of all earnings above zero to 66 2/3 percent of monthly earnings above \$30. (Treatment of unearned income, such as social security or child support, was unchanged by the exemption. Such income continued to effect a dollar-for-dollar reduction in the welfare payment.)

The primary justification for the earnings exemption provision was a general recognition that a 100 percent tax rate on earnings was not conducive to increasing employment among AFDC recipients. There was wide acceptance of the principle that a less-than-100 percent tax rate

would provide more incentive, or at least less dis-incentive, for recipient employment. Less widely accepted, however, was the exact formula for the earnings exemption which would be "optimal." The House version of the bill had offered the "\$30 plus one-third" formula, but the Senate increased the incentive to "\$50 plus one-half." Ultimately, the conference committee accepted the House version, although some members of Congress believed the incentive in that version was not large enough. For example, Senator Robert Kennedy responded to the conference report by asserting:

The provision which the conference agreed to--\$30 a month plus one-third of the rest of the earnings--is so small that it may not prove to be a meaningful test of the theory that a welfare recipient will go to work if he has some chance of keeping a significant portion of what he or she earns.¹⁸

On the other hand, Chairman of the House Ways and Means Committee Wilbur Mills disagreed, indicating he believed the \$30 plus one-third provided quite enough incentive:

We believe this provision will furnish ample incentive to AFDC recipients to take employment and increase their earnings to the point where they become self-supporting.¹⁹

Chairman Mills' support of the \$30 plus one-third formula apparently was based at least in part on factors other than the degree of incentive alone. In particular, an attempt was made to balance the degree of incentive with the level of income which recipients might earn while receiving assistance. John Martin, chief counsel for the Ways and Means Committee, responded as follows when asked how the incentive formula was chosen:

Before reaching its decision on this provision, the Committee on Ways and Means considered numerous alternatives with varying dollar amounts and percentages of earnings to be disregarded. The Committee decided upon the provisions that were adopted in an attempt to achieve a balance between the amount of work incentive that should be provided to welfare recipients and the reasonableness of the income (including welfare grant and earnings) which the recipients could achieve.²⁰

Income Maintenance Objectives

Mr. Martin's statement suggests that in choosing the \$30 plus one-third formula, the Committee was at least implicitly attempting to achieve an optimal balance among recognized (and competing) objectives of income maintenance schemes. The three primary objectives of any such scheme may be identified:²¹

- 1) Adequacy. Two aspects of adequacy are of concern. The first is the extent to which all individuals achieve incomes which equal or exceed the poverty level. The second is the extent to which particular groups of low-income individuals are lifted toward or above the poverty line. The second aspect is important when a program is designed for a specific group, as AFDC is for female-headed families with children, to the exclusion of other groups, such as the "working poor" who have full-time jobs but who earn sub-poverty level wages.
- 2) Efficiency. Efficiency refers to how well the program provides benefits to the target population while not providing benefits to others. The primary concern here is that benefits go to the poor with minimum leakage to the non-poor.

- 3) **Work Incentives.** Income maintenance programs inevitably have a dis-incentive effect with respect to employment due to the necessity of an implicit welfare tax rate. The higher the rate, the greater the dis-incentive. The lower the rate, the more recipients may benefit from increasing their earnings, and the more likely they are to accept or maintain employment.

In addition to these objectives, there are others, such as providing equity, minimizing stigma, keeping costs at a reasonable level and achieving political support. However, these three--adequacy, efficiency and work incentives--may be considered primary criteria by which an income maintenance scheme may be evaluated. Taken individually, each of these objectives is worthy of maximization. Unfortunately, achievement of one may be accomplished only by sacrificing another.

Economic theory assists in illustrating the conflict between these objectives. Conventionally, economists assume that within limits, individuals may adjust their work effort. They can work more or less, but prefer to work less. This desire to work less may be referred to as a desire for "leisure." Since individuals wish more leisure, it can be treated like any other economic good which may be purchased. The amount which is purchased depends upon preferences, prices and the financial ability to afford the desired good. For a given set of prices, the greater the income, the greater the ability to afford those goods which they prefer to purchase. Thus, as income increases, more income is available to spend on all goods, including the good of leisure. Thus, it would be expected that as income increases, more time would be allo-

cated to leisure and less to work. In other words, assuming no change in preferences and prices, an increase in income would be expected to encourage less work effort. This inverse relationship between income and work effort is commonly referred to in economic jargon as the "income effect."

In addition to the amount of income, an income maintenance program also affects the price of leisure through the tax rate applied to earnings. The price of an hour of leisure is the value of earnings which would have been received if the individual had worked that hour; i.e., the price of leisure is the value of foregone earnings. For example, if an individual's wage rate is \$3.00 per hour, then the price of leisure is \$3.00. But if that individual is participating in an income maintenance scheme, the price of leisure is reduced by the amount of the tax rate. For example, if the tax rate were 50 percent, then for each hour worked and \$3.00 earned, the income maintenance benefit would be reduced by 50 percent, or \$1.50, so total income increases by only \$1.50. If the tax rate were $66 \frac{2}{3}$, then for each \$3.00 earned, the benefit would decrease by \$2.00, and total income would increase by only \$1.00. Relative to the situation with the 50 percent tax rate, the price of leisure declined with the $66 \frac{2}{3}$ tax rate. It is assumed that more of a good would be purchased as the price declined (with other prices constant). Thus, it would be expected that as the tax rate increased, more time would be allocated to leisure and less to work. In other words, the higher the tax rate, the more leisure is substituted for time at work. This relationship between the tax rate and work effort is commonly referred to as the "substitution effect."

Returning to the discussion of program objectives, it is now easily seen that all three objectives cannot be achieved simultaneously. For

example, adequacy might be achieved by establishing a relatively high guarantee level, e.g., one at the poverty line. However, such an event would (through the income effect) weaken the work incentive, and (for any tax rate less than 100 percent) extend benefits to families whose total income was above the poverty line. For example, with a tax rate of $2/3$, benefits would decline by only $2/3$ of any increase in earnings, so that benefits would not reach zero until earnings were 150 percent of the guarantee level. For a tax rate of $1/2$, benefits would continue until earnings were twice the guarantee level.

On the other hand, if the primary objective were to maximize work incentives, then a relatively low tax rate and low basic guarantee level would be chosen. The result would be a sacrifice of adequacy, due to the low guarantee level, and if the tax rate were low enough, a sacrifice of efficiency as well. Similarly, achievement of efficiency might be achieved with a high tax rate or low benefit level, with accompanying sacrifices in adequacy and incentives to work.

Thus, any income maintenance scheme--including the one defined by the collection of programs and policies set out in the 1967 Social Security Amendments--may be described in terms of the particular balance achieved among these three competing objectives. Examination of the policy and program changes wrought by the Amendments indicates the new emphasis. First, with respect to adequacy, the Amendments provided (in a section virtually unnoticed during the debate of the bill) that states were required to adjust the AFDC budget standard used to compute assistance payments "...to reflect fully changes in living costs since such amounts were established...."²² In most states this requirement did result in slightly higher standards (and payments to recipients),

although in general the impact was not large.²³ This requirement also did nothing to alleviate interstate differentials in payment standards. However, the requirement did represent explicit recognition of a need to improve the adequacy of payments, and to that extent was a significant departure from earlier legislation.

The earnings exemption also was a significant departure from prior policy. In one sense, this new policy represented an initial official recognition that providing financial incentives to work should be an objective of the nation's largest income maintenance program. Even though the new welfare tax rate on earnings after the first \$30 was to be a relatively high 67 percent, the inclusion of this policy was an indication that the new balance among objectives was to reflect increased emphasis upon work incentives.

But, as indicated earlier, to the extent that one objective receives greater emphasis another must receive less emphasis. In the case of the 1967 Amendments, the necessary sacrifice involved a loss in program efficiency. As will be shown later in greater detail, implementation of the exemption allowed certain employed recipients to receive supplementary assistance benefits even after earnings levels brought family income above the poverty level. Nevertheless, even though the possibility of benefit leakage to certain "non-poor" families may be undesirable in itself, the case might be made that this sacrifice brought an improved balance among program objectives.²⁴

Impact of the 1967 Amendments: An Overview

While the implementation of the WIN program, the earnings exemption and the required adjustments in assistance standards together represented

a new balance among program objectives, it was not possible to predict the outcome in terms of the desired increase in recipient employment and reductions in welfare caseloads and costs.

Economic theory is useful in determining the direction of policy impact, but not the magnitude. For example, the WIN program was designed to improve "employability" by qualifying recipients for better paying jobs. In effect, it increased the price of leisure and, as a result of a substitution effect favorable to work effort, would be expected to encourage employment. On the other hand, the mandated increases in AFDC standards of assistance increased on-assistance income levels and, through the income effect, would be expected to have a negative impact upon employment activity. In evaluating the expected impact of the earnings exemption, it is useful to separate those recipients who were employed at the time of its implementation from those who were not employed. For the latter group, the exemption affected only the price of leisure. There was no income effect, only a substitution effect, so for this group the exemption would be expected to serve as an incentive for greater employment activity. However, for recipients already employed as the exemption was implemented, the expected outcome is less clear. For this group, the exemption increased both the price of leisure and the level of assistance (and total) income. Recipients in this group were, therefore, subject to both a substitution effect favorable to work effort and an income effect unfavorable to work effort. The final outcome depends on the relative strengths of these effects. Thus, while economic theory suggests that for certain recipient groups the policies would increase employment, it is ambiguous for other groups, and says nothing at all about the magnitude of these changes.

Further, no program experience which would have facilitated an informed forecast of policy impact was available to be drawn upon. The WIN program was sufficiently unique to preclude reliance upon the experience of its predecessors, the CWT and WET programs. The financial incentive embodied in the earnings exemption was virtually unprecedented. Evidence to indicate the effect of raising AFDC standards was also lacking. Thus, experience which would have suggested the probable impact of these major changes was practically non-existent. In effect, this attempt to increase employment among AFDC recipients was to be a national experiment in labor supply affecting millions of recipients across the United States.

As noted earlier, this study is among the first to examine the results of that experiment. The importance of further evaluation of the impact of these provisions is underscored by the inclusion of similar incentive formulae and training programs in many of the income maintenance alternatives offered in the current welfare reform debate.

Certainly, one explanation for the lack of investigation in this area is the difficulty in obtaining data requisite for analysis. The only easily available indication of the policies' impact may be seen in the aggregate data prepared by the U.S. Department of Health, Education and Welfare from periodic nationwide surveys. (See Table I-A.) These data show that between December 1967 (six months prior to the first implementation by any state of either WIN or the earnings exemption), and January, 1971 (eighteen months after all states had implemented both policies), the proportion of AFDC mothers who were employed increased only from 16.6 to 17.1 percent. Mothers employed full-time increased from 8.0 to 10.3 percent. However, the proportion employed part-time declined from

Table 1-A

Employment Status of AFDC Mothers: National Totals
(December, 1967 and January, 1971)

Status of AFDC Mother Female-Headed Families Only	December, 1967		January, 1971	
	Number	Percent ^a	Number	Percent ^a
Employed:				
Full-Time	77,600	8.0	210,400	10.3
Part-Time	83,300	8.6	140,300	6.8
Actively Seeking Work	71,600	7.4	134,700	6.6
Enrolled in Work or Training Program	-- ^b	-- ^b	103,700	5.1
Awaiting Enrollment After Referral to WIN	-- ^b	-- ^b	55,700	2.7
All Other ^c	741,400	76.1	1,406,200	68.6
Total ^d	973,900	100.0	2,051,000	100.0
Annual Cost (Billions) ^e	\$2.1	--	\$4.5	--

^aPercentages may not add to total due to rounding.

^bData not available. WIN was not operational in 1967.

^cIncludes mothers in the home who were incapacitated, without marketable skills, needed in the home full-time as homemaker, or otherwise not seeking work.

^dTotals include single-parent female-headed AFDC families only.

^eAnnual cost for calendar years 1967 and 1970 for the regular (non-AFDC-UP) program.

Source: Compiled from: U.S. Department of Health, Education and Welfare, Social and Rehabilitation Service, National Cross-Tabulations from the 1967 and 1969 AFDC Studies (Washington: National Center for Social Statistics), December, 1971, NCSS Report AFDC-Special (67-69); and, U.S. Department of Health, Education and Welfare, Social and Rehabilitation Service, Findings of the 1971 AFDC Study: Part I Demographic and Program Characteristics (Washington: National Center for Social Statistics), December, 1971, NCSS Report AFDC-1 (71); and, U.S., Department of Health, Education and Welfare, Social Security Bulletin, Vol. 35, No. 7 (Washington: Government Printing Office, July, 1972), Table M-24.

8.6 to 6.8 percent, and those actively seeking work declined from 7.4 to 6.6 percent. Altogether, the proportion in the labor force declined slightly from 24.0 to 23.7 percent. Over the same period, the number of recipients and the amount of total payments more than doubled as annual program cost increased by over \$2 billion between 1967 and 1970.

These aggregate data do not suggest unqualified success for WIN and the earning exemption. On the positive side, there does appear to have been a trend toward full-time employment, although perhaps at the expense of part-time employment. However, only very small changes occurred in the overall rates of employment and labor force participation. Interpretation of these data is made difficult by the fact that 7.8 percent of AFDC mothers were either enrolled or awaiting enrollment in WIN or another training program at the time of the January, 1971 survey, and comparable data were not available from the earlier survey. Unquestionably, some portion of the 7.8 percent would have been employed or seeking work in the absence of WIN. This may account in part for the observed decreases in rates of part-time employment and labor force participation. Nevertheless, the data suggest very little positive impact upon employment activity for WIN and the earnings exemption. However, the data very clearly indicate that these measures were insufficient tools to "restrain the burgeoning welfare rolls" and to "control AFDC costs."

These data also leave unanswered a number of questions regarding the impact of these policies. For example, with respect to WIN, it would be useful to know how program experience differed between program participants who found jobs and those who did not, and the extent to which WIN participation improved the probability of obtaining a job or becoming

financially independent of AFDC assistance. With respect to the earnings exemption, it would be useful to know how the response to the financial work incentive differed between employed and unemployed recipients, whether the incentive encouraged higher earnings levels, and the extent to which the work response was influenced by such demographic factors as education, family size, age of children, or length of time on assistance.

Organization of this Study

It is the purpose of this dissertation to attempt to answer questions such as those posed above, based primarily upon the analysis of data obtained from a specially-drawn sample of nearly 1,200 AFDC mothers in two Michigan counties. However, before presenting the results of this analysis, a review is made in Chapter 2 of earlier research which has examined the personal characteristics and work attitudes of AFDC mothers which might play a role in their response to work incentives. In Chapter 3, a conceptual framework for analysis is presented. The analysis of sample data begins in Chapter 4 with a description of the sample population and of the changes in employment which occurred over the study period. In Chapter 5 the results of regression analyses are presented to suggest those factors which were important in determining both whether the AFDC mother was employed and, if employed, how much she actually earned. The findings and their implications for policy are summarized in the final chapter.

CHAPTER I FOOTNOTES

- ¹Social Security Amendments of 1967, (P.L. 90-248, January 2, 1968, Sec. 201(c)(A)).
- ²Congressional Quarterly, August 25, 1967, p. 1646.
- ³U.S. Congress, Senate Committee on Finance, Social Security Amendments of 1967: Committee Amendments to H.R. 12080 (Washington, D.C.: Government Printing Office, November 8, 1967) p. 3.
- ⁴Ibid. p. 4.
- ⁵For example, see references in: Colin Cameron, Income Support Schemes: Bibliography and Annotations to Academic Literature including References to Newspaper Citations (Madison: University of Wisconsin, Institute for Research on Poverty, 1972), pp. 140-150.
- ⁶Gary Louis Appel, Effects of a Financial Incentive on AFDC Employment: Michigan's Experience between July 1969 and July 1970 (Minneapolis: Institute for Interdisciplinary Studies, 1972), p. 97. This study is an unchanged published version of Appel's Ph.D. dissertation of the same title, Michigan State University, 1972. References in this dissertation are to the published version.
- ⁷National Analysts, Inc., Effects of the Earnings Exemption Provision upon the Work Response of AFDC Recipients: Executive Summary (Philadelphia: National Analysts, Inc. 1972), p. 48.
- ⁸John F. Kennedy, "Special Message to the Congress on Public Welfare Program," (February 1, 1962), cited in: Robert B. Stevens, Statutory History of the United States: Income Security (New York: McGraw-Hill 1970), p. 635.
- ⁹John F. Kennedy, "Presidential Statement Upon Approving the Public Welfare Amendments Bill," (July 26, 1962), cited in Stevens, pp. 651-652.
- ¹⁰Sar A. Levitan, Martin Rein, David Marwick, Work and Welfare Go Together (Baltimore: Johns Hopkins University Press, 1972), pp. 70-74.
- ¹¹Ibid., p. 74.
- ¹²Ibid., p. 72-74.
- ¹³U.S. Department of Commerce, Bureau of the Census, Current Population Reports: Consumer Income, Series P-60, No. 77 (Washington, D.C.: Government Printing Office, May 7, 1971), Table 1.
- ¹⁴113 Congressional Record, p. 10688 (August 16, 1967).

- ¹⁵ See, for example, testimony by Lisle Carter, George Wyman, George Wiley, Leonard Lessor, Albert Rees and others in: U.S. Congress, Joint Economic Committee, Income Maintenance Programs, Vol. I: Proceedings, before the Subcommittee on Fiscal Policy, 90th Congress, 2nd Session, June 11-27, 1968.
- ¹⁶ Levitan, 1972, pp. 70-78.
- ¹⁷ States which imposed payment maximums or rateable reductions usually allowed recipients to retain earnings to the extent that the eligibility standard exceeded the allowable payment level.
- ¹⁸ U.S., Congressional Record, 90th Congress, (1967), CXIII, 36785.
- ¹⁹ U.S., Congressional Record, 90th Congress, (1967), CXIII, 23054.
- ²⁰ Correspondence from John M. Martin to Gary L. Appel, dated June 19, 1970, cited in Appel, p. 9.
- ²¹ These and other criteria are discussed in: Theodore R. Marmor, "Income Maintenance Alternatives: Concepts, Criteria and Program Comparisons" (Madison: University of Wisconsin, Institute for Research on Poverty, Discussion Paper No. 55-69, 1969).
- ²² Section 402(a)(23) of the Social Security Act, as amended by Section 213(b) of P.L. 90-248, the Social Security Amendments of 1967.
- ²³ Annual increases (December to December) in the average payment per AFDC recipient were \$1.35, \$3.40 and \$3.25 in the three years ending with 1967, and \$2.25, \$31.0 and \$4.50 in the following three years, suggesting that this requirement may have stimulated slightly larger increases in AFDC payments in some states than would have occurred otherwise. U.S. Department of Health, Education and Welfare, Social Security Bulletin, Vol. 35, No. 7 (Washington: U.S. Government Printing Office, July, 1972), Table M-24, p. 58.
- ²⁴ For example, Charles Killingsworth has argued that "...the great weakness of the present welfare system grows out of an excessive preoccupation with efficiency--that is, the great efforts that are made to prevent grants to the non-poor--and the neglect of the considerations of adequacy and incentive." See: Charles C. Killingsworth, "Income Maintenance and the Social Security System--An Overview of Approaches," in Philip Booth (ed.), Income Maintenance and the Social Security System: Proceedings of the Sixth Social Security Conference (Ann Arbor, Michigan: University of Michigan, the Institute of Labor and Industrial Relations, 1968), p. 14.

CHAPTER 2

THE QUESTION OF EMPLOYABILITY: A REVIEW OF STUDIES OF THE CHARACTERISTICS, ATTITUDES TOWARD WORK, AND RESPONSE TO WORK INCENTIVES OF AFDC MOTHERS

The establishment of the WIN program and the earnings exemption reflected a basic assumption (or perhaps a hope) that many women heading AFDC families were able-bodied individuals who were capable of holding jobs but who needed a little incentive and perhaps some assistance to find and maintain employment. It would be expected, however, that the degree to which AFDC mothers actually responded to these program changes by increasing their employment would depend in no small way upon the characteristics and circumstances of the recipients themselves. Certainly, if AFDC mothers generally lack a basic level of education or job skills, then they will find it difficult to secure employment, regardless of the strength of the incentives or the requirements for work and training. Similarly, if some recipients are constrained, for example, by an infant child requiring care in the home, or if others are inhibited by negative attitudes toward work itself, then many recipients may be unable or unwilling to enter the labor market in search of a job.

A good deal of research has focused on questions relating to factors which affect the employment experience of AFDC mothers, including such factors as personal circumstances and attitudes toward work and welfare. Based on that research, it will be shown in this chapter that the employment experience of women in general is related to such factors as age, race, presence and ages of children, education and occupation, and that AFDC mothers often are subject to those conditions which are associated with lower rates of employment among women in general. However,

although their circumstances may differ in important ways from those of other women, their attitudes toward work usually do not. Thus, while financial incentives to work may not produce dramatic increases in AFDC employment, the reasons more likely lie with unavoidable and largely non-modifiable circumstances facing AFDC mothers than with negative attitudes toward work itself.

Factors Affecting Female Labor Force Participation

For most AFDC mothers, the time during which public assistance is received is a relatively short portion of the years of potential employment. Median time on assistance is estimated to be about two years, and the indications are that this average is declining.¹ Like women in general, most AFDC women engage in market work at some time during their lives, although women receiving AFDC are much less likely to be employed during the period of assistance. In this section, the relationships between employment and the personal characteristics and circumstances of females in general are examined to find those conditions under which employment is most likely for women. It will be shown that these relationships provide a partial explanation for the relatively lower rates of employment among AFDC recipients.

It is a well-documented fact that the labor force participation of U.S. women has increased in recent years. For example, over the two decades from 1950 to 1970, the number of working women in the U.S. aged 16 and over increased from nearly 18 million to 31 million, while the proportion of women in the labor force increased by one-third from 31 percent to 43 percent.² This increase resulted primarily from a rise in employment among the largest group of women--married with husband present--who were nearly 60 percent of all employed women in 1970, com-

pared to only 30 percent of the total two decades earlier. Nevertheless, such women continued to be less likely to be employed than most women with other marital status. Of women with husband present in 1970, 41 percent were in the labor force, compared to 52 percent of those separated from their husbands, 72 percent of those who were divorced and 26 percent of those who were widowed. (See Table 2-A.) Women with husband present were also less likely to be employed full-time: of women employed, two-fifths of those with husbands present were employed full-time year-round, compared to half of those without husbands.³

Table 2-A

Labor Force Participation Rates of All Women and
Non-white Women Age 16 and Over, by Marital Status, March, 1970

Marital Status	Percent of Population in Labor Force	
	All Women	Non-white Women
Total	42.6	48.5
Single	53.0	43.6
Married, husband present	40.8	52.5
Widowed, Separated or Divorced	39.1	45.9
Widowed	26.4	31.1
Separated	52.1	53.7
Divorced	71.5	70.8

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Marital and Family Characteristics of Workers, March 1970," Special Labor Force Report 130 (Washington, D.C.: Government Printing Office, 1970), Table A, p. A-9.

In addition to marital status, labor force participation was affected

by the presence of children, age, educational level, and race. (See Tables 2-B, 2-C, and 2-D.) The presence and age of children in the home was a major factor in female labor force participation. Of all mothers

Table 2-B

Labor Force Participation Rates of All Women and
Non-white Women by Marital Status and Age, March, 1970

Age	Percent of Population in Labor Force			
	All Women		Non-White Women	
	Total	Widowed, Separated, or Divorced	Total	Widowed, Separated, or Divorced
16-19	39.2	46.5	27.1	43.7
20-24	56.9	59.7	56.1	54.0
25-34	45.4	65.1	59.4	60.9
35-44	51.1	67.9	59.9	60.2
45-54	54.0	69.1	58.1	60.8
55-64	43.0	54.6	47.7	52.8
65+	9.8	9.9	12.6	11.5

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Marital and Family Characteristics of Workers, March 1970," Special Labor Force Report 130 (Washington, D.C.: Government Printing Office, 1970), Table B-1, p. A-11.

whose youngest child was age 6 to 17, 52 percent were in the labor force in 1970. However, the proportion dropped to 32 percent when there was a child age five or younger, and was 27 percent for those with a child under age three. The presence of young children also reduced the probability of full-time employment. Of all working mothers whose youngest child was age 6 to 17, 41 percent were employed full-time year-round; of

Table 2-C

**Labor Force Participation Rates of Women Age 16 and Over
by Race, Age, Age of Children and Marital Status, March, 1970**

Race, Age of Mother, Presence and Age of Children	Percent of Population in Labor Force		
	Marital Status		
	All Women Age 16+	Married, Hus- band Present	Divorced, Separated, Widowed
All Women:			
No Children Under Age 18	38.8	42.2	33.4
Mother Age 16-34	69.1	69.0	69.0
Mother Age 35+	34.6	36.8	31.3
Children Age 6-17 Only	51.5	49.2	67.3
Mother Age 16-34	54.6	51.5	73.2
Mother Age 35+	50.7	48.6	65.6
Children Under Age 6	32.2	30.3	50.7
Mother Age 16-34	32.4	30.4	52.2
Mother Age 35+	31.4	30.2	44.7
Children Under Age 3	27.3	25.8	43.6
Mother Age 16-34	27.6	26.3	43.2
Mother Age 35+	24.6	22.4	45.7
Non-white Women:			
No Children Under Age 18	45.7	50.9	40.8
Mother Age 16-34	68.2	67.0	71.2
Mother Age 35+	42.5	47.2	38.7
Children Age 6-17 Only	62.0	62.6	60.8
Mother Age 16-34	68.4	66.7	71.4
Mother Age 35+	60.2	61.5	57.3
Children Under Age 6	47.2	46.9	48.1
Mother Age 16-34	47.9	47.8	48.4
Mother Age 35+	44.9	44.0	47.4

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Marital and Family Characteristics of Workers, March 1970," Special Labor Force Report 130 (Washington, D.C.: Government Printing Office, 1970), Table F, p. A-15.

those with children age five and under, 22 percent; and for those with children under age three, the proportion dropped to less than 16 percent.⁴ Thus, only about seven percent (22 percent of 32 percent) of all mothers

Table 2-D

**Labor Force Participation Rates of Women Aged 18 and Over
by Age, Marital Status and Years of School Completed, March, 1970**

Marital Status and Age	Percent of Population in Labor Force						
	Total	Elementary		High School		College	
		0-7 Years	8 Years	1-3 Years	4 Years	1-3 Years	4+ Years

Married, husband present:

Total, Age 18+	40.9	24.7	31.5	39.0	44.3	43.5	52.4
Age 18-34	41.7	25.4	35.9	36.6	42.2	43.7	54.0
Age 35+	40.4	24.6	30.8	40.3	45.7	43.4	51.2

Widowed, Separated, or
Divorced:

Total, Age 18+	40.8	19.5	27.0	44.4	58.4	53.5	62.4
Age 18-34	64.1	41.8	36.0	51.9	72.2	72.9	87.9
Age 35+	37.1	18.9	26.7	42.4	54.2	49.1	57.8

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Educational Attainment of Workers, March 1969, 1970," Special Labor Force Report 125 (Washington, D.C.: Government Printing Office, 1970), Table H, p. A-14.

with children under age six were employed full-time year-round and the proportion dropped to approximately four percent (16 percent of 27 percent) for mothers whose youngest child was not yet three years old.

With respect to age, labor force participation of all women in 1970 was most likely in two age intervals during which child care problems were least likely. The labor force participation rate was highest (57 percent) for those aged 20 to 24, dipped (to 45 percent) for those aged 25 to 34, rose (to 51 percent) for the 35 to 44 group, and reached a second peak (at 54 percent) for those aged 45 to 54. However, the participation experience of non-white, widowed, separated or divorced women was different in two respects. First, rates for this group tended to be

higher than those for all women at all age-group intervals. Second, rates for this group were higher (instead of lower) for the 25 to 34 age interval relative to the 20 to 24 interval, and tended to remain relatively unchanged throughout the 25 to 54 age interval.⁵

The years of school completed by a woman was also related to labor force participation. In 1970, one-fourth of women age 18 and over with less than eight years of schooling were employed, 39 percent of those with one to three years of high school, 44 percent of those with four years of high school, and 52 percent of those with four or more years of college. At all age levels women with more schooling were more likely to be in the labor force.⁶ Women who were in the labor force, therefore, had a higher educational level than those who were not. Two-thirds of women in the labor force had completed at least four years of high school, compared to just over half of women in the general population.⁷

Except for non-white teenagers, non-white women were more generally likely to be in the labor force than white women for each age, educational level, and marital status. However, non-white women were less likely to have been employed in full-time year-round jobs, as they were more often employed in seasonal and part-time occupations.

The type of occupation, of course, is an important determinant of ability to provide adequate family support through employment. In 1970, women were largely concentrated in occupations paying relatively low wages: the current or usual occupation for 42 percent was clerical or sales; 20 percent were classified as service workers; and 14 percent were machine operators.⁸ Altogether, about four-fifths of women were in occupations for which median annual earnings were below the federally-defined poverty line.⁹

AFDC Mothers Compared to Women in U.S. Population

It has been shown that the employment experience of women is related to such factors as marital status, age, ages of children, educational level, race, and occupation. Examination of the characteristics and circumstances of AFDC mothers indicates that these women generally face those conditions which are associated with lower rates of labor force participation, and with lower wages for those employed. As shown in Table 2-E, relative to all female family heads, AFDC mothers are more likely to be younger, to have children under age six, to have less education, and to have worked in occupations yielding low wages.

Based on these characteristics, it would be expected that the labor force participation of AFDC mothers would be lower than that of other women. Data from the 1969 AFDC Survey indicate that this is so. About 14.7 percent of the mothers in female-headed AFDC families were employed in the survey month (May, 1969), and another 5.9 percent were actively seeking work.¹⁰ On this basis the AFDC mothers' labor force participation rate was nearly 21 percent, which compares with March, 1969 rates of 41 percent for all women, and 53 and 71 percent rates for women who were separated and divorced, respectively.¹¹ Although no attempt will be made at this point to assess the relative importance of the above factors, the data nevertheless suggest that age, race, education, and in particular the presence of preschool age children do in fact play a significant role in the employment experience of AFDC mothers during the period of time they receive public assistance.

How Employable Are AFDC Women?

Studies which have examined the employment experience of AFDC mothers have found that most have worked at some time, but that their connection

Table 2-E

Selected Characteristics of AFDC Mothers and All Women
Heading Families, by Race, 1969
(In Percent)

Characteristic	AFDC Mothers	All Women Heading Families	
		Total	Non-White
Marital Status:			
Widowed	6	43	32
Separated	32	18	35
Divorced	15	20	12
Single	31	11	13
Age:			
Under 45	86	44	60
Under 35	60	23	33
With Children:			
Under age 18	100 ^c	60	78
Under age 6	60 ^c	20	31
Under age 3	41	10	17
Education:			
12 years or more	24	44 ^a	29 ^b
8 years or less	36	34 ^a	42 ^b
Occupation:			
All services, except private household	31 ^c	21	26
Private household	29 ^c	7	17
Clerical and sales	14 ^c	35	10
Race:			
Non-white	49	26	100

^aOf all women family heads under age 45, 52 percent had 12 years of schooling or more, and 20 percent had 8 years or less. These figures are more comparable with those for AFDC mothers, of whom 86 percent were under age 45.

^bOf non-white women family heads under age 45, 35 percent had twelve years of schooling or more and 26 percent had 8 years or less.

^cData are for 1967. Data for 1969 are not available.

Source: Compiled from: U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-20, No. 200, "Household and Family Characteristics: March 1969," (Washington, D.C.: Government Printing Office, May 8, 1970), Tables 4, 13, 14; U.S. Department of Health, Education, and Welfare, National Center for Social Statistics, "Findings of the 1969 AFDC Survey: Part I, Demographic and Program Characteristics," NCSS Report AFDC-3 (69) (Washington, D.C.: Government Printing Office, December, 1970).

with the labor force typically has been sporadic and irregular. For example, a 1964 study of recipients in the State of Washington described a pattern of "...long association with the labor market but short employment periods. Fully 52 percent had been on their last jobs for less than 6 months, but only 9 percent had been in the labor market for so short a period."¹² These data suggest that AFDC mothers tend to have shorter periods of job tenure than do women in general. O'Boyle, using data for January of 1968, found median time on the job of all U.S. women workers to be 2.4 years. Median job tenure for widowed, separated or divorced women, however, was only 1.4 years. Among these women, job tenure varied by age: for those aged 16-24, the median was 1.4 years; aged 25-34, 1.1 years; aged 35-44, 2.2 years.¹³ Thus, median job tenure was least among the group most comparable to AFDC mothers--those aged 25-34 who were widowed, separated, or divorced. Nevertheless, job tenure for this group was more than twice that indicated by the 1964 study of AFDC mothers.

A 1967 study of AFDC recipients in New York City found that only 15 percent of AFDC mothers had no work experience at all, but that a third had only worked before the birth of the first child. Twenty-two percent had only worked after the birth of the first child, while a third had worked both before and after.¹⁴ Although comparable data are not available for women in general, the picture which emerges is that regular employment over long periods is less common among AFDC mothers, but that many have substantial employment experience.

An explanation for this pattern of irregular employment is suggested by studies of the barriers to obtaining and maintaining employment typically faced by AFDC mothers. For example, Carter indicates that pregnancy, illness, child-care problems, and the end of a job are the most frequent

reasons why their employment is interrupted.¹⁵ A 1969 panel-interview study conducted by Warren and Berkowitz, which included 50 AFDC mothers from the Los Angeles and San Francisco areas, also identified "the major obstacles to improved employment potential."¹⁶ In this study, panel members were asked to identify and rank, from a list of 21 potential obstacles, up to ten barriers to employment, such that the ranking would reflect both the frequency and the relative size of each problem. For this group of AFDC mothers, the panel found the five most important problem areas (in order of ranking) to be child care, limited work skill, lack of work experience, a "negative personality trait," and educational deficiencies. Forty percent of the mothers were identified by the panel as having a high potential for self-support, and this group had an average of 4.3 obstacles. The remaining 60 percent were identified as unemployable or as having a low potential for self-support. For this group, an average of 6.6 employment barriers were identified.¹⁷

In another study, Levinson utilized national data to determine the proportion of AFDC mothers who were "employable," where this term meant that recipients were "...able-bodied and in a position to seek and take jobs that pay well."¹⁸ Thus, Levinson identified two aspects of employability: (1) employment potential, as determined by level of education and type of previous employment; and (2) employment barriers, such as poor health, lack of child care facilities, or high unemployment, which might prevent an AFDC mother from even applying for a job. In this study all individuals with a high school diploma, plus those with less education who had employment experience as white-collar or skilled blue-collar workers, were assumed to have high employment potential. All others were assumed to have a low employment potential. On the basis of these criteria and data from the 1961 and 1967 AFDC Characteristics Studies sponsored by

the U.S. Department of Health, Education, and Welfare, Levinson found that the proportion of AFDC mothers in the U.S. with high employment potential increased from 25.3 percent in 1961 to 32.6 percent in 1967.¹⁹

Levinson then applied the same criteria of employment potential to a 1968 sample of 7,602 AFDC mothers selected from 35 of the over 3,000 U.S. Counties. Although this sample may not have been representative of the national AFDC caseload, it did provide a source of data on employability and employment barriers not otherwise available. For this sample, 44.5 percent of the AFDC mothers were found to have high employment potential in 1968. However, when current employment status was examined, slightly more of those with low employment potential were employed (19.2 percent vs. 18.8 percent). Levinson suggests that this similarity in actual employment may be explained in large part by the several employment barriers facing both groups. Data on employment barriers were obtained by interview questions designed to identify which of twelve conditions limited or prevented employment for each AFDC mother. Levinson identified a group of employment barriers different from that found by Warren and Berkowitz, but problems associated with young children still headed the list: "[t]he proportion of recipients who had any given impediment was--unexpectedly--similar for both groups. For both groups, the first ranking impediment was having children under 8 years old at home, the second was the poor quality or lack of day care facilities, and the third was poor general health (severe enough to prevent them from 'taking some kinds of jobs')." ²⁰ In addition, both groups faced about the same number of employment barriers: About one-third of both groups had two or fewer employment impediments, a third three, and the remaining third more than three. ²¹

In an approach similar to that utilized by Levinson to determine em-

ployment potential, Hausman sought to determine the proportion of AFDC family heads who, if employed, could support themselves at a level of income equal to or greater than that available through public assistance. Census data were used to determine potential earnings within particular occupation-education groups for females in the civilian labor force. Then, by matching occupation-education groups for AFDC family heads, it was possible to estimate the proportion of AFDC mothers who could or could not be expected to equal or exceed their on-assistance incomes by going to work in occupations for which they could qualify. Using this technique, Hausman found, based on data for all employed females, that:

...64.2 percent of the AFDC mothers...could not have supported their families at the levels of income they could attain on welfare in 1965, if they entered the labor force and fell randomly into the earnings distribution for persons of at least nominally similar occupation-education status.²²

A second estimate was derived using data for females employed 50 to 52 weeks of the year. However, the data still indicate 49.9 percent of AFDC mothers could not earn sufficient income, even with year-round employment, to equal the amount of on-assistance income. Furthermore, Hausman indicates that "these estimates are no doubt exceedingly conservative," due to assumptions made concerning the data; the implicit assumptions that the capacity to earn is not lower for welfare recipients than other persons in the labor force of similar educational-occupational classification, and that suitable jobs were in fact available.

Thus, those studies which have attempted to determine the extent to which AFDC women are employable have found, at most, that less than one-half, and perhaps less than one-third of AFDC mothers are employable in the sense that they could earn as much as they receive in on-assistance income. In addition, the lower rate of labor force participation actually observed among AFDC mothers is generally attributed to the existence of a

number of barriers which further limit or preclude seeking or maintaining a job. By far, the single barrier cited most frequently is the presence of young children in the home, especially preschool-age children. However, problems associated with poor health, lack of job skills and educational deficiencies were also considered significant obstacles to employment.

Do AFDC Mothers Want to Work?

Significantly, studies which have examined the employment potential of AFDC mothers and the role of barriers to their employment have not found a lack of motivation to work among this group. Common stereotype would suggest that welfare recipients are lazy individuals who prefer dependence upon public aid to self-support through work. This view, that welfare recipients must be forced to work, is reflected in the provisions of the 1967 Social Security Amendments, which conditioned welfare benefits on a willingness to accept training or an available job, and built into the WIN program an orientation component designed in part to stimulate work motivation. Little evidence, however, is available to provide support for the thesis that welfare recipients are less motivated to work than are nonrecipients. Indeed, the opposite is the case. As Schiller summarizes:

Fortunately, the subject of work motivation is one of the most frequently researched issues in federally funded projects, so that ample data exist to guide policy decisions in this area.... All of the data collected are markedly consistent and imply that the assumption that welfare recipients require extraordinary world-of-work orientation or other forms of motivation stimulus is not well-founded.²³

The demonstrated employment experience of AFDC mothers, as described earlier, is concrete evidence of a desire to work among many AFDC recipients. Certainly, the cliché of "motivating women for work" is not par-

ticularly relevant to AFDC mothers whose histories generally indicate years of market work, even though such work may have been in irregular, marginal jobs.²⁴ However, this evidence of both pre-assistance and on-assistance participation in the labor force is reinforced by the several studies which have examined the work aspirations and attitudes of this group.

Podell, for example, reported that 70 percent of the AFDC mothers in his New York City survey indicated they would rather work than stay at home.²⁵ Levinson found that less than 20 percent of his 1968 sample of 7,602 AFDC mothers were rated as having low motivation to work, and that both high and low employment potential groups were rated identically in this respect.²⁶ Warren and Berkowitz reported that 72 percent of their sample (36 of 50) was rated by the panel "as having motivation to become self-supporting." However, they found the high employment potential group to be somewhat more motivated than the low potential group, although it was not possible to determine whether the lower motivation rating of the low potential group was associated with a recognition that their relative chance of obtaining employment was also lower.²⁷ Carter reported a Baltimore study of AFDC mothers in which 70 percent indicated that they expected to be working (again) within a year, and that they viewed public assistance specifically as short term emergency support to be used only until they could again support themselves.²⁸

In a 1967 survey of 766 AFDC mothers in six Wisconsin counties, Handler and Hollingsworth asked those who were not working at the time of the interview whether they would like to work if satisfactory child care arrangements could be made. Of those not working (78 percent of the total), 54 percent were positive about working, including 37 percent who

registered a "very much" response. Of the entire sample, 64 percent were either working (22 percent) or positive about working (42 percent), while only 27 percent were "not at all" interested in working if satisfactory child care arrangements could be made. This study found attitudes toward work to be related to age, race, presence of preschool-age children, and recent work experience. Those who had worked or recently tried to find a job, whose immediate past behavior tended to validate their responses, were more inclined to indicate a positive response to working. In addition, being younger, having preschool-age children, and being black tended to increase the desire to have a job.²⁹

It is not possible to determine the extent to which the results of these studies are biased due to respondents' "giving the expected answer" to interviewers' questions. Nevertheless, the conclusion can unambiguously be drawn from these studies that the majority of AFDC mothers do say they want to work. But how do their expressed attitudes toward work compare with those of non-AFDC recipients? Does the fact that many AFDC mothers are not employed imply that their desire to work, while strong, is still less strong than that of nonrecipients? Other studies, which have examined the work attitudes of both welfare recipients and nonrecipients, have concluded that both groups share very similar attitudes toward work.³⁰ Perhaps the most systematic of these studies was conducted by Goodwin, whose analysis was based on the interview responses of over 4,400 individuals.³¹ Among the sample were nearly 400 Baltimore AFDC mothers with teenage sons, and nearly 1,200 AFDC females who were involved with the WIN program in six cities: Baltimore and the District of Columbia in the East; Detroit and Milwaukee in the Midwest; and the San Francisco Bay area and Seattle in the West. Also included in the sample were 2,200 persons from intact families, including 1,000 non-welfare mothers and daughters, and 1,200

nonwelfare fathers and sons. By stratifying the sample in this manner Goodwin was able to examine and compare the work orientations of welfare and nonwelfare mothers, fathers, sons and daughters.

With respect to mothers, Goodwin found that all groups of women, from long-term black welfare recipients to outer-city white nonrecipients, gave equally high ratings to the work ethic. However, there was a wide difference in beliefs concerning their own efforts to achieve job success. While outer-city white women felt secure in their abilities, long-term welfare women lacked confidence. Goodwin explains these differences between welfare and outer-city mothers in terms of "situational factors:"

A mother is understandably unsure of her ability to succeed and more willing to accept government support when she has an average of only about nine years of school and can earn little more than the minimum wage while having more than three children to support. The white outer-city mothers have ample reason to feel much more confident and to reject government help. They have twelve years of schooling, can earn considerably more than the minimum wage, and are members of families to which the husband contributes considerable income. These findings do not support the position that there are cultural differences (differences in basic goals or values) between the poor and nonpoor with respect to work.³²

These findings suggest that while both welfare and nonwelfare recipients share aspirations for employment, welfare mothers tend not to have confidence in their ability to secure steady employment which pays well, but to exhibit greater acceptance of receipt of welfare. Furthermore, the findings suggest that welfare mothers' confidence in their ability, and their acceptance of welfare, are directly related to their experience in the labor market. Goodwin indicates that AFDC mothers who have one bad experience with work are more likely to have another:

Women in the Work Incentive Program (WIN) who were terminated from it without jobs--who experienced another failure in the work world--showed a market increase in the acceptance of welfare score over their score when they entered WIN, demonstrating that the concrete experience of failure directly and negatively influenced this work orientation.³³

Thus, the finding that women who find welfare most acceptable also show the lowest propensity toward employment does not necessarily mean that these women prefer welfare to work. Instead, the picture which emerges is one of women who want to work but who, because of continuing failure, become more accepting of welfare and less inclined to again seek a job.³⁴ Goodwin concludes that the differences which do emerge between the poor and nonpoor are more the result of their different experiences of success and failure to the work world than the result of differences in attitudes.³⁵

If Goodwin's findings are valid, then policies designed to encourage employment among AFDC mothers should attempt to reduce the risk and the cost of job failure, and increase the probability and pay-off of success. The reasoning suggested here is that providing a better opportunity for recipients to experience job success in the present would enhance the chances of success in the future. Now, for an AFDC mother, the primary short-run pay-off of working is the net financial gain, i.e., the amount of money wages less employment expenses and any reduction in welfare income which might result. The primary costs are those associated with the potential loss of welfare status and the sense of financial security which it affords. What is needed, then, is a policy which increases the pay-off while reducing the costs associated with employment. One such policy is the earnings exemption, which was designed to serve as a financial work incentive. In the next section, research is examined which suggests the potential effect of allowing AFDC mothers a lower-risk opportunity to rise in economic status through the implementation of this incentive formula.

The Employment Response of AFDC Mothers to Work Incentives

The earnings exemption was designed to act as a financial incentive to work because of the manner in which it increased the effective wage rate of AFDC mothers. There was, however, very little real knowledge of what the impact of this incentive might be.³⁶ In large measure, this situation still persists. Although recent studies based upon census and other national data have examined the work response to wage rate changes of males,³⁷ married females,³⁸ and adult lower-income females³⁹ for the purpose of predicting the impact of alternative negative income tax schemes, few investigators have attempted to determine the employment response of AFDC mothers. This is the case even though AFDC mothers would be among those most directly affected by the various welfare reform proposals, including any negative income tax plan. The primary reason for this near-vacuum of information is the lack of data requisite for analysis. Necessary national data do not exist, so research which has been and is being conducted is largely based on specially gathered data for specific geographic regions. For example, large-scale income maintenance experiments are currently underway in Seattle, Washington; Gary, Indiana; and in rural areas of North Carolina and Iowa; and an experiment in New Jersey was just completed in 1972.⁴⁰ Although preliminary data are available for the New Jersey Experiment, this project primarily was concerned only with employed male family heads. Therefore, available preliminary results from that project (which tend to indicate that no disincentive to work occurs when guaranteed transfer payments are made to employed males) may not be applicable to the female family heads who are the subjects of this study. Both the Gary and Seattle experiments include female-headed households, but preliminary findings have not yet been released for these projects. Reviewed below are those studies which have examined data for AFDC recipi-

ents in Denver; Cuyahoga County (Cleveland), Ohio; the State of Michigan, ten U.S. cities and interstate comparative studies.

The Denver Project

Between July, 1959 and July, 1961, the Denver Department of Welfare conducted a demonstration project to examine the impact of "incentive budgeting."⁴¹ The purpose of the project was "...to test the premise that additional monies available as a result of earnings would motivate and encourage self-support."⁴² The incentive budgeting formula utilized in this project exempted the first \$25 of monthly earnings plus 25 percent of the remainder from consideration in calculating the monthly AFDC benefit. This formula was applied to three sample groups, the largest of which included 1,000 nonemployed mothers drawn from the general AFDC caseload. A second group consisted of 10 employed mothers who were designated to receive special employment-oriented casework services. A third group included 31 mothers, unemployed as the project began, who also were to receive special casework services. The control groups included 1,000 nonemployed and 10 employed mothers selected from the general caseload.

Two criteria were utilized to evaluate the impact of the incentive: rates of case closure due to employment or level of earnings, and the percent employed during the project. At the end of the project, there was almost no difference in the rates of case closure for all reasons between experimental and control groups (29.3 percent, vs. 29.6 respectively), nor was there a significant difference between rates of closure due to employment or level of earnings between experimental and control groups (10.0 vs. 9.8 percent, respectively).

In terms of percent employed, a difference did emerge between the experimental and control groups. Of the 1,000 mothers in the experimental,

incentive-budgeted group, 13.4 percent were employed during at least one month of the project. This compared with 11.4 percent for the 1,000 mothers in the corresponding control group. (The difference is not statistically significant in a Chi-square test with P about .10.) In addition, employed mothers in the experimental group averaged earnings 15 percent greater than employed mothers in the control groups. Altogether, there were 14.7 percent of mothers in the incentive-budgeted groups versus 11.7 percent of control groups who were employed during at least one of the twenty-four project months.⁴³

In evaluating this project, Hausman noted several project design limitations which may help to explain the apparent insensitivity of earnings and employment rates to the change in effective wage rate brought about through the incentive formula. These limitations included the following:⁴⁴

1. The financial incentive was small.
2. In some cases, mothers were not free to decide for themselves whether or not to work. The Denver Department of Welfare influenced the decisions of those it felt belonged in their homes.
3. The period of high unemployment during which the project took place made it difficult to obtain either full-time or part-time work.

Despite these limitations, the project indicated that financial incentives had some potential for encouraging employment among AFDC recipients. The project report indicated that "...the major conclusion of the study, with regard to financial incentives to work, was that they are a useful tool only when used in combination with other welfare services and that even then they are of limited value in promoting self-support."⁴⁵

The Cleveland Project

In 1965 a twelve-month experimental project was carried out in the Hough area of Cleveland to test the impact of a relatively small financial incentive. Prior to project implementation, AFDC mothers were allowed to

retain the first \$20 of monthly earnings (after allowing for employment expenses) before net earnings resulted in a reduction of the AFDC payment. The incentive formula made available to three experimental groups depended on the amount of "budgeted need" for that family. As described in the project report:

Ohio maintains AFDC budgets at approximately 30% below minimal needs. Thus, for example, if a family's need is pegged at \$200 per month, the family would receive only \$140. Under the Incentive Program, however, it was possible on an experimental basis to provide employment incentives up to, but not above, 100% of need. Therefore, an earner in this hypothetical family would, after allowance for work related expenses, retain \$60, as an employment incentive, the difference between a 70% budget and full need.⁴⁶

In other words, the incentive formula merely raised from \$20 to \$60 the level of earnings (net of work expenses) above which additional earnings resulted in a dollar for dollar reduction in the welfare payment.

Although this formula did not differ substantially from the previous one, employment rates increased from 2.0 to 4.8 percent in the experimental groups, while employment rates declined from 5.0 to 4.2 percent in the corresponding control groups.⁴⁷ Based on these results, the project report indicates that the incentive provided "...a very powerful stimulus to employment."⁴⁸ However, since only very small proportions of AFDC mothers in the experimental groups were employed, this conclusion may be stronger than warranted by the data.

Nevertheless, a number of factors were present in the Cleveland project which tend to substantiate the significance of the observed response. First, the financial incentive was small. Second, changes in employment rates occurred primarily among cases managed by nonprofessional caseworkers and professionals with large caseloads. The project report notes that the professional caseworkers with small caseloads did not allow a free response to the incentive where they believed mothers belonged with their children.⁴⁹

Finally, a U.S. Civil Rights Commission study of the Cleveland AFDC program indicated that AFDC mothers were not uniformly informed about the incentive formula by caseworkers. As a result, many mothers were ignorant of their right to retain additional earnings. Instead, employment-related decisions were apparently often made under the belief that indication of "employability" would increase the risk of being denied eligibility for all AFDC assistance.⁵⁰

Inter-State Comparison of AFDC Employment Rates

Just as the Ohio AFDC program permits payment up to a maximum of about 70 percent of defined "need," a number of other states limit the amount of assistance to less than the defined financial need. In 1961, there were 25 states which limited the amount of assistance by setting maximum payments or by meeting a specified percentage of a family's need. In most of these states, an income incentive existed (as opposed to strictly an earnings incentive), in the sense that income (from whatever source) might be utilized to make up the difference between the maximum AFDC payment and the family's defined need. For example, defined monthly need in Florida could have been as high as \$196 for a family of four, while the maximum payment was only \$78. The difference of \$118 might have been met by earnings or other income without reducing the maximum monthly payment of \$78. Similarly, in South Carolina, need was set at \$156, and the maximum at \$87. In Indiana, need was \$271, the maximum \$126. For Louisiana, need was \$226, and the maximum \$116.⁵¹

At the time of the 1961 AFDC survey, the national average of all AFDC mothers employed full- or part-time was 14 percent. However, in states which limited payments, the median proportion was 22 percent, while in states paying full need (as defined in that state) the median was only

about 6 percent. Among the 25 states which limited payments, employment rates ranged as high as 44 percent (in Florida). In only six of these states was the proportion employed less than the national average of 14 percent. In contrast, among states paying full need, the highest employment rate was 13 percent.

Clearly, states that attempted to meet 100 percent of state standards for minimum family needs tended to have lower rates of employment. In interpreting these data, Carter concludes that "...women on AFDC are highly motivated to work when grants are low and earnings exemptions are allowed...."⁵² However, recognizing the low levels at which certain of the states established their grant maximums, Carter notes that "...employment incentives such as earnings exemptions for life survival have a different meaning from employment incentives for upward mobility."⁵³ That is, in economic terminology, the higher employment rates noted in certain limited-payment states may have reflected to a large extent an income effect resulting from the very low payment levels rather than a substitution effect resulting from the zero effective tax rate on low levels of earnings.

Alabama, Mississippi, and Kentucky

Leonard Hausman examined cross-section data for Kentucky, Alabama, and Mississippi derived from the 1967 AFDC survey administered in all states by the U.S. Department of Health, Education, and Welfare.⁵⁴ These three states were chosen because of their unique method of treating non-assistance income in calculating the AFDC payment. Specifically, the AFDC payment equalled a specific percentage of defined living requirements less earnings and other income. Under this type of payment formula, the implicit marginal tax rate on earnings varies with the level of income exempted

(e.g., for work expenses) and the specific percentage applied in calculating the amount of the AFDC payment. The specific percentage varied considerably among the three states. In Mississippi, 27 percent of defined need less income was paid to recipients; in Alabama, 50 percent; and in Kentucky, 87 percent. No income was exempted in Mississippi for any purpose, but small amounts were exempt in Alabama and Kentucky. In all states, the bonus value of food stamps declined with income, so the implicit tax rate associated with food stamps was added to obtain the total implicit tax rate.

Hausman estimated a labor supply equation in which the dependent variable was specified in two ways. In the first, mothers were assigned a value of 1 if they were in the labor force and 0 if not. Over all observations, the resulting proportion corresponds to a "labor force participation rate (LFPR)." The second measure was called a "labor force intensity rate (LFIR)." This latter measure was derived by assigning a value of 1 for full-time employment, a value of 0.5 for part-time employment or unemployment, and a value of zero if not in the labor force.

Multiple regression analysis was used to determine the importance of the implicit tax rate and the level of welfare income upon the likelihood of labor force participation. The results, which were comparable for either specification of the dependent variable, indicate that labor force participation of these AFDC mothers was sensitive to both of these factors.⁵⁵ Specifically, the results imply an elasticity of LFPR and of LFIR with respect to welfare income of $-.39$ and $-.37$, respectively. (An "elasticity" indicates the percentage change in one variable associated with a given small change in another variable. In this case, a 1.00 percent increase in welfare income is associated with a .39 percent decrease in LFPR, and a .37 percent decrease in LFIR.) Hausman cites the following example as an

implication of these results:

The mean monthly potential payment, $\bar{Y}_p$, for these mothers was just under \$82, the labor force intensity rate (LFIR) was 19.8 percent; and the labor force participation rate (LFPR) was 30.9 percent in December 1967.... A \$40 increase in $\bar{Y}_p$ results in a decline of 3.8 and 5.6 percentage points, respectively in the LFIR and LFPR for this group of mothers; a drop of this magnitude thus constitutes about a 20 percent reduction in each of the two labor force rates in response to a nearly 50 percent increase in $\bar{Y}_p$ ⁵⁶

With respect to the implicit tax rate, the results imply an elasticity of LFPR and LFIR of -.27 and -.43 respectively. The implication of these values, and in particular the larger value obtained for LFIR, is that a lower implicit tax rate will tend to induce proportionately greater part-time work among AFDC mothers. For example, Hausman notes that a decrease of 10 percentage points (or roughly 16 percent) in the implicit tax rate, from its mean of 60.6 percent, would result in a seven percent increase in LFIR (from 19.8 to 21.2 percent), and a four percent increase in LFPR (from 30.9 to 32.3 percent).⁵⁷

On the basis of these results, Hausman concludes that work effort of AFDC mothers is more sensitive to variations in family income than to changes in the implicit tax rate. While this conclusion appears reasonable for individuals at public assistance income levels and with the responsibilities associated with young and/or several children in the home, it does nevertheless differ from the response observed both for married females with husband present and for all females heading households. For these groups, recent research would suggest relatively higher substitution and lower income elasticities.⁵⁸ In other words, the work response to an increase in the effective wage rate would be more positive among married females with husband present and among all females heading households than it would be among AFDC mothers. Again, because of the characteristics and circumstances of AFDC mothers, this is not a surprising result.

New York City

In his 1971 study of the labor supply response of AFDC recipients in New York City, Daniel Saks estimated a labor force participation equation for AFDC women.⁵⁹ The data for this study were obtained from the 1967 AFDC Study conducted by the U.S. Department of Health, Education, and Welfare, and included observations on about 5,000 New York City AFDC families.

In defining the basic model for regression analysis, Saks notes that labor force participation of welfare recipients presents one unusual problem: earned income above a specified level results in termination from AFDC, and consequent removal from the sampled population. An AFDC mother's decision to work, therefore, involves first an assessment of the benefit from employment while continuing to receive welfare, and second an assessment of the benefits and costs of earning enough to leave welfare entirely. The second component of the decision poses problems when estimating a cross-section participation equation on the basis of a current welfare population. Therefore, Saks cautions that his calculations of participation rates must be interpreted as referring to the particular welfare system, with associated assistance cut off points, which existed in New York City in 1967.⁶⁰

In the equation estimated, the dependent variable was defined as equal to one if the AFDC mother was in the labor force, and zero otherwise. Over all observations, therefore, it measures the rate of labor force participation (LFPR). Independent variables included the expected welfare income in the absence of earned income, the expected labor market wage, a set of variables reflected the relative importance of home goods, for which the age distribution combinations of children are proxies, and a set of miscellaneous control variables expected to affect the employment decision,

such as incapacity, enrollment in training, race, age, or residence in public housing.⁶¹

An evaluation of the income effect was made using the "welfare grant level" variable. Saks notes that normally income from different sources is not expected to have different effects on work behavior. However, in this case "...such an assumption would be untenable because welfare grant levels are so much a positive function of the number of children in the household, which in turn increases the value of home work and must account for part of the negative sign. So long as we recognize that welfare income is not like other income and make our interpretations accordingly, there is no problem."⁶² Evaluated at the sample means, the elasticity of labor force participation with respect to welfare income is $-.94$ for female-headed AFDC households.

To estimate a wage elasticity, data from the 1967 Survey of Economic Opportunities were used to estimate the expected wage for each AFDC mother. These data produced coefficients very significantly positive in all of Sak's equations. The resulting elasticity of labor force participation with respect to variations in the wage rate was 2.83 for female-headed cases, evaluated at sample means. The implication of this result is that, other things equal, a one-third cut in the welfare tax rate would lead to a doubling of the labor force participation rate among AFDC mothers.⁶³ This finding would suggest that AFDC mothers would be quite responsive to an increase in their effective wage rates, increasing their work effort to an extent even greater than married women with husband present. An explanation for the dominant substitution effect observed by Saks, which was not found by others investigating the work response of AFDC mothers, is not clear. It might have resulted from the procedure and data used to estimate expected wages, or it may simply reflect a situation unique to New York

City in 1967.

A Comparison of 19 States

Kalachek and Raines estimated a labor force participation equation using data drawn from records for matched families from the February and March, 1966 Current Population Surveys of the U.S. Bureau of the Census. The sample was limited to households with incomes which did not exceed twice the Social Security Administration's low-cost budget income level. This meant a cut-off point of \$8,200 for a family of four and \$3,800 for a single individual. The equation was defined to allow "...some exploration of the incentive effect of public assistance."⁶⁴ This was accomplished by grouping observations by state according to state regulations governing AFDC payments. Specifically, the 19 states (in 1965) in which the effective tax rate on initial levels of earnings was less than 100 percent were denoted by dummy variables indicating residence. The groupings included (a) two states where payments were low and a 35 to 38 percent tax rate was applied to the moderate amount of permitted earnings; (b) seven states where payments were low and a small amount of permitted earnings was not taxed; (c) ten states where payments were moderate and a moderate amount of permitted earnings was not taxed. In all of the above state, earnings above the permitted level were taxed at a 100 percent effective rate. In the remaining 31 states, payments ranged from fairly low to adequate, with effective rates at or close to 100 percent on any earnings.⁶⁵

Among the three groups of states, it was expected that the income effect, tending to decrease participation in the labor force, would be largest in group (c) states and smallest in group (a) states. Conversely, the substitution effect should induce greater labor force participation in group (a) states relative to those in group (c).

Multiple-regression analysis applied to the cross-section data indicated a dominant income effect. The status of being a public assistance recipient in the three groups of states was associated with a very large drop in labor force participation (LFPR) for women (relative to non-recipients). Further, the labor force withdrawals were substantially larger in the group (c) states where the assistance payment level was relatively higher. Specifically, the LFPR for all women in the sample was 44 percent. However, after controlling for such variables as age, race, residence, education, occupation, marital status, and ages of children, the status of being a public assistance recipient was associated with a decrease in LFPR of about 15 percentage points in group (a) and group (b) states, and a decrease of 21 percent in group (c) states. Kalachek and Raines assert that since financial needs and home responsibilities of AFDC mothers are relatively large, high income and low substitution elasticities are reasonable. This result also corresponds with their finding that substitution elasticities are relatively low for non-white women, who constitute a high proportion of AFDC mothers in some states. Thus, the ranking of coefficients accords with the authors' a priori expectations.⁵⁶

Kalachek and Raines urge caution in interpreting these results, since differences in the degree of enforcement of work requirements as well as differences in payment levels and tax rates may be reflected in their findings. In addition, their definition of "public assistance recipient" was somewhat broader than just AFDC mothers, so that their sample included an undetermined number of women receiving other forms of public aid, such aid to the disabled or general assistance. Despite these limitations, they conclude that:

If this analysis is correct, only a modest flow of current welfare recipients into the labor force would be expected if current welfare programs were replaced by a negative income tax program involving the same income guarantee but a less onerous effective tax rate.⁶⁷

Thus, Kalachek and Raines appear to be speaking directly to the situation which occurred with the nationwide implementation of the earnings exemption; viz., the existing income maintenance component of the AFDC program was replaced by another "...involving the same income guarantee but a less onerous effective tax rate." As discussed below, they also appear to have correctly predicted the result.

Impact of the Earnings Exemption: Ten U.S. Cities

As far as I have been able to determine, only two studies to date have specifically addressed the question of whether the "\$30 plus one-third" earnings exemption had an impact upon the work effort of AFDC recipients. Gary Appel's Michigan study will be discussed in the next section. This section will examine a study conducted by National Analysts, Inc. for the U.S. Department of Health, Education and Welfare which was designed to assess the effects of the earnings exemption on the work behavior of AFDC family heads.⁶⁸ The study was based on survey data obtained from two waves of recipient interviews conducted in ten U.S. cities, including Chicago, Columbus (Ohio), Dallas, Indianapolis, Jersey City, Miami, New York City, Richmond (Va.), San Francisco, and St. Louis. The first wave of interviews was conducted during the Winter and Spring of 1970 and yielded a total of 3,508 observations. Follow-up interviews were conducted in the Spring and Summer of 1971. Altogether, a total of 2,425 were re-interviewed, or about 69 percent of the original respondents. Analysis of the effect of the earnings exemption was based entirely on the longitudinal data for those recipients who were interviewed in both

surveys.⁶⁹

The study found that between the first and second interviews very little change occurred in employment behavior of AFDC mothers, but that change which did occur was generally not positive. Specifically, the proportion who were employed decreased from 25 to 24 percent, the proportion in the labor force decreased from 40 to 37 percent, and the proportion engaged in any job-related activity (i.e., working, seeking work or in training) decreased from 42 to 41 percent.⁷⁰

Based on these findings, the study concludes that:

...the Earnings Exemption failed to act as a work incentive for the population it was designed to motivate.⁷¹

This conclusion is considerably weakened, however, by the several limitations imposed by the project design. The most serious of these limitations stems from the fact that the initial interview did not provide baseline data which reflected a pre-exemption period. Initial interviews began in January and continued through the "Spring of 1970."⁷² However, all states had implemented the exemption by July 1, 1969 and some states had implemented it in July, 1968. In other words, at the time of the initial interview, the exemption had been in effect "for at least six months"⁷³ (i.e., July, 1969 to January, 1970) and up to 23 months (i.e., July, 1968 to May, 1970). No attempt was made in the analysis to control for the length of time the exemption had been in effect prior to the first interview.

More seriously, the very fact that the baseline interview occurred well after the exemption's implementation precluded an analysis of its full incentive effect. There is no reason to believe that the exemption should have led to an increase in employment over an extended period,

as is implied by the study design. On the contrary, it is quite possible that the full incentive effect would occur over a relatively short period--perhaps less than a year or even less than six months--after which recipient employment would level off as a new equilibrium level was achieved. National Analysts, therefore, in picking this particular period for study, limited the actual scope of their analysis to measuring employment behavior of recipients subject to the exemption at two points in time. The study cannot claim to measure any change (or lack of change) in employment behavior which occurred as a result of the exemption's implementation.

Other problems further limit the usefulness of this study. Two examples will be noted. First, neither the initial nor the follow-up interviews reflected respondents' situations on a given date. Since each wave of interviews required about five months to complete, and since a respondent's situation was recorded as of the interview date, the data reflected different seasons for the same wave. Further, since first interviews in one wave were not necessarily first interviews in the other wave, the data reflected widely varying lengths of time between interviews, ranging from ten to twenty months. No attempt was made to control for the impact of seasonal factors or the length of time between interviews.

Second, a degree of bias was introduced by the fact that one-third of respondents who were re-interviewed were located with the aid of the local welfare department. Follow-up interviews were obtained for only 69 percent of those for whom an initial interview was secured. However, to increase the proportion to this level, local welfare departments (otherwise not involved in this study) were asked to provide last known

addresses of individuals who could not be located. The drawback of this procedure "...was to increase the probability of finding those no longer receiving assistance...."⁷⁴ If, as is probable, those who had terminated from AFDC were more likely to be employed, then the study underestimates changes in recipient employment activity.

In view of these (and other) limitations, the conclusion that the exemption failed to increase employment among AFDC mothers can hardly be considered either conclusive or meaningful. At best, the data suggest that the proportion of AFDC mothers who were employed may have remained at about the same level over a study period which averaged slightly more than a year in length, and which began at least six months after the exemption's implementation.

Impact of the Earnings Exemption: Michigan

Gary Appel's Michigan study utilized data maintained in the central computer file of the Michigan Department of Social Services in his analysis of the effect of the earnings exemption upon changes in AFDC employment over the year from July, 1969 to July, 1970.⁷⁵ Three sets of sample data were drawn for female-headed AFDC cases in thirteen geographic regions of the state. The regions were selected to include all metropolitan areas, plus a representative sample from rural areas. One cross-section sample of 4,660 cases was drawn from the July, 1969 caseload. A second sample included 7,656 cases drawn from the July, 1970 caseload. A third sample--really a subsample of the first--included those sample cases which received assistance in both July, 1969 and July, 1970. This group included 3,831 cases (i.e., 829 cases terminated or moved from the sample area over the year so as not to be included in this sample).⁷⁶

The time period for Appel's study included only the initial twelve months following implementation of the earnings exemption. His justification for limiting analysis to this period, thus permitting evaluation of only short-run impacts of the incentive formula, is worth reviewing at this point, since the analysis in this dissertation is based upon essentially the same time period. Appel asserts that this one-year interval was a unique period during which (a) data were available, (b) Michigan AFDC policy remained relatively constant, and (c) employment changes in the general economy were not drastic. Specifically, even though policy-makers and researchers alike were aware of the pending change in policy, no steps were taken to collect baseline data for use in policy analysis. As a result comparable data did not exist for the period prior to July, 1969.

In addition AFDC policy changed significantly in September, 1970, in two major ways. First, AFDC standards were adjusted upward by about \$32 per month for a family of four.⁷⁷ Clearly, a change of this magnitude in what Saks calls welfare income, or Hausman calls potential welfare payments, could be expected to have a measurable negative impact upon AFDC employment rates.⁷⁸ Simultaneously, a significant change occurred in the AFDC employment expense policy. For years, allowable employment expenses (i.e., those which offset gross earnings when computing the AFDC payment) included a \$20 per month general allowance plus actual cost for such items as income and payroll taxes, transportation, uniforms, union dues, retirement contributions and other "necessary" work expenses. In general, such expenses were 20 to 30 percent of gross earnings, although in some situations they were more. However, the new policy limited the allowance for work expenses to \$40 per month, re-

ardless of the amount of earnings or actual expenses.⁷⁹ This meant that more than half of employed recipients had to pay employment-related expenses (to the extent such expenses exceeded \$40) for which they formerly had been reimbursed--in effect, an increase in the welfare tax rate. Although a quantitative estimate of the impact upon AFDC employment was not attempted, the direction of expected impact was clearly negative.

In addition to the September, 1970 AFDC policy changes, the three-month General Motors strike, which began in September, 1970, had a large impact on both the Michigan economy and on AFDC caseloads. "Unfortunately," as Appel and Schlenker remark, "the real world does not remain static long enough to satisfy the researcher's needs."⁸⁰ Consequently, the time interval for analysis was dictated by policy and economic changes on one end and data availability on the other.

Because Appel utilized data maintained centrally by the Department of Social Services, he was limited to the relatively few data items available from that source. For example, he was only able to identify levels of earned and (non-child support) unearned income, employment expenses, potential and actual welfare income, age and number of persons in the assistance group, race, county of residence and an employment code designed to assess barriers to employment or training.⁸¹ However, data were not available to Appel (but were obtained for the analysis in this dissertation) on such variables as educational attainment, occupation, employment experience, current or previous participation in training, time on AFDC and date of first receipt of AFDC, number of persons in the household (as opposed to number in the assistance group), housing arrangements and cost, location of residence and such financial data as

the amount received for child support or the value of program benefits such as child care, medicaid, emergency assistance, general assistance, and food stamps. Due to data limitations, Appel also was limited as to appropriate techniques of analysis and, as a result, he did not estimate a labor supply equation, and he did not derive any estimates of income and substitution parameters (as are presented in Chapter 5 of this dissertation). Instead, Appel confined his analysis to a description and interpretation of changes in employment rates and levels of earnings in his thirteen study areas.

Appel begins by noting that in Michigan "...between August 1969 and July 1970, the number of AFDC families with earned incomes almost doubled, rising steadily from 5,657 to 10,743."⁸² Over the same period the total caseload increased substantially so that "...the employed portion of the AFDC caseload increased from 10.0 to 13.5 percent, with most of the increase occurring within the first five months of the start of the work incentive provision."⁸³

Analysis of changes in employment rates in all thirteen geographic areas revealed that increases occurred in all areas, and that the differences in employment percentages were statistically significant at the .05 level or better in all but two areas (in which the increases were significant at the .10 level). No geographic pattern emerged, as both relatively larger and smaller increases occurred in each of the urban, rural and intermediate areas. Appel next examined the impact of a number of factors other than the earnings exemption which might have influenced the employment rate of AFDC mothers. The conclusion of his analysis was that other factors were not likely to have caused the increases in AFDC employment rates:

1. The overall unemployment rate increased in all thirteen areas. Therefore, Appel asserts that "...the increase in AFDC employment rates occurred in spite of, not because of, changes in labor market conditions."⁸⁴
2. Since the total caseload increased 45 percent over the year of study, the demographic composition of the caseload might have changed. New AFDC recipients might have been more employable, thus increasing the AFDC employment rate. However, Appel found that families whose receipt of AFDC began during the year of study had a lower employment rate than the general caseload. Thus, the large number of new recipients tended to depress the observed increases in employment rates.⁸⁵
3. Since the earnings exemption raised the breakeven point, termination from AFDC due to high levels of earnings became more difficult and less probable. Thus, the increase in employment rates might have resulted solely from the failure of employed recipients to terminate when, in the absence of the earnings exemption, they would have been ineligible for AFDC payments due to their high earnings. To examine this possibility, Appel adjusted the July, 1970 employment rates by netting out those cases with earnings which would have resulted in termination were it not for the earnings exemption. The adjusted employment rates remained, in all thirteen areas, higher than the corresponding July, 1969 rate. The increases were, after this adjustment statistically significant in nine of the thirteen areas.⁸⁶
4. The Work Incentive Program (WIN) was operational in most of the areas included in the Appel study. Through job placement and training, WIN might have had a positive influence on AFDC employment. However, Appel estimates that nine WIN graduates may have been in his sample of 449 for July, 1969, and that 56 may have been in his sample of 1,168 for July, 1970. Thus, he concludes that "...WIN contributed at best only in a minor way to the measured increases in AFDC female employment...."⁸⁷

After examining other factors, such as attitudes, health services, availability of child care services, knowledge of the earnings exemption and reporting of earnings, Appel concludes that the increase in employment rates cannot be attributed to any one or group of these factors, and that the increase appears therefore to be the result of the work incentive resulting from the earnings exemption.⁸⁸

Appel next turns to examine the effect of the earnings exemption upon levels of earnings. Average earnings increased in eleven of the

thirteen sample regions. The general increase in earnings may be observed in the following analysis of the 3,831 sample cases which were receiving AFDC in both July, 1969 and July, 1970 sample periods. To determine changes in earnings, intervals of \$20 were specified for levels of earnings in each period.

With this procedure, we find that of the 372 mothers employed in July 1969, 112 had higher earnings (moved to a higher \$20 earnings category), 59 had about the same earnings, 44 had lower earnings but were still employed, and 157 had no earnings in July 1970. In addition, ...there were another 420 cases that had no earnings in July 1969 but had earnings in July 1970. Therefore, the total number of cases which had sufficient increased earnings to move to a higher \$20 earnings category was 532 (420 + 112), while the total number of those with decreases was only 201 (157 + 44).⁸⁹

Part of the explanation of a higher average earnings lies in the fact that higher earnings were possible due to higher breakeven points. In six of the thirteen areas, the proportion of employed mothers earning \$300 or more per month doubled, and only three areas showed a decline in this proportion. The result was that a "substantial portion" of employed mothers had a level of earnings which would have made them ineligible for AFDC in the absence of the earnings exemption. In one area, 28 percent were in this category, and in the remaining twelve areas the range was 11 to 21 percent. On the other hand, Appel found that the proportion earning under \$100 declined, which he interprets as indicating that "...part-time employment is not strongly encouraged by the incentive."⁹⁰

Appel concludes that

The data and analysis in this study provide a reasonably convincing argument that the incentive has contributed to increased employment of AFDC mothers in Michigan and has led to higher incomes for those employed.⁹¹

Conclusion

From the studies reviewed in this chapter, three major conclusions may be drawn: (1) AFDC mothers typically face those conditions and exhibit those characteristics which are associated with lower rates of employment and, for those employed, lower levels of earnings. The employment potential of AFDC mothers is typically lower than that of other women, due to their lower educational attainment and occupational experience in jobs which yield lower wages. Further, AFDC mothers face significant barriers to successful employment. Most important of these barriers is the presence of young children which require care in the home, although health problems and difficulty in arranging suitable child care are also frequently cited obstacles to employment.

(2) AFDC mothers are no less desirous of working than are women in general. Indeed, most AFDC mothers not only want to work, but do work, although their jobs typically are irregular and sporadic. However, bad job experiences have made them less willing to persist at trying to secure permanent employment and more willing to accept welfare status.

(3) Financial work incentives can play an important role in encouraging employment among AFDC mothers. However, the effectiveness of financial work incentives among AFDC recipients would be expected to be less than among women in general. This is the case primarily because of the barriers to employment faced by AFDC mothers which prevent the degree of positive work response which otherwise would be expected from increasing the effective wage rate in this fashion.

Chapter 2 Footnotes

- ¹David B. Eppley, "The AFDC Family in the 1960's," Welfare in Review, VIII (September-October, 1970), p. 8.
- ²U.S. Department of Labor, Bureau of Labor Statistics, "Marital Status of Workers, March 1959," Special Labor Force Report No. 2 (Washington, D.C.: Government Printing Office, 1959), Table 1, p. 2; and U.S. Department of Labor, Bureau of Labor Statistics, "Marital and Family Characteristics of Workers, March 1970," Special Labor Force Report 130 (Washington, D.C.: Government Printing Office, 1970), Table A, p. A-9.
- ³U.S. Department of Labor, Special Labor Force Report 130, Table H.
- ⁴Elizabeth Waldman and Kathryn R. Gover, "Children of Women in the Labor Force," Monthly Labor Review, July, 1971, Table 2, p. 21.
- ⁵U.S. Department of Labor, Special Labor Force Report 130, Table B-1, p. A-11.
- ⁶U.S. Department of Labor, Bureau of Labor Statistics, "Educational Attainment of Workers, March 1969, 1970," Special Labor Force Report 125 (Washington, D.C.: Government Printing Office, 1970), Table H, p. A-14.
- ⁷U.S. Department of Commerce, Bureau of the Census, 1970 Census of Population: General Social and Economic Characteristics: United States Summary (Washington, D.C.: Government Printing Office, 1972), Table 88.
- ⁸Ibid., Table 91.
- ⁹In 1967, 82 percent of employed women were in clerical, sales, service or non-transportation operative occupations. The median annual earnings level for women in those occupation was less than \$3,700. See: Irene Cox, "The Employment of Mothers as a Means of Family Support," Welfare in Review, VIII (November-December, 1970), p. 10.
- ¹⁰U.S. Department of Health, Education and Welfare, Social and Rehabilitation Service, National Center for Social Statistics, Findings of the 1969 AFDC Study: Part I, Demographic and Program Characteristics NCSS Report AFDC-3(69) (Washington, D.C.: Government Printing Office, 1970).
- ¹¹U.S. Department of Labor, Bureau of Labor Statistics, "Marital and Family Characteristics of Workers, March 1968 and 1969," Special Labor Force Report 120 (Washington, D.C.: Government Prining Office, 1970).

- ¹² Mildred Rein and Barbara Wishnov, "Patterns of Work and Welfare in AFDC," Welfare in Review, IX (November-December, 1971), p. 10, citing Greenleigh Associates, Public Welfare, Poverty--Prevention or Perpetration, A Study of the State of Washington (New York: Greenleigh Associates), 1964, p. 39, Table 17.
- ¹³ U.S. Department of Labor, Bureau of Labor Statistics, "Job Tenure of Workers, January 1965," Special Labor Force Report 112 (Washington, D.C.: Government Printing Office, 1969), p. A-9.
- ¹⁴ Rein and Wishnove, Ibid., p. 10, citing Lawrence Podell, Families on Welfare in New York City, Preliminary Report No. 3 (New York: Center for Social Research, City University of New York), December 20, 1967, p. 25, Table 1.
- ¹⁵ Genevieve W. Carter, "The Employment Potential of AFDC Mothers," Welfare in Review, VI (July-August, 1968), p. 7.
- ¹⁶ Martin Warren and Sheldon Berkowitz, "The Employability of AFDC Mothers and Fathers," Welfare in Review, VII (July-August, 1969), pp 1-7.
- ¹⁷ Ibid., p. 5, Table 2.
- ¹⁸ Perry Levinson, "How Employable are AFDC Women?" Welfare in Review, VIII (July-August, 1970), pp. 12-16.
- ¹⁹ Ibid., p. 12.
- ²⁰ Ibid., p. 15.
- ²¹ Ibid., p. 16.
- ²² Leonard J. Hausman, "Potential for Financial Self-Support Among AFDC and AFDC-UP Recipients," (Undated mimeograph), p. 9. These results are also presented in: Leonard J. Hausman, "The Potential for Work Among Welfare Parents," Manpower Research Monograph No. 12 (Washington, D.C.: U.S. Department of Labor, 1969). For a fuller discussion, see: Leonard J. Hausman, "The 100% Welfare Tax Rate: Its Incidence and Effects," (Unpublished Ph.D. Dissertation, University of Wisconsin, 1967).
- ²³ Bradley R. Schiller, "Empirical Studies of Welfare Dependency: A Survey," (Unpublished mimeograph, 1972), pp. 3-4.
- ²⁴ Carter, p. 2.
- ²⁵ Lawrence Podell, Families on Welfare in New York City (New York: City University of New York, Center for the Study of Urban Problems, 1968), p. 17.

- ²⁶ Levinson, pp. 15-16. "No" as an answer to the question, "Would you want to work, if you could find a steady job?" was interpreted to indicate a lack of motivation, and 19.6 percent of both high and low potential groups answered "no."
- ²⁷ Martin Warren and Sheldon Berkowitz, "The Employability of AFDC Mothers and Fathers," Welfare in Review, VII (July-August, 1969), p. 4.
- ²⁸ Carter, pp. 7-8.
- ²⁹ Joel F. Handler and Ellen Jane Hollingsworth, The "Deserving Poor," (Chicago: Markham Publishing Co., 1971), pp. 142-143.
- ³⁰ For example, see: Harold Feldman and Margaret Feldman, A Study of the Effects on the Family Due to Employment of the Welfare Mother, Vol. I: Findings and Implications (Ithaca: Cornell University, 1972), esp. pp. 66-71; Edward M. Opton, Factors Associated with Employment Among Welfare Mothers (Berkeley: The Wright Institute, 1971); Conference on Manpower Services for the Welfare Poor, Summary of Findings and Discussion (Washington, D.C.: Brookings Institution, 1971).
- ³¹ Leonard Goodwin, Do the Poor Want to Work? (Washington, D.C.: Brookings Institution, 1972).
- ³² Ibid., pp. 51-52. Emphasis is Goodwin's.
- ³³ Ibid., p. 113.
- ³⁴ Ibid.
- ³⁵ Ibid., p. 118.
- ³⁶ As stated by the Council of Economic Advisors: "There is an abundance of assertion and anecdote regarding the impact of work incentives on low-income Americans, but very little real knowledge." Quoted in: James C. Vadakin, "A Critique of the Guaranteed Annual Income," The Public Interest, No. 11 (Spring, 1968), p. 61.
- ³⁷ For example, see: Marvin Kusters, Income and Substitution Effects in a Family Labor Supply Model (Los Angeles: Rand Corporation, 1966); David H. Greenberg and Marvin Kusters, Income Guarantees and the Working Poor: The Effect of Income Maintenance Programs on the Hours of Work of Male Family Heads (Los Angeles: Rand Corporation, 1970); Orley Ashenfelter and James Heckman, "The Estimation of Income and Substitution Effects in a Model of Family Labor Supply," Working Paper #29 (Princeton: Princeton University, Industrial Relations Section, August, 1971); Orley Ashenfelter, "Using Estimates of Income and Substitution Parameters to Predict the Work Incentive Effects of the Negative Income Tax: A Brief Exposition and Partial Survey," (Unpublished mimeograph, November, 1970); Malcolm Cohen, Samuel Rea, and Robert Lerman, A Micro Model of Labor Supply, BLS Staff Paper 4

(Washington, D.C.: U.S. Department of Labor, Bureau of Labor Statistics, 1970); Christopher Green and Alfred Tella, "Effect of Nonemployment Income and Wage Rates on the Work Incentives of the Poor," Review of Economics and Statistics, 51 (November, 1969), pp. 399-408; Finis Welch and Sherwin Rosen, "A Note on the Estimation of Labor Supply Effects and Income Redistribution Policy," Journal of Human Resources, VII (Winter, 1972), pp. 104-111.

³⁸ Robert Hall, "Wages, Income and Hours of Work in the U.S. Labor Force" (Working Paper of the Department of Economics, Massachusetts Institute of Technology, August, 1970); Marvin Kosters, "Effects of an Income Tax on Labor Supply," in Harberger and Bailey, (ed.), The Taxation of Income from Capital (Washington, D.C.: Brookings Institution, 1969), pp. 301-324; Alfred Tella, Dorothy Tella and Christopher Green, The Hours of Work and the Family Income Response to Negative Income Tax Plans: The Impact on the Working Poor (Kalamazoo: W.E. Upjohn Institute for Employment Research, 1971).

³⁹ Edward D. Kalachek and Frederic Q. Raines, "Labor Supply of Low Income Workers," in The President's Commission on Income Maintenance Programs, Technical Studies (Washington, D.C.: 1970), pp. 159-186.

⁴⁰ For descriptions of these projects, see: Harold Watts, "Graduated Work Incentives: An Experiment in Negative Taxation," American Economic Review, LIX (May, 1969), pp. 463-478; Harold Watts, The Graduated Work Incentive Experiments: Current Progress, American Economic Review, LXI (May, 1971), pp. 15-21; Fred Cook, "When You Just Give Money to the Poor," New York Times Magazine, May 3, 1970, pp. 110-112; Mordecai Kurz and Robert G. Sprengelman, "The Seattle Experiment: The Combined Effect of Income Maintenance and Manpower Investments," American Economic Review, LXI (May, 1971), pp. 22-29; Terrence F. Kelly and Leslie Singer, "The Gary Income Maintenance Experiment: Plans and Progress," American Economic Review, LXI (May, 1971), pp. 30-38.

⁴¹ Denver Department of Welfare, The Incentive Budgeting Demonstration Project (Denver: Department of Welfare, December, 1961).

⁴² Ibid., p. ii.

⁴³ Ibid., p. 12.

⁴⁴ Leonard J. Hausman, "The 100% Welfare Tax Rate: Its Incidence and Effects" (Unpublished Ph.D. Dissertation, University of Wisconsin, 1967), p. 59.

⁴⁵ Denver Department of Welfare, p. vii.

⁴⁶ Cuyahoga County Welfare Department, Employment Incentives and Social Services: A Demonstration Program in Public Welfare (Cleveland, Ohio, 1966), p. 2.

⁴⁷ Ibid., pp. 4-5.

⁴⁸Ibid., p. 1.

⁴⁹Ibid., p. 8.

⁵⁰U.S. Commission on Civil Rights, Children in Need: A Study of Federally Assisted Programs of Aid to Needy Families with Children in Cleveland and Cuyahoga County, Ohio (Washington, D.C., 1966), pp. 19-21.

⁵¹Carter, p. 8. A parallel discussion is presented in: Irene Cox, "Working Paper on the Effects of an Earnings Exemption on the Employment of ADC Mothers" (Washington, D.C.: U.S. Department of Health, Education and Welfare, Division of Intramural Research, 1968).

⁵²Ibid., p. 8.

⁵³Ibid.

⁵⁴Leonard J. Hausman, "The Impact of Welfare on the Work Effort of AFDC Mothers" in the President's Commission on Income Maintenance Programs, Technical Studies, pp. 83-100.

⁵⁵For the principal equations reported (utilizing fourteen independent variables) for the combined three-state sample, R^2 values of .170 and .171 were obtained when LFPR and LFIR, respectively, were used as the dependent variable. While not reporting results obtained when using the LFPR specification for the individual state regressions, he indicates R^2 values of .137, .117 and .112 for the individual Alabama, Kentucky and Mississippi LFIR runs, respectively.

⁵⁶Hausman, pp. 96-97.

⁵⁷Ibid., p. 97.

⁵⁸Ashenfelter, p. 13, concludes that recent research would indicate a substitution elasticity of about 0.9, but an income elasticity of only about -0.1, for married women with husband present. For female household heads, Tella, Tella and Green, pp. 11-13, 20-21, calculated substitution elasticities (over the 25 to 75 percent negative tax range) of slightly greater than unity, while income elasticities for lower-income workers varied from about -0.3 to -0.5.

⁵⁹Daniel H. Saks, "The Labor Supply Response of AFDC Recipients in New York City," Research Report No. 12 (East Lansing; Michigan State University, Center for Urban Affairs, December, 1971).

⁶⁰Ibid., pp. 12-13. Also see: Daniel H. Saks, "The Economics of the Decision to Go on Welfare," Research Report No. 10 (East Lansing, Michigan State University, Center for Urban Affairs, September 20, 1971), pp. 15-17.

⁶¹Saks, Report No. 12, p. 14. Using ordinary least squares, the estimated equation yields coefficients significant at the .05 level or better for 12 of 17 variables, with an R^2 value of .15.

Saks notes that because the dichotomous dependent variable yields disturbances which are non-spherical, use of generalized least squares is more appropriate. However, R^2 dropped to .04 with this technique. See Ibid., pp. 14-15.

⁶²Saks, Report No. 10, p. 17.

⁶³Saks, Report No. 12, pp. 16-17.

⁶⁴Kalachek and Raines, p. 166.

⁶⁵Ibid., pp. 166-167. States in each group included: (a) Alabama and Mississippi; (b) Missouri, South Carolina, Georgia, Tennessee, Arkansas, Louisiana and Texas; (c) Nebraska, Arizona, Nevada, Delaware, Florida, Maine, Vermont, Indiana, Michigan and Alaska.

⁶⁶Ibid., p. 175-177.

⁶⁷Ibid., p. 177.

⁶⁸The study report consists of five documents: National Analysts, Inc., Effects of the Earnings Exemption Provision upon the Work Response of AFDC Recipients, Part I, Interim Report; Part II, Final Report; Part III, Addenda Report; The Social Worker Report; Executive Summary (Philadelphia: National Analysts, Inc., 1972).

⁶⁹National Analysts, Inc., Final Report, pp. 3-10.

⁷⁰National Analysts, Inc., Addenda Report, pp. 23-25, 34-35.

⁷¹National Analysts, Inc., Executive Summary, p. 25.

⁷²Ibid., p. 6. The report does not specify the ending date for the initial survey.

⁷³Ibid., p. 17. This is the only reference (other than "Winter of 1970") to the beginning date of the initial interview.

⁷⁴National Analysts, Inc., Final Report, p. 9.

⁷⁵Citation for Appel's study is shown in footnote 6 of Chapter 1. Appel's methodology and major conclusions are summarized in: Gary L. Appel and Robert E. Schlenker, "An Analysis of Michigan's Experience with Work Incentives," Monthly Labor Review, September, 1971, pp. 15-21.

⁷⁶Appel, pp. 52-55.

⁷⁷The increase in Michigan's AFDC standards in September, 1970 might be viewed as a deferred response to the mandate of the 1967 Social Security Amendments to adjust AFDC standards to account for changes in the cost of living. In response to this mandate, Michigan first adjusted standards by \$12 per month for a family of four in July, 1969. However, in a suit brought by the Welfare Rights Organization in U.S. District Court, the original increase was found inadequate.

- ⁷⁸ The \$32 per month amounted to an increase of approximately 12 percent in potential welfare income. Based on welfare income elasticities reported by Hausman (-.37 to -.39 in Mississippi, Alabama and Kentucky) and by Saks (-.94 in New York City), we might expect a 12 percent increase in welfare income to be associated with a decrease in labor force participation in the range of 4 to 11 percent.
- ⁷⁹ Impetus for the limitation on employment expenses came from reports of large expense allowances (in some cases over \$300), where the level of work expenses allowed such recipients to maintain AFDC eligibility at high levels of income. Responding to such reports, the Michigan legislature specified the \$40 limitation in the 1971-72 appropriation act for the Department of Social Services. Subsequently, the \$40 limitation was found not to conform with federal regulations and was replaced in July 1971 by a "\$40 plus actual income and payroll taxes" policy.
- ⁸⁰ Appel and Schlenker, p. 17.
- ⁸¹ Appel, Appendix D, p. 106. In addition to the limited number of variables such data as were available from the central computer file are subject to criticism due to their quality. For example, data in the central file reflected the level of earnings last reported by the caseworker. Since recipients were sometimes tardy in reporting earnings to the caseworker, and caseworkers were sometimes tardy in updating the central file, data for earnings sometimes reflected a month other than the immediately preceding one. In other instances, income reported as earnings was not really "earned income" in the theoretically-desirable sense. For example, welfare policy prescribed that "room and board" contributions from a child or relative were to be recorded as earnings.

An indication of the extent to which these instances occurred was obtained in the course of recording data by hand for this dissertation from recipient case records in county welfare offices. About 7 percent of cases selected from a computer listing of employed cases were found to have been not employed at all during the month in question (June, 1969 or June, 1970). In another 8 percent of the cases in June of 1969, and 10 percent in June of 1970, computer-indicated earnings overstated actual earnings by \$20 or more. Cases in which computer-indicated earnings understated actual earnings by \$20 or more were 11 percent of the cases in June of 1969 and 15 percent one year later. No attempt was made to systematically determine why such differences occurred. However, a strong impression gained while recording the data was that when June earnings levels differed from computer-indicated levels, the latter usually reflected earnings for April or May--although in a few instances earnings from as far back as January remained un-updated in the computer.

In this study, it was relatively easy to ensure that data for each observation uniformly reflected actual earnings in June of each year, whereas Appel was unable to adjust the computer-indicated data.

⁸²Ibid., pp. 56-57. Appel cites the source for this data as Michigan Department of Social Services Report AF-001. The data he cited are from the report dated August 11, 1969 (the first such report), which indicates 5,942 persons, of whom 236 were youths, employed in 5,637 (not 5,657) cases; and from the report dated June 29, 1970, which indicates 11,161 persons, of whom 256 were youths, employed in 10,743 cases. Because of reporting lags, the first report should be interpreted as reflecting the situation on or about July 1, 1969, rather than August. (In Appel and Schlenker, p. 17, the same data are presented for the period "between July 1969 and July 1970.") Further, the report dated June 29, 1970 cannot be interpreted as reflecting the situation in July, 1970, but should reflect the situation during June, 1970. Since the sample used by Appel for the July, 1970 period is drawn from the same data tape used for the above mentioned June 29, 1970 report, Appel's analysis may more properly be referred to as extending to June rather than July, 1970.

⁸³Ibid., pp. 57-58. The 10.0 and 13.5 percent figures are calculated by Appel using data from Report AF-001 (see previous footnote) as the numerator and total caseload figures for August, 1969 and July, 1970 as the denominator. That is, $5,657/56,330$ equals .100 for August, 1969, and $10,743/79,424$ equals .135 for July, 1970. However, these ratios are misleading for at least two reasons. First, as indicated in the previous footnote, the July, 1970 ratio includes the July caseload as the denominator, but the June employment total as a numerator. A more proper ratio would utilize the June, 1970 AFDC caseload: $10,743/77,069$ equals .139. However, and more importantly, the ratios are misleading because the monthly caseload is not a proper denominator. The monthly caseload is not a count of cases receiving assistance at a point in time. Instead, it is defined as an unduplicated count of cases which received assistance in either or both of the two semi-monthly payroll periods during the month. Therefore, in a period such as existed in June and July, 1970, when the monthly increase in caseload was nearly 2,400 cases, a substantial number of cases which were counted in the caseload were not receiving assistance at the point in time at which the AF-001 report was run and the employed cases counted. Thus, using the monthly caseload as the denominator would tend to understate the actual ratio employed.

A second report (AA-061) counts total cases and employed cases simultaneously. Using data from this report, it is estimated that there were in July, 1969 approximately 6,050 cases in which at least one person was employed, or 10.8 percent of the total caseload. For July, 1970, 11,125 cases, or 14.2 percent of all cases, included at least one employed recipient. See: Vernon K. Smith and Aydin Ulasan, The Employment of AFDC Recipients in Michigan (Lansing: State of Michigan. Department of Social Services, 1972), Table 2-A, p.8).

⁸⁴ Appel, p. 67.

⁸⁵Ibid., pp. 67-72.

⁸⁶Ibid., pp. 72-74. Note that Appel adjusted only the July, 1970 employment rates. Similar adjustment of the July, 1969 employment rates as described in Chapter 4 of this dissertation, would have offered a more appropriate comparison and would have further strengthened Appel's argument of statistically significant increases in employment rates over the study year.

⁸⁷Ibid., pp. 74-76.

⁸⁸Ibid., pp. 76-79.

⁸⁹Ibid., p. 87.

⁹⁰Ibid., p. 88.

⁹¹Ibid., p. 97.

CHAPTER 3

CONCEPTUAL FRAMEWORK FOR ANALYSIS

In the previous chapter, it was shown that the observed employment behavior of AFDC mothers was related to several socio-economic characteristics common among this group. Age, race, health, marital status, age and number of children, and the availability of child care, among other factors, were found to be related to whether or not an AFDC mother was likely to be employed. It was also found that financial incentives, including those created by welfare policy in the treatment of earned income, would be expected to serve as an inducement, albeit a modest one, toward a greater degree of employment among AFDC women.

Building on these relationships, it is the purpose of this chapter to set out a behavioral model which will be useful in analyzing changes in both the level of earnings and the rate of employment which occurred among AFDC mothers in the year following implementation of the WIN program and the earnings exemption. The general model utilized in earlier studies of labor supply will be presented first. Then this model will be adapted to the specific case of the welfare mother. Finally, this analytical framework is formulated in terms of the specific (and measurable) variables which comprise the model utilized later for empirical analysis.

The General Model

In recent analyses of labor supply response, the conceptual framework usually begins with the premise that the basic decision-making

unit is the family.¹ Thus, the employment decisions of each member of the family are dependent upon the employment status and other circumstances of fellow family members. Further, the total time of each individual in the family is assumed to be allocable in finely divisible units, such as hours. Therefore, "being employed" is not simply a "yes-or-no" proposition, but is a matter of degree. That is, the status of being employed in a market job may be thought of as extending along a continuum from zero hours up to the total number of hours available in the time period. Finally, alternative uses of time are assumed to be limited to three categories: (1) market work for money wages; (2) non-market work, such as work in the home, for which no money wages are received; and (3) leisure. The family, then, faces a continuing series of short-run choices concerning how to allocate total available time among market work, non-market work, and leisure.

The objective of constructing a conceptual framework is to identify those factors which (at least partially) explain employment behavior. Four broad classifications of variables may be thought of as determining the amount of time allocated to market work. These include tastes, the expected market and non-market wage rates, and the resource constraint:²

- (1) Tastes: Tastes reflect the relative preferences for market work (and the goods and services purchased with earned income) for non-market work (and the "home" goods and services produced through such work) and for leisure. In this context, tastes include preferences between working in the home and, say, in an office or factory, as well as preferences between a home-cooked meal and a TV dinner.

- (2) **Expected market wage rate:** Each member of the household has an expected market wage rate. The definition of this wage encompasses not only the anticipated money wages and fringe benefits, but also working conditions and "prestige" associated with potential jobs. The relevant wage is net of all expenses associated with finding and maintaining a job. It is "expected" in the sense that it is a forecast with which some probability of error is associated.
- (3) **Expected non-market wage rate:** The non-market wage is similar to the market wage except that the non-market wage is the imputed money value of the "home" goods and services produced for which a money wage is not received.
- (4) **The resource constraint:** The household's resource constraint, which describes total money income to the household in the time period, depends on the amount of time available for allocation to market work, the expected market and non-market wage rates, the value of non-earned income received, and the value of the household's marketable assets.

This general model, which has proved particularly useful in the analysis of labor force participation of married women, must be modified somewhat for purposes of this analysis. The modifications are of two types. The first includes those due to the characteristics of AFDC families. For example, AFDC households examined in this analysis are not two-parent families, but instead consist of one parent--the mother--and one or more minor children.³ As a result, the assertion that labor force participation decisions are made by the household members inter-dependently with the employment decision of other family members, may be less necessary here than in the case of a two-parent family.⁴

A second modification in the conceptual framework is required by the fact that AFDC families are subject to another set of constraints--those imposed by the welfare system itself. Although these constraints may either encourage or discourage employment, most are designed to increase labor force participation. For example, by stipulating that all "employable" recipients work or at least attempt to secure work in the regular job market, welfare regulations are designed to remove some of the individual's discretion from the employment decision. The penalties for failing to work can be fairly severe, including the loss of AFDC eligibility for the individual. In such a case, eligibility for the children would continue so the financial loss to a mother (and therefore also to the children) who refused to work might be about \$50 per month. However, such a penalty has been invoked only infrequently in actual practice. Consequently, while the work requirement no doubt has served to induce or maintain labor force participation among certain recipients, it cannot be considered a primary factor in the observed work behavior of AFDC mothers.

Certainly one reason the work requirement has proved relatively ineffective in its application is that the definition of "employable" has been sufficiently narrow to allow exemption of virtually all who wished not to work. For example, a "non-employable" individual is usually defined as someone not currently employable for any one of several acceptable reasons, such as "needed in the home," or "not in the best interests of the family," due, for example, to the age, health or number of children requiring care in the home. In effect, the individual is assumed to be non-employable unless it can be shown that none of these acceptable reasons apply. Such a system clearly places

a premium on the appearance of non-employability, the payoff of which is preservation of some discretion in the employment decision. In placing a premium on appearing not employable, however, the system may in fact discourage employment. It is conceivable, for instance, that having once established non-employability, the recipient may be reluctant to accept employment in the present which (she believes) might jeopardize her option to remain out of the labor force in the future. Even though the recipient might realize that the benefits of employment would increase her income in the short-run, she might well associate market employment with mandatory self-support and financial independence of public assistance. Recognizing the relative security, although perhaps not adequacy, of AFDC status and the associated on-assistance income (AFDC payments plus other cash and in-kind benefits connected with AFDC eligibility), the recipient might rationally turn down employment which, in her own mind, might affect her security and well-being in the future. In particular, this might be the case for a recipient whose expected market earnings were below or just above the breakeven point, who might expect a drop in total income upon becoming ineligible for public assistance. To the extent recipients realize and act upon these considerations, the work requirement may actually discourage entry into the labor market.

Welfare regulations also influence the employment decision through an impact upon the effective wage rate associated with market work, the non-market wage and the resource constraint. The effective market wage is affected by the implicit tax on earnings, under which the welfare payment is reduced as earnings rise. The lower the implicit tax rate, the less the reduction in the AFDC payment for a given level

of earnings, and therefore the higher the effective market wage rate. Thus, the reduction in the implicit tax rate effected by the earnings exemption served to increase the financial benefits of AFDC employment.

The impact of the exemption upon a typical AFDC family is illustrated in Table 3-A. This table shows the case of a four-person household for whom the welfare department defines "budgeted need" at \$280 per month. (Budgeted need of \$280 means that the monthly AFDC payment will be \$280, except when the family has unearned income or "net" earned income, in which case the AFDC payment is \$280 less the sum of such income.) The impact of the exemption is seen in the level of the AFDC payment and the amount of disposable money income for various levels of gross earnings. It is seen that prior to application of the exemption, disposable income remained constant at the level of budgeted need until and unless earnings increased sufficiently to disqualify the family from further assistance. In this example, in which unearned income is assumed to be zero, disposable money income remained at \$280 until gross earnings reached \$375, above which point financial eligibility for AFDC ceased, and disposable money income was solely a function of net earnings. This gross earnings level of \$375 may be referred to as the "boundary earnings" level: below this point, the family is eligible for an AFDC payment to supplement any net wage income; above this point, the family is financially ineligible for assistance due to the level of monthly earnings.

With the implementation of the exemption, two important changes occurred. First, disposable income increased as earnings increased. And second, boundary earnings levels were raised significantly. In this example, a family of four without unearned income was no longer

Table 3-A

AFDC Grant and Disposable Income, With and Without
the Earnings Exemption, by Amount of Earnings
(Family of Four in Michigan)^a
July, 1970

Earnings		Without Exemption		With Exemption	
Gross Amount	Net of Employment Expenses ^b	AFDC Amount	Disposable Income	AFDC Amount	Disposable Income
(1)	(2)	(3)	(4)	(5)	(6)
(1) \$ 0	\$ 0	\$280	\$280	\$280	\$280
(2) 75	40	240	280	280	320
(3) 150	100	180	280	250	350
(4) 225	160	120	280	215	375
(5) 300	220	60	280	180	400
(6) 375	280	0	280	145	425
(7) 450	340	0	340	110	450
(8) 525	400	0	400	75	475
(9) 600	460	0	460	40	500
(10) 675	520	0	520	5	525
(11) 686	529	0	529	0	529

^aTable assumes budgeted need of \$280 with no transfer income; or alternatively, budgeted need less transfer income equals \$280. A budgeted need of \$280 was considered typical for a family of four in Michigan from July, 1969 through August, 1970.

^bEmployment expenses are assumed to be non-discretionary and to be \$20 plus 20 percent of gross earnings. Employment expenses exceeding this amount would increase the indicated boundary earnings levels.

rendered ineligible for assistance with monthly gross earnings of \$375. Instead, a family of four in which the mother had earnings at that level received a monthly AFDC payment of \$145, and disposable money income increased to \$425. With the exemption, the gross boundary earnings level increased from \$375 to \$686 per month.

The example to this point has been based on a family of four. However, since budgeted need varies directly with family size, so also does the boundary earnings level. As shown in Table 3-B, while boundary earnings are \$686 for a family of four, the level varies from \$513 for a mother with one child up to nearly twice that level for a family of eight. This table provides a good indication of the level of earnings required for an AFDC mother to "work her way off of welfare," both before and after the exemption was implemented. Two important points are illustrated by these data. First, it is considerably more difficult for a mother with a large family to earn enough to effect termination from AFDC. A mother with seven children must earn an annual wage of about \$12,000 before reaching the point of mandatory termination from assistance, compared to only about \$6,000 for a mother with one child. Second, the levels of boundary earnings which occur after applying the exemption are at such high levels that only those with jobs that pay more than the average would be able to achieve them.⁵

In addition to effective market wage rates and boundary levels, welfare regulations also impact upon the non-market wage and the total resource constraint. For example, the non-market wage is affected by such services as child care and homemakers, and by programs which provide such items as stoves, refrigerators and washing machines. These services and items act to increase the AFDC mother's productivity in the home, increasing her home wage, and allowing her more time to allocate to

Table 3-B

AFDC Budgeted Need and Boundary Earnings by Family Size:
 With and Without Earnings Exemption
 (Michigan, 1969-70)

Family Size	Budgeted Need ^a	Gross Boundary Earnings ^b			
		Without Exemption		With Exemption	
		Monthly	Hourly ^c	Monthly	Hourly ^c
2	\$199	\$274	\$1.59	\$513	\$2.98
3	239	324	1.88	598	3.48
4	280	375	2.18	686	3.99
5	318	423	2.46	768	4.47
6	358	473	2.75	853	4.96
7	396	520	3.02	935	5.44
8	434	568	3.30	1,016	5.91

^a Assumes 1969-70 standard allowance per person, plus \$100 for housing, plus laundry allowance.

^b Boundary earnings assume employment expenses to be \$20 plus 20 percent of gross earnings, and transfer income to be zero.

^c Hourly equivalent based on 40 hours per week, 4.3 weeks per month.

market work or to leisure. The resource constraint is affected not only by these services and programs, but also by the AFDC payment, which guarantees a basic income level, and also by the fact that AFDC eligibility automatically means eligibility for certain other benefits, the most important of which are food stamps, free medical services, and emergency funds for major home repair.

The value of these benefits is not insignificant. For example, the bonus value (i.e., face value less actual cost) of food stamps for an AFDC family of four in July, 1970 was \$46.00. An employed mother with children requiring child care was allowed \$86 for one child, \$129 for two children, or \$172 for three children for each month's care. Emergency assistance funds for home repair, washers, stoves or refrigerators were allowed as required up to a \$500 maximum during any one 30 day period during each year. During July, 1970 the average cost for all recipients was about \$26.60 per family per month. Medicaid services were available on an as-needed basis without a maximum benefit. The actuarial value of these services to all AFDC families in July, 1970 was about \$62.80 per month, although a few recipients received services valued at nearly \$2,000 during that month.⁶ Thus, if a family of four with one child requiring child care may be considered typical, then the monthly value of food stamp, emergency assistance and Medicaid benefits was about \$221 per AFDC family in July, 1970.

Given the value of these "fringe benefits," the shape of the resulting total resource constraint, particularly the discontinuous segment which occurs at the point of ineligibility for assistance (i.e., the "notch" effect), almost certainly has an impact upon the employment decisions of AFDC recipients. A "notch" occurs when an

increase in earnings causes an actual reduction in total income, due to a reduction in welfare benefits whose value exceeds the increase in earnings.⁷ This phenomenon occurs because ancillary benefits are tied to the fact of AFDC eligibility rather than to the level of total income. As a result, it is possible that an increase in earnings which causes termination from AFDC might lead to a reduction in total resources, where total resources include both money and in-kind income. Clearly, if an AFDC mother were in a position to earn an additional \$50 per month, and if such amount would lead not only to the termination of her AFDC payment but also to the loss of in-kind benefits valued at about \$221, then she would not be financially better off to do so.

Thus, it can be seen that welfare policy and regulations can play an important role in the employment decisions of AFDC mothers. Therefore, in the analysis of employment among women heading AFDC families, it is useful to add this fifth classification of variables to the four broad classifications earlier identified. The model developed for empirical analysis in the next section will include variables reflecting tastes, the market wage rate, the non-market wage, the resource constraint and welfare policy and regulations.

The Measurable Variables

In this section, the general conceptual framework described in the previous section is translated into a model suitable for empirical analysis. The variables selected for inclusion in this model are presented in outline form in Figure 3-A. This outline should not be regarded as an exhaustive listing of such variables (even those which are measurable). It does, however, identify those variables expected to

impact upon the employment of AFDC recipients which were examined in this analysis. The plus and minus signs indicate an expected positive or negative relationship between each variable and the probability of labor force participation (as well as the level of earnings). The signs indicate an expected ceteris paribus relationship; thus, a variable might appear under two headings with a positive relationship in one context and a negative relationship in another.

Tastes

As important as tastes and preferences are, it is difficult to identify variables which accurately measure the tastes of an AFDC mother (or anyone) for various goods and services and the activities necessary to obtain them. However, it seems reasonable to postulate certain relationships between tastes and variables which are more easily measured. For example, a positive relationship is expected between a taste for money income and such factors as the number of persons in the household, the ages of the children, and the difference between "normal" income and current income. The larger the family, the larger are its financial needs, so a higher probability of labor force participation would be expected for AFDC mothers with larger families. The strength of this relationship no doubt is weakened among AFDC families, since the size of the assistance payment is based upon family size. In fact, it might be argued that the relationship is reversed, since the per person increase in the AFDC payment is often constant despite generally recognized economies of scale beyond a certain size of family.⁸ However, given the small absolute amount of the per person AFDC allowance, the impact of this effect would likely also be small. So, in the context of tastes, the number of persons in the household has a positive sign.

Figure 3-A

**Outline of Variables Used to Explain Variations in
Labor Force Participation Among Female Heads of AFDC Families**

(Signs in parentheses indicate expected association between
variable and degree of labor force participation)

I. Tastes

A. Tastes for money income (+)

1. Number of persons in household (+)
2. Age of children (+)
3. Difference between "normal income" and current income:
 approximated by time since first receipt of AFDC (+)

B. Tastes for Market Work (+)

1. Health: good (+)
2. Education (+)
3. Race: Non-white (+)
4. Expected working conditions in usual or expected
 occupation (+)

C. Tastes for "home" goods, i.e., non-market work (-)

1. Number of preschool-age children (-)
2. Size of home, approximated by housing allowance (-)
3. Health of children: poor (-)

D. Tastes for Additional Schooling or Training (-)

1. Currently enrolled (-)

II. Expected Market Wage Rate: Substitution Effects (+)

A. General Job Prospects (+)

1. Average market wage rates for particular occupation in
 locality (+)
2. Unemployment rate in local-labor market (-)

B. Personal Job Prospects (+)

1. Age (+)
2. Education (+)
3. Health (+)
4. Experience: Approximated by earnings at last job (+)
5. Race: Non-white (+)
6. Location: Proximity of residence to job opportunities (+)
7. Training: Previous (+), Current(-)

Figure 3-A (continued)

III. Expected Non-Market Wage Rate: Substitution Effects (-)

A. Productivity of Mother in Home (-)

1. Number of children (-)
2. Presence of young children (-)
3. Presence of other adult in home (+)
4. Health problems (-)

B. Cost of Non-family Members Performing Home Tasks (-)

1. Cost and availability of child care centers and aides (-)

IV. Family Resources: Income Effects (-)

A. Potential Labor Supply (-)

1. Number of older children (-)
2. Presence of another adult (-)

B. Expected Market Wage Rate: Income Effects

[Same as II., but with signs reversed] (-)

C. Expected Non-market Wage Rate: Income Effects

[Same as III] (-)

D. Non-earned Income and Household Wealth (-)

1. Potential AFDC payment (-)
2. Non-earned income (-)
3. Amount of Food Stamp bonus (-)
4. Amount of Emergency Assistance (-)
5. Amount of Medicaid Assistance (-)

V. Welfare Regulations and Policy (+ or -)

A. Treatment of Earned Income

1. Allowable rate of earnings exemption for mothers (+)
2. Allowance for expenses of employment (+)
3. Allowable rate of earnings exemption for children (-)

B. Requirement to Seek Employment (+)

1. Number of young children (-)
2. Ill, incapacitated, needed in home, etc. (-)
3. In school or training (-)

Figure 3-A (continued)

C. Welfare Benefits (-)

1. Amount of potential welfare payment (-)
2. Medical benefits (-)
3. Food stamps (-)
4. Emergency assistance (-)
5. Public housing (-)
6. Ratio welfare benefit to expected market wage (-)

D. Welfare Services (+)

1. Child care (+)
2. Training: present (-), previous (+)

E. Knowledge of Policy and Regulations Relating to Employment and Treatment of Earnings (+ or -)

1. Time of continuous receipt of AFDC (+ or -)
2. Time since first receipt of AFDC (+ or -)

F. Knowledge of Welfare Benefits and Services (-)

1. Time of continuous receipt of AFDC (-)
2. Time since first receipt of AFDC (-)

(It should be noted that in the context of the non-market wage rate, this variable has a negative sign.)

The ages of the children also help to determine the household's need for money income. Infants require less food and clothing relative to teenagers. Since the AFDC allowance is constant, based in some ill-defined manner upon an average basic cost for food and clothing over the appropriate age range, the AFDC allowance is relatively less adequate for teenagers than for preschoolers. Accordingly, it would be expected that in households in which the children were older, the need for money income would be greater.

The greater the amount by which "permanent" or "normal" income exceeds current income, the greater the probability of labor force participation. This hypothesis assumes that households attempt to maintain a previously attained standard of living, and that a lower current income level increases the desire for more income to regain that standard.

Tastes for market work may be influenced by a number of factors including the mores and values acquired and social pressures felt by the individual. Four variables have been identified here. Good health is associated with a greater taste for employment, as is greater education. The black mother traditionally has had closer connection with the labor force. The taste for market work is also expected to be related to the expected psychic and physical costs of the occupation anticipated.

A preference for goods produced at home, i.e., non-market work, would be expected to have a negative relationship with market work activity. It is expected that a preference for "home" goods is related to the number of young children, poor health of children, and the size of the home. Interest in additional education or training is also expected

to be negatively related to current labor force participation.

Expected Market Wage Rate

The expected market wage rate is expected to be a function of both general and personal job prospects. General job prospects of AFDC mothers are hypothesized to be related to average market wage rates for those occupations in which other welfare mothers in the locality have found employment. For this purpose, average starting salaries for jobs into which AFDC mothers were placed through the WIN Program are particularly important, not only because these occupations may be more in line with actually available positions, but also because knowledge of the experience of other AFDC mothers in the community may be crucial to expectations of potential jobs and wage rates. (The positive sign associated with this variable here ignores income effects of changes in wage rates, which are discussed under family resources.)

General job prospects may also be related to general economic conditions. However, AFDC mothers comprise such a small portion of the total labor force that the usual indicators of economic conditions, such as the overall unemployment rate, may not be applicable. A better measure would be the rate of unemployment among females, or among females heading families, in the respective study counties, but such data simply do not exist. For purposes of this study, it is assumed that the effect of the economic situation relevant to AFDC mothers is partially reflected in average starting salaries of persons placed into jobs through the WIN Program; i.e., wages reflect in part the demand situation in relevant jobs.

Personal job prospects are affected by a number of factors, as listed under II.B in Figure 3-A. The probability of finding a job, as well as the kind of job and the expected wage rate, are dependent upon

such personal characteristics as age, education, experience, health and race. In general, each characteristic would be positively related to the expected wage rate and labor force participation, although the relationship is not always unambiguous. For example, a positive relationship is expected for age up to some point, beyond which a negative relationship would hold. Greater education is generally associated with better employment prospects, but the relationship is less clear among non-white women.⁹ Similarly, to the extent that racial discrimination restricts job opportunities and leads to lower wages, it may tend to counteract the greater tendency for non-white women to participate in the labor force.

The location variable is a measure of the proximity of recipients to the central city. As such it serves as a proxy for a number of factors, including the availability of public transportation and nearness to employment opportunities. In general, employment opportunities would be assumed greater in suburban areas relative to the inner city areas.

Expected Non-Market Wage Rate

Other things equal, including in particular the expected market wage, the greater the value of the AFDC mother in the home the less likely it is that she will seek market work outside the home. Thus, the more individual persons for whom the mother must care and to whom she must pay attention, the less likely she will seek market work. Since the extent of necessary care and attention depends on the age and health of the household members, these factors are also important. However, the presence of another adult who does not require the care of the AFDC mother, such as a grandmother, would be expected to increase the probability of employment for the AFDC mother. This increase would be

larger, the greater the degree to which the services of the other adult could be substituted for those of the mother in the production of home goods, and the higher the home wage of this other person.

In the absence of another adult (or older children) who might care for young children during the mother's working hours, the mother might choose to purchase child care services in the market. The welfare department reimburses the full cost of such care (when obtained for reasons of employment, training or health), although this does not necessarily imply a zero cost to the AFDC mother. For example, suitable child care, either by day care center or certified child care aide, may be in scarce supply, or perhaps unavailable on terms that conveniently coincide with proposed employment arrangements. The child care reimbursement rate is not high, and the system often functions erratically, sometimes requiring centers or aides to wait three or more months for payment. In such cases, the mother may be forced to pay from her own resources in the short-run in order to retain child care arrangements. There are, of course, other psychic costs to the mother associated with leaving her children with a non-relative for extended periods of time. On the other hand, the mother may recognize and value certain benefits associated with her particular child care arrangement, such as supervised play areas or hot lunches for her child(ren), and the opportunity for her to be outside the home. On balance, the higher the net cost of child care arrangements, the less likely is the mother to accept market employment. Alternatively stated, the higher the net benefit of child care, the more likely the mother would be employed.

Family Resources

Family resources may be thought of as including both earned and

non-earned income. The amount of the former is dependent upon the time spent in market work and the market wage. Non-earned income may be either money or in-kind. In the case of welfare recipients, in-kind benefits assume a major role. But whatever the form, it is expected that larger incomes, and increases in incomes, are associated with a lower degree of labor force participation.

The greater the total time available to be spent in market work, the greater the potential earned income. It may be postulated that, among other things, the presence of older children and other adults, whose services are at least partially substitutable for the services of the mother in the home, would tend to increase the potential supply of labor among AFDC mothers. The income effect of the increase in labor supply has a negative relationship with the degree of labor force participation. Earlier, in the discussion of substitution effects, it was noted that older children (Item I.A.2 and III.A.2 in Figure 5-A) and another adults in the home (Item III.A.3) were positively associated with labor force participation. Now, however, in the context of income effects, a negative relationship is indicated for these same variables. Which effect will predominate cannot be determined a priori, but will depend largely on the particular characteristics and preferences of members of the household.

Earlier in the discussion of factors affecting the expected market wage rate, a positive substitution effect was identified in the relationship between the market wage and employment activity. Now, in the context of family resources, the income effect of higher earnings is isolated, and a negative relationship is postulated. Again, which effect will predominate cannot be determined a priori.

In the context of family resources, the non-market wage rate would be expected to be negatively related to employment activity on the basis of both income and substitution effects. An increase in home productivity, resulting in a higher home wage relative to the market wage, would be expected to lead to a greater substitution of work in the home for market work. At the same time, greater family resources, resulting from greater productivity in the performance of work in the home, would lead to a negative income effect upon market work.¹⁰

It may be assumed that AFDC families do not possess any significant measure of wealth. Program regulations which limit liquid assets to \$1,000 or less in value ensure to a large extent that this is so. (Homestead and household goods are exempt.) However, AFDC families do receive non-earned income, both money and in-kind, from a variety of sources and for a variety of purposes. All families in this study, by definition, receive an AFDC payment. Many also receive non-earned money income in the form of child support payments, retirement, social security or insurance benefits. A large proportion participate in the food stamp program, which allows purchase of stamps of value greater than the purchase price. Other non-earned income is provided through in-kind medical service and stoves, refrigerators, home repairs, washing machines and other items covered under the Emergency Assistance Program. Whatever the form or the source, the greater the amount of non-earned income, the lower the expected degree of labor force participation.¹¹

Welfare Regulations and Policy

As indicated earlier, the fact that the AFDC family is subject to an additional set of constraints imposed by welfare regulations and policy can affect the labor force decisions of the AFDC mother. It is in the treatment of earned income and the definition of who must seek employment that welfare regulations and policy influence employment

decisions most directly. The treatment of earned income is an important determinant of the effective market wage rate for AFDC mothers. The lower the effective tax rate on earnings, i.e., the less an increase in earnings reduces the AFDC payment, the greater the expected labor force participation. A positive relationship is also expected for treatment of expenses of employment. However, a more favorable policy of exempting earnings of older children in the household, whose employment in the labor market might substitute for market work of the mother, would be expected to have a negative relationship with the mother's labor force participation.

Over the period of this study the requirement to seek or maintain employment depended primarily on the age, number and needs of the household members, as well as upon whether the mother was engaged in any training or education activities. It is expected that mothers not specifically exempted from the work requirement for one or more of these reasons would be more likely to participate in the labor force.

To the degree to which discretion is possible in the employment decision, the level of welfare benefits (through the income effect) would tend to be negatively related to labor force participation. Welfare services, however, such as child care or manpower programs, would be expected to be positively related. Current participation in a manpower program, as the WIN Program, normally would reduce the probability of simultaneous market employment. Even beyond the substitution of training for employment which is postulated here, the WIN program provided trainees an "expense and incentive allowance" (at the rate of \$54 per month in Michigan) which would, through an income effect, tend to reduce market work activity during such training. However, at the

termination of training (and the incentive and expense allowance), both a positive income effect (from reduction in non-earned income) and a positive substitution effect (from an increased expected wage) should result in an increase in labor force participation.

Knowledge of welfare policies and regulations is an important factor in the recipient's response to the incentives involved. It is postulated here that knowledge of policies and regulations is acquired over time, so that the greater the time over which the family has received AFDC, the greater the exposure to them and the greater the response. The same relationship between knowledge and time of AFDC receipt is assumed with respect to welfare benefits and services. Thus, the longer associated with welfare, the more likely the recipient is to know of and to take advantage of available benefits and services. In effect, the resource constraint expands over time, and the resulting income effect would tend to discourage labor force participation among long-term recipients. A priori, it is not possible to determine the net effect of increasing awareness of welfare policies, regulations, benefits and services.

Summary

In this chapter, a conceptual framework has been presented which will form the basis for the analysis which follows. This model of labor supply, which was developed from earlier analyses and adapted to the special case of AFDC recipients, postulates that the degree of labor force participation is a function of five principal factors. These include tastes, the expected market wage rate, the expected non-market (or home) wage rate, total financial resources and welfare policy and

regulations. Variables have been identified which will serve in this analysis to explain differences and changes in labor force status of AFDC mothers.

The next chapter describes what actually happened in two Michigan counties with respect to changes in employment rates and levels of earnings which occurred in the first year following implementation of the WIN program and the earnings exemption. In Chapter 5, results are presented for regression analyses which utilize the measurable variables identified in this chapter to explain both variations in rates of employment and, for those AFDC mothers who were employed, variations in levels of earnings.

Chapter 3 Footnotes

- ¹For example, see: William G. Bowen and T. Aldrich Finegan, The Economics of Labor Force Participation (Princeton: Princeton University Press, 1969); Glen Cain, Married Women in the Labor Force (Chicago: University of Chicago Press, 1966); Marvin Kusters, Income and Substitution Effects in a Family Labor Supply Model (Los Angeles: Rand Corporation, 1966). These authors acknowledge the influence on their work of: Jacob Mincer, "Labor Force Participation of Married Women," in Aspects of Labor Economics, A Conference of the Universities. National Bureau of Economic Research (Princeton: Princeton University Press, 1962).
- ²This section draws freely from Bowen and Finegan, pp. 16-18.
- ³Excluded from this analysis are two-parent AFDC households in which eligibility for assistance is based on the father being incapacitated, unemployed, or a step-parent.
- ⁴It is possible that the household includes adult individuals who are not members of the family receiving AFDC. When this occurs, it may reflect the presence of a relative (aunt, grandmother, etc.) or it may reflect two families, both of which may receive AFDC, who share living quarters. These situations, however, occur only infrequently.

Another possibility is that teenage children may choose to be employed part-time. Welfare regulations provide an incentive for this behavior, since they permit AFDC children to earn up to \$150 per month without affecting the amount of monthly assistance received by the family. Consequently, \$150 of a teenager's earnings is worth more than \$150 of the mother's earnings. Clearly in this case the labor force decisions of the mother may be related to those of the children.
- ⁵The boundary earnings levels may be compared with the average manufacturing wage in Michigan during fiscal year 1969-1970, which was \$4.08 per hour. Michigan Employment Security Commission, Michigan Manpower Review (Detroit: Monthly issues, August, 1969-July, 1970).
- ⁶Valuation of these services is based upon data for Ingham and Genesee Counties reported in later chapters.
- ⁷For a discussion of work incentive, equity, adequacy, and efficiency issues associated with the notch effect, see U.S. Congress, Joint Economic Committee, Subcommittee on Fiscal Policy, Public Income Transfer Programs: The Incidence of Multiple Benefits and the Issues Raised by Their Receipt, by James R. Storey, Studies in Public Welfare, Paper No. 1, April 10, 1972.

- ⁸ U.S. Department of Agriculture figures indicate that the per person family food costs for a two-person family are about ten percent more than for a four-person family, but that costs for a six-person family are about ten percent less. See: U.S. Department of Agriculture, Agricultural Research Service, Consumer and Food Economics Research Division, "Cost of Food at Home," Family Economics Review, March, 1969, p. 25. Also see: U.S. Department of Labor, Bureau of Labor Statistics, "Revised Equivalence Scale," Bulletin No. 1570-2, November, 1968, Table 1, p. 4. Some states, such as Illinois, adjust the per person allowances for food and clothing by the size of the family. However, most states, including Michigan, simply establish a fixed amount per person regardless of family size.
- ⁹ Parnes notes that among married Negro women, "...there is not a systematic relationship between educational attainment and labor force participation except for the much higher participation rates of those who are college graduates." Herbert S. Parnes, "Labor Force Participation and Labor Mobility," in A Review of Industrial Relations Research, Gerald G. Somers (ed.), (Madison: University of Wisconsin, 1970), p. 29.
- ¹⁰ The negative income and substitution effects associated with the non-market wage in the context of family resources does not necessarily mean that increasing home productivity would lead to a reduction in labor force participation. For example, if the need for home-produced goods and services remain relatively constant as income increases, but the demand for market goods (or leisure) increases with income, then the increase in total family resources resulting from an increase in the mother's home productivity might lead to a greater degree of labor force participation. See: Bowen and Finegan, p. 28, for further discussion of this point.
- ¹¹ This statement should be qualified to take account of two factors. First, non-earned cash income is generally deducted dollar-for-dollar from the amount of the assistance payment. Therefore, an increase in such income would not affect total non-earned income and, if welfare income and other non-earned income have similar effects may not affect employment activity. Second, however, recipients may respond to changes in welfare income differently than they respond to changes in other welfare incomes. Based on their analysis of General Assistance, Brehm and Saving suggest that welfare recipients may not consider assistance income on par with other forms of income, primarily due to the stigma attached to welfare status. If this is the case, then changes in the mix well as in the total of non-earned income may affect labor force activity. See: C.T. Brehm and T.R. Saving, "The Demand for General Assistance Payments," American Economic Review, Vol. 54, December, 1964, pp. 1008-1018.

CHAPTER 4

CHANGES IN EMPLOYMENT STATUS AND EARNINGS LEVELS: THE SHORT-TERM IMPACT OF THE EARNINGS EXEMPTION

Based on the review of empirical studies of AFDC employment, and the behavioral relationships set out in the conceptual framework, it would be expected that employment and earnings would increase among AFDC women subsequent to the implementation of WIN and the earnings exemption. The purpose of this chapter is to examine what actually happened in the first year following implementation of these two policies.

As described earlier (see Table 1-A, p. 19), the percentage of AFDC mothers in the U.S. who were employed full-time or part-time increased only from 16.6 to 17.1 over the three-year period from the pre-WIN, pre-exemption month of December, 1967 to the post-WIN and post-exemption month of January, 1971. However, over the same period, the proportion who were in the labor force, or were enrolled or awaiting enrollment in a training program increased from 24.0 to 31.4 percent. These data might be interpreted as indicating the apparent success of WIN and the exemption in stimulating an increase in AFDC employment, job seeking and training. However, such a conclusion, based solely upon these data, is clearly not warranted, since other factors might well have played a major role in the observed three-year change. One of these other factors may have been the changing composition of the caseload. Over the indicated three-year period, the AFDC caseload more than doubled. With a caseload increase of this magnitude, major shifts may have occurred in the composition of the active caseload such that changes occurred in the general "employability" of AFDC mothers.

For example, approximately three-fourths of AFDC recipients in January, 1971 were not receiving assistance three years earlier, and these new recipients might well have been better educated, or better skilled, or otherwise more likely to participate in the labor force or in training. If this were the case, it would certainly be inappropriate to assign credit for the observed increase in employment and training activity among recipients solely to the WIN program and the earnings exemption.

In evaluating changes over time in AFDC employment activity, it is necessary not only to take account of a changing caseload composition, but also to examine changes in employment which occurred among specific sub-groups of the caseload. In particular, a determination of whether the earnings exemption encouraged recipients to become or stay employed requires knowledge as to whether recipients employed (or not employed) at a post-exemption point in time were or were not employed prior to the exemption, and whether those changes in employment status which occurred after the exemption were different from those which occurred in a comparable pre-exemption period. In short, determining the impact of the earnings exemption, and evaluating factors which affected recipients' response to that policy, requires information over time on individual recipients which indicates employment activity both before and after the date of policy implementation. Since such case-specific longitudinal data were not otherwise available, it was necessary to conduct a special survey to obtain the data which are used in this analysis.

Selection and Description of Survey Procedure and Study Area

It was known at the outset that acquiring demographic and economic data for a sample of AFDC mothers would be a lengthy and relatively

expensive process. To obtain the desired information, three alternative data-gathering procedures were identified. First, it was possible to survey the AFDC mothers themselves, by asking them either to submit to an interview or to complete and return a mail questionnaire. Interviewing AFDC mothers, however, was determined to be prohibitively expensive in terms of both dollar cost and time necessary for such a project, and this procedure was therefore not undertaken. A mail survey of AFDC mothers would have been relatively inexpensive, but probably would have yielded a low response rate and, hence, relatively unreliable data, so this alternative was also eliminated.

A second procedure would have been to survey caseworkers, who would have been asked to complete a questionnaire concerning AFDC cases assigned to them. This is the procedure used in the national AFDC surveys administered by the U.S. Department of Health, Education and Welfare, and it offers a relatively quick means to obtain data. This procedure has the advantage of utilizing trained personnel who, because of their familiarity with the case, might be able to provide certain data which would not otherwise be ascertainable from information in the case record. The primary cost of obtaining such data is borne by the caseworker, who must sacrifice the performance of other tasks to complete a long and somewhat complicated questionnaire. Given the reluctance of administrators to approve this approach, and the feeling that the quality of data might suffer if caseworkers resented their being asked to complete an extensive questionnaire whose purpose might seem relatively obscure, this alternative also was rejected.

The third alternative was to use data available from the records of the State welfare agency, in this case the Michigan Department of Social

Services. These data are available from two sources: (1) the AFDC payment record maintained in the Department of Social Services' computer; and (2) historical records maintained in individual case files in local welfare offices. Without question, data maintained in the computer would have been easier to access than data obtainable from individual case files. However, as noted by Appel (whose analysis is based on data from the computer payment record) data on several important variables were not available from that source.¹ For example, the computer payment record contains no information on such variables as education, occupation and employment history of the AFDC mother, length of time of current AFDC assistance, whether there was an earlier period of AFDC assistance, number of persons in the household, and receipt of other welfare benefits such as child care, Medicaid, food stamps, emergency or supplemental assistance. Since such variables were considered important to this analysis, it was decided to rely as little as possible upon data available from the computer payment record. Instead, it was decided to obtain data for nearly all variables used in this study from the historical records maintained in individual case records located in county offices of the Department of Social Services. It was further decided to utilize trained, non-caseworker personnel to survey each case file and, from information contained therein, to record data directly to a survey coding form. For those few variables for which data were not available in the case record (Medicaid payments, child care payments, and WIN participation information), data were to be obtained from the appropriate centrally-maintained agency records. These data would then be merged with data from the case records to form a data file suitable for computer processing.

Although the chosen procedure still necessitated a relatively large amount of time, it was considerably less expensive in time and money than

actually interviewing recipients. This procedure also ensured a virtual 100 percent response rate since case records for all cases would be on file in the local welfare office, even for those terminated from assistance (except when a family had moved to another county and had begun to receive AFDC in the county of new residence). In addition, it was believed that this technique would yield data of high quality on a set of variables sufficiently comprehensive to allow analysis of changes in employment behavior which occurred over the study period.

The choice of this survey technique was a primary factor in the choice of geographic areas on which the study would concentrate. Specifically, data on nearly all variables were to be obtained by the relatively time-consuming procedure of recording information located in individual case files. Therefore, to minimize the total time and cost of data collection, and to maximize the proportion of allocated time which might be productively utilized, it was necessary to limit the choice of geographic areas to those near the normal work station of those who would assist in the data collection process. However, in order to make the results as widely applicable as possible, it was decided that the study area should not be limited to a single county. Including two or more counties would allow for consideration of differing economic conditions, caseload composition or administration of welfare policy between areas which might influence employment behavior. Further considerations were that the selected counties have a major urban center, and that the caseloads of female-headed AFDC families be sufficiently large to allow statistically significant analysis.

Based on these criteria, two Michigan counties were selected: Ingham and Genesee. Ingham County, for which the primary urban center is

Michigan's capital, Lansing, happened also to be the normal work station of Michigan Department of Social Services staff assigned to data collection for this project. The principal city of Genesee County is Flint, which is located about 50 miles from Lansing, near enough to permit daily commuting during the period of data collection.

The study counties are diverse in a number of significant respects, including population size, economic environment and AFDC caseload size and composition. Genesee is the larger county, with a 1970 population of about 446,000, of whom nearly 200,000 lived in the city of Flint. The economy in Flint is tied closely to the auto industry and to General Motors in particular. GM is the area's largest employer, employing 40 percent of the employed labor force in the county. As a result, the local economy is susceptible to large cyclical swings depending on activity in the auto industry. In Ingham County, the 1970 population was 261,000, of whom about 132,000 resided in the city of Lansing.² The economy in the Lansing metropolitan area is relatively stable and less responsive to cyclical swings, due to the balance among government, industry and university in the area.

In Genesee County about 16 percent of children under the age of 21 were receiving AFDC in April, 1970, compared to about 13 percent in Ingham County.³ The limited amount of information available from the December, 1967 AFDC Survey highlights other differences (see Table 4-A). For example, families receiving assistance in Genesee County were about twice as likely to be non-white as in Ingham County. Fathers of Genesee recipients were less likely to be present in the home, and were more likely to be separated or not married to the AFDC mother. AFDC mothers in Genesee County were less likely to be employed or seeking work than

Table 4-A

Characteristics of AFDC Recipients in Flint, Lansing
and in Michigan
December, 1967
(In Percent)

Characteristic	Region ^a		
	Flint N=85	Lansing N=41	Michigan N=1473
1. Race: Non-White	54	24	55
2. Father Status:			
In Home - Incapacitated or Not Employed	5	12	9
Absent - Divorced	21	49	19
Separated	20	7	20
Deserted	11	15	11
Not Married to Mother	33	12	34
Other	5	2	3
3. Mother's Employment Status:			
Employed - Full Time	8	23	5
Part Time	6	13	8
Actively Seeking Work	16	20	10
4. Mother's Place of Birth:			
Michigan	40	71	47
A Southern State ^b	36	24	41
Other State	24	5	12

^aFlint Region includes Genesee, Lapeer and Shiawassee Counties. Lansing Region includes Ingham, Clinton and Eaton Counties.

^bIncludes the 15 states south of and including Maryland, West Virginia, Kentucky, Arkansas and Oklahoma, plus Washington, D.C.

Source: Michigan Department of Social Services, Profile of Michigan ADC Caseload: Results of the 1968 Survey, Research Paper No. 1 (Lansing, Michigan: Department of Social Services, October, 1969), Two-way Tables 9,10,11 and 13.

AFDC mothers in Ingham County. About 60 percent of Genesee AFDC mothers were born in a state other than Michigan, compared to less than 30 percent in Ingham County. Hence, even from these limited data, it is apparent that the composition of the caseload differed between counties. However, it is worth noting in Table 4-A the similarities which exist between the Flint region and the state as a whole with respect to these variables.

The Sampling Procedure

In formulating the research design, it quickly became apparent that a simple random sampling technique was not appropriate for this study. Since an objective of this research was to examine changes in employment status (from employed to not employed and vice versa), and to examine changes in earnings levels among those who remained employed, it was necessary to design a sampling procedure which ensured an adequate number of observations in which the AFDC mother was employed prior to the exemption, or after the exemption, or both. Given the relatively small proportion and number of cases with an employed adult in the two study counties (one-twelfth, or less than 300, in Genesee; one-eighth, or less than 200, in Ingham), in July of 1969, an extremely large random sample would have been necessary to obtain a sufficient number of such cases. Indeed, very nearly the entire caseload would have had to be included to permit a proper analysis. This procedure would have been quite inefficient, since an unnecessarily large number of observations in which the AFDC mother was employed neither before nor after the exemption's implementation would have been in the sample. Therefore, a sampling technique was utilized in which the sample was stratified by the

employment status of the AFDC mother at the beginning and end of the study period.

July 1, 1969, the date the earnings exemption was implemented in Michigan, was chosen to be the beginning of the study period. Observations made for this date reflect the case status in June, 1969 and so, may be interpreted as indicating "pre-exemption" case status. The study period was chosen to be one year in length, thereby eliminating whatever consideration might otherwise have been necessary for seasonal variations in AFDC employment. Thus, the second observation point was July 1, 1970, and reflects the situation during the month of June, 1970.

At either observation point, the employment status of an AFDC mother might be defined in one of three mutually exclusive ways: "employed" (earnings of \$1 or more in the previous month), "not employed" (no earnings in the previous month), or "not active" (not receiving assistance on this date). These three designations of case and employment status for the beginning and ending dates of the study period define eight "sample groups," into which each case active on either date might be assigned. (It was not possible to identify cases "not active" on either date, so they were not included in the study). Figure 4-A indicates the notation used to refer to each group, where "E" indicates employed, "U" indicates not employed, "N" indicates not active, and the subscripts 1 and 2 indicate the initial and final observation points, respectively.

The samples for these groups were drawn in several steps. First, from the Michigan Department of Social Services payroll listing of all cases receiving assistance on July 1, 1969, a sample was drawn which included all cases for which gross monthly earnings for June, 1969

Figure 4-A
Definitions of Employment Groups

Sample Group: Number and Notation	Definition by Employment Status on each Observation Date	
	July 1, 1969	July 1, 1970
1. $E_1 E_2$	Employed	Employed
2. $E_1 U_2$	Employed	Not Employed
3. $E_1 N_2$	Employed	Not Active
4. $U_1 E_2$	Not Employed	Employed
5. $U_1 U_2$	Not Employed	Not Employed
6. $U_1 N_2$	Not Employed	Not Active
7. $N_1 E_2$	Not Active	Employed
8. $N_1 U_2$	Not Active	Not Employed

of \$1 or more were indicated (i.e., a 100 percent sample of groups 1, 2 and 3). Simultaneously, a random sample (approximately every eighth case) was drawn from the list of cases reporting zero gross earnings on that date (i.e., groups 4, 5 and 6). The remainder of the sample was taken from the payroll listing of cases receiving AFDC on July 1, 1970. All cases with gross earnings of \$1 or more reported for the month of June, 1970 were identified, and those with earnings also reported for June of 1969 (i.e., all of group 1) were deleted from the list since they were already in the sample. The number of cases remaining (all

of group 7 and most of group 4) was greater than believed necessary for analysis, so a random one-in-two sample was taken of cases on that list. Finally, from the list of cases reported as "not employed" during June, 1970, a sample was drawn only for those who did not receive assistance on July 1, 1969 (i.e., group 8).

Altogether, these individual group samples totalled 1,516 cases. However, since these samples were drawn from payroll lists, a number of "other" types of cases were inevitably included in addition to the female-headed, regular AFDC case of interest in this study. These included two-parent cases in which AFDC eligibility was based on the father's incapacity or unemployment, and no-parent "board-and-room-only" cases where assistance was paid for children living with step-parents or foster parents. These "other" cases, which were identified in the course of obtaining data from the case records, numbered 268, and were deleted from the original sample. In addition, it was not possible to obtain data for 64 cases which had moved from Genesee or Ingham County and had begun to receive aid in another county. In this situation no attempt was made to retrieve the case record from the county of new residence, and these cases were also deleted from the sample. Therefore, the final sample examined for this study included 1,184 female-headed AFDC cases, of which 735 were from the Genesee County caseload and 449 from the Ingham County caseload. The distribution of these sample cases, as well as the sampling rates and total caseload size for each employment group, is shown in Table 4-B.

Table 4-B
Sample Sizes and Sampling Rates, by County, by Sample Groups

County and Sample Group	Actual Number of Cases	Sampling Rate	Sample Size		
			As Drawn	Deleted Cases ^a	Sample Observations
<u>Genesee Co:</u>					
1. E ₁ E ₂	145	1.0000	145	20	125
2. E ₁ U ₂	85	1.0000	85	16	69
3. E ₁ N ₂	32	1.0000	32	6	26
4. U ₁ E ₂	158	0.5696	90	11	79
5. U ₁ U ₂	2,238	0.1162	260	48	212
6. U ₁ N ₂	465	0.1162	54	8	46
7. N ₁ E ₂	246	0.5000	123	18	105
8. N ₁ U ₂	2,345	0.0452	106	33	73
<u>Ingham Co:</u>					
1. E ₁ E ₂	92	1.0000	92	13	79
2. E ₁ U ₂	59	1.0000	59	15	44
3. E ₁ N ₂	18	1.0000	18	3	15
4. U ₁ E ₂	119	0.5630	67	18	49
5. U ₁ U ₂	988	0.1396	138	35	103
6. U ₁ N ₂	101	0.1396	14	7	7
7. N ₁ E ₂	248	0.5000	124	33	91
8. N ₁ U ₂	1,317	0.0828	109	48	61
<u>Co's Combined:</u>					
1. E ₁ E ₂	237	1.0000	237	33	204
2. E ₁ U ₂	144	1.0000	144	31	113
3. E ₁ N ₂	50	1.0000	50	9	41
4. U ₁ E ₂	277	0.5668	157	29	128
5. U ₁ U ₂	3,226	0.1229	398	83	315
6. U ₁ N ₂	566	0.1229	68	15	53
7. N ₁ E ₂	494	0.5000	247	51	196
8. N ₁ U ₂	3,662	0.0587	215	81	134

^aDeleted were two-parent (unemployed or incapacitated father) cases, "no-parent" (board and room) cases, and all cases transferred to another county before data were obtained.

Changes in AFDC Employment in Genesee and Ingham Counties:
July 1, 1969 to July 1, 1970

Over the one year period ending July 1, 1970 both the number and proportion of AFDC recipients who were employed increased significantly in the two study counties. Based on actual counts obtained while drawing the sample, the number of cases of all types in both counties in which an adult was reported employed the previous month more than doubled from 431 to 1,008. However, because the total caseload increased from 4,500 to 8,040 over the same period, the increase in the "employment rate" (i.e., the proportion of all cases with an employed adult) was only from 9.6 to 12.5 percent.

Among AFDC mothers, the increase in the percentage employed was even larger. Based on data for sample cases identified as "headed by the mother," there were 358 mothers heading AFDC families who were employed in these two counties in June of 1969, or 10.0 percent of the 3,593 AFDC mothers in the caseload on July 1, 1969. One year later, the number employed had increased to 822, or 14.1 percent of the 5,850 mothers receiving AFDC on July 1, 1970. Sample data also indicate that average gross earnings of employed mothers rose substantially over this period, from \$195 in June of 1969 to \$228 in June a year later.

As indicated in Table 4-C, the increases in the percent employed over this period were all statistically significant. However, because no control group existed with which the observed changes might be compared, it is not possible to make a clear-cut claim that these increases were fully attributable to the implementation of the earnings exemption and the WIN program. To evaluate the extent to which the exemption and WIN might be assigned credit for the increases in employment rates and earnings, two procedures will be used:

Table 4-C

Total AFDC Cases and Cases with an Employed Adult, for All AFDC
and Female-Headed AFDC Cases in Genesee and Ingham Counties
July 1, 1969 and July 1, 1970

Case Type, County and Data	Total Cases	Cases with an Adult Employed Previous Month	Percent with Employed Adult
<u>All AFDC Cases:</u>			
Genesee County:			
July 1, 1969	3,123	262	8.4
July 1, 1970	5,217	549	10.5 ^a
Ingham County:			
July 1, 1969	1,377	169	12.3
July 1, 1970	2,823	459	16.3 ^a
Combined Counties:			
July 1, 1969	4,500	431	9.6
July 1, 1970	8,040	1,008	12.5 ^b
<u>Female Headed AFDC Cases Only:</u>			
Genesee County:			
July 1, 1969	2,580	220	8.5
July 1, 1970	3,983	474	11.9 ^b
Ingham County:			
July 1, 1969	1,013	138	13.6
July 1, 1970	1,867	348	18.6 ^b
Combined Counties:			
July 1, 1969	3,593	358	10.0
July 1, 1970	5,850	822	14.1 ^b

Source: Compiled from Michigan Department of Social Services, Payroll Lists for July 1, 1969 and July 1, 1970, and sample data.

^aChange in percent employed from one year earlier significant at .05 level.

^bChange in percent employed from one year earlier significant at .01 level.

1. The changes in employment activity which occurred over the study year (i.e., from June, 1969 to June, 1970) will be compared with changes which occurred in each of the two previous years. This will allow an assessment as to whether the changes over the study year were larger than would have been expected based on the experience of the previous two years. A similar procedure will be used to assess changes in earnings levels.
2. Factors other than the earnings exemption and the WIN program will be examined to determine their impact upon AFDC employment and earnings. To the extent that factors which might reasonably be expected to affect AFDC employment rates (e.g., the overall economic situation or the changing caseload composition) cannot fully explain the increases that occurred, then at least a portion of the observed increases might reasonably be attributed to the effect of the earnings exemption and WIN program.

Changes in Employment Status: Study Year versus Two Previous Years

The purpose of this section is to examine changes in employment status which occurred over the study period, and to compare those changes with changes in employment status which occurred in each of the two previous years. This procedure will allow determination of whether employed recipients, one year after the earnings exemption was implemented, were more likely again to be employed, and whether not-employed recipients were more likely to have become employed.

For this comparison, historical employment data were obtained for all recipients in the sample who were receiving AFDC on July 1, 1969. Sample cases which were receiving assistance on July 1, 1970, but not on July 1, 1969 (i.e., employment groups 7 and 8 in Figure 4-A) were not included for this comparison. The reason for omitting these cases was that employment-related information for recipients was ascertainable only during periods of AFDC receipt. Therefore, all data analyzed in this section are for cases which received AFDC on July 1, 1969.

There were in the sample 854 cases which were receiving AFDC on July 1, 1969. Specifically, these were the cases identified earlier (Figure 4-A) as sample groups 1 through 6. Since sampling rates varied between sample groups, simply combining the observations for all groups would have under-represented those groups in which the mother was not employed; since those groups had the lowest sampling rates. However, since the sampling rates for all groups were known, it was possible to obtain estimates of changes in employment activity for all AFDC mothers in the caseload on July 1, 1969. This estimating procedure involved weighting the results for each sample group by a factor which equalled the inverse of the sampling rate, and then summing over the weighted totals of each sample group to obtain totals for the entire caseload.

Using this procedure, changes in employment status from June of 1969 to June of 1970 were calculated for the July 1, 1969 caseload, and are shown in Table 4-D. Looking first at the 358 mothers who were employed in June of 1969, the tables shows that 204, or 57 percent, were also employed a year later; 113, or 32 percent were not employed; and 41, or 12 percent, were not receiving AFDC. Among the 3,235 mothers who were not employed in June of 1969, there were in June of 1970 7 percent employed, 79 percent again not employed, and 14 percent no longer receiving AFDC.

Examined alone, these data cannot indicate whether the existence of the earnings exemption over this period encouraged employed mothers to stay employed, or whether mothers not employed were encouraged to become employed. Therefore, for purposes of comparison, a similar estimation procedure, using data for the same sample of mothers who were receiving AFDC on July 1, 1969, was used to calculate changes in employment status for the June, 1967 to June, 1969 period and the June, 1967 to June, 1968 period. These estimates are shown in Table 4-E and 4-F respectively.

Table 4-D

Employment Status in June, 1969 by Employment Status in June, 1970
for All Mothers Receiving AFDC on July 1, 1969
Counties Combined

Employment Status June 1969	Employment Status June 1970			
	Total	Employed	Not Employed	Not Receiving AFDC
Cases:				
Total	3,593	434	2,679	480
Employed	358	204	113	41
Not Employed	3,235	230	2,566	439
Not Receiving AFDC ^a	0	0	0	0
Row Percentages:				
Total	100.0 ^b	12.1	74.6	13.4
Employed	100.0 ^b	57.0	31.6	11.5
Not Employed	100.0	7.1	79.3	13.6
Not Receiving AFDC ^a	0	0	0	0

^aZeros in this row occur because all cases in this sample group received AFDC on July 1, 1969.

^bRow percentages do not total to 100.0 due to rounding.

Source: Estimated from sample data.

Table 4-E

Employment Status in June, 1968 by Employment Status in June, 1969,
for All Mothers Receiving AFDC on July 1, 1969
Counties Combined

Employment Status June 1968	Employment Status June 1969			
	Total	Employed	Not Employed	Not Receiving AFDC ^a
Cases:				
Total	3,593	358	3,235	0
Employed	364	161	203	0
Not Employed	2,480	116	2,364	0
Not Receiving AFDC	749	81	668	0
Row Percentages:				
Total	100.0	10.0	90.0	0
Employed	100.0	44.2	55.8	0
Not Employed	100.0	4.7	95.3	0
Not Receiving AFDC	100.0	10.8	89.2	0

^aZeros in this column occur because all cases in this sample group were receiving AFDC on July 1, 1969.

Source: Estimated from sample data.

Table 4-F

Employment Status in June, 1967 by Employment Status in June, 1968,
for All Mothers Receiving AFDC on July 1, 1969
Counties Combined

Employment Status June 1967	Employment Status June, 1968			
	Total	Employed	Not Employed	Not Receiv- ing AFDC
Cases:				
Total	3,593	364	2,480	749
Employed	297	178	108	11
Not Employed	2,195	117	2,069	9
Not Receiving AFDC	1,101	69	303	729
Row Percentages:				
Total	100.0 ^a	10.1	69.0	20.8
Employed	100.0	59.9	36.4	3.7
Not Employed	100.0	5.3	94.3	0.4
Not Receiving AFDC	100.0	6.3	27.5	66.2

^aRow percentages do not total to 100.0 due to rounding.

Source: Estimated from sample data.

The fact that estimates for the two previous annual period are based solely on data for cases receiving AFDC on July 1, 1969 deserves emphasis. It would have been desirable to have had separate samples of cases from the July 1, 1967 and July 1, 1968 caseloads, and to have examined the employment status of each sample one year later. However, such data were not available. Therefore, employment data for June of 1967, 1968 and 1969 obtained for mothers receiving AFDC on July 1, 1969 were utilized. An advantage of this procedure was that the same group of persons was examined at each point in time, thus minimizing any possible influence of a changing caseload. Still, a possibly important source of bias was introduced by the fact that a significant proportion of the July 1, 1969 cases were not receiving AFDC on the two earlier dates (31 percent two years earlier; 21 percent a year earlier) and the fact that data were obtainable only for those dates when the case was receiving AFDC. No systematic attempt was made to determine whether the characteristics of those for whom data were obtained differed in any important way from those for whom data were not obtained. It should be remembered that cases for whom data were obtained were receiving AFDC, and others were not. It is possible that those not receiving assistance in a given period were more likely to be employed, although there was no way to verify this possibility.

With these qualifications in mind, estimates of changes in employment status from June 1967 to June 1968, and from June 1968 to June 1969, may be compared with those described above for the June 1969 to June 1970 period. First, mothers who were employed at the beginning of each annual period will be examined. Over the study year there were 358 mothers who were employed as the period began, of whom 57 percent were again employed (and receiving assistance) at the end of the period. The 57 percent

for the study period compares with 44 percent who were employed (and receiving assistance) at both the beginning and end of the June, 1968 to June, 1969 period, and 60 percent for the June, 1967 to June, 1968 period. While the 57 percent figure for the study period is significantly greater (at the .05 level)⁴ than the figure indicated for the previous year, it is nearly the same as that recorded for the 1967-68 period. Thus, the data suggest that of all mothers receiving AFDC on July 1, 1969, those who were employed in the month prior to the exemption's implementation were at least as likely, and probably more likely, to be employed one year later, compared with those who were employed and receiving AFDC at the beginning of each of the two previous years.

Because some mothers in the sample were not receiving AFDC in June of 1968 or June of 1969, the above data were adjusted to take account of that fact. Sample data indicate that of cases employed as the study period began who were not receiving AFDC one year later, nearly 40 percent left AFDC specifically because of the mother's employment. If it may be assumed therefore that 40 percent of such cases not receiving assistance at the end of the study period might properly be counted among the employed, and if a similar factor might be applied in each of the two previous years, then the proportion of the employed group who were employed a year later was 61 percent in the study period, 44 percent one year earlier and 61 percent two years earlier. Hence, this adjustment provides somewhat more support to the above-stated conclusion: employed mothers were more likely to be employed a year later over the study period compared to the previous annual period, and were at least as likely to be employed a year later compared to the annual period two years previous.

Mothers who were not employed at the beginning of each annual period will now be examined. The data (in Tables 4-D, 4-E and 4-F) indicate that 7 percent of mothers not employed as the study period began were employed a year later. This percentage is significantly greater (at the .05 level) than the figure of about 5 percent recorded in each of the two previous years.

Adjusting for mothers not receiving AFDC at the end of each annual period further increases the significance of comparisons with earlier years. Sample data indicate that of those who were not employed as the study period began and who were not receiving AFDC at the end, about one-fifth terminated from AFDC specifically because of the mother's employment. Therefore, if it may be assumed that about one-fifth of such cases might properly be counted as employed, then the actual proportion who became employed over the study period increases to 10 percent, or nearly double the adjusted proportions which fell into this category in each of the previous two years. These adjusted data further indicate (at the .01 level) a clear departure from previous experience for this group.

Finally, mothers who were not receiving AFDC at the beginning of each annual period will be examined. Of these mothers, 15 percent were employed at the end of the study period,⁵ compared to 11 percent one year earlier and 18 percent two years earlier. These data indicate that in the study period a significant (at the .05 level) increase occurred in the likelihood that "new" recipients would be employed, relative to the previous year.⁶ New recipients were somewhat less likely to be employed in the study year relative to the June, 1967-June, 1968 period, but the difference is not statistically significant (at the .10 level).

From the above data, it may reasonably be concluded that the changes in employment status which occurred over the year beginning June, 1969 were significantly different from changes which had occurred in each of the two immediately preceding annual periods. Specifically:

1. Of those who were employed at the beginning of each annual period, the proportion who were employed one year later was at least as large in the June, 1969-June, 1970 year as for the June, 1967-June, 1968 period, and significantly greater than the proportion for the June, 1968-June, 1969 period.
2. Of those not employed at the beginning of each annual period, the proportion who were employed one year later was significantly greater in the June, 1969-June, 1970 period than in either of the two previous annual periods.
3. Of those receiving AFDC only at the end of each annual period, the proportion who were employed at the end of each period was significantly greater in the June, 1969-June, 1970 period than in the June, 1968-June, 1969 period, and not significantly different from that observed in the June, 1967-June, 1968 period.

However, while the changes in employment status during the study year were significantly more positive in a statistical sense, it should be noted that the changes which occurred were generally not large in an absolute sense. Relative to the size of the total AFDC caseload, the data certainly do not indicate a massive movement toward the general employment of AFDC mothers: Even at the end of the study period, only 14 percent of all AFDC mothers were employed. Nevertheless, because recipients were more likely to remain employed and to become employed over this period, that proportion was fully two-fifths greater than it had been only twelve months earlier.

Thus, when compared with the two previous years, the year beginning with June of 1969 appears to have been one in which a measurable though modest increase occurred in the propensity to work among mothers receiving AFDC. If the earnings exemption were found to be the primary force behind

the observed changes in employment, then it might reasonably be concluded that the exemption acted to encourage employment among those who were not employed, and did not serve to induce those who were already employed to terminate their employment. However, it has not yet been shown that the exemption was the only or the primary force which may have influenced employment over the study period. This issue will be discussed in a later section after changes in earnings levels are examined.

Changes in the Level of Earnings

The purpose of this section is to examine changes in level of earnings which occurred over the study period and to compare them to the changes which occurred in each of the two previous years. First to be examined will be those recipients who were employed and receiving AFDC at both the beginning and end of each annual period. Recipients who were not employed at the beginning but were employed at the end of each annual period will be examined second. Last to be examined in this section will be mothers who were not receiving AFDC at the beginning, but who were receiving AFDC and were employed at the end of each annual period.

Employed Mothers Who Remained Employed

As indicated earlier (in Chapter 1), economic theory cannot predict the direction of change in the amount of work effort for those recipients who were employed as the earnings exemption was implemented. Whether work effort (where this term means "time spent at a market job") would increase or decrease depends on the relative strengths of the substitution and income effects and their impact on hours worked. The substitution effect, favorable to work effort, results from the decrease in the "welfare tax

rate" on earned income. The income effect, unfavorable to work effort, results from the increase in total income which occurred because the exemption was applied to existing levels of earnings. With no change in work effort, there was an increase in total income (equal to the amount of income exempted by the "\$30 plus one-third" formula). Therefore, recipients could continue to work, but work less, and still have more total income. Whether the substitution or income effect would dominate, and thus whether work effort would increase or decrease, could not be predicted on the basis of a priori reasoning.

Hence, the important question for recipients who were employed as the exemption was implemented is whether there was an increase or decrease in work effort. Unfortunately, it was not possible in this study to gather the necessary data on hours worked to attack this question directly. Data were obtained on the level of gross monthly earnings of AFDC mothers, and these were used to determine whether the changes observed in the study period were relatively larger or smaller than those which occurred in each of the previous two years.

For these earnings data to reflect changes in hours worked it must be assumed that changes in recipient wage rates were relatively similar for each of the three years. Unfortunately, since data on recipient wage rates were not available, this assumption could not be tested directly. However, if changes in recipients wage rates were similar to changes recorded for production workers in general, an indication of the validity of this assumption may be obtained. The increase in the average wage of all production workers in the study counties over the study period was only slightly larger than that for the previous year (7 percent versus 5 percent). If these figures are applicable to AFDC mothers, then the study data may slightly overstate changes in hours worked in the study period relative

to the previous year. The increase in average wage rate of production workers two years earlier was larger (12 percent versus 7 percent in the study year), so the study data may understate changes in hours worked relative to that period.⁷

Table 4-G shows changes in the level of gross earnings which occurred between June of 1969 and June of 1970 for the 204 mothers who were employed and receiving AFDC on both of those dates. In this table, summing over the observations which fall along the diagonal (from upper-left to lower-right, as indicated) provides a total of those whose earnings did not change--positively or negatively--sufficiently to move them to a higher or lower \$50 interval. Of the 204 mothers employed both at the start and end of the study period, 96 remained in the same earnings interval. Observations above and to the right of the diagonal indicate recipients whose positive change in earnings placed them in a higher \$50 earnings interval. (Note that this is not necessarily the same as saying they all had an increase in earnings of at least \$50. For example, a \$1 increase from \$49 to \$50 placed that individual into the next higher interval, just as would a \$98 increase from \$1 to \$99.) Altogether, 66 of the 204 had increases which placed them in an earnings interval at least one higher than at the period beginning. The observations below and to the left of diagonal indicate that earnings decreased sufficiently for 42 recipients to place them in a lower earnings interval.

For purposes of comparing these changes with those recorded for the two previous years, it is helpful to express the number whose earnings increased, decreased or stayed about the same as a percent of those who were employed at both the beginning and ending dates of each annual period. Thus, over the study period, the earnings of 32 percent increased, 21 percent experienced a decrease, and 47 percent remained about the same. Relative to the previous annual period (see Table 4-H), the

Table 4-G

Earnings Level in June, 1969 by Earnings Level in June, 1970, for
 Mothers Employed and Receiving AFDC on July 1, 1969 and July 1, 1970
 Counties Combined

Level of Gross Earnings July 1969	Level of Gross Earnings June, 1970 (Dollars)							
	Total	1-49	50-99	100-149	150-199	200-249	250-299	300+
Total	204	20	28	21	23	24	24	64
\$ 1- 49	20	10	4	1	2	0	1	2
50- 99	41	7	16	6	5	2	2	3
100-149	25	1	2	9	5	1	1	6
150-199	19	1	2	4	3	2	3	4
200-249	31	1	2	1	4	12	5	6
250-299	18	0	0	0	2	3	8	5
300+	50	0	2	0	2	4	4	38

Source: Based on 100 percent sample of cases employed and receiving AFDC on July 1, 1969 and July 1, 1970.

Table 4-H

Earnings Level in June, 1968 by Earnings Level in June, 1969 for
 Mothers Employed and Receiving AFDC on July 1, 1968 and July 1, 1969
 Counties Combined

Level of Gross Earnings June, 1968	Level of Gross Earnings June, 1969 (Dollars)							
	Total	1-49	50-99	100-149	150-199	200-249	250-299	300+
Total	161	17	28	22	17	23	14	40
\$ 1- 49	23	8	8	0	3	1	2	1
50- 99	32	4	16	3	1	2	2	4
100-149	26	1	3	10	7	2	0	3
150-199	27	2	1	8	5	5	1	5
200-249	25	2	0	0	1	10	4	8
250-299	12	0	0	1	0	1	3	7
300+	16	0	0	0	0	2	2	12

Source: Based on 100 percent sample of cases employed and receiving AFDC on July 1, 1968 and July 1, 1969.

Table 4-I

Earnings Level in June, 1967 by Earnings Level in June, 1968 for
 Mothers Employed and Receiving AFDC on July 1, 1967 and July 1, 1968,
 and Receiving AFDC on July 1, 1969
 Combined Counties

Level of Gross Earnings June, 1967	Level of Gross Earnings June, 1968 (Dollars)							
	Total	1-49	50-99	100-149	150-199	200-249	250-299	300+
Total	178	24	23	38	21	19	34	19
\$ 1- 49	28	20	6	2	0	0	0	0
50- 99	35	2	13	1	0	2	9	8
100-149	37	1	3	13	1	2	17	0
150-199	25	1	1	1	16	2	1	3
200-249	38	0	0	19	4	9	4	2
250-299	8	0	0	1	0	2	2	3
300+	7	0	0	1	0	2	1	3

Source: Estimated from sample data for cases receiving AFDC on July 1, 1969.

proportion who had increases in their earnings over the study period was significantly smaller (32 percent versus 43 percent; difference significant at the .10 level). Two years earlier (see Table 4-1), 35 percent had increases in their earnings, a proportion slightly but not significantly larger than that for the study period.

Although other differences were not statistically significant, they are worth noting. The proportion of employed recipients whose earnings decreased was similar to the experience of the previous two years (21 percent in the study period, compared to 22 percent one year earlier and 17 percent two years earlier). A larger proportion had earnings which remained about the same (47 percent in the study period, compared to 43 percent one year earlier and 41 percent two years earlier).

These data suggest that, based on the previous two year's experience, the proportion whose earnings increased was less than might have been expected, while the proportion whose earnings remained about the same or decreased was larger than might have been expected. Although the observed changes in the study year were not markedly different from earlier periods, the direction and magnitude of the changes support the conclusion that the earnings exemption, because of the income effect which it caused among this group, was at least partly responsible.

However, to the extent the income effect was operative, it was not large. The average monthly earnings of those employed and receiving AFDC in June, 1969 and one year later increased 16 percent from \$197.43 to \$228.75 over that period. Unfortunately, comparable figures for the two earlier periods were not available, but it is worth noting that the percentage increase in earnings among this group was nearly double the percentage increase in average earnings of production workers over the same period in the two study counties.⁸

Not-Employed Mothers Who Became Employed One Year Later

Although the earnings exemption offered an incentive for AFDC mothers who were not working to become employed, it was not possible to predict the level of earnings which might be achieved. This section will examine the earnings levels of those recipients who were employed in June, 1970, but who were receiving AFDC and not employed one year earlier, and compare those end-of-the-period earnings levels with the similar earnings levels for each of the two previous annual periods.

AFDC mothers who were not employed in June, 1969, but who were employed in June, 1970 had average earnings in the latter month of \$190.66. Although comparable figures were not available for the previous two annual periods, a comparison of the earnings distributions for these years is shown in Table 4-J. The distribution of earnings for mothers in this group over the study period is not significantly different from the distributions for the previous two years. However, relative to the immediately preceding year, there appears over the study year to have been some shift toward job situations which yielded earnings of less than \$200, and away from situations which yielded earnings in the \$200-\$299 range.

Mothers Not Receiving AFDC Who Were Employed One Year Later

Employment status was not ascertainable for AFDC mothers during periods when they were not receiving assistance. Therefore, it was not possible to compare non-AFDC employment experience of mothers who at a later date were receiving AFDC. However, as shown in Table 4-K, it is possible to compare the gross earnings of recipients in June of 1968, 1969 and 1970 who had not received AFDC in June a year earlier. Data in this table

Table 4-J

**Earnings Level in June of 1968, 1969 and 1970 for Mothers
Receiving AFDC and Not Employed One Year Earlier
Counties Combined**

Mothers Not Employed One Year Earlier Who Were Employed in Indicated Month		Level of Gross Earnings in Indicated Month (Row Percentages)			
Month	Total	\$1-99	\$100-199	\$200-299	\$300+
June, 1970 ^a	230	391	23	14	24
June, 1969 ^b	116	31	21	27	22
June, 1968 ^c	117	51	29	13	7

^aBased on 57 percent sample of cases receiving AFDC, not employed in June, 1969 and employed in June, 1970.

^bBased on 100 percent sample of cases receiving AFDC, employed in June, 1969 and not employed in June, 1968.

^cEstimated from sample data for mothers receiving AFDC on July 1, 1969.

indicate that "new" recipients who were employed were significantly more likely to be earning \$300 or more in June, 1970 relative to "new" recipients who were employed in June, 1969 (significant at the .05 level) or in June, 1968 (significant at the .01 level).

The fact that new recipients were more likely to have higher earnings levels is also reflected in their average earnings for June, 1970 of \$249.28, substantially greater than the average of \$228.07 for all AFDC mothers employed that month. Comparable data on average earnings are not available for earlier periods. However, the data suggest that earnings of new recipients were greater in the study period than in either of the previous two years.

Table 4-K

**Earnings Level in June of 1968, 1969 and 1970 of AFDC
Mothers Who Were Not Receiving AFDC One Year Earlier
Counties Combined**

Mothers Not Receiving AFDC a Year Earlier Who Were Employed in Indicated Month		Level of Gross Earnings in Indicated Month (Row Percentages)			
Month	Total	\$1-99	\$100-199	\$200-299	\$300+
June, 1970 ^a	392	21	21	23	35
June, 1969 ^b	81	26	33	22	19
June, 1968 ^c	69	16	38	39	7

^aBased on 50 percent sample of AFDC mothers employed in June, 1970 who were not receiving AFDC one year earlier.

^bBased on 100 percent sample of AFDC mothers employed in June, 1969 who were not receiving AFDC one year earlier.

^cEstimated from sample data for mothers receiving AFDC on July 1, 1969.

This section has examined changes in earnings which occurred over the study period in light of similar changes which occurred in each of the previous two years. From the data, it may be concluded that:

1. Of those who were employed at both beginning and end of each annual period, the proportion whose earnings increased over the year was significantly smaller in the June, 1969-June, 1970 period than in the previous year, but not significantly different from the June, 1967-June, 1968 period.
2. Of those not employed at the beginning but employed at the end of each annual period, the earnings distribution at the end of the study period was not significantly unlike those for each of the previous two years.
3. Of those who were receiving AFDC and employed only at the end of each annual period, the proportion with monthly earnings levels of \$300 or more was significantly greater in the study period than in either of the two previous annual periods.

Possible Causes of the Observed Changes in Employment and Earnings

In the two study counties the proportion of female-headed AFDC Families in which the mother was employed increased from 10.0 percent in June, 1969 to 14.1 percent a year later. Further, it has been found that more of those not employed, at least as many of those employed, and more of those not receiving AFDC as the study period began were employed a year later than would have been expected on the basis of the previous two years experience. However, earnings of those employed at both beginning and end of the study period were found more likely to decrease, although earnings of new recipients were more likely to be higher, than would have been expected on the basis of the previous two year's experience.

Before these changes can be attributed to the major program change designed to increase AFDC employment, i.e., the earnings exemption, other factors which may have played a role need to be identified and their potential impact assessed. Such factors include (1) the change in the level of maximum earnings permitted AFDC recipients; (2) the changing composition of the caseload due to the large influx of new cases; (3) the WIN Program; (4) changes in other program parameters; (5) changes in general economic conditions including, and in particular, changes in the job market relevant to AFDC mothers; and (6) changes in work attitudes and the level of recipient information concerning welfare policy.

1. The Change in Maximum Earnings Permitted AFDC Recipients

It was shown in Chapter 3 that the effect of applying the "\$30 plus one-third" exemption formula was to extend considerably the "boundary"

earnings level. That is, there was an increase in that level of earnings below which AFDC eligibility existed, but above which the family was ineligible for AFDC benefits due to the level of monthly earnings. For example, the boundary earnings level for a typical family of four in Michigan increased from \$375 to \$686 per month with the implementation of the earnings exemption. Since boundary earnings depend in part upon family size, they might exceed \$1,000 per month with the exemption for families of eight or more.⁹

Thus, the effect of the exemption was to make it more difficult, and therefore less likely, for AFDC mothers to earn enough to be rendered ineligible for assistance due to the level of their earnings. As a result, it is conceivable that a portion of the observed increase in employment rates might simply reflect a "retention effect," i.e., the fact that mothers were retained on AFDC at earnings levels which in the absence of the exemption would have disqualified them for assistance.

It is worth noting that a comparable "eligibility effect" was not associated with the exemption. In defining the exemption formula, the Social Security Act specified that the exemption was to be applied only in those cases where eligibility for AFDC was established without the exemption. Therefore, eligibility criteria were unchanged by the implementation of the exemption.

In Michigan, the exemption was first applied in computing AFDC payments for July 1, 1969. Therefore, to determine the "retention effect," the situations of all AFDC mothers employed in June, 1969 or June, 1970 were examined to find how many would have been ineligible for AFDC in the absence of the exemption. The data indicate that a retention effect did in fact occur. Of cases receiving AFDC on July 1,

Table 4-L

Number Employed and Employment Rates, Adjusted for those Not
Eligible Without the Earnings Exemptions,
June, 1969 and June, 1970 by
County

	July 1, 1969	July 1, 1970
<u>Genesee County:</u>		
Number Employed	220	474
Adjusted Number Employed	191	386
Employment Rate	8.5	11.9
Adjusted Employment Rate	7.5	9.9
<u>Ingham County:</u>		
Number Employed	138	348
Adjusted Number Employed	118	268
Employment Rate	13.6	18.6
Adjusted Employment Rate	11.9	15.0
<u>Counties Combined:</u>		
Number Employed	358	822
Adjusted Number Employed	309	654
Employment Rate	10.0	14.1
Adjusted Employment Rate	8.7	11.5

Source: Sample data.

1969 in the two study counties, 49 (about 14 percent) of the 358 mothers employed in the previous month would not have been eligible without the exemption. Of mothers receiving AFDC on July 1, 1970, 168 (about 20 percent) of the 822 employed in the previous month would not have been eligible. When such "otherwise ineligible" cases are subtracted from both the number employed and the total caseload, the increase in the employment rate over the study period is from 8.7 to 11.5 percent instead of from 10.0 to 14.1 percent. (The adjusted increase remains significant at the .05 level.) In other words, the retention effect accounted for 1.3 percentage points of the employment rate in 1969, and 2.6 percentage points in 1970.

It is interesting to note the immediate retention effect which occurred as the exemption was first applied on July 1, 1969. There is no reason to believe that June, 1969 employment or earnings were in any way influenced by the earnings exemption. Therefore, the initial retention effect simply reflected a "normal" proportion whose earnings increased to this level and who otherwise would not have received AFDC on July 1, 1969 or thereafter. However, mothers whose earnings in June, 1969 were above their pre-exemption boundary level were more than three times more likely than other employed mothers to have left AFDC within a year. (Difference significant at the .01 level.)

2. Changing Composition of the Caseload

Nearly half of the female-headed regular AFDC cases receiving assistance in the study counties at the end of the study period were not receiving AFDC one year earlier. Clearly, if the AFDC mothers in these "new" cases were substantially more likely to be employed, then a

portion of the observed increase in employment rates would be attributable to this occurrence. Examination of the data reveals that, indeed, mothers in new cases in the two study counties were more likely to be employed at the end of the study period, although the difference is not significant. Perhaps because they tended to be younger, to have more education and to have fewer children, the employment rate for these mothers was 14.6 percent, compared to the 13.6 percent rate for mothers who were not in new cases. In other words, the fact that new cases were more likely to be employed accounts for the 0.5 percentage point difference between the observed rate of 14.1 percent and the 13.6 rate which would have prevailed had the employment rate for the new cases been the same as for the old cases.

The "caseload composition effect" did not occur independently of the retention effect, however. As noted earlier, mothers in new cases were more likely than others to have had high levels of earnings. As a result, most of the effect identified here as a caseload composition effect was already accounted for as part of the retention effect. As noted earlier, the June, 1970 employment rate for all mothers adjusted for the retention effect was 11.5 percent. The employment rate for mothers in new cases, adjusted for the retention effect, was 11.6 percent. In other words, only 0.1 percentage points of the change in the AFDC employment rate can be attributed to changes in the caseload alone, while 0.4 percentage points can be attributed to a combination of the retention effect and the caseload composition effect.

3. The WIN Program

The Work Incentive (WIN) program was designed to increase employment among AFDC recipients through a program of training, education and job placement. WIN was implemented in each study county in February, 1969. The Genesee program was designed to accommodate a maximum of 400 enrollees, while capacity of the Lansing program was 200.

As is discussed in greater detail later (in Appendix C and Appendix D), the emphasis of WIN was more upon institutional training and education than upon job placement. For example, over the period from February, 1969 through June, 1970, a total of 1,062 recipients had enrolled in WIN. However, there had been only 186 job placements, and of these 186, only 73 had successfully terminated from WIN with a job.

It is estimated that among the 358 mothers employed in June, 1969 were 20 who had become employed while participating in WIN. In June, 1970, approximately 66 of the 822 employed mothers had become employed while participating in WIN. On the assumption that none of these WIN participants would have been employed in the absence of WIN, then the WIN program accounted for 0.6 percentage points of the 10.0 percent employment rate in June, 1969, and 1.1 percentage points of the 14.1 percent employment rate a year later.

The actual impact of WIN probably was somewhat less than this, however, since some of these AFDC mothers might well have been employed even in the absence of WIN. This conclusion is suggested by the fact that approximately half of jobs secured by WIN participants over the study period were found by the recipients themselves. In addition, recipients tended to be selected for WIN participation on the basis of their likelihood for success. For example, WIN enrollees were 40 percent more likely to be high school graduates than were recipients in general. Finally, it is

probable that some of the effect attributed to the WIN Program actually should be shared with the retention effect or caseload composition effect. Unfortunately, the data for this study were organized in such a way that it was not possible to determine the extent of the overlap of these effects. As a result, it can only be concluded that the indicated impact represents a maximum portion of the employment rate attributable to the WIN Program.

4. Changes in Other Program Parameters

Over the study period, two program changes occurred which affected AFDC benefit levels and which, therefore, may have affected AFDC employment. The first was an increase in AFDC payment standards, and the second an increase in the value of food stamps.

Effective in August, 1969 (with payments made retroactive to July 1, 1969), the Michigan AFDC payment standard for a family of four was increased by \$12 from about \$268 to \$280 per month. Although this increase was relatively small, the direction of its expected impact upon AFDC employment would clearly be negative. An increase in AFDC payments would be expected to result in an income effect, which would in turn be expected to discourage work effort. In this case, one would not expect the magnitude of the impact to be large. Based upon income elasticity parameters calculated by Hausman and Saks, this \$12 increase (about 4.5 percent) would be associated with a decline in employment rates of perhaps 0.2 to 0.6 percentage points. In other words, the observed employment rate at the end of the study period might have been between 14.3 and 14.7 percent, instead of the observed 14.1 percent, had this increase in the payment standard not occurred.

In February of 1970, a second change in the benefit level occurred through a decrease in the cost of food stamps. Both before and after this date, a family of four receiving AFDC was eligible to purchase each month food stamps with a face value of \$106. Prior to February 1, 1970, these stamps cost the recipient \$82. But effective on that date the \$106 worth of stamps cost just \$60. In other words, the "bonus value" increased from \$24 to \$46 per month for a family of four. Assessing the impact of this benefit increase is difficult, however, for two reasons: (1) The benefit is in-kind. Stamps can be used only to buy certain kinds of food items, so the impact may be different from an increase in cash benefits. (2) Not all eligible recipients participated in the program. For example, in the two study counties, participation in the program increased from 62 to 71 percent over the study period. Nevertheless, this increase in potential benefits of \$22 per month is sufficiently large that it is reasonable to assume that its impact may have been as large as that indicated above for the \$12 increase in standards. Therefore, the combined impact of these two changes in benefits levels may have been a depression of the observed employment rate by as much as one full percentage point.

Other program benefits, such as child care, medical services and emergency assistance were not changed over the study period, so it may be assumed that changes in AFDC employment rates were not affected by these programs. This is not to say, of course, that these services and benefits do not impact upon AFDC employment. What is assumed here is that since they were available and essentially unchanged prior to, during and after the study period that changes in employment rates during the study period cannot be attributed to them.

5. Changes in Economic Conditions and the Job Market

Two measures may be identified as indicators of the general economic conditions which prevailed over the study period in Genesee and Ingham Counties: (1) changes which occurred in the overall rate of unemployment; and (2) changes which occurred in the total number of females employed in jobs of the kind AFDC mothers were likely to hold.

As indicated in Table 4-M, a substantial increase in unemployment occurred in both study counties over the June, 1969-June, 1970 period. Paralleling the national economy, employment conditions generally were good until about July, 1969, after which a downturn began. Clearly, the overall employment situation was worse at the end of the study period than at the beginning, and was worse over the study period than in either of the two previous years.

Table 4-M
Unemployment Rates in Genesee and Ingham Counties
June, 1967-June, 1970

Month	Unemployment Rates, by County	
	Genesee	Ingham
June, 1967	4.8	3.6
June, 1968	4.1	3.6
June, 1969	4.3	3.3
June, 1970	6.8	6.0

Source: Michigan Employment Security Commission, Michigan Manpower Review, July issues for 1967, 1968, 1969, 1970.

However, while the overall rate of unemployment certainly may be interpreted as an indicator of general labor market conditions, it is a rather crude measure of the particular labor sub-market relevant to AFDC mothers. An alternative measure is the change in the total number of females employed in jobs likely to be held by AFDC mothers. Such a measure indicates changes in jobs actually held, and so shows the number of persons actually employed. However, it says nothing of the excess supply or demand which may exist for particular types of jobs. Nevertheless, this measure provides an indicator which is probably more relevant to the employment of AFDC mothers.

Estimates of changes in female employment in "pertinent" occupations have been calculated (by Gary Appel)¹⁰ for several areas of Michigan, including the two study counties. These estimates indicate that in Genesee County, where the number of AFDC mothers who were employed increased from 220 to 474 (from 8.5 to 11.9 percent) over the study period the number of females employed in jobs of pertinent occupational classification actually declined by about 500, or by about 1.3 percent. In this county, then, the increase in employment took place despite a contraction in the total number of jobs held by females in appropriate occupations.

In Ingham County, however, the situation was **reversed**. Appel estimated that females employed in pertinent occupations increased over the study period by about 1,600, or by about 4.7 percent.¹¹ In this county the increase in the number of AFDC mothers employed was from 138 to 348 (13.6 percent to 18.6 percent). The increase in jobs held by females would be expected to be related positively to the increase in AFDC employment, and therefore might have accounted for a portion of

the observed increase. However, the proportional increase in AFDC employment rates in the two counties was about the same ($18.6/13.6 = 1.37$ in Ingham, versus $11.9/8.5 = 1.40$ in Genesee). Hence, it does not appear as though the changes in female employment in jobs of pertinent occupational classification were directly associated with the observed increases in AFDC employment. Overall, then, it may be concluded that changes in female employment may be discounted as having had a positive effect upon the changes in the employment rates of AFDC mothers, and they may have had a negative effect.

6. Attitudes and Information

It is conceivable that part of the observed increase in employment rates could be attributable to a shift in the level of information or in the type of attitudes held by recipients toward work and welfare. Unfortunately, no data were available with which this hypothesis might be tested. However, there is no obvious reason that recipients should have experienced a marked shift in such attitudes over the one-year study period. It is true, as indicated earlier, that a general change in attitudes may have occurred as a result of the addition to the caseload of a large number of recipients who were, on the average, younger and better educated. The effect of this shift, if it occurred, would be controlled for by examining new cases separately, and would be reflected in the differential employment rate already indicated between new and continuing cases. However, for this analysis, it is reasonable to assume that changes in attitudes toward work and welfare, if they occurred at all, were so minor that they were not a factor in the observed changes in AFDC employment rates.

With respect to the level of information, available evidence indicates that AFDC mothers generally were not well-informed of welfare policies and regulations which concern employment, and there is reason to believe that this situation was not altered appreciably over the study period. In the case of the implementation of a new policy, such as the earnings exemption, this fact becomes quite important, for it is not reasonable to attribute a positive change in employment behavior to a policy of which few recipients were aware. Unfortunately, recent studies suggest that neither knowledge nor understanding of the exemption was widespread. The National Analysts study indicated that most AFDC recipients were unaware of even the most general meaning of the provision even two years after it went into effect.¹² Opton found that most AFDC mothers did not know how much of their earnings they could keep or how much their welfare grant would be reduced, if they went to work. He concluded: "The complexity of the computations required by welfare regulations makes it impossible, for all practical purposes, for anyone but a professional caseworker to estimate the financial consequences of taking a job."¹³

The situation apparently was similar in Michigan. A Michigan Department of Social Services study of 240 AFDC mothers in Berrien County found that most were not aware of welfare policy with respect to employment. Of those 240 mothers, all of whom had been receiving assistance at least one year, an October, 1970 interview revealed that fully 15 percent did not know they could work and receive AFDC at the same time. Of the 85 percent who knew they could work while receiving AFDC, only one-third knew that their grant would not change if they earned only \$30 per month, and one-half believed that if they earned \$100 in a month, they would have no more money to spend.¹⁴ Clearly, among this group of AFDC mothers, those who were aware of and

understood how the earnings exemption worked were in a distinct minority.

Interpretation of these findings is clouded by the fact that recipients were not made aware of the exemption in any structured, uniform manner or at any specific time, so it is difficult to determine whether these findings result from a failure to recall the policy at the time of an interview or whether they result from never having had an opportunity to learn of the policy. However, the National Analysts study suggests that lack of recall was a major factor. One of the objectives of the study was to measure awareness and its impact upon employment activity. To ensure that all respondents were aware of the exemption, a uniform, detailed explanation of the exemption was made at the end of each initial interview. Nevertheless, at the time of the follow-up interview a year or so later, the proportion indicating awareness of a policy which allowed them "to work and keep more of their welfare check" increased only from 17 to 31 percent.¹⁵ Thus, less than one-third of respondents who were known to have had a detailed, personalized explanation of the exemption and its implications for their situation were "aware" of that policy at the time of the follow-up interview. In interpreting this finding, the project report suggests that apparently most recipients simply failed to see the relevance of the exemption to their situation, and so "tuned out the explanation at the time it was given."¹⁶ If this is the case, then it might well be that most of those for whom the exemption was relevant were in fact aware of it.

Summary of Impact of Factors Influencing AFDC Employment

This section has evaluated the impact of six factors which influenced AFDC employment over the year beginning with June, 1969. Three factors

in addition to the earnings exemption were identified as contributing to the increase in the AFDC employment rate. In order of importance, these included a "retention effect" which resulted from an increase in the level of allowable earnings, the increasing "employability" of new AFDC recipients, and the WIN Program. In quantifying the impact of each factor upon the employment rate at each observation point, it was shown that the retention effect accounted for 1.3 percentage points in 1969 and 2.6 percentage points in 1970; caseload composition changes accounted for 0.5 percentage points in 1970; the WIN Program accounted for 0.6 percentage points in 1969 and 1.1 percentage points in 1970.

However, these three effects did not occur independently. For example, 0.4 of the 0.5 percentage points attributable to caseload composition changes were also accounted for by the retention effect. It was not possible to determine the extent of overlap between the effects of these two factors and the effect of the WIN Program.

On the assumption that the effect of the WIN Program occurred independently of other effects and therefore can be added at full value, then even without taking into account those factors which negatively influenced AFDC employment, the adjusted employment rate still increased by one-third from 8.0 to 10.4 percent. The net increase remains statistically significant at better than the .01 level.

Two other factors were identified as negatively influencing AFDC employment over the study period. These included increases in program benefit levels and a worsening economic situation. It was estimated that the benefit increases depressed the AFDC employment rate by 0.2 to 0.6 percentage points.¹⁷ It was not possible to quantify the impact of worsening economic conditions, although there was little doubt that

increased general unemployment restrained the observed increase in AFDC employment.

Finally, the level of recipient understanding of the earnings exemption was evaluated. Available evidence suggested that recipient awareness increased over the study period, but that even at the end of the period, a relatively small proportion of AFDC recipients--perhaps only a third--were aware of the provisions of the earnings exemption. It is possible that greater effort to inform recipients might have resulted in a greater increase in the AFDC employment rate.

In sum, several factors other than the earnings exemption contributed to the observed increase in AFDC employment. However, consideration of these factors--singly or in combination--cannot fully explain that increase. The conclusion which emerges is that the earnings exemption played a significant role in the increase in AFDC employment which occurred in the year from June, 1969 to June, 1970.

In deriving an estimate of the quantitative impact of the earnings exemption, four assumptions are made:

- (1) the effects of the WIN Program occurred independently and therefore can be added without adjustment;
- (2) if factors other than those identified affected AFDC employment, their net impact was not positive;
- (3) economic conditions over the study period did not positively influence AFDC employment;
- (4) that portion of the increase in AFDC employment not accounted for by other factors is attributable to the earnings exemption.

On the basis of these assumptions and the impacts of other factors described above, nearly two-fifths of AFDC employment in June, 1970 was

directly related to the earnings exemption. Specifically, of the 14.1 percent employment rate for that month, at least 5.2 percent was accounted for by the earnings exemption. This included 2.6 percentage points due to the retention effect, and at least 2.6 percentage points due to an "increased employment" effect.

The assumptions used in this estimation procedure ensure that 2.6 percentage points is a conservative, minimum-impact estimate of the "increased employment" effect of the earnings exemption. This is so because (1) some of those included in the retention effect no doubt got jobs because of the exemption, (2) the positive impact allowed the WIN Program was almost certainly overstated, while (3) the negative impact allowed increased benefit levels and the worsening economy was almost certainly understated. However, with the data at hand, refinement of this estimate was not possible.

Therefore, of the 10.0 percent employment rate for June of 1969, the earnings exemption was found to account for 1.3 percentage points (all due to the retention effect). Of the 14.1 percent employment rate for June of 1970, the earnings exemption was found to account for at least 5.2 percentage points (including 2.6 due to the retention effect and at least 2.6 due to an increased employment effect). In other words, in the absence of the earnings exemption, the data indicate that the AFDC employment rate would have increased, at the most, by 0.2 percentage points (from 8.7 to 8.9 percent). Instead, under the influence of the earnings exemption, the actual rate increased by 4.1 percentage points (from 10.0 to 14.1 percent).

Summary and Conclusion

This chapter has presented a brief discussion on the design of this study, including a description of and justification for the particular

sampling procedure utilized. The subjects of this research are female heads of families who were receiving AFDC assistance in Genesee and Ingham Counties in Michigan during the July 1, 1969 to July 1, 1970 period. A sample of these cases was drawn which was stratified by employment status at the beginning and end of the one-year study period. This stratification procedure was used to maximize the number of observations in which the AFDC mother was employed. The total sample of all types of cases included 1,516 observations, of which 1,184 represented female-headed regular AFDC cases, and this latter sample was used for this analysis.

Based on data obtained for these 1,184 observations, changes in employment status and the level of earnings which occurred over the study period were described and compared with the experience of the previous two years. It was found that regardless of whether the mother was employed, not employed or not receiving assistance at the beginning of the study period, the proportion who were employed and receiving AFDC at the end of the study period was significantly larger than would have been expected based on the previous year's experience. When compared with the experience two years prior to the study period, a significant increase was also found among those employed at the end of the study period, but not employed at its beginning. Without controlling for other factors which might have influenced these changes in employment behavior, the data appear to indicate that a positive work incentive effect occurred among AFDC mothers over the study period.

With respect to changes in the level of earnings, it was found that the proportion of new recipients with high levels of earnings in June of 1970 was significantly greater than comparable proportions in each of the

previous two years. However, among recipients who were employed at both the beginning and end of the study period, the proportion whose earnings increased was significantly smaller than the proportion for the comparable group in the year prior to the study period. Thus, while employment increased significantly for all groups, changes in earnings levels were more likely to be positive only among new recipients, and were less likely to be positive among those employed and receiving AFDC at both beginning and end of the study period. It was shown that among cases where the mother was not employed or not receiving AFDC at the beginning of the study period, the proportion who were employed and receiving AFDC at the end of the period was significantly larger than would have been expected based on the previous two years' experience. Although no attempt was made here to control for other factors which might have influenced this change in employment behavior, the data appear to indicate that a positive work incentive effect occurred among these recipients over this period.

However, the observed increases in AFDC employment cannot be attributed to the earnings exemption until other factors are accounted for which might also have played a role. Six groups of factors were examined. First, the retention on AFDC of employed mothers with high earnings levels which, in the absence of the exemption, would have disqualified them from AFDC, was shown to account for about one-fifth of the observed increase in employment rates. In addition, recipients who became employed while enrolled in the WIN Program accounted for a small part of the increase. Third, it was found that the changing composition of the caseload occasioned by the large influx of new cases onto the AFDC rolls did account for a minor part of the increase in

employment rates. However, these positive factors were partially offset by the negative "income effects" of higher AFDC payment standards and food stamp bonus values. It was also concluded that the economy was a negative factor, and that the observed employment increases occurred despite, rather than because of, labor market conditions over this period. Finally, an attempt was made to determine the effect of the general lack of information concerning the earnings exemption. It was concluded that a greater degree of awareness among AFDC mothers might well have had a positive impact upon employment, but that the impact might have been relatively small.

After taking all of the factors into consideration, the conclusion was that the most significant factor contributing to the increase in AFDC employment over this period was the earnings exemption. It was found that the earnings exemption--through a retention effect--accounted for 1.3 percentage points of the observed 10.0 percent employment rate in June of 1969. One year later, the earnings exemption accounted for 5.2 percentage points of the actual 14.1 percent employment rate. Half of the 5.2 percentage points reflected a retention effect, while the other half reflected an "incentive" or "increased employment" effect. In other words, 3.9 of the 4.1 percentage points of the net increase in the AFDC employment rate was attributable to the earnings exemption.

Nevertheless, however significant the earnings exemption was in stimulating an increase in AFDC employment, the fact remains that the proportion of AFDC mothers who were employed remained relatively low. This suggests that many of the factors which influenced AFDC employment prior to July, 1969 continued to do so after that date. It is the purpose of the next chapter to assess the importance of those other factors

upon the level of earnings and the probability of being employed at both the beginning and end of the study period.

Chapter 4 Footnotes

- ¹ Appel, pp. 54-55. Considerations concerning data quality are noted in footnote 81 of Chapter 2.
- ² Population data are from 1970 census, cited in: Economic Report of the Governor 1972 (Lansing: State of Michigan, 1972), Tables B-9, B-10.
- ³ Michigan Economic Opportunity Office, Poverty Incidence in Michigan by County (Lansing: Michigan Department of Labor, Economic Opportunity Office, 1972), Table 10.
- ⁴ "Significant at the .05 level" indicates that such a result would be expected to occur by chance in only 5 out of 100 cases. Similarly, "significant at the .01 level" indicates that a result would be expected to occur by chance in only 1 out of 100 cases.
- ⁵ Data for the study period for "new" cases are computed from data for sample groups 7 and 8 which are not reflected in Table 4-D.
- ⁶ The fact that these recipients were not receiving AFDC a year earlier does not necessarily imply that this was their first receipt of AFDC. Sample data indicate that of mothers employed and receiving AFDC in June, 1970, nearly one-third had received AFDC at least once at an earlier date.
- ⁷ Over the study period (June, 1969 to June, 1970), the average wage of production workers in the two study counties increased by 7 percent, compared to 5 percent in the June, 1968 to June, 1969 period and 12 percent in the June, 1967 to June, 1968 period. Calculated from data in: Michigan Employment Security Commission, Michigan Manpower Review, issues for July of 1967, 1968, 1969, 1970.
- ⁸ Ibid. The average hourly wage increased by 7 percent and average weekly earnings increased by 9 percent for production workers in Genesee and Ingham Counties over the June, 1969 to June, 1970 period.
- ⁹ Compare Tables 3-A and 3-B, and discussion in Chapter 3, pp. 78-81.
- ¹⁰ Appel, pp. 63-67, 102-105. "Pertinent occupations" are defined to include clerical, sales, service and operative positions, which comprised about 80 percent of the current or usual occupational classifications of Michigan AFDC recipients in December, 1967.
- ¹¹ This was the estimated increase for the Lansing Standard Metropolitan Statistical Area, which includes Clinton, Eaton and Ingham Counties. It may be assumed that this is a reasonable estimate for Ingham County alone, since employment in Clinton and Eaton Counties was small relative to Ingham County.
- ¹² National Analysts, Final Report, pp. 38-58.
- ¹³ Opton, p. 196.

¹⁴ Data from Michigan Department of Social Services, Berrien County Experimental Project, 1970 Survey. See Appendix E, Questions 4 and 5.

¹⁵ National Analysts, Addenda, Table III-24, p. 40. Table III-24 also indicates that only 8 of the 17 percent who indicated awareness of the exemption at the initial interview also indicated awareness at the follow-up interview.

¹⁶ National Analysts, Executive Summary, p. 19.

¹⁷ The evaluation of the impact of benefit increases abstracts from changes which occurred in the price level. Appel, who adjusted the benefit level for price changes, concluded that by July, 1970 the \$12 benefit increase was more than offset by rising prices: "The net effect is a loss of about \$4 per month in real income for the family of four on AFDC, which can be assumed to have had a negligible effect on employment." Appel, p. 75.

CHAPTER 5

EMPLOYMENT STATUS AND EARNINGS LEVELS: EMPIRICAL ANALYSIS OF THE IMPACT OF RECIPIENT CHARACTERISTICS AND WELFARE SERVICES

The purpose of this chapter is to evaluate the impact of demographic and economic factors which influenced the employment status and level of earnings of AFDC mothers in Genesee and Ingham Counties in June of 1969 and June of 1970. The empirical work discussed in this chapter consists primarily of multiple-regression analyses of cross-section data for those two points in time. In discussing the impact of particular factors, analysis is also made of data in tabular form.

Because of modifications imposed by the data, the model actually employed in the empirical work was somewhat different from the general model outlined in Chapter 3. In this chapter, the six dependent variables utilized in the analysis are discussed first, followed by discussion of the explanatory variables. For each dependent and independent variable, the theoretical purpose for its inclusion will be noted, and a precise definition of the empirical construct specified. Following the definition of the variables, the analytic methodology is presented, and limitations in technique and data are noted. Next, each of the explanatory variables is discussed, first in relationship to the level of earnings and then in relationship to employment status, at each of the two point of observation.

The Dependent Variables

The general model presented in Chapter 3 set out a framework within which variations in the amount of labor supplied to the market might be analyzed. In that model, the measure of labor supply (or work effort)

was assumed to be a continuous one, definable in finely divisible units such as hours per month, and extending along a continuum from zero up to some maximum proportion of the total time available in the given period. Unfortunately, obtaining data on the actual time spent in market work activity proved to be an impossible task since AFDC mothers were not required to report such information. They were, however, required (as a condition of continued eligibility for public assistance) to report by the 10th of each month the level of earnings for the previous month. Therefore, it was possible to obtain data on the level of earnings for a given month by examining the appropriate "budget sheet" in the case record of each AFDC mothers in the sample.¹ Using this procedure, data were recorded for the level of gross earnings for the months of June, 1969 and June, 1970.

Based on these data, six specifications of the dependent variable were defined, including three related to the level of earnings and three related to the presence or absence of earnings. The three based on the level of earnings conform closely to the theoretically desirable form; viz., they are continuous, extending from zero up to some maximum value. As such, if the influence of differential wage levels among AFDC mothers is ignored, the variables specified in this manner approximate the "degree of labor force participation" measure of labor supply discussed in the general conceptual framework. The remaining three dependent variables described the "employment status" of the AFDC mothers. A dummy (dichotomous)² variable was defined such that it took the value of one if earnings of \$1 or more were indicated for the month in question, and the value of zero if earnings were zero. With the dependent variable defined in this manner, the resulting regression equation may be considered a linear

probability model in which the coefficients and values of the independent variables estimate the probability that an AFDC mother (with given characteristics) will be employed.³

It should be noted that the employment status form of the dependent variable is similar to but is not the same as the dependent variable used by Cain, Hausman, Saks, Bowen and Finegan and others. These investigators employed a dichotomous specification which took the value of one if the individual was in the labor force, and took the value of zero otherwise. By definition, "in the labor force" included individuals who were not employed but who were seeking work. As a result, other investigators, when summing over their disaggregated data, obtained the proportion of individuals who were in the labor force, which is commonly referred to as the "labor force participation rate." However, in this study, summing over the disaggregated data yields the proportion who were employed, which is more properly referred to as the "employment rate."

The six specifications of the dependent variable are defined as follows:

EARNINGS JULY 1969	Gross monthly earnings of the AFDC mother for June of 1969, as reported in July, 1969.
EARNINGS JULY 1970	Gross monthly earnings of the AFDC mother for June of 1970, as reported in June, 1970.
EARNINGS CHANGE	The change in earnings from June of 1969 to June of 1970.
EMPLOYMENT STATUS JULY 1969	A dichotomous variable which takes the value of one if the AFDC mother reported earnings of \$1 or more for the month of June, 1969, and the value of zero if no earnings were reported for that month.

EMPLOYMENT STATUS

A dichotomous variable which takes the value of one if the AFDC mother reported earnings of \$1 or more for the month of June, 1970, and the value of zero if no earnings were reported for that month.

EMPLOYMENT STATUS
JULY 1969 AND 1970

A dichotomous variable which takes the value of one if the AFDC mother reported earnings of \$1 or more for both June, 1969 and June, 1970, and the value of zero if no earnings were reported in one or both of those months.

The Independent Variables

The starting point for selecting the explanatory variables was the conceptual framework developed in Chapter 3 and summarized in Figure 3-A (see pp. 75-77). In the initial stages of analysis, an attempt was made to assess the importance of each variable (and alternative specifications of each variable) suggested by a priori reasoning and earlier research as being relevant to the employment behavior of AFDC mothers. In the course of this preliminary analysis the explanatory power of the model was improved considerably as variables were respecified and added (and dropped) within the limits of the data at hand. Ultimately, on the basis of both statistical significance and relevance to employment decisions, the variables defined below were selected for the empirical tests. Except where noted otherwise, the postscript "1" attached to a variable symbol refers to the month of June, 1969, while a "2" refers to June, 1970.

Age:

YOB

YOB indicates the year of birth, which serves as an indicator of the age of the AFDC mother. This specification of the age variable was used since it eliminated a double calculation which otherwise would have been necessary for those mothers receiving assistance at both the beginning and end of the study period. It is expected that a

greater age, and smaller YOB, would be associated with more work experience and better personal job prospects, and therefore YOB should be negatively related to work and earnings.⁴

Race:

RACE-W

A dichotomous variable which indicates the race of the AFDC mother. RACE-W takes the value of one if race is Caucasian, and the value of zero otherwise. On the knowledge that nonwhite women traditionally have had a higher rate of labor force participation, a negative relationship with employment status would be expected. However, due to the concentration of nonwhites in jobs which pay relatively lower wages, it is not possible to predict the relationship of race to the level of earnings among employed mothers.

Education:

HSGRAD

HSDROP

LESSED

Three mutually exclusive dichotomous variables are used to describe the level of education. Each observation was assigned a value of one for the appropriate education category, and a value of zero for the other two.

HSGRAD indicates that the AFDC mother completed 12 or more years of formal education, or that she had earned a Graduate Equivalency Diploma; i.e., she was a high school graduate.

HSDROP indicates that the AFDC mother completed more than eight but less than 12 full years of education; i.e., she was a high school dropout.

LESSED indicates that the AFDC mother completed up to eight years of education, or that the level of education was unknown. In the regressions, this was the omitted category.⁵ Thus, the coefficients of HSGRAD and HSDROP should be interpreted in relation to the implicit zero value for the coefficient of this variable. Since the level of education may be proxy for tastes for work as well as for ability to obtain employment, it would be expected that the coefficients of both HSGRAD and HSDROP would be positive, with the value of the coefficient for HSGRAD larger than the coefficient for HSDROP.

Occupation:

EXPWGS

An "expected wages" variable (EXPWGS) was used as an indication of the wage level available in a market job of occupational classification similar to that of each AFDC mother. Each observation was assigned an EXPWGS value defined to equal the average starting salary of female WIN place-

ments into jobs of similar occupational classification over the July, 1969 to June, 1970 period in each county, as shown below:

Occupational Classification	Average Monthly Starting Salary by County Residence	
	Genesee	Ingham
1. Clerical, Sales	\$323	\$334
2. Service, except private household	341	308
3. Semi-skilled, unskilled, all factory jobs	479	400
4. Private household, never employed, unknown	275	275

An EXPWGS value of \$275 (the minimum wage for a 40-hour week) was arbitrarily assigned to those observations in which the mother had never worked or whose "current or usual occupation" was not known. Data on average starting salaries for other occupations were derived from the records of the Michigan Employment Security Commission which listed a specific job title together with data on the sex of the person placed and the level of starting wage.⁶ It would be expected that EXPWGS would be positively related to being employed and to the level of earnings.

Training:

WIN 1

WIN 2

Separate dichotomous variables are used to indicate enrollment in the WIN program during June of 1969 (for WIN 1) and June of 1970 (for WIN 2). It is expected that participation in WIN would decrease the probability of current employment for two reasons. First, time spent in training reduces the time available for other purposes, and therefore may serve as a substitute for time spent in employment activity; and second, the \$54 monthly "incentive and expense allowance" would, through an income effect, tend to discourage employment. However, training in 1969 should act to increase employment and earnings a year later.

Work Requirement:

INCAP
NOTEX
REQ

All AFDC mothers, unless specifically exempted, are required by welfare regulations to be employed or seeking employment. Although the work requirement is typically difficult to enforce, it would be expected that being specifically exempt from this requirement would be associated with lower rates of employment and levels of earnings. Three mutually exclusive dichotomous variables are used to describe the AFDC mother's status with respect to the work requirement. A value of one is assigned to the appropriate variable, and a value of zero is assigned to the other two:

INCAP indicates that the AFDC mother has been determined ill or incapacitated and therefore is not subject to the work requirement.

NOTEX indicates that the AFDC mother is not expected to work due to reasons which render the mother's absence from the home contrary to the best interest of the family. Such reasons include the age and number of children in the home (one under age 2, three preschoolers, or five under age 13), or excessive child care or transportation cost.

REQ indicates that the AFDC mother is required to work or engage in training. This group includes those who are employed, going to school, engaged in training, or seeking work, or who are otherwise not exempt from the work requirement. This category also includes those whose appropriateness for work or training had not been assessed who were therefore technically subject to the work requirement.

In this set of dichotomous variables, REQ is omitted in the regressions. The coefficients for INCAP and NOTEX, therefore, should be interpreted in relation to the implicit zero coefficient for REQ.⁷ It is expected that both INCAP and NOTEX would be negatively related to employment and earnings.

Family Size:

PEL 1
PEL 2
POTH1
POTH2

Two variables are used to describe the number of persons in the household. PEL 1 and PEL 2 indicate the number of persons in the household who were eligible for and receiving AFDC assistance in June of 1969 (for PEL 1) and June of 1970 (for PEL 2). POTH1 and POTH2 are dichotomous variables which indicate the presence of persons other than those eligible for AFDC. Other persons

typically are adult relatives (e.g., a grandmother or aunt) or children too old to be eligible for AFDC. To the extent these other persons assist the mother in work in the home, for example, by caring the the children, a positive relationship would be expected between POTH and current employment. However, to the extent these other persons contribute income to the family or require the care of the mother, their presence would be expected to negatively influence the AFDC mother's employment activity.

Children Age Groups:

CH02
CH001
CH010
CH100
CH110
CH111

A set of six mutually exclusive dichotomous variables were used to measure the impact of the number and ages of children in the AFDC group. It is expected that mothers with children age 2 or younger would be least likely to be employed, and that the presence of older children, who might be expected to assist the mother with work in the home, would be associated with a greater likelihood of employment. A value of one was assigned to the appropriate age-group variable, and a value of zero to all others.

CH02 indicates that one or more of the children in the AFDC group was age 2 or younger. In the regressions this variable was omitted. Therefore the coefficients of the following five variables should be interpreted in relation to the implicit zero coefficient for CH02.

CH001 indicates that the child(ren) in the AFDC family age age 13 or older only.

CH010 indicates that the child(ren) in the AFDC family are age 6 to 12 only.

CH100 indicates that the child(ren) in the AFDC family are age 3 to 5 only.

CH110 indicates that at least one of the children in the AFDC family is age 3 to 5 and at least one is age 6 to 12, and none of the children are older than age 12 or younger than age 3.

CH111 indicates that at least one of the children in the AFDC family is age 13 or older, and other children are in the 3 to 5 age group, or the 6 to 12 age group, or in both the 3 to 5 and 6-12 age groups.

Time on AFDC:
MONTHS
PREV

Time on assistance may be considered a proxy variable for a number of factors, including capability for self-support and degree of acceptance of welfare as a means of family

support. It is expected that the longer the time, or the more times, of AFDC receipt, the less likely to the AFDC mother to work.

MONTHS indicates the number of consecutive months of AFDC assistance prior to July, 1970. (Lapses of 3 months or less were ignored.)

PREV is a dichotomous variable which indicates that one or more periods of AFDC assistance occurred previous to the current period of assistance (and a lapse of more than 3 months occurred between the time the previous period terminated and the current period began).

Geographic Location:

AREA A
AREA B
AREA C
AREA D
AREA E

A set of five mutually exclusive dichotomous variables indicate the geographic location of the AFDC residence.⁸ On the expectation that residence near areas of expanding job opportunities would be associated with greater employment activity, it was anticipated that those residing in suburban areas would be more likely to be employed.⁹ A value of 1 was assigned to the appropriate AREA variable, and a zero to the others.

AREA A indicates residence in the designated Model Cities area of the major urban center (i.e., Flint in Genesee County; Lansing in Ingham County). Transportation, day care, trash removal, housing rehabilitation, legal and consumer services were available for residents of this area. In addition, preference was given to area residents in hiring for jobs in Model Cities sponsored projects.

AREA B indicates residence in a non-Model Cities, central city area.

AREA C indicates residence in a suburban neighborhood or city.

AREA D indicates residence in a small town.

AREA E indicates residence in a rural area. In the regression, this was the omitted variable. Coefficients for the other four AREA variables should be interpreted relative to the implicit zero coefficient for this variable.

Housing Arrangements:

PUBHOS
HOME
RENTAL

A set of three mutually exclusive dichotomous variables indicate the type of housing arrangements of the AFDC family. A value of one was assigned to the appropriate variable, and a value of zero to all others.

PUBHOS indicates residence in a housing unit owned and operated by a local public housing agency. Since such housing is rented at below market rates, residents receive in-kind housing income. To the extent that such income results in an income effect, a negative relationship might be expected between occupancy of public housing and work activity.

HOME indicates that the AFDC mother owns or is purchasing her own home. Home ownership, associated as it is with the responsibility for numerous "chores" of upkeep and repair, might be negatively related with market work. However, homeownership might also reflect motivation to "get ahead," which would be positively related to market work.

RENTAL is the residual category omitted in the regression. It primarily indicates rental of privately owned homes and apartments, but also includes a small number in other housing situations, such as rent-free or board and room arrangements.

Housing Cost:

RENT 1
RENT 2

RENT 1 and RENT 2 indicate for June of 1969 and June of 1970, respectively, the dollar amount included in the AFDC budget specifically for the monthly cost of rent, house payment, or other actual shelter cost. Since shelter cost might be related to housing size or to housing quality, it was not possible to determine a priori an expected relationship between housing cost and market work.

On-AFDC Income Guarantee:

TOTRQ1
TOTRQ2

TOTRQ1 and TOTRQ2 indicate for June of 1969 and June of 1970, respectively, the amount of monthly disposable money income the AFDC family would have if no one in the AFDC family were employed. That is, this is the amount of the monthly AFDC payment if no net income, either earned or non-earned, is received. If other non-earned income is received, the AFDC payment is reduced by the welfare department on a dollar-for-dollar basis such that TOTRQ is the total of non-earned income and the AFDC payment. A negative relationship with work activity is expected for this variable.

Other Income:

OTHIN1
OTHIN2

OTHIN1 and OTHIN2 indicate for June of 1969 and June of 1970, respectively, the dollar amount of monthly non-AFDC, non-earned money income, such

as social security benefits, child support, or similar income. This is the amount of non-earned income which the AFDC mother would continue to receive if she left AFDC. The expectation is that such income would have a negative effect on employment activity.

In-Kind Benefits:

Four types of in-kind welfare benefits are included in this set of variables, including food stamps, emergency and supplemental assistance, child care services, and medical services.

**FOODS1
FOODS2**

FOODS1 and FOODS2 indicate for June of 1969 and June of 1970, respectively, the dollar value of the authorized monthly food stamp bonus, i.e., the amount by which the value of the stamps in the grocery store exceeded the price paid for the stamps by the AFDC mother. Data could be obtained only for the authorized amount. Since actual purchase behavior could not be observed, and since some portion of those authorized to buy food stamps do not do so, the data may not capture exactly the effect of in-kind income provided through food stamps. The expected effect of food stamp income upon work is negative.

**EMAST1
EMAST2**

EMAST1 and EMAST2 indicate the dollar value of items paid for by the welfare department through the Emergency Assistance or General Assistance programs over the three-month June-August, 1969 (for EMAST1) and June-August, 1970 (for EMAST2) period. Items provided include stoves, refrigerators, washing machines, and home repairs. The three month time period was chosen because of the lag in paying for such items. It was believed that all items purchased in June would be paid for by August. As welfare income, it would be expected that such benefits would be related negatively to work behavior. To the extent that the services and appliances were time-saving to the AFDC mother in her work in the home, a positive relationship would be expected, however.

**CCARE1
CCARE2**

CCARE1 and CCARE2 indicate the dollar value of child care services paid by the welfare department for the care of the AFDC children during the month of June, 1969 (for CCARE1) and 1970 (CCARE2). Although the money value of such services would be associated with a negative income effect, it would be expected that the primary effect of child care would be to allow the AFDC mother more time for market work.

MEDPY1
MEDPY2

MEDPY1 and MEDPY2 indicate the dollar value of medical services provided to the AFDC mother through the Medicaid program and paid for over the three month June-August period surrounding each observation date. A normal 4-6 week lag in the payment of such bills would suggest that most services were provided in the May-July period. It would be expected that, in addition to a negative income effect associated with such services, the greater the value of medical services, the more likely are health problems to be a barrier to employment.

MEDFM1
MEDFM2

MEDFM1 and MEDFM2 indicate the dollar value of medical services provided the members of the AFDC family (except the mother) through the Medicaid program and paid for over the June-August period surrounding each observation. Because of lags in paying for such services, these data largely reflect services delivered in the May-July period. It would be expected that the degree of ill-health of family members, as indicated by the size of MEDFM would be negatively related to employment activity.

Opportunity Cost:

RATIO1
RATIO2

RATIO1 is defined as equal to $EXPWGS/TOTRQ1$, and RATIO2 is equal to $EXPWGS/TOTRQ2$. Each is the ratio of expected off-AFDC gross earned income to guaranteed on-AFDC net income for the indicated observation period. Interpretation of this variable depends on whether the components of the ratio, EXPWGS and TOTRQ, also appear in the regression equation. If neither does, it would exist between this ratio and the degree of employment.

When either or both EXPWGS and TOTRQ appear in the same regression equation with RATIO, RATIO becomes an "interaction" term whose value indicates the "returns to scale" of EXPWGS and TOTRQ. It would be expected that in these cases RATIO would assume a negative sign, reflecting "decreasing returns to scale" for both EXPWGS and TOTRQ. Thus, for example, if EXPWGS has a positive sign, and RATIO a negative one, the two values together indicate that the positive relationship between employment activity and EXPWGS becomes less positive as EXPWGS increase relative to TOTRQ, but with each successive increase in EXPWGS, a smaller change in the positive relationship would occur. Similarly, if both TOTRQ and RATIO have negative signs, the interpre-

tation is that the negative relationship between TOTRQ and employment activity becomes less negative as the value of TOTRQ increases relative to EXPWGS, but that with each successive increase in TOTRQ, a smaller change in the negative relationship would occur.

Description of Analytical Techniques

The stratified sampling technique outlined in Chapter 4 was a primary determinant of the multiple-regression procedures used in this analysis. The fact that the sampling rates between sample groups varied from 100 percent to less than five percent made inappropriate a simple pooling of all observations for the purpose of applying multiple-regression techniques. For this analysis, two "ordinary least squares" (OLS) procedures were applied to the regression model outlined above: (1) a stepwise OLS procedure, and (2) OLS applied to data weighted to represent the entire AFDC caseload in the two study counties.

The stepwise OLS procedure was used to analyze variations in the level of earnings for sample groups in which the AFDC mothers were employed on the given observation date. For example, for the sample group employed during June of 1969 but not in June of 1970 (i.e., the E_1U_2 group), one regression was run in which the level of earnings in June, 1969 was the dependent variable. Altogether, earnings in June of 1969 was the dependent variable in four regressions (groups E_1E_2 , E_1U_2 , E_1N_2 , plus a fourth, "All E_1 ," in which the observations from these three groups were pooled). Similarly, the level of earnings in June of 1970 was the dependent variable in four regressions (groups E_1E_2 , U_1E_2 , N_1E_2 , plus a fourth in which the observations from these groups were pooled). A third dependent variable, the change in earnings from June of 1969 to June of 1970, was used only with the E_1E_2 group. Regressions

were run separately for Genesee County and for Ingham County, and for the two counties combined. There were, then, 27 such regressions: three county groupings times nine sample-group combinations. (The 27 "sample group earnings" regressions are presented in Appendix B, Tables B-1 (C) through B-9 (I).)

The second regression procedure involved the application of OLS to the combined observations of sample groups, where such observations were scaled in inverse proportion to the sampling rate of their respective sample groups. This weighting procedure allowed the coefficients and means of the independent variables to represent values for all female-headed families in the counties' AFDC caseload, rather than for only the sample groups. Nine "weighted" regressions are reported in which the dependent variable is the level of earnings: three county groups (Genesee County, Ingham County, and the counties combined) times three earnings variables (earnings in June, 1969; earnings in June, 1970; and the change in earnings from June, 1969 to June 1970). (These nine equations are presented in Tables B-10(C) through B-12(I).)

Since the weighting procedure allowed the inclusion of observations in which the AFDC mother was not employed as well as those in which she was, this procedure made possible the use of the dichotomous "employment status" dependent variable. As discussed earlier, a regression of this type may be considered a linear probability model in which the likelihood of being employed is estimated by the values of the independent variables and their coefficients. Nine such regressions are reported: the three above defined county groups, times three employment status definitions (employment status in June of 1960, employment status in June of 1970, and employment status in June of 1969 and June of 1970). (These

nine equations are presented in Appendix B, Tables B-13(C) through B-15 (I).)

Examination of the 45 regressions reveals that the reported regressions reflect the elimination of certain independent variables listed in the previous section which were found, for that sample group, not to contribute significantly to the explanatory power of the regression. It is desirable, from a statistical standpoint, to remove non-significant variables from the estimated equation so the proportion of the variation explained (as indicated by the R-squared value) will not be artificially inflated. The criterion used to retain variables was based on the degree to which each contributed to the explanatory power of the regression. Specifically, variables which added 0.005 to the R-squared value were included, and others were omitted. In the stepwise OLS regression technique, independent variables were added to the regression equation one at a time in the order of their descending importance. Therefore, the procedure was to identify the last step in which an entered variable added at least 0.005 to the R-squared value, and the regression for that step was reported. In the regressions run on weighted observations, the procedure was to first examine the regression with all appropriate independent variables included, and to identify all those which added at least 0.005 to the R-squared value. Then the regression was re-run using only the variable so identified, and this second regression was reported. Application of this criterion generally eliminated half or more of the original independent variables, but tended to maximize the number which were statistically significant while reducing only marginally the explanatory power of the regression equation.

Concluding Observations About the Empirical Model

Before presenting the regression results, a number of limitations and qualifications need to be noted. These may be grouped into three categories. The first concerns the degree to which the results may be generalized beyond the study period and beyond the study counties. It is conceivable that economic conditions, welfare administration, recipient attitudes, level of information, or a host of other factors distinguished the situation in the two study counties from other areas of Michigan or other states. It is also possible that the study period itself was a unique period in the two counties. Therefore, in generalizing the results of this study to other localities or to other time periods, these factors and conditions need to be taken into account.

Second, some variables which might be expected to influence employment decisions have been omitted from the model due to the inaccessability of relevant data. For example, specific measures of tastes of the AFDC family members, income of "other persons" in the household, prices of leisure goods and the availability of labor-saving home appliances are not specifically included in the model for this reason.

Third, the variables which are included may be measured improperly or specified imperfectly. With respect to measurement, it may be noted that Department of Social Services quality control findings indicate there was an over-or-under-payment of \$5 or more in nine percent of Michigan AFDC cases during fiscal year 1969-70. In about two-thirds of the "defective" cases, the error was in the agency determination of total requirements, while in the remaining one-third the error was in the area of recipient reporting of income or agency treatment of income. Significantly, nearly all errors related to the reporting of income con-

cerned child support and social security, and almost none concerned earned income.¹⁰ These statewide findings, if they may be applied to the study data, suggest that the measurement of earned income should be quite good. Quality control analysis, however, is applied only to factors which affect the money payment and eligibility and not to other data. Consequently, it was not possible to determine error rates for data indicating the presence of non-AFDC members of the household, the ages of the mother and children, race, the assessment with respect to the work requirement and participation in the WIN program.

The measurement of the value of emergency assistance, Medicaid, and child care services also deserves comment. These variables reflect the amount paid during the designated time period, which may not coincide with services received during the same period due to the time required for the payment of bills. Finally, the level of educational attainment of the AFDC mother was not ascertained in a large proportion (about one-third) of the cases which were receiving assistance only on the final observation date, but were not one year earlier (the N_1U_2 and N_1E_2 sample groups). As a result the value of the education variable was diminished.

Of course, even when measured properly, a variable can be specified so as to measure imperfectly the effects of a given factor. A few obvious examples may be cited. Certainly the average starting salary of female WIN placements provides an imperfect measurement of the expected market wage of all AFDC mothers of a given occupational classification. Similarly, the children age-group categories, and the number of persons in the AFDC family, are imperfect proxies for the "home wage" of the mother. Designation as "enrolled" in the WIN program is an imperfect indication of "training activity," since enrollment time can be spent in a variety of

of ways, from awaiting basic education classes to actually being placed in a job.

Despite its limitations, the model proved to be a useful tool in the analysis of the employment status and level of earnings of AFDC mothers. Other limitations and problems which became apparent in the application of the model will be discussed in the course of presenting the regression results in the next two sections.

The Regression Results: Employment Status and the Level of Earnings

The results discussed in this and the next section are based on the 45 regressions presented in Appendix B. The results indicate that the model significantly explains part of the variation in employment and the level of earnings in both June of 1969 and June of 1970, but that less satisfactory results are achieved in explaining changes in earnings which occurred between those two dates.

Before discussing the results for individual variables, it is useful to note that the combinations of variables included in the reported equations vary considerably between sample groups and counties. However, a core of five variables appear consistently in eight-tenths or more of these regressions: expected wages; child care payments; the level of non-AFDC, non-earned income; current or former participation in the WIN programs; and the opportunity cost-interaction variable. These variables virtually always exhibit a relationship with employment and earnings which is in the expected direction and statistically significant, often at the .01 level or better.¹¹

A second group of six variables appears in half or more of the regressions. These six, which are usually of the expected sign and

statistically significant at the .05 level or better, include: Medicaid payments for the mother; the two variables indicating exemption from the work requirement (NOTEX and INCAP); race; age; and a high school education.

A third group includes the remaining variables, which appear in at least six and up to seventeen reported equations. Variables in this group are less likely to be statistically significant. In some cases, they also exhibit signs which are not consistently in line with expectations. Variables in this group primarily are demographic in nature, and several are expected to be proxies for tastes. They include the sets of variables designed to capture the effects of family and household size, children-age groups, time of AFDC receipt, geographic location, and housing-related factors. Only four economic variables are in this group: the on-AFDC income guarantee, and the in-kind welfare benefits of food stamps, emergency assistance, and Medicaid payments for family members.

The following sections assess the impact of these variables upon the likelihood of employment and level of earnings of the AFDC mother.

Income and Substitution Effects

It will be recalled that the "income effect" describes the negative relationship which is expected between the level of income and employment activity. Other things equal, increases in the level of income would be expected to be associated with decreases in the degree of employment and the level of earnings. The "substitution effect" describes the expected positive relationship between the wage rate and the degree of work activity. Other things equal, it is expected that increases in the market wage will be associated with increases in work activity.

Determining the relative strengths of the income and substitution effects is of obvious importance if one is to assess the impact of modifying major program parameters such as the level of basic AFDC benefits or the treatment of earned or non-earned income. For example, if the income effect were quite small, then basic AFDC benefits might be increased to a more adequate level without fear of a large negative impact upon the work effort of actual or potential recipients. Similarly, if the substitution effect were found to be quite small, then a financial work incentive would be irrelevant and, an "efficient"¹² welfare system, with a high "welfare tax rate" might be established without substantial negative impact upon the degree of employment among program participants. Conversely, a large income effect would indicate that recipients respond to changes in the level of benefits by reducing their work effort. A large substitution effect would imply that recipients would respond to financial work incentives by increasing the extent of their employment activity.

In this section, the income effect will be examined first, and the substitution effect second. For convenience of exposition, results will normally be described only for the combined-county regressions. Discussion of inter-county differences will mainly be reserved until a later section of this chapter.

To estimate the income effect, the variable OTHIN is examined. This variable represents the value of all non-earned, non-AFDC income received by the AFDC mother in the month for which earnings were reported. As shown in Table 5-A, the coefficient for the OTHIN variable was found to be always negative and usually significant at the .05 level or better.

Table 5-A

**OTHIN Coefficients and t-Values with Derived Income
Elasticities Genesee and Ingham Counties Combined**

Dependent Variable and Table Number ^a	Sample Group	t-Value ^b	Regression Coefficient	Income Elasticity
Earnings				
<u>June, 1969:</u>				
B-1 (C)	$E_1 E_2$	-2.25	-0.40	-0.038
B-2 (C)	$E_1 U_2$	-1.16	-0.22	-0.027
B-3 (C)	$E_1 N_2$	-1.13	-0.52	-0.071
B-4 (C)	All E_1	-1.76	-0.23	-0.025
B-10(C)	All Cases	-2.04	-0.09	-0.149
Earnings				
<u>June, 1970:</u>				
B-5 (C)	$E_1 E_2$	-3.76	-0.54	-0.071
B-6 (C)	$U_1 E_2$	-1.39	-0.30	-0.061
B-7 (C)	$N_1 E_2$	-2.17	-0.40	-0.043
B-8 (C)	All E_2	-4.44	-0.45	-0.061
B-11(C)	All Cases	-0.80	-0.03	-0.035
Employment Status				
<u>June, 1969:</u>				
B-13(C)	All Cases	-1.85	-0.00034	-0.113
Employment Status				
<u>June, 1970:</u>				
B-14(C)	All Cases	-0.25	-0.00004	-0.010

^aRegression Tables are presented in Appendix B.

^bSelected levels of statistical significance and associated absolute t-values are shown below:

<u>t-value</u>	<u>Level of Significance</u>
1.65	.10
1.96	.05
2.58	.01

A regression coefficient indicates the change in the dependent variable (in this case the dollar level of earnings or the probability of being employed) associated with a unit change in the independent variable (in this case the dollar value of "non-earned, non-AFDC income").

For example, among all AFDC mothers employed in June of 1969 (the "All E_1 " sample group), a \$1.00 increase in "other income" was associated with a \$.23 decrease in gross earnings. For all cases in June of 1969, the increase of \$1.00 of non-earned income was associated with a \$.09 decrease in average earnings, and a decrease of .034 percentage points in the probability of being employed. Comparison of the coefficients for the June, 1969 observation with those for a year later indicates that over this period a considerable increase occurred in the responsiveness of earnings to non-earned income among employed AFDC mothers. Looking only at the E_1E_2 group (i.e., those AFDC mothers who were employed at both beginning and end of the study period), the coefficient changed from -.40 to -.54. For all those employed on each date, the coefficient changed from -.23 to -.45. Little can be said, however, concerning the entire caseload in 1970, due to the fact that the coefficients for that date were not significant.

Conventionally, the relationship between the dependent variable and certain of the independent variables is expressed in terms of an "elasticity," i.e., the percentage change in the dependent variable associated with a given "small" percentage change in the independent variable.¹³ For OTHIN, the elasticities (evaluated at the means) are shown in the last column of Table 5-A. These parameters may be interpreted as indicating that, among recipients employed in 1969, a one percent increase in OTHIN was associated with a .025 percent decrease in gross earnings. Among

recipients employed in 1970, a one percent increase in OTHIN was associated with a .061 percent decrease in gross earnings.

With respect to employment status, a one percent increase in OTHIN in 1969 was associated with a decrease in the employment rate of .113 percent. Again, because the coefficient for OTHIN was not significant in 1970, little can be said for that date.

The OTHIN variable measures the income effect associated with non-earned non-AFDC income. A second measure of the income effect may be obtained by examining the relationship between earnings and TOTRQ, the non-AFDC income guarantee. It is quite conceivable that the response to changes in AFDC income might differ from the response to changes in non-welfare income, so that differential income effects would need to be identified. Unfortunately, by virtue of the manner in which its value is determined, TOTRQ also reflects the effect of other factors. By definition, TOTRQ equals a per person allowance for each person in the AFDC family, plus an amount for the cost of housing. In 1969 (but not in 1970) it also included "special allowances" for items such as laundry, telephone, or special diet for some families. Therefore, the effects of family size, housing cost, and the need for special allowances are likely also reflected in this variable when it is considered separately. It is not surprising to find, then, that although the coefficient for TOTRQ was not always negative, it was negative (and significant) in seven of the eight equations in which the number of persons in the AFDC family (PEL) was controlled for. (Where PEL did not appear in the equation with TOTRQ, the coefficient for TOTRQ was invariably positive.)

Looking only at the seven earnings equations in which the coefficient for TOTRQ was negative and significant,¹⁴ it is found that the coefficients

ranged from $-.26$ to -1.47 with a median value of $-.95$.¹⁵ Corresponding elasticities range from $-.33$ to -1.98 with a median value of -1.22 . Relative to the OTHIN variable, the substantially larger elasticities for the TOTRQ variable indicate that the level of earnings is more responsive to the changes in the income guarantee level than to changes in the level of other (non-welfare) non-earned income. For example, sample data indicate that a 3.9 percent increase in OTHIN occurred over the entire caseload between July 1, 1969 and July 1, 1970, while an average 4.5 percent increase in TOTRQ occurred over the same period. Elasticity values noted above suggest that the 3.9 percent increase in OTHIN would be associated with only a 0.1 to 0.2 percent decrease in the level of earnings. However, the 4.5 percent increase in AFDC standards would be associated with a decrease in earnings of from 1.2 to 6.6 percent.

In estimating the substitution effect, a distinction must be drawn between the "uncompensated" and the "income-compensated" substitution effects. The uncompensated substitution (or wage) effect simply describes the relationship between a change in wages and the resulting change in earnings. The observed change in earnings, however, is the net result of two forces: (1) a pure substitution effect, which occurs because the price of non-market work and leisure relative to market work changes, so that (for a wage increase) more time is allocated to market work; and (2) an income effect, which occurs because the amount of income received for the time already allocated to market work changes, such that (for a wage increase) more income is available for all goods, including leisure, and time is allocated toward those goods and away from market work.¹⁶ The "pure" or "income-compensated" substitution effect is obtained by netting out the second of these two factors.

Substitution effects are estimated by examining the EXPWGS variable. As indicated earlier, this variable represents the mean monthly starting salary of female AFDC recipients placed through the WIN program in jobs of similar occupational classification in each study county over the year from July, 1969 through June, 1970. It is likely, therefore, to reasonably approximate the actual market wage available to AFDC mothers. As shown in Table 5-B, coefficients for this variable were all positive, and nine of twelve were significant at considerably better than the one percent level. The regression coefficients indicate that, among employed recipients, the expected wage corresponds closely to the observed wage: for each \$1.00 increase in EXPWGS, the level of observed wages increased \$1.16 in June of 1969, and \$1.12 in June of 1970. Among all recipients the associated change in earnings was \$.17 and \$.18 in June of 1969 and 1970, respectively. The associated increase in employment rates was .05 percentage points in 1969, and .03 percentage points in 1970.

Uncompensated elasticities of earnings with respect to EXPWGS (evaluated at relevant means) were calculated to be about 1.5 for recipients employed in 1969 ("All E_1 sample group) and 1.4 for those employed a year later (the "All E_2 " sample group). For all recipients, earnings elasticities were somewhat larger: 2.3 in 1969 and 1.6 in 1970. Uncompensated elasticities of the probability of being employed with respect to EXPWGS were calculated to be 1.4 in 1969, but only 0.5 in 1970. However, the latter value is based on a coefficient significant only at the .25 level, indicating that caution should be used in its interpretation.

In calculating the income-compensated substitution effect, it was assumed that the income response to gross earned income would be more akin to that registered for "other" income for welfare income. Therefore, the OTHIN parameters were used in this calculation.¹⁷ The income-compensated

Table 5-B

EXPWGS Coefficients and t-Values with Derived Uncompensated
and Income-Compensated Substitution Elasticities
Genesee and Ingham Counties Combined

Dependent Variable Table Number ^a	Sample Group	t-Value ^b	Regres- sion Co- efficient	Uncompensated Substitution Elasticity ^c	Income- Compensated Substitution Elasticity
Earnings					
June, 1969:					
B-1 (C)	$E_1 E_2$	5.46	1.30	1.70	2.34
B-2 (C)	$E_1 U_2$	3.76	1.00	1.81	2.19
B-3 (C)	$E_1 N_2$	1.32	0.67	0.47	0.83
B-4 (C)	All E_1	6.42	1.16	1.52	1.90
B-10(C)	All Cases	3.05	0.17	2.31	3.73
Earnings					
June, 1970:					
B-5 (C)	$E_1 E_2$	3.49	0.93	1.29	2.04
B-6 (C)	$U_1 E_2$	4.31	1.18	1.59	2.11
B-7 (C)	$N_1 E_2$	4.80	1.29	1.69	2.21
B-8 (C)	All E_2	7.46	1.12	1.39	2.03
B-11(C)	All Cases	2.89	0.18	1.59	1.93
Employment Status					
June, 1969:					
B-13(C)	All Cases	2.19	0.00051	1.40	2.48
Employment Status					
June, 1970:					
B-14(C)	All Cases	1.18	0.00026	0.48	0.57

^aRegression Tables are presented in Appendix B.

^bRefer to Table 5-A, footnote b, for levels of significance associated with t-values.

^cWhere appropriate, these values reflect an adjustment for the interaction term RATIO.

substitution elasticities, particularly for the 1970 observation, were remarkably similar in value among sample groups. Values in the range of about 1.9 to 2.0 may be considered representative of the pure substitution elasticity for earnings.

For employment status, calculated pure substitution elasticities declined over the study period from 2.5 at the 1969 observation to 0.6 at the 1970 observation. Again, the relatively low level of significance indicated for the EXPWGS coefficient in 1970 makes interpretation of the latter value difficult. However, a decline of this magnitude implies that achievement of a given change in the probability of employment required an increase in EXPWGS that was more than four times greater in 1970 than in 1969. This implication is more surprising in view of the fact that the earnings exemption was in effect only at the 1970 observation. The only obvious explanation for this result (again, if the 1970 value is considered valid) is that the worsening employment conditions over the study period prevented AFDC mothers from finding and retaining jobs as they would have otherwise.

Elasticities reported here are not directly comparable with those developed by others because of the different specifications of the dependent variables. The only results appropriate for comparison are those of Saks, who calculated income and substitution parameters for New York City AFDC mothers which reflected the change in annual hours worked in response to changes in income and wage rates. Saks reported an income parameter of $-.041$ and an income-compensated substitution parameter of 3.29 .¹⁸ When compared with the values shown in Table 5-A and 5-B, Saks' income parameter is quite similar to the values reported here, but his pure substitution parameter is at least one-third greater. The latter

might easily reflect differences in labor market conditions, welfare administration and caseload composition between New York City in 1967 and mid-Michigan in 1969-70.

The Impact of In-Kind Welfare Benefits

Control variables were included to examine the impact of the following in-kind benefits for which the receipt of assistance made AFDC mothers eligible: child care services, Medicaid, emergency and supplemental assistance, and food stamps.

Child Care: Child care (which indicated the availability as well as the value of such service) was more closely related to employment than other benefits. In large part, of course, the strong relationship was merely tautological. That is, employment was a primary factor in determining eligibility for fully-reimbursed child care (other factors included participation in a training program, health and social reasons). The more days for which care was required, i.e., the more days employed, the higher earnings were likely to be. Thus, it was not surprising to observe a very significantly positive relationship between the level of child care payments and both employment and the level of earnings. However, the case of child care (perhaps more so than other variables) illustrates the fact that regression analysis indicates only whether a relationship exists, but does not indicate a direction of causality. In this case, the significant relationship between child care and employment activity does not necessarily imply that more child care caused more employment activity. In fact, since employment was often a condition of child care benefits, the opposite direction of causality might well have been more likely.

Between June, 1969 and June, 1970, the proportion of all AFDC mothers in the study counties whose children received welfare-paid child care increased from 7.7 to 11.7 percent. Among employed mothers, the proportion increased from 35.2 to 38.7 percent, and the average monthly child care payment provided to employed mothers increased from \$93 to \$108 per month.¹⁹

The coefficients for the CCARE variable indicate that the level of earnings associated with each dollar spent for child care also increased over the study period. Among employed recipients, the change in earnings associated with a one dollar change in CCARE was \$.30 in 1969, and \$.47 in 1970. (See Tables B-4(C) and B-8(C) in Appendix B.) Among all recipients, the change was from \$.49 in 1969 to \$.72 in 1970. (See Table B-10(C) and B-13(C) in Appendix B.) These results imply that earnings among employed recipients receiving child care benefits increased by about 80 percent, compared to the 17 percent increase recorded for all employed recipients over this period.²⁰ These data suggest that when child care was available and paid for by the welfare department, recipients were able to respond much more positively to the incentive of the earnings exemption.

However, while the increase in the coefficients indicates the importance of child care to increasing AFDC earnings and employment, the magnitude of the coefficients indicates that providing child care to achieve this objective would be an expensive proposition. This is the case because a dollar provided in child care benefits was, on the average, associated with only a one-third to one-half dollar increase in gross earnings. However, a two dollar increase in gross earnings is usually required to cause a one dollar decrease in the AFDC payment, due to the application of the earnings exemption and employment expense allowance.²¹

Medicaid: The value of medical services received by the AFDC family which were paid for through the Medicaid program was separated into two components: services for the mother, and services for the rest of the family. The proportion of AFDC mothers who received Medicaid services, and the value of those services, were relatively unchanged from the 1969 to the 1970 observation: among all cases, the proportion for which payments were made changed only from 73.7 to 73.2 percent, while the value of services, for those receiving them, declined from \$177 to \$168 (over the three-month period from May 1 to July 31 in each year). Employed mothers were somewhat less likely to have received Medicaid services (66 percent at each observation), and the average value of the services was also lower (\$105 in 1969 and \$103 in 1970).

The relationship suggested by these data was borne out by the regression coefficients, which were consistently negative and significant at the five percent level. However, the size of the coefficients, which generally were in the $-.01$ to $-.05$ range, indicates that the impact upon the level of earnings was not substantial. For example, Medicaid payments of \$150 for the mother were associated with only a \$1.50 to \$7.50 reduction in the level of her earnings. However, payments of \$150 were also associated with a decline in the probability of her being employed from 10.0 to 9.1 percent in 1969, and from 14.1 to 13.2 percent in 1970.

Although the AFDC mother was somewhat more likely to receive Medicaid benefits, the impact of her dependents receiving Medicaid services was quite similar. Among all AFDC families, there were 64 percent at each observation in which dependents received services. Among the dependents of employed mothers, the percentage was only slightly lower: 60 percent in 1969, and 63 percent in 1970. In 1969, the value of such

services was greater among the dependents of employed mothers: \$118 over the three-month period, compared to \$104 for all families in which a dependent received services. The reverse was true in 1970: \$84 versus \$114.

With one exception, the coefficients for family Medicaid services were similar to those described above for the mother. The exception involved the E_1N_2 sample group for Genesee County, for which a statistically significant positive coefficient was obtained. (See Table B-3 (G) in Appendix B.) This result suggests that these recipients may have been able to anticipate their subsequent termination from AFDC, and so may have tried to take advantage of Medicaid services while they were still eligible.

Emergency and Supplemental General Assistance: The receipt of Emergency or Supplemental General Assistance (EA or GA) most commonly meant the repair or purchase of a stove, refrigerator, or washing machine, although it also involved the repair or purchase of other major items such as a furnace, well, septic tank, or roof. A relatively small portion of all cases in the study counties received benefits from this program in the June-August period in each observation year. In 1969, only 12 percent of all recipients received this aid, including 10 percent of employed recipients. In 1970, about 20 percent of all recipients received EA or GA, including 18 percent of employed recipients. Although employed recipients were somewhat less likely to receive EA or GA, they were likely to receive larger benefits when they did. Employed recipients averaged \$115 and \$156 in the 1969 and 1970 observation periods, respectively. The average for all recipients were only \$96 and \$130 in the corresponding periods.

Because items provided through EA and GA would be expected to impact positively on the productivity of work in the home, a positive

relationship was postulated between the value of benefits received and the level of earnings. In the 1969 equations, this relationship was supported. The EMAST variable appeared in nine of the twelve stepwise equations, and was both positive and significant in seven. EMAST coefficients in these instances were generally in the .20 to .30 range, indicating that a \$100 benefit was associated with a \$20 to \$30 increase in earnings.

Although the level and incidence of benefits increased in 1970, EMAST did not appear as a significant variable in any of the 1970 equations.

Food Stamps: To participate in the food stamp program, two steps were necessary. First, the recipient had to be certified as eligible. Second, the recipient had to go to an issuing office to buy the stamps. A record of certification of eligibility was kept in the case file, but no record was maintained of actual purchases of food stamps. Interpretation of the FOODS variable, which is based on certification data only, must recognize that some (unknown) proportion of recipients did not actually purchase the stamps for which they were certified.

Despite the fact that food stamps considerably increase spendable income, food stamps certification did not appear strongly related to employment behavior. At both observation points, employed recipients were only slightly less likely to be certified: 61 percent of employed versus 62 percent of all recipients were certified in 1969; in 1970, 68 percent of employed versus 69 percent of all recipients were certified. On the average, employed recipients were eligible for a slightly larger monthly bonus value: \$29 versus \$25 in 1969, and \$45 versus \$42 in 1970. The increase in bonus values was the result of a February, 1970 policy

change by the U.S. Department of Agriculture. This increase in bonus values may be considered responsible for the rise in program participation which occurred over the study period.

Apparently, the fact that the food stamp bonus was tied directly to household size interfered with its appearance as a significant variable in the regression equations. FOODS appeared as a significant variable in only one equation, and in that equation it was positively related to earnings. (See Table B-2 (G).)

The Impact of the Work Requirement and Participation in the WIN Program

The Work Requirement: A set of three mutually exclusive variables was used to capture the effect of exemption from the work requirement: INCAP, which identified those AFDC mothers with documented incapacity or illness; NOTEX, which identified mothers officially exempt from mandatory work or training due to age, number of children, or other factors which made employment contrary to the family's best interest; and REQ the residual category, which identified mothers subject to the work and training requirement. In the regressions, REQ was the omitted variable; therefore, the values for NOTEX and INCAP must be evaluated with respect to the implicit zero coefficient for REQ.

Due to the nature and source of data for these variables, caution is warranted in their interpretation. Specifically, NOTEX and INCAP were based on data obtained from the payroll listing from which the sample was drawn. Most sample cases were drawn from the July 1, 1969 payroll listing (i.e., groups 1, 2, 3, 5, 6 and a portion of group 4), but others were from the July 1, 1970 listing (i.e., groups 7, 8 and most of group 4).

In this situation, the assumption that the assessment of employability reflected in these variables was comparable between sample groups and was applicable for the entire study period may be a dubious one.

Having noted this limitation, the data may be described. Among all 1969 cases, fully 42 percent of AFDC mothers were specifically exempt, including nine percent identified as ill or incapacitated and 33 percent not expected to work for other reasons. For the 1970 observation, the proportion of all cases exempted declined to 34 percent, including five percent identified as ill or incapacitated and 29 percent exempt for all other reasons. Over the same period, the proportion of employed mothers identified as ill or incapacitated increased from two to five percent, while the proportion exempt for other reasons increased from 10 to 13 percent of employed mothers.

Table 5-C

Employment Rates by Work Requirement Status
Genesee and Ingham Counties Combined

Work Requirement Status	Employment Rates (In Percent)	
	June, 1969	June, 1970
INCAP	2.1	9.9
NOTEX	1.8	6.3
REQ	15.9	19.7

As shown in Table 5-C, being identified as exempt from the work requirement did not preclude employment. The increasing proportion of recipients identified in this study as exempt who were working at the 1970 observation is difficult to explain. Perhaps in some cases the employa-

bility assessment of 1969 may not have been appropriate a year later, or perhaps the assessment itself was an imperfect measure of employment capability.

Nevertheless, the coefficients for NOTEX and INCAP were very significant and negative in the employment status equations. Based on the values of the coefficients, persons designated as exempt had probabilities of being employed of virtually zero in 1969, and only about 5 percent in 1970.

NOTEX appears as a significant explanatory variable in 12 of the 15 earnings equations for 1969, but only in the weighted earnings equations for 1970. In these 12 equations, NOTEX was always negatively related to the level of earnings. Among all employed recipients in 1969, the reduction in earnings (from the average of \$195) associated with designation as NOTEX was \$83.30. For all recipients, the reduction was virtually identical at each of the observation periods: \$22.51 in 1969, and \$22.52 in 1970.

The INCAP variable also was, in general, negatively related to earnings, although it was usually not statistically significant. Interestingly, the coefficient was significant and positive in both 1969 and 1970 for the E_1E_2 group. As with NOTEX, the reduction in earnings associated with designation as INCAP was similar for all cases receiving assistance at both observation points: \$21.46 in 1969, and \$21.25 in 1970.

The WIN Program: For purposes of the analysis described here, an attempt was not made to determine the type or extent of WIN participation. A more in-depth analysis of the WIN program is reported in Appendix C for Ingham County and Appendix D for Genesee County.

The data indicate that some AFDC mothers were working while simultaneously participating in WIN. This finding is, of course, consistent with the WIN follow-up procedure, under which WIN enrollment was maintained during the three-to-six month period after job-placement occurred. However, at each observation point, employed recipients were less likely to be currently enrolled in WIN than were recipients in general. In 1969, 7.1 percent of all recipients, but only 5.9 percent of employed recipients, were enrolled in WIN. A year later 6.6 percent of all recipients were enrolled in WIN, but only 5.7 percent of employed recipients.

As these data suggest, employment rates among current WIN enrollees compared to non-enrollees, were relatively lower: 8.3 percent versus 10.1 percent in 1969 and 11.5 percent versus 14.2 percent in 1970. It may be concluded, then, that current participation in WIN was in some cases a substitute for current market employment. However, the data also indicate that the employment rate among mothers receiving AFDC in 1970 who had been enrolled in WIN in 1969 was 21.3 percent, more than 50 percent greater than for the entire caseload. (Since some of those enrolled in WIN in 1969 may also have been enrolled in 1970, this measure may understate the employment rate of those enrolled only in 1969, but not in 1970.) However, since other factors are not controlled for, this finding does not necessarily imply that prior WIN participation was the cause of increased employment at the 1970 observation point. Instead, it implies that AFDC mothers who were selected on the basis of education, experience and other factors for early participation in WIN were more likely to be employed in 1970.

The regression results indicate that, among recipients employed in 1969, simultaneous WIN participation was associated with a reduction

in earnings of \$48.57 (i.e., the coefficient was -48.57). Among all recipients at the 1969 observation, the indicated reduction was \$27.11.

A more negative relationship with earnings was the rule for current WIN participation at the 1970 observation. Among employed recipients, a reduction of \$70.41 was indicated for current WIN participation, while the reduction for all AFDC mothers on that date was \$37.62. In Ingham County, participation in WIN a year earlier was found to have a significant positive relationship with the level of earnings in 1970. For all Ingham County recipients employed in 1970, the increase in earnings was \$83.95. WIN 1 did not appear as a significant variable in the 1970 earnings equations for Genesee County or for the combined counties.

The Impact of Demographic Characteristics and Other Control Variables

A number of variables were included to control for the effect of certain personal and family characteristics. Included were the age, race and level of educational attainment of the AFDC mother; the number of persons and age groupings of children in the AFDC family, and whether persons not in the AFDC group were in the household; time of continuous receipt of AFDC assistance, and whether an earlier period of assistance had occurred; the geographic location and type of housing in which the AFDC family resided.

Age: In general, a positive relationship was observed between the level of earnings and the age of the AFDC mother. (I.e., in the regression a negative relationship was observed between the year of birth (YOB) and the level of earnings.) In 1969, the average age of AFDC mothers in the sample counties was 34.0 years, while employed mothers averaged 34.5 years.

One year later, the average age of all mothers declined to 31.3 years; employed mothers were on the average nearly two years older at 33.2 years.

Table 5-D

Employment Rates by the Mother's Year of Birth
Genesee and Ingham Counties Combined

Calendar Year of Birth	Employment Rates (In Percent)	
	June, 1969	June, 1970
1919 or earlier	7.2	17.1
1920 - 1928	9.2	13.0
1929 - 1931	19.5	23.6
1932 - 1934	14.2	20.1
1935 - 1937	12.3	16.2
1938 - 1940	11.1	15.9
1941 - 1943	6.8	13.5
1944 - 1946	6.2	12.5
1947 - 1949	10.6	11.9
1950 or later	5.3	5.5

Table 5-D indicates a positive relationship between employment rates and age up to approximately age 40 (i.e., year of birth of 1929 - 1931); beyond that age the likelihood of being employed declined. For all age groups, employment rates increased from June, 1969 to June, 1970. Probably reflecting the presence or absence of young children, the smallest annual increases occurred among the youngest mothers, and the largest increase occurred among the oldest mothers.

Weighted regression coefficients confirm this positive relationship between age and employment status. Each additional year of age for the AFDC mother was associated with an increase in the probability of her being employed of 0.3 percentage points in 1969 and 0.4 percentage points in 1970. Among employed recipients, age also tended to be positively

related to the level of earnings. Weighted regression coefficients for YOB indicated an incremental year of age to be associated with an increase in monthly earnings of 46 cents at the 1969 observation.

Race: Because of a traditionally higher rate of labor force participation among non-white women, it was expected that employment rates would be higher among the non-white group. But because of the concentration of non-whites in low-paying job classifications, it was expected that the level of earnings among non-whites would be lower than for whites. The findings of this study were exactly opposite of these expectations. At both observation points, non-whites were less likely to be employed. In 1969, the proportion employed was 11.1 percent among white mothers, and 9.0 percent among non-whites. In 1970, these percentages had increased to 15.6 and 12.5 respectively. The rate of increase in employment was, therefore, the same for these two groups; employment rates for whites and non-whites alike increased by approximately 40 percent.

In all 13 equations in which the RACE-W variable was significant at the ten percent level or better, the regression results indicate that being of non-white race was associated with higher levels of earnings. (I.e., the coefficients for RACE-W were negative.) The coefficients indicate that the amount by which monthly earnings were higher, relative to employed white recipients, was \$33.15 at the 1969 observation, and \$22.27 at the 1970 observation.

In attempting to explain why the above-described findings were contrary to expectations, it first must be noted that other variables are not controlled for, so that the results may reflect differences between races with respect to age, education, marital status, presence of small children or other such factors which affect employment activity. Unfortunately,

in this study it was not possible to determine the interaction between these variables, race and employment activity.

However, since this study only concerns mothers receiving AFDC, it does control for differences in income levels by family size. It may be that the patterns of labor force participation and employment are significantly altered when controlled by income. Data from this study suggest that this might be the case. In particular, at welfare levels of income, white women may be more likely to be in the labor force and to be employed.²² Further investigation of this question seems warranted.

Education: It was expected that the higher the level of educational attainment, the higher the probability of being employed and earning more. In general, these expectations were supported by the data. Employed recipients tended to be better educated, and better educated recipients tended to be more likely to be employed. For example, in 1969, 31 percent of employed mothers, compared to 23 percent of the total, were high school graduates. Comparable proportions in 1970 were 35 percent for employed mothers and 26 percent for the total. At each observation employed recipients were slightly less likely to be high school dropouts: 48 versus 46 percent in 1969; 39 versus 36 percent in 1970.

Table 5-E

Employment Rates by Level of Educational Attainment
Genesee and Ingham Counties Combined

Highest Grade Completed	Employment Rates (In Percent)	
	1969	1970
12 or more	12.8	18.6
9 - 11	9.4	12.8
0 - 8	8.2	10.2
Unknown	9.1	13.6

As shown in Table 5-E, high school graduates were also more likely to be employed and the largest increase in employment rates (in both an absolute and relative sense) occurred among this group. When the other educational classifications are also examined, the data clearly indicate a positive relationship between educational attainment and both employment rates and increases in employment rates for this annual period.

Two of the educational classifications appeared as variables in the regression equations: high school graduate (HSGRAD) and high school dropout (HSDROP). The residual (and omitted) classification, with which the coefficients of the two included categories must be compared, included both the 0-8 years of school category and the unknown category. In retrospect, the inclusion of the unknown category in the omitted classification was unfortunate. Unknowns were 8 percent of the total in 1969, but 18 percent of the total in 1970. As a proportion of all observations in the omitted classification, unknown observations were 40 percent in 1969 and 70 percent in 1970. It is not surprising, therefore, that the regression results, at least those for individual sample groups, were somewhat ambiguous. For example, the HSGRAD variable was positive in 6 of the 9 such equations in which it appeared. The HSDROP variable was negative in 8 of the 11 equations in which it appeared.

More consistent results were achieved among the weighted regressions for the entire caseload, in which only the HSGRAD variable was used. In these six equations, HSGRAD was always positive and, in four instances, significant at the ten percent level or better. The coefficients indicate that among all recipients, higher levels of monthly earnings (by \$10.22 in 1969, and \$11.74 in 1970) were associated with being at least a high school graduate.

Family and Household Size: Because of expected relationships between the number of persons in the AFDC group and both the age of the mother and the number and ages of the children, it was not possible to determine a priori the relationship between the number of persons in the AFDC group and either employment status or the level of earnings of the mother. It was expected, however, that the presence in the household of persons not receiving AFDC would tend to increase employment and earnings.

The data indicate that AFDC families were similar with respect to size between those in which the mother was employed and those in which she was not. In 1969, both employed and non-employed mothers were in AFDC groups which averaged 4.0 persons. In 1970, employed mothers were in AFDC groups of 3.7 persons, slightly smaller than the 3.9 for non-employed mothers. Total household size for employed mothers was somewhat smaller (4.3 persons compared to 4.5 persons) in 1969. In 1970, household size averaged 4.3 persons for both groups. The small differences suggest that family and household size was not an important determinant of employment status. This conclusion is further reinforced by data displayed in Table 5-F.

The regression coefficients for the PEL variable (i.e., number of persons in AFDC family) do indicate that among employed recipients, family size was positively related to the level of earnings. PEL, as a variable explaining current earnings,²³ appeared in eleven sample group equations including eight in which the coefficient was positive and significant at the two percent level or better. These coefficients suggest that, among employed recipients, the addition of one person to the AFDC group was associated with an increase of about \$30 per month in the level of earnings.

Table 5-F

Employment Rates by AFDC Family and Household Sizes

Number of Persons in Family ^a or Household ^b	Employment Rates (In Percent)			
	By Number in AFDC Group		By Number in Household	
	June, 1969	June, 1970	June, 1969	June, 1970
2	9.4	10.3	12.8	10.4
3	10.5	16.6	9.9	17.4
4	6.6	14.5	7.2	13.8
5	12.4	15.2	9.9	16.3
6	17.1	15.5	16.4	15.1
7	10.8	14.0	10.0	9.7
8 or more	6.7	18.0	6.4	13.8

^aThe AFDC family included only those persons designated as AFDC recipients.

^bThe household included all persons in the household (i.e., "at the table"), whether AFDC recipients or not.

On the assumption that non-recipients in the home could perform housework and child care functions for the mother, it was expected that the presence of a non-recipient in the home would increase the likelihood of the mother's employment. However, contrary to expectations, mothers in households in which non-recipients were present were less likely to be employed. Among such households, the 1969 employment rate was 6.6 percent, which compared to a rate of 11.1 percent among households without non-recipients present. In 1970, the employment rates shifted upward to 11.7 percent for those with non-recipients in the household and 14.7 percent for those without.

However, when employed recipients were examined separately, the results were more in line with expectations. The regression results indicate that among employed AFDC mothers, those in households in which non-recipients were present tended to have higher levels of earnings. Coefficients for the POTH variable tended to be positive but only one was significant at better than the ten percent level (another seven were significant at the 20 percent level or better). Generally, a value of about \$20 to \$40 in monthly earnings was associated with the presence of one or more non-recipients.

These results suggest that the relationship with employment status and earnings may depend on the type of non-recipients in the household. For example, in this study, non-recipients who might assist with work in the home (e.g., an unemployed child too old to be included in the AFDC group) were not distinguished from those who might increase the workload of the mother (e.g., an ill or incapacitated grandmother). Information of this type might well have allowed an explanation of why the presence of non-recipients was negatively related to being employed, but among those employed, positively related to the level of earnings.

Children - Age Groups: The effect of different age distributions of children was evaluated with a set of six mutually exclusive categories based on four age groupings: 0-2, 3-5, 6-12, and 13 and older. AFDC policy exempted from the employment requirement mothers whose youngest child was age 2 or younger. For this reason, it was believed that such mothers, regardless of the number or ages of other children, would be least likely to be employed, and they were placed together as one group. The remaining five groups were defined by the possible combinations of the other age-group categories.

Table 5-G

Employment Rates by Children Age Groups
Genesee and Ingham County Combined

Category	Employment Rates (In Percent)		Age Group Definition
	June, 1969	June, 1970	
CH02	7.0	7.1	Any group with child 0-2
CH001	9.4	12.0	13+ only
CH010	12.6	18.2	6-12 only
CH100	8.0	13.4	3-5 only
CH110	7.6	15.5	3-5 <u>and</u> 6-12 only
CH111	12.6	18.8	13+ <u>and</u> 3-5, 6-12 or 3-12

Employment rates for these groups, as shown in Table 5-G, substantiate that young children, particularly those age 2 or younger, reduced the probability of the AFDC mother being employed. The relative rankings of the groups indicate that the negative effect of young children, at least those age 3-5, tended to be offset by the presence of teenagers.

In the regression equations, the omitted category was CH02. Therefore, coefficients for the other five categories must be interpreted relative to the implicit zero coefficient for that category. Unfortunately, probably because the PEL and NOTEX variables were necessarily correlated with the set of children-age variables, PEL and NOTEX reflected much of the effect which otherwise would have been reflected in this set of variables. As a result, the children age-group variables did not offer a clear picture of their relationship with the level of earnings. For example, for none of these variables were the coefficients the same sign in every instance. An indication of the relative size and ranking of the coefficients is shown in Table 5-H for all recipients employed at each observation and for the E_1E_2 sample group, for the counties combined.

Table 5-H

Coefficients of Children-Age Group Variables with Respect to Earnings^a
Genesee and Ingham Counties Combined

Category ^b	1969 Coefficient		1970 Coefficient	
	All E_1	E_1E_2 Group	All E_2	E_1E_2 Group
CH02	0	0	0	0
CH001	34	20	-12	36
CH010	19	-6	-27	22
CH100	31	76	-40	99
CH110	46	37	-47	33
CH111	43	31	9	68

^a Coefficients derived from the stepwise regressions for the indicated combined-county sample groups, using the step at which the last children-age group variable was entered.

^b Category definitions are shown in Table 5-G.

Nearly all of the above coefficients were not significant at the ten percent level. Their usefulness, therefore, is limited, although they may indicate the relative relationship of particular children-age groups to the level of earnings. In general, the presence of a child age 2 or younger was associated with lower earnings levels, while the presence of a teenager was associated with higher levels of earnings. However, these generalizations did not hold in every case.

Time on Assistance: It was expected that the length of time a family had received AFDC would be positively related both to the presence of factors or the existence of situations which would make self-support difficult, and to knowledge of AFDC policy (i.e., knowledge of how to maximize welfare income). Since one of the primary means of disseminating information about the earnings exemption was through the explanation of eligibility criteria to AFDC applicants, it was not expected that time on AFDC would be positively related to knowledge of that policy. Therefore, a negative relationship was expected between time on AFDC and both the likelihood of being employed and the level of earnings.

Two variables were used to determine time of AFDC receipt. MONTHS indicated months of continuous receipt, while PREV indicated that at least one other period of assistance occurred prior to the current one. The data indicate that length of time on assistance was not related to employment status. In 1969, employed recipients averaged 35.0 months, compared to 35.6 months for all recipients. In 1970, employed recipients averaged 21.8 months, compared to 19.9 months for all recipients. The employment rates difference displayed in Table 5-I further substantiate that time on assistance was not clearly related to the likelihood of being employed at either observation date.

Table 5-I

**Employment Rates by Months of Continuous AFDC Receipt
Genesee and Ingham Counties Combined**

Months of Continuous Aid Prior to Each Observation	Employment Rates (In Percent)	
	June, 1969	June, 1970
0 - 12	9.6	14.6
13 - 24	12.2	12.9
25 - 36	11.7	15.3
37 - 48	7.2	15.5
49 - 60	8.4	8.1
61 or more	10.4	14.6

Similarly, there was little difference between employed and all recipients with respect to having previously received assistance. In 1969, 55 percent of employed recipients, compared to 51 percent of all recipients, had a prior period of assistance. In 1970, the proportions dropped to 30 percent for employed and 33 percent for all recipients.

The MONTHS variable appeared in two-thirds of the earnings equations, was negative in each instance and significant at the ten percent level in half. The coefficients indicate that among all employed recipients, each additional month of assistance was associated with a decrease in monthly earnings of 73 cents in 1969 and 62 cents in 1970.

The PREV variable appeared in only six equations (fewest of any variable) and was significant at the ten percent level in only one. In that instance (combined counties E_1U_2 group) receipt of previous assistance was associated with a drop in monthly earnings of \$35.

Type of Housing: The majority of AFDC families in this study were

renters, with the proportion increasing from 54 to 63 percent over the study period. Families purchasing homes were classified by whether or not the mortgage on the home was subsidized or secured as a Federal Housing Act, Section 235 or 221(d)(2) low-income mortgage. Other housing arrangements, such as public housing and rent-free or board-and-room situations were also identified. In cases where a family changed type of residence, the one of longest duration during the study period was indicated.

Employment rates shown in Table 5-J indicate that homeowners and those purchasing with a non-subsidized mortgage were most likely to be employed, particularly in 1970. However, purchasing under one of the low-

Table 5-J

Employment Rates by Type of Housing
Genesee and Ingham Counties Combined

Type of Housing	Employment Rates (In Percent)	
	June, 1969	June, 1970
Home Owned or Purchasing (Not Subsidized)	12.3	20.5
Purchasing Home (FHA 235/221)	9.2	11.9
Public Housing	10.1	17.1
Private Rental	10.0	13.3
Other	4.4	7.6

income mortgages was associated with lower employment rates. Immediately prior to and during the study period many AFDC recipients purchased homes under these relatively new FHA plans, particularly in Genesee County. It

may be assumed that families in this housing classification were primarily new homeowners. Their lower employment rates may partially reflect the effect of a recent or concurrent relocation.

In the regressions, two housing variables were used. HOME indicated the family owned or was purchasing its home (regardless of type of mortgage). PUBHOS indicated residence in public housing. The residential category included all private rentals and the "other" classification. HOME appeared in a majority of the earnings equations. In Genesee County, it was usually positive and significant, but in Ingham County, it was usually negative and significant. Among all employed mothers, the HOME coefficient indicated homeownership to be associated with a \$33 higher level of monthly earnings in Genesee County, but a \$53 lower level of monthly earnings in Ingham County.

The reasons for this difference in earnings levels between counties are not clear. Recipients in Genesee County were about 50 percent more likely to own or to be purchasing their homes than were recipients in Ingham County. It may have been that lenders in Genesee County were more likely to approve mortgages for those recipients who were employed or most "employable." It is also possible that social workers in Genesee County were more likely to encourage homeownership among recipients with the greatest potential for self-support. If these factors were operative, they might explain the differences in earnings levels for homeowners between counties.

Geographic Location of Residence: To determine the effect of location, observations were grouped into five areas, based on the address on the payroll listing from which the sample was drawn. Some movement between areas did occur during the study period. However, the impression gained

while recording data was that relocations which occurred were often, if not usually, within the indicated area. (Maps showing boundaries of each area are in Appendix G.)

The five geographic areas are defined and employment rates shown for 1969 and 1970 in Table 5-K. In general, employment rates (and their increases) appear to be negatively related to the degree of urbanization. The highest levels, and largest increases in employment rates occurred in small towns and rural areas, where only a small proportion (about one-eighth) of the total caseload was located. On the other hand, AFDC mothers in the central city areas, where three-fifths of the caseload was located, were least likely to be employed.

Table 5-K

Employment Rates by Geographic Area
Genesee and Ingham Counties Combined

Geographic Area	Employment Rates (In Percent)		Area Definition
	June, 1969	June, 1970	
AREA A	8.8	11.5	Model Cities Area
AREA B	10.0	13.3	Central City - Not Model Cities
AREA C	11.4	14.7	Suburban
AREA D	17.4	32.1	Small Towns
AREA E	8.8	18.2	Rural

In the regressions, AREA E was the omitted variable. Coefficients for the other AREA variables tended to be negative, but were not consistently so, either among sample groups or between counties. Apparently geographic location was not an important factor in determining the level of earnings of AFDC mothers in this sample.

Regression Results: Earnings Change June, 1969
to June, 1970

Previous sections have examined those characteristics and circumstances of the AFDC mother and her family which were factors determining her employment status and level of earnings at two points in time: June of 1969 and June of 1970. This section will examine those characteristics and circumstances which were factors in the direction and degree of change in the level of earnings between those two points in time.

To evaluate factors associated with changes in earnings, the sample group in which mothers were employed and receiving AFDC at each observation (i.e., the E_1E_2 group) was examined first. Of the 204 mothers in this group earnings increased for 116, were unchanged for 21, and decreased for 67. On balance, average earnings increased by over \$31 (from \$197.43 to \$228.75). This change closely approximated the nearly \$33 increase in average earnings for recipients employed at each observation point (from \$195.11 in 1969 to \$228.07 in 1970).

Regression analysis was successful in explaining only a small proportion of the changes in earnings levels. The R-squared value, for the combined-county equation, was only 0.12, and only four variables were identified as significant at the ten percent level or better. (See

Table B-9(C), in Appendix B.) A positive change in earnings was associated with MONTHS (time on assistance) and having been designated as NOTEX (not expected to work) at the 1969 observation. A negative change in earnings was associated with residence in a Model Cities area and having children in both the 3-5 and 6-12 age groups. The level of child care payments at the second observation was positively related to earnings changes, and significant at the 11 percent level. Of these variables, MONTHS and NOTEX assumed signs in the earnings change equations which were opposite of those found in the earnings level equations. In other words, among AFDC mothers employed at both beginning and end of the study period, those designated as not expected to work and those who had received AFDC for the longest time were more likely to have had larger increases in earnings. Such mothers were still likely to be earning less than other employed mothers at each observation date. However, the larger earnings increases for these mothers suggest that those barriers to employment indicated by the variables NOTEX and MONTHS may have been ameliorated over the study year. This, of course, might simply reflect the fact that conditions change with the passage of time. For example, children were a year older at the end of the study period, which may have facilitated greater work activity among certain mothers originally exempted from the work requirement due to the presence of young children in the home.

A second set of regressions was applied to all mothers receiving assistance at both observation dates. That is, in addition to recipients employed at both points in time (the E_1E_2 group), those employed at either or neither observation were included (the E_1U_2 , U_1E_2 and U_1U_2 sample groups). The regression equations run on these data (weighted

appropriately) were even less useful in explaining changes in earnings. For the combined-county equation, the R-squared value was only 0.04. (See Table B-12(C) in Appendix B.) The level of child care payments and the expected wage were both significant (at better than the .02 level) and related to positive changes in earnings, while participation in WIN in 1970 and family Medicaid payments were related to negative earnings changes (although both were significant at only the .20 level).

The generally poor fit obtained for the earnings-change equations suggests that factors other than those which influenced the level of earnings were responsible for changes in earnings. It could be, of course, that an improper set of variables was chosen to explain changes in earnings. For example, instead of the level of other income, or other such variable, perhaps the change in that variable should have been used. However, in the early equations, such specifications worked no better than those reported here. Given that none of the factors on which data were available proved to be powerful explanatory variables, it is certainly plausible that the primary policy change over this period--the earnings exemption--played a significant role in this otherwise unexplained change in earnings.

Observations on Differences between Study Counties

Magnitude and Signs of Explanatory Variables

In all nine sets of step-wise regression equations, and in two of the six sets of weighted regression equations, a higher R-squared value was obtained for each county equation than was obtained for the combined counties equation. That is, the variables in each equation were able to explain a greater proportion of variation in earnings, earnings change

and employment status when the counties were examined individually than when they were examined together. This implies that dispersion among observations was greater when data from both counties were combined. The obvious conclusion is that some explanatory variables impact upon employment and earnings differently in each county.²⁴

Given that the two counties differed considerably in their employment experience over the study period, such a result might be expected. For example, in Genesee County, the employment rate for AFDC mothers increased from 8.5 to 11.9 percent, while average monthly earnings of employed mothers increased from \$188 to \$220. In Ingham County, the employment rate increased from 13.6 to 18.6 percent, while average monthly earnings increased from \$207 to \$237. The consistently larger values for Ingham County suggest that coefficients would tend to be larger for that county; and they were in most cases. Among variables with positive coefficients for both counties, those substantially larger in the Ingham County equations included HSGRAD, WIN 1 (in 1970), and POTH 1. Among variables with negative coefficients for both counties, those substantially more negative in the Ingham County equations included YOB, INCAP, NOTEX, MONTHS, OTHIN and MEDPY. Two variables consistently differed in direction of relationship between counties. The AREA A variable (indicating Model Cities residence) was positively related to earnings in Ingham County, but negatively related in Genesee. This result may reflect differences in the size and location of the Model Cities area between Flint and Lansing. (See Appendix G.) The HOME variable (indicating homeownership) was negatively related to earnings in Ingham County, but positively related in Genesee. This result may reflect the encouragement offered employed recipients in Genesee County to take

advantage of "low-income" FHA mortgages to purchase homes. Finally, coefficients for both CCARE and EXPWGS were positive in both counties, but were consistently larger in Genesee County. For CCARE, the larger values in Genesee County indicate that a larger change in earnings was associated with a given change in child care payments in that county. Primarily, this reflected the fact that less expensive "in-the-home" care was more prevalent in Genesee County.²⁵ For EXPWGS, the larger values in Genesee County indicate that, for a given change in the level of expected wages, a greater employment and earnings response was expected among AFDC mothers in that County. The explanation for this finding most likely lies with differences in the two counties' labor market conditions, which are discussed below.

Labor Market Conditions

A primary reason for selecting two counties for this study was to allow an evaluation of the effects of employment conditions upon the work response of AFDC mothers. It was expected that relative supply and demand conditions for particular types of labor would be reflected in the EXPWGS variable, and that the impact of the economy upon the relative response between counties might be determined by comparing appropriate coefficients for EXPWGS. Over the study period, general economic conditions worsened in both Genesee and Ingham Counties. For example, from June of 1969 to June of 1970, the Genesee unemployment rate increased from 4.3 to 6.8 percent, while in Ingham County the increase was from 3.3 to 6.0 percent. Comparison of these unemployment rates yields a conflicting picture as to which county experienced relatively better or worse economic conditions over the study period. On the one hand, the

unemployment rate for Genesee County was consistently above that for Ingham County. On the other hand, however, the unemployment rate for Ingham County experienced a larger absolute increase, and a much larger relative increase over this period. Therefore, on the basis of unemployment rates, it was not clear whether AFDC employment and earnings in one county or the other would be more or less responsive to policies designed to stimulate work activity.

The data suggest that the more rapid worsening of economic conditions dampened the employment and earnings response in Ingham County relative to Genesee County. Coefficients for EXPWGS (and the elasticities associated with them) in the Ingham County equations were consistently about half as large as those in the Genesee County equations. In other words, the employment and earnings response to a given absolute or percentage change in wage rates was twice as large in Genesee County as in Ingham County.

The implication of this finding is that changes in economic conditions played an important role in the employment response observed among AFDC mothers over the period under study. In addition this finding also suggests that if the earnings exemption had been implemented during a period of decreasing rather than increasing unemployment, a much larger increase would have occurred in both employment rates and earnings levels among AFDC mothers.

Summary and Conclusion

In this chapter, an econometric model was used to empirically evaluate the impact of economic and demographic factors upon both employment status and the level of earnings of AFDC mothers in two Michigan counties in June of 1969 and June of 1970. The primary finding of this chapter was that AFDC mothers did respond to economic factors in their employment decisions, but that other factors, such as the presence of small children, age, race, and education were also important determinants of employment behavior.

Among economic factors, the first to be examined was non-earned income. It was found that the effect of non-earned income depended in part upon its source. Non-earned, non-welfare income (such as social security benefits or child support) had a statistically significant but relatively small impact on employment and earnings. For example, a ten percent increase in such income was associated with a decrease in earnings of only about one-half percent, and a decrease in the probability of being employed of about one percent. However, welfare income was found to have a greater impact upon employment activity: a ten percent increase in welfare income was associated with a twelve percent decrease in earnings. In other words, earnings were substantially more sensitive to changes in the level of welfare income than to changes in other non-earned income.

While employment activity was negatively related to non-earned income, it was positively related to the level of earnings available in the job market. AFDC mothers in occupations which averaged higher salaries were more likely to be employed and more likely to be earning more. Further, increases in expected market wages were found to lead to increases in earnings and employment. At the 1969 observation, for example, a ten percent increase in the expected monthly starting salary was associated with an in-

crease in monthly earnings of 23 percent and an increase in the probability of employment of 14 percent. This finding clearly suggests that an appropriate means of increasing AFDC employment is to increase wage levels available to recipients.

A primary means of increasing recipient wages involves the upgrading of skills through job training and education, such as was provided to AFDC recipients through the WIN program. The data indicate that following WIN participation, AFDC mothers were about 50 percent more likely to be employed than all other AFDC mothers, and were likely to be earning one-third more than other employed mothers. In assessing the impact of WIN, one of the factors seldom mentioned is that WIN participation often takes the place of other employment activity. For example, even though WIN participants were specifically chosen because of their experience, education, and employment motivation, they were about one-fifth less likely than other recipients to be employed concurrently with WIN participation. Among those who were employed during WIN participation, monthly earnings averaged \$49 lower during June of 1969 and \$70 lower during June of 1970.

Among factors which were found to be positively related to employment activity, the strongest relationship was identified for welfare-funded child care. The data indicate that mothers who utilized such child care were more likely to work and earn more. In particular, between June of 1969 and June of 1970, a much larger increase in earnings occurred among mothers using welfare-funded child care than among other employed mothers, suggesting that recipients for whom care was available were able to respond more readily to the work incentive provided by the earnings exemption. However, despite the positive relationship between use of child care and employment activity, the current cost of child care was usually not offset by earnings-related reductions in the AFDC payment. The data indicate that

a one dollar increase in child care payments was associated with an increase in gross earnings of only 30 cents in 1969 and nearly 50 cents in 1970. After allowing for employment expenses and the earnings exemption, an additional dollar spent for child care resulted in a reduction in the AFDC payment of only 12 to 15 cents in 1969, and 20 to 25 cents in 1970.

Factors found to be negatively related to employment activity included those conditions and circumstances which might be expected to serve as barriers to a successful job experience. These factors included the presence of several children, or an infant child, which required the mother's care, a lack of education, a lack of job experience (as indicated by age), and poor health. Of these, the most important barrier to employment appeared to be the presence in the home of a child aged two or younger.

Finally, the data suggest that AFDC employment was related to economic conditions in each study area. In both study counties, the increase in AFDC employment occurred in the context of rising overall unemployment. A higher rate of employment occurred at each observation point in Ingham County, where the overall rate of unemployment was lower throughout the study period. However, a greater response to changes in wage rates occurred in Genesee County, where the negative change in overall unemployment was smaller. These data suggest that changes in economic conditions were as important as the absolute level of the unemployment rate in determining employment behavior among AFDC mothers over this period.

Chapter 5 Footnotes

- ¹A sample "budget sheet," identified as form DSS-2D, is in Appendix F.
- ²A "dichotomous," or "dummy" variable is one which can take only two values, e.g., "yes" or "no."
- ³As noted by Cain (Married Women, pp. 91-92), Hausman ("The Impact of Welfare," p. 88) and Saks (Paper No. 12, p. 14), all of whom employ dichotomous dependent variables in their analyses, a few conceptual statistical considerations arise when this procedure is utilized. Specifically, regression analysis is based on several assumptions, one of which is that the random variations have constant variance, i.e., they are "homoskedastic." However, when the dependent variable takes on only two values, this assumption is violated. The result is that the regression equation may not indicate the true level of significance of the independent variables. However, simple least squares regression techniques, which are used here, still yield unbiased estimates. See: Arthur S. Goldberger, Econometric Theory (New York: John Wiley and Sons, Inc., 1964), pp. 248-255.
- ⁴The positive relationship between age and employment activity was expected to hold only up to some point prior to retirement age, after which a negative relationship was expected. Since available data indicate that less than 0.2 percent of Michigan AFDC mothers were age 60 or over in 1969, a positive relationship was expected. As is shown later, the point at which the relationship became negative was considerably earlier than age 60.
- ⁵When dichotomous independent variables are used in regression analysis, one of the categories is omitted and thereby serves as the benchmark against which the values of the included categories are compared. When a dichotomous variable has two categories (e.g., Race-white and Race-nonwhite), only one of the categories is included, and its regression coefficient is interpreted relative to the implicit zero coefficient for the other category. A similar situation occurs when a variable is defined (as education is here) by a set of three or more mutually exclusive dichotomous categories: One of the categories is omitted in the regression equation, and coefficients for all other categories are interpreted in relation to the implicit zero coefficient for the omitted category.
- ⁶Nancy J. Felder, "The WIN Program," Michigan Employment Security Commission, monthly issues, July, 1969-June, 1970.
- ⁷Refer to footnote 5 above.
- ⁸Maps showing AREA boundaries are in Appendix G.
- ⁹Judson Gooding reports that "Four out of five new jobs created in major metropolitan areas in the past ten years have been outside the cities." See: Judson Gooding, "Roadblocks Ahead for the Great Corporate Move-Out," Fortune, June, 1972, p. 79.

- ¹⁰Michigan Department of Social Services, "Interpretive Text of Annual Quality Control Report for the Period July 1, 1969 through June 30, 1970," (Undated Report).
- ¹¹Significant "at the .01 level" (or "one percent level") indicates that the chances an event might have occurred by chance are one (or less) in 100. Similarly, significant "at the .05 level" (or "five percent level") indicates that the chances of an event might have occurred by chance are 5 (or less) in 100.
- ¹²The term "efficient" is used here as a measure of the degree to which benefits would go strictly to those with total incomes below a specified "poverty" level. That is, the less leakage of benefits to the non-poor, the more efficient would be an income maintenance program. Refer to earlier discussion in Chapter 1.
- ¹³The elasticity is calculated as: $\frac{dy}{dx} \cdot \frac{\bar{x}}{\bar{y}}$, where y is the dependent variable, and x is the independent variable.
- ¹⁴The seven equations include those presented in Appendix B in Tables B-1(G), B-2(C), B-4(C), B-4(G), B-6(G), B-7(I), and B-8(G).
- ¹⁵These coefficients and elasticities reflect the necessary adjustment for the interaction term RATIO. Specifically, where

$$\begin{aligned} W &= \text{EXPWGS} \\ T &= \text{TOTRQ} \\ R &= \text{RATIO} \end{aligned}$$

then $Y = a + b_i X_i + \dots + b_w W + b_t T + b_r R$ or, since $R = \frac{W}{T}$, then

$$Y = a + b_i X_i + \dots + b_w W + b_t T + b_r \frac{W}{T}.$$

Therefore: $\frac{dY}{dW} = b_w + b_r \cdot \frac{1}{T}$ and $\frac{dY}{dT} = b_t - b_r \cdot \frac{W}{T^2}$.

- ¹⁶This result holds on the assumption that the increase in leisure results from a decrease in market work and non-market work, or non-market work alone, but not from non-market work alone.
- ¹⁷To calculate the income-compensated substitution elasticity, the regression coefficient for OTHIN was subtracted from the coefficient for EXPWGS (adjusted when necessary for the interaction term RATIO). This income-compensated coefficient was multiplied by mean EXPWGS, and divided by mean earnings to obtain the elasticity parameter.
- ¹⁸Daniel H. Saks, "Economic Analysis of an Urban Public Assistance Program: Aid to New York City Families of Dependent Children in the Sixties" (Unpublished Ph.D. Dissertation, Princeton University, 1973), pp. 117-120.

- 19 Child care was paid on the basis of \$4 per day for the first child and \$2 per day for each additional child, for in-the-home care. For certified day care centers, the rate was \$5.70 per day per child.
- 20 The 80 percent increase in earnings among employed recipients receiving child care benefits is implied by the 57 percent increase in the CCARE coefficient (.47/.30), multiplied by the 16 percent increase in the mean monthly child care payment to employed mothers (\$108/\$93). The 17 percent increase in earnings among all employed recipients is based on the ratio of mean monthly earnings in June, 1969 to those in June, 1970 (\$228.07/\$195.11).
- 21 In calculating the amount of "net earnings" which result in a reduction in the AFDC payment, deductions from gross earnings are made for the exemption ($33\frac{1}{3}$ percent after the first \$30) and for employment expenses (depending on the situation, usually about 20 percent of gross earnings). Furthermore, it can be shown that deducting employment expenses after applying the "\$30 plus $\frac{1}{3}$ " exemption, as prescribed by federal regulation, increases the effective allowance for employment expenses to $\frac{4}{3}$ of actual expenses. Thus, it is quite possible that deducting exempted earnings plus employment expenses might leave only 40 to 50 percent of gross as "net" earnings to be applied against the AFDC payment. Therefore, \$2.00 to \$2.50 in gross earnings might be required to effect a \$1.00 decrease in the AFDC payment.
- 22 Data from the 1971 AFDC Survey processed by the Michigan Department of Social Services further indicate that white AFDC mothers in Michigan are more likely to be employed than non-white AFDC mothers. In the survey month (January, 1971), the employment rate for white AFDC mothers was 12.0 percent, compared to 7.2 percent for non-white mothers. Labor force participation rates were 18.7 for white and 13.3 percent non-white mothers. However, non-white mothers were nearly twice as likely to have been enrolled or awaiting enrollment in WIN training. A total of 33.3 percent of non-white mothers were in the labor force, in training or awaiting training, compared to 29.8 percent for white AFDC mothers.
- 23 The variable PEL 1 was, due to a programming error, entered as an explanatory variable in six of the 1970 earnings equations. These equations included the three county-groups for the U_1E_2 and the All E_2 sample groups. In each equation the coefficient was negative and, in four instances, significant at the ten percent level or better. I was unable to satisfactorily explain why current family size should be positively related, but family size one year earlier negatively related, to the level of current earnings.
- 24 In other words, the multi-plane regression line implied by each county equation probably differs between counties with respect to intercept or slope, or both.
- 25 In-the-home child care was used by over 80 percent of the Genesee County AFDC mothers, compared to nearly 60 percent in Ingham County. For relative costs of each type of care, refer to footnote 19 above.

CHAPTER 6

SUMMARY OF FINDINGS AND THEIR IMPLICATIONS FOR POLICY

The purpose of this dissertation has been to examine the short-run impact of the 1967 Social Security Amendments upon the employment behavior of AFDC mothers. Particular attention has been paid to evaluating the impact of the earnings exemption provision, which was specifically designed to serve as an economic work incentive. In evaluating this provision, the impacts on AFDC employment of two other program changes effected by the 1967 Amendments were also examined. These included the Work Incentive (WIN) Program, which was designed to train and find jobs for AFDC recipients, and a mandatory cost-of-living increase in AFDC assistance levels. Other factors were also examined, including economic conditions and changes in the general "employability" of the recipient population.

Findings of Earlier Research

In reviewing the literature, three primary conclusions were derived:

- (1) AFDC mothers frequently face multiple barriers to employment.

In particular, care of children was cited most often as an impediment to successfully obtaining and maintaining a job.

- (2) The relatively lower rate of labor force participation among AFDC mothers is less the result of differences in attitudes than differences in work experiences and personal qualifications.

In general, AFDC mothers want to work as much as other women do. However, unpleasant job experiences in the past and poor

job qualifications have often made them less willing to persist in a job search and more willing to accept welfare.

- (3) Available evidence supports the notion that financial work incentives are an important factor in the work decisions of AFDC mothers. However, very little research has been completed on the effect of the earnings exemption, and that research which is available is not unanimous in conclusion.

Analysis of Changes in Employment Rates and Earnings Levels

To analyze changes in employment and earnings which occurred in the first year following implementation of the earnings exemption, data were obtained for nearly 1,200 AFDC mothers who resided in two Michigan counties. The data indicated that after the exemption was implemented on July 1, 1969, the employment rate among AFDC mothers increased by two-fifths from 10.0 percent in June, 1969 to 14.1 percent in June, 1970 (an increase statistically significant at the .01 level). To evaluate the extent to which the earnings exemption might be assigned credit for this increase, two procedures were used. First, changes in employment status and earnings levels which occurred over the study year (i.e., June, 1969 to June, 1970) were compared with similar changes which occurred in each of the previous two annual periods (June, 1968 to June, 1969 and June, 1967 to June, 1968). Second, other factors which may have influenced AFDC employment were examined for their impact.

In comparing changes in employment status, it was found that the increase in the employment rate over the study period was significantly greater than would otherwise have been expected on the basis of the previous two years' experience. Specifically:

- Of AFDC mothers who were employed at the beginning of the study period, 61 percent were also employed one year later. This proportion was significantly greater than the 44 percent registered in the previous year, although the same as the 61 percent indicated for the period two years earlier.
- Of AFDC mothers who were not employed at the beginning of the study year, 10 percent were employed at the end of the period. This was significantly greater than the 5 percent who became employed in each of the two previous annual periods.
- Of those who were "new" recipients, i.e., who received AFDC at the final but not the initial observation of each annual period, 15 percent were employed at the end of the study period. This was significantly greater than the 11 percent found in the previous year, but not significantly different from the 18 percent registered two years earlier

Over the study period, changes in the levels of monthly earnings were also significantly different from earlier years. Among those employed at both the beginning and end of each annual period, the proportion with increases in monthly earnings was significantly smaller during the study period. The earnings distributions of recipients who were employed only at the final observation in each annual period were found not to differ significantly. However, new recipients during the study period were significantly more likely to be earning more than \$300 per month, and were significantly less likely to be earning less than \$200 per month, compared with each of the previous two years.

Thus, data on both employment rates and earnings levels indicate that employment behavior changed significantly during the year following implementation of the earnings exemption. Compared with the previous annual periods, (1) recipients employed at the start of the study year were more likely to remain employed, although they also were less likely to experience an increase in monthly earnings; (2) non-employed recipients

were more likely to become employed, although they were neither more nor less likely to have higher or lower levels of earnings; and (3) new recipients were more likely to be employed and to have relatively high levels of earnings.

After comparing changes in employment rates and earnings levels which occurred over the study period with those which occurred during the previous two years, "other" factors which might have affected employment activity were examined for their impact. Three factors which acted to increase the employment rate over the study period were identified. First, there was a "retention effect." This effect occurred because the exemption increased by about four-fifths the level of gross earnings permitted an AFDC mother before she would become financially ineligible for assistance. For example, for a typical family of four, the maximum level of permitted monthly earnings increased from about \$375 to \$686 with the implementation of the exemption. The result was that over 13 percent of employed mothers receiving AFDC on July 1, 1969, and almost 20 percent of those employed while receiving aid one year later, would have been ineligible for assistance except for the application of the exemption. In other words, the retention effect accounted for 1.3 percentage points (13 percent) of the 10.0 percent employment rate for June, 1969, and 2.6 percentage points (almost 20 percent) of the 14.1 percentage rate for June, 1970.

Second, it was found that the composition of the caseload changed due to a large influx of new cases. Nearly half of those receiving AFDC at the end of the study period had not been receiving AFDC when the period began. Mothers in these new cases generally were more "employable," in that they tended to be younger, to have fewer children, and to have

more education. The employment rate among old cases was 13.6 percent, which compared to 14.1 percent for all cases. Therefore, the changing composition of the caseload accounted for the 0.5 percentage point difference between the observed June, 1970 employment rate of 14.1 percent and the 13.6 percent rate which would have prevailed if the new cases had been the same as the old cases.

A third factor contributing to the increase in AFDC employment was the WIN Program. About six percent of mothers employed in June, 1969, and eight percent of those employed a year later, had become employed while enrolled in WIN. On the assumption that these recipients became employed as a result of their WIN participation, then WIN accounted for 0.6 percentage points of the June, 1969 employment rate and 1.1 percentage points of the June, 1970 rate.

In addition to these three factors which impacted positively upon the employment rate, two others impacted negatively. The first of these involved an increase in AFDC cash and in-kind benefits during the study year. In August, 1969 monthly cash assistance levels for a typical family of four increased from \$268 to \$280, while in February, 1970 the food stamp bonus value increased from \$24 to \$46. Based on parameters for the income effect obtained in this and other studies, it was estimated that the increases in AFDC and food stamp benefits depressed the observed employment rate among AFDC mothers by 0.2 to 0.6 percentage points.

Another factor which negatively influenced AFDC employment was the economic situation over the study period. Although the overall unemployment rate in the study counties declined slightly from 4.4 to 3.9 percent over the two years prior to the study period, the rate increased over the study period from 3.9 percent in June, 1969 to 6.5 percent in

June, 1970. Clearly, the overall employment situation was worse at the end of the study period than at the beginning, and worse over the study period than during either of the previous two years. Although it was not possible to quantify the impact of this factor, it was concluded that the increases in AFDC employment over this period occurred despite, rather than because of, the economic situation.

Taking into account all the above-described factors, including identifiable overlaps between effects, the conclusion which emerged was that the earnings exemption was the most significant factor in the increase in AFDC employment over the period from June, 1969 to June, 1970. Specifically, it was found that the exemption (through an initial retention effect) accounted for 1.3 percentage points of the 10.0 AFDC employment rate registered in June, 1969. In June, 1970, the earnings exemption accounted for 5.2 percentage points of the 14.1 percent employment rate. Of the 5.2 percentage points, 2.6 were attributable to the retention effect, and 2.6 percentage points represented a conservative estimate of an increased employment effect. Altogether, of the 4.1 percentage point increase in the employment rate over this period, at least 3.9 percentage points were accounted for by the earnings exemption.

Impact of Recipient Characteristics and Welfare Services

Despite the significant increase in the employment rate, the proportion of AFDC mothers who were employed remained at a relatively low level. This fact suggests that factors other than the degree of work incentive continued to constrain and influence the employment decision among AFDC mothers. Multiple-regression analysis was utilized to assess the importance of such factors, including a range of recipient characteristics and welfare services and benefits. The following factors, listed

in approximate order of importance, were the primary factors found to be determinants of whether an AFDC mother was working, or if working, how much she was earning.

Expected Market Wages

The level of the expected market wage, which was based on occupational classification and county of residence, was found to be strongly related to the probability of being employed and, if employed, to the level of earnings. Specifically, the data in this study indicate that a 10 percent increase in "expected wages" was associated with a 14 percent increase in the probability of being employed and, among those already employed, a 16 to 23 percent increase in the level of gross earnings.

Child Care

AFDC mothers for whom welfare-paid child care arrangements were available had a larger increase in earnings than other recipients. Average earnings among all employed recipients increased by 17 percent over the study period, but earnings among recipients receiving child care benefits increased nearly 80 percent. These data suggest that when child care arrangements were available and paid for by the welfare department, recipients were better able to respond to the work incentive provided by the earnings exemption. Nevertheless, the change in gross earnings associated with an incremental dollar in child care benefits was only 30 cents in June, 1969 and 47 cents in June, 1970.

Non-Earned Income

Although both welfare and non-welfare non-earned income were found to affect negatively both the probability of being employed and the

level of earnings, welfare income was found to have the greater effect. A 10 percent increase in non-welfare income was associated with only a one percent decrease in the probability of being employed, and a decrease in earnings of only 0.3 percent in 1969 and 0.6 percent in 1970. However, a 10 percent increase in welfare payment levels was associated with a decrease of about 12 percent in both earnings levels and the probability of employment.

Children Under Age 3

The presence of a child in the family under age 3 was associated with a significant decrease in the probability of being employed. AFDC mothers with a child of this age were 24 percent of the total in June, 1969 and 39 percent a year later. Such mothers were more than one-third less likely to be employed in 1969 and more than 50 percent less likely to be employed in 1970.

Health of the Mother

Health problems of either the AFDC mother or her family, as indicated by the level of Medicaid payments for health care, were found to be a significant determinant of the probability of being employed, but were relatively unimportant as a determinant of the level of earnings. For example, medical services for the mother or her dependents which cost \$50 in either observation month were associated with a decline in the probability of the mother's employment of 0.9 percentage points, but a reduction in her earnings of less than \$5.00.

Participation in the WIN Program

Current WIN participation was found to have a significant negative effect upon current employment and earnings. AFDC mothers who were enrolled in WIN were about one-fifth less likely to be employed in June, 1969, and were more than one-fourth less likely to be employed a year later. Among those who were employed, current WIN enrollment was associated with a reduction in monthly earnings of \$49 in June, 1969 and \$70 in June, 1970. However, mothers receiving AFDC in June, 1969 who were WIN participants a year earlier were 50 percent more likely to be employed at the 1970 observation than were other AFDC mothers. Despite this positive employment effect, the program was so small relative to the total caseload that little overall impact was observed.

Policy Implications

The findings of this dissertation, to the extent they can be generalized beyond the two study counties, are relevant to AFDC policy in a number of areas. In this section policy implications are examined with respect to expected wages, welfare benefits, child care and recipient characteristics.

Expected Wages

The findings of this study indicate that increasing the level of wages available to the AFDC mother in the job market would be an effective means of increasing both employment and earnings. In recent years, attempts to increase expected market wages have been limited to training or education programs, such as the WIN program. The findings of this study suggest, however, that the provision of a general financial work

incentive such as the earnings exemption may be a more effective means to stimulate recipients employment, particularly in the short run. This is so for three reasons. First, an earnings exemption is generally applicable. Recipients do not have to wait to be assessed for suitability, selected, referred, certified or enrolled. Therefore, unlike WIN and many other institutionalized manpower programs, the policy can impact on all recipients, not just those selected for participation. Second, adoption or modification of an exemption formula can take place on very short notice. There is no need for an extended implementation period while personnel are hired and procedures established. The third reason is that results might be expected sooner. This is so partly because an exemption can be more quickly implemented and partly because an exemption impacts directly upon the employment decision by increasing the return from work.

In addition, use of an exemption formula has another significant advantage, and that concerns who benefits from program "cost." In a manpower program such as WIN, most expenditure is for program personnel and training contracts, and only a small portion of program funds ever reaches welfare recipients. In contrast, virtually all of the "cost" of the earnings exemption is in the form of increased income maintenance payments to recipients who are able and choose to be employed. (Costs are discussed in more detail in the next section.)

Of course, noting the relative advantages of the earnings exemption and training programs is not to argue that one policy should be used to the exclusion of the other. On the contrary, it is likely that these are complementary approaches to increasing AFDC employment. For example, it is conceivable that participation in a training program would increase

recipient responsiveness to an earnings exemption, just as recipients subject to an earnings exemption might be better motivated to do well in a training program.

Welfare Benefits

Economic theory would suggest that an increase in welfare benefits normally would be accompanied by the sacrifice of a certain degree of work incentive. The findings of this study quantify that relationship: A 10 percent increase in the AFDC payment level was associated with a 12 percent decline in the probability of employment and the level of earnings.

In a policy context, this finding is quite significant. It implies that improvements in the adequacy of assistance payments for the majority of recipients for whom employment is not a reasonable alternative will be accompanied by a significant negative impact upon the level of earnings and rate of employment for the minority who could work. The "welfare income effect," therefore, is a factor which must be taken into account in attempting to achieve a proper balance among the competing income maintenance objectives.

However, study findings also indicate that the different kinds of welfare benefits are not equal in their impact. That is, while increases in money payment levels were found to have a significant negative employment effect, increases in "in-kind" benefits had virtually no effect. The implication of this finding is that increases in program adequacy might be achieved with minimum adverse effects upon employment if those increases were in the form of in-kind benefits such as food stamps or emergency assistance. (As indicated earlier, the level of Medicaid

payments was also negatively associated with employment, but this was interpreted as a "health effect" rather than an income effect.)

Child Care

It was indicated in a previous section that welfare-funded child care was significantly related to employment and earnings. These results imply that in particular, employed recipients receiving child care benefits experienced an increase in earnings over the study period which was more than four times greater than that registered by other employed recipients. However, the increase in gross earnings associated with an incremental dollar of child care benefits was only 30 cents in 1969 and 47 cents in 1970.

These results suggest that if welfare-funded child care arrangements can be made, the AFDC mother is more likely to be employed and to have higher earnings, but that the return on each welfare dollar invested in child care is relatively low. Indeed, after allowing for exempted earnings and work-related expenses, it was estimated that a \$1.00 increase in child care benefits was offset by a savings in welfare payments of only about 12 cents in 1969 and 19 cents in 1970. Clearly, the only way the financial benefits to welfare-paid child care might exceed the costs would be if such child care increased the likelihood that an AFDC mother would obtain a good job, become self-supporting and terminate from AFDC (in which case she would pay part, or all, of the cost of child care, depending on her income). Unfortunately, the data available for this study did not allow examination of this possibility.

Recipient Characteristics

In selecting AFDC recipients for certain training or employment services, it is common practice to select those who have the greatest probability of success. Based on this study, the following characteristics provide a profile of the AFDC mother most likely to be employed:

Age	38 to 41
Race	White
Education	High school graduate (or more)
Occupation	Clerical, sales or services (except private household)
Children	None age 2 or younger; otherwise all age 6-12 in smaller families, or at least one teenager in larger families
Health	No problems requiring medical attention
Housing	Homeowner, unless recently purchased with low-income FHA mortgage
Location	Small town or rural

Although related to some of the above factors, neither family size nor length of time on assistance differed significantly between recipients who were employed and those who were not.

Financial Costs and Benefits of the Earnings Exemption

The conclusion of this dissertation has been that the earnings exemption was the most important factor in the increase in AFDC employment which occurred in the study counties over the year from June, 1969 to June, 1970. However, the question remains as to the financial impact of the exemption. The purpose of this section is to identify and evaluate the costs and benefits of that policy.

Definition of Costs and Benefits

Costs were defined to include all payments to AFDC recipients which would not have been made in the absence of the earnings exemption. Such

costs might have occurred because of two primary factors:

- (1) Exemption of "\$30 plus one-third" of earnings in computing AFDC payment.

All employed recipients received an AFDC payment which was larger than would have been the case in the absence of the exemption.

In assessing the cost, it is useful to separate two components of the effect of exempting recipient earnings:

- a) Retention Effect. In the absence of the exemption, certain recipients would have been ineligible for AFDC assistance due to the level of their earnings. For this effect, the cost equalled the total of AFDC payments made to this group.
- b) Exempt Earnings Effect. Most employed recipients had earnings which were sufficiently modest that eligibility would have continued in the absence of the exemption. For this group, the cost of the exemption equalled the amount by which the AFDC payment was higher; i.e., the cost equalled the total of earnings exempted from consideration in the computation of AFDC payments.

- (2) Lower Earnings for Certain Recipients

The data in this study indicate that recipients who were employed as the exemption was implemented were less likely to experience an increase in earnings. The cost of this effect would be indicated by the extent to which AFDC payments were higher as a result of lower earnings among this group.

Benefits of the exemption were defined to include all AFDC payments which would have been made, but were not, because of the effects of the exemption. Lower AFDC payments occurred because of two factors:

(1) Increased Employment

In response to the work incentive provided by the earnings exemption, some recipients obtained a job or kept a job they already had. For these recipients, the AFDC payment was lower by the amount of increased "net" earnings considered in the computation of the AFDC payment.

(2) Increased Earnings

Study data indicate that after the exemption was implemented new recipients were more likely to have high levels of earnings. The magnitude of the benefit would be indicated by the extent to which AFDC payments were reduced due to higher levels of earnings among this group.

Evaluation of Costs and Benefits

Based on data from this study, the dollar values for the above-described costs and benefits are presented in Table 6-A for July, 1969 and July, 1970. The data indicate that in each of these months, the dollar costs of the exemption were considerably greater than the benefits. For example, in July, 1970--a full year after the exemption was implemented--costs were found to be seven times greater than benefits, and net costs were found to represent 4.7 percent of total AFDC payments. Over the year from July 1, 1969 to June 30, 1970, costs exceeded benefits nearly ten-fold, and the exemption was responsible for increasing AFDC payments in the two study counties by over \$500,000. As shown in Table 6-B, this figure represented 4.3 percent of the \$11.7 million in total AFDC payments in the two counties for that year.

Table 6-A

Estimated Costs and Benefits of the Earnings Exemption
July, 1969 and July, 1970
Combined Counties

Date, Effect and Explanation	Amount
<u>July, 1969 (Based on June, 1969 Earnings)</u>	
Costs: Retention Effect--49 Cases @ \$75.78 Average Payment	\$3,710
Exempt Earnings Effect--309 Cases @ \$75.47 Average Exemption	23,320
Total Costs	\$27,030
Benefits: None	0
Net Cost of Exemption--July, 1969	\$27,030
Net Cost as Percent of Total AFDC Payments, ^b July, 1969	3.7
<u>July, 1970 (Based on June, 1970 Earnings)</u>	
Costs: Retention Effect--168 Cases @ \$86.07 Average Payment	\$14,460
Exempt Earnings Effect--654 Cases @ \$80.87 Average Exemption	52,890
Lower Earnings Effect	-- ^a
Total Costs	\$67,350
Benefits: Increased Employment Effect--152 Cases @ \$63.10 Average Net Earnings	9,580
Increased Earnings Effect	-- ^a
Total Benefits	\$9,580
Net Cost of Exemption--July, 1970	\$57,770
Net Cost as Percent of Total AFDC Payments ^b --July, 1970	4.7

^aData were not available to determine effects of increased or lower earnings resulting from the exemption. It may be assumed, however, that these effects were minor and largely offsetting.

^bTotal AFDC payments to female-headed cases only.

Source: Sample data.

Table 6-B

Estimated Costs and Benefits of the Earnings Exemption
Fiscal Year 1969-1970
Combined Counties

Costs and Benefits ^a	Estimated Annual Amount
Costs: Retention Effect	\$109,000
Exempt Earnings Effect	457,300
Total Costs	\$566,300
Benefits: Increased Employment Effect	\$57,600
Net Cost of Exemption--Fiscal Year 1969-1970	\$508,700
Total AFDC Payments ^b --Fiscal Year 1969-1970	\$11,742,400
Net Cost as Percent of Total AFDC Payments	4.3

^aCosts and benefits of changes in earnings levels are not considered.

^bTotal AFDC payments to female-headed AFDC cases only.

Source: Sample data.

In examining the components of the costs of the exemption, the retention effect was found to account for 14 percent of the costs in July, 1969 and 22 percent a year later. Because of relatively high earnings (average of \$356 in June, 1969 and \$394 a year later), the average AFDC payment for this group was relatively low (\$76 in July, 1969; \$86 a year later).

The remainder of the identified cost was accounted for by the majority of employed recipients whose earnings were sufficiently modest that they would have remained eligible for AFDC even in the absence of the earnings exemption. Compared to the above-described group, average earnings were lower (average of \$170 in June, 1969 and \$186 a year later) and average AFDC payments were higher (\$214 in July, 1969 and \$189 a year later).

In calculating the financial benefits, it was first assumed that no added employment took place in June, 1969 as a result of the exemption. As a result, no benefits were calculated for that month. For June, 1970 nearly 20 percent of recipient employment was attributed to the "increased employment" effect of the exemption. On the assumption that these recipients had average net earnings similar to that of all recipients, it was estimated that the benefit for June, 1970 was about \$9,600. In other words, the benefits offset about one-seventh of the total costs of the exemption in that month.

In this calculation, those benefits and costs which accrued because of exemption-influenced earnings changes have not been considered. Available data did not allow a determination of the extent to which June, 1970 earnings were lower among recipients employed a year earlier or were higher among new recipients. However, it was concluded that the impacts of these factors probably were both small and offsetting.

Therefore, it was assumed that consideration of these factors would have had little effect on the indicated net cost of the exemption.

In evaluating these benefits and costs, it is instructive to compare briefly the effectiveness of the exemption with the WIN Program. Although it is not the purpose of this section to describe the WIN Program, it is worth noting that over the same period (fiscal year 1969-70) the cost of WIN was \$600,000 in the study counties. WIN accounted for 0.5 percentage points of the increase in employment among AFDC mothers while the "increased employment" effect of the exemption was assigned credit for a minimum of 2.6 percentage points. In addition, all of the \$500,000 "cost" of the exemption took the form of payments to recipients who were employed. In contrast, only \$100,000 of the \$600,000 WIN cost was in the form of incentive or expense payments to recipients, most of whom were not and did not become employed. Thus, relative to WIN, the exemption cost less, had a greater impact on employment of AFDC mothers, and distributed more funds to recipients.

This comparison between the earnings exemption and WIN is, of course, based upon the measured impact over this particular year and in two particular counties. Caution is necessary if these results are to be generalized beyond the two study counties. This is so for two reasons. First, the effectiveness of different WIN programs can vary considerably, and programs in the study counties, which were implemented only four months before the exemption became effective, may not be representative. Second, and more importantly, WIN training may be regarded as a long-term investment in that costs are short-term in nature while benefits may accrue well into the future--perhaps up to 10 or 15 years. In contrast, the exemption requires a continuing expenditure for a continuing effect.

Thus, a comparison of the single-year costs and benefits of these two policies may not be proper. Nevertheless, the data indicate the annual cost of these policies was about the same, but the same-year impact upon the employment of AFDC mothers was considerably greater for the earnings exemption.

Concluding Statement

The conclusion of this dissertation is that the earnings exemption was the primary factor in the increase in employment which occurred among AFDC mothers between June of 1969 and June of 1970. It was found that following implementation of the exemption a significant increase occurred in the probability that recipients who already had jobs would remain employed, recipients without jobs would become employed, and new recipients would become or remain employed. Although other factors were examined for their impact, it was found that none could account for more than a small part of these positive changes in AFDC employment.

In evaluating the financial impact, however, it was found that the exemption also contributed to the increase in AFDC costs and caseloads which occurred over the study period. Although recipients were more likely to be employed, employed recipients were less likely to terminate from assistance due to the level of their earnings. Thus, while the exemption served to significantly increase recipient employment, it did not serve to reduce welfare costs or to restrain the increase in welfare caseloads.

The changes in employment and earnings described in this dissertation are only those which occurred in the first year after implementation of the earnings exemption. This is, therefore, an analysis of only the

short-run impact of that policy. An analysis of a longer period would certainly be necessary before a complete assessment could be made of the effects and implications of the earnings exemption. However, on the basis of data presented here, it may be concluded that at least in two Michigan counties, the exemption successfully acted to increase AFDC employment in the first year after its implementation, although at a financial cost which greatly exceeded benefits.

APPENDICES

APPENDIX A

PERCENTAGE DISTRIBUTIONS

Tables in this Appendix present percentage distributions of descriptive and financial data for each employment (sample) group and for the entire caseload, for Genesee County, Ingham County, and both counties combined. The tables are arranged in three groups. The first group of tables (A-2 through A-15) present data which describe the demographic characteristics of the sampled population: age, race, education, occupation, time on assistance, number of children of a particular age group. The second and third groups present (primarily financial) data which are specific to a point in time. In the second group (Table A-16 through A-29), these data refer to the AFDC budget in effect on July 1, 1969. Therefore, these data refer to the month of June, 1969 (except for the emergency assistance and Medicaid variables, for which data refer to the June through August period). Variables in this group include the number of persons receiving assistance, number of persons in the household, the amounts included in the AFDC budget for rent or house payment, net earnings and net income, and the dollar value of food stamps, child care, emergency and Medicaid assistance actually received. The third group of tables (A-30 through A-44) present similar data for July 1, 1970.

Where possible, means were calculated and are shown in the second column. For variables used as explanatory variables in regression analysis, the means are presented under a heading corresponding to the abbreviated name assigned that variable.

Averages presented are the weighted means of individual group means, weighted in proportion to the size of the employment group to the total caseload on the indicated date. Weights are shown in Table A-1.

In this appendix the term "employment group" is used instead of "sample group." Also, the second annual observation (July 1, 1970, which originally was the fifth quarterly observation) is denoted by a subscript "5" instead of a "2." For example, the employment group E_1E_5 corresponds with the sample group E_1E_2 . The relationship between notation used in this appendix and the notation used in Chapter 4 and 5 is shown below:

Employment Group Notation		Definition by Recipient Employment Status on Each Observation Date	
Text	Appendix A	July 1, 1969	July 1, 1970
1. E_1E_2	E_1E_5	Employed	Employed
2. E_1U_2	E_1U_5	Employed	Not Employed
3. E_1N_2	E_1C_5	Employed	Not Active (Closed)
4. U_1E_2	U_1E_5	Not Employed	Employed
5. U_1U_2	U_1U_5	Not Employed	Not Employed
6. U_1N_2	U_1C_5	Not Employed	Not Active (Closed)
7. N_1E_2	N_1E_5	Not Active (New)	Employed
8. N_1U_2	N_1U_5	Not Active (New)	Not Employed

Table A-1

Ratio of Each Employment (Sample) Group to the
Total Female-Headed AFDC Caseload, July 1, 1969 and July 1, 1970

County and Employment (Sample) Group		Ratio of Full Sample Group to Total Caseload on Each Sample Date (In Percent)		
	Sample Size	Full Group	July 1, 1969	July 1, 1970
<u>Genesee County:</u>				
1. E ₁ E ₂	125	125	4.85	3.14
2. E ₁ U ₂	69	69	2.67	1.73
3. E ₁ N ₂	26	26	1.01	----
4. U ₁ E ₂	79	139	5.39	3.49
5. U ₁ U ₂	212	1,825	70.74	45.82
6. U ₁ N ₂	46	396	15.35	----
7. N ₁ E ₂	105	210	----	5.27
8. N ₁ U ₂	73	1,615	----	40.55
<u>Ingham County:</u>				
1. E ₁ E ₂	79	79	7.80	4.23
2. E ₁ U ₂	44	44	4.34	2.36
3. E ₁ N ₂	15	15	1.48	----
4. U ₁ E ₂	49	87	8.59	4.66
5. U ₁ U ₂	103	738	72.85	39.53
6. U ₁ N ₂	7	50	4.94	----
7. N ₁ E ₂	91	182	----	9.75
8. N ₁ U ₂	61	737	----	39.48
<u>Combined Counties:</u>				
1. E ₁ E ₂	204	204	5.68	3.49
2. E ₁ U ₂	113	113	3.15	1.93
3. E ₁ N ₂	41	41	1.14	----
4. U ₁ E ₂	128	226	6.29	3.86
5. U ₁ U ₂	315	2,563	71.33	43.81
6. U ₁ N ₂	53	446	12.41	----
7. N ₁ E ₂	196	392	----	6.70
8. N ₁ U ₂	134	2,352	----	40.21

Table A-2
Distribution of AFDC Mothers by Year of Birth
(Row Percentages)^a

County Employment Group	Mean YOB	1919 or earlier	1920-1928	1929-1931	1932-1934	1935-1937	1938-1940	1941-1943	1944-1946	1947-1949	1950 to Present
Genesee:											
1. E ₁ E ₅	33.904	7.2	13.6	14.4	16.8	11.2	16.8	8.8	5.6	5.6	0
2. E ₁ U ₅	35.435	8.6	11.5	8.7	14.5	10.1	13.0	8.7	10.1	13.1	1.4
3. E ₁ C ₅	40.923	0	7.6	7.7	0	11.5	11.5	19.2	19.2	19.2	3.8
4. U ₁ E ₅	38.190	2.5	11.4	8.9	10.1	10.1	8.9	17.7	10.1	16.5	3.8
5. U ₁ U ₅	35.570	5.2	20.7	5.7	9.4	9.0	11.8	16.5	10.4	9.0	2.4
6. U ₁ C ₅	34.478	15.2	15.1	6.5	6.5	6.5	6.5	17.4	10.9	13.0	2.2
7. N ₁ E ₅	39.276	2.9	4.8	8.6	12.4	6.7	19.0	10.5	11.4	10.0	4.8
8. N ₁ U ₅	43.041	0	8.2	4.1	4.1	8.2	8.2	9.6	5.5	30.1	21.9
Average: 7-69	35.513	6.7	18.6	6.5	9.4	8.8	11.1	16.1	10.3	10.1	2.3
Average: 7-70	38.831	3.0	14.1	5.6	7.8	8.7	10.8	13.1	8.3	17.8	10.4
Ingham:											
1. E ₁ E ₅	33.823	3.9	29.2	6.3	10.1	15.2	8.9	10.1	3.8	10.1	2.5
2. E ₁ U ₅	36.455	0	9.1	20.5	13.6	11.4	15.9	11.4	6.8	11.4	0
3. E ₁ C ₅	34.867	13.4	13.4	0	13.3	6.7	13.3	6.7	13.3	20.0	0
4. U ₁ E ₅	36.061	6.1	14.2	4.1	8.2	18.4	8.2	20.4	6.1	12.2	2.0
5. U ₁ U ₅	36.640	8.8	10.6	2.9	8.7	10.7	16.5	11.7	19.4	8.7	1.9
6. U ₁ C ₅	23.857	42.9	28.6	0	0	0	14.3	0	14.3	0	0
7. N ₁ E ₅	38.967	4.4	7.7	6.6	5.5	13.2	11.0	11.0	20.9	14.3	5.5
8. N ₁ U ₅	42.459	0	4.9	3.3	3.3	11.5	9.8	13.1	19.7	19.7	14.7
Average: 7-69	35.706	9.6	13.2	3.8	8.6	11.2	15.0	11.7	16.2	9.0	1.8
Average: 7-70	39.013	4.4	9.0	4.0	6.4	11.8	12.6	12.5	18.1	13.9	7.3
Combined Co's											
1. E ₁ E ₅	33.873	5.9	19.6	11.3	14.2	12.7	13.7	9.3	4.9	7.3	1.0
2. E ₁ U ₅	35.832	5.3	10.6	13.3	14.0	10.6	14.1	9.8	8.8	12.4	0.9
3. E ₁ C ₅	38.707	4.9	9.7	4.9	4.9	9.7	12.2	14.6	17.0	19.5	2.4
4. U ₁ E ₅	37.375	3.9	12.5	7.1	9.4	13.3	8.6	18.7	8.6	14.9	3.1
5. U ₁ U ₅	35.919	6.4	17.4	4.8	9.2	9.6	13.3	14.9	13.3	8.9	2.2
6. U ₁ C ₅	33.075	18.9	16.9	5.6	5.6	5.6	7.5	15.1	11.4	11.3	1.9
7. N ₁ E ₅	39.133	3.6	6.1	7.6	9.2	9.7	15.3	10.7	15.8	16.8	5.1
8. N ₁ U ₅	42.776	0	6.7	3.7	3.7	9.7	8.9	11.2	12.0	25.4	18.6
Average: 7-69	35.570	7.7	16.9	5.7	9.2	9.5	12.3	14.7	12.2	9.7	2.1
Average: 7-70	38.874	3.5	12.1	5.0	7.3	9.9	11.5	13.0	12.4	16.3	9.0

^aRow percentages may not add to 100.0 due to rounding.

Table A-3
Distribution of AFDC Mothers by Race
(Row Percentages)^a

County Employment Group	White	Negro	Other
Genesee:			
1. E ₁ E ₅	40.8	51.2	8.0
2. E ₁ U ₅	40.6	56.5	2.9
3. E ₁ C ₅	42.3	57.7	0
4. U ₁ E ₅	41.8	55.7	2.5
5. U ₁ U ₅	36.3	58.0	5.6
6. U ₁ C ₅	43.5	50.0	6.5
7. N ₁ E ₅	50.5	49.5	0
8. N ₁ U ₅	45.2	54.8	0
Average: July 1969	38.1	56.3	5.6
Average: July 1970	41.1	55.9	3.0
Ingham:			
1. E ₁ E ₅	69.6	24.1	6.4
2. E ₁ U ₅	61.4	36.4	2.3
3. E ₁ C ₅	73.3	26.7	0
4. U ₁ E ₅	61.2	30.6	8.1
5. U ₁ U ₅	61.2	34.0	4.9
6. U ₁ C ₅	85.7	14.3	0
7. N ₁ E ₅	75.8	20.9	3.3
8. N ₁ U ₅	65.6	23.0	11.5
Average: July 1969	63.3	32.0	4.9
Average: July 1970	64.7	27.9	7.5
Combined Counties:			
1. E ₁ E ₅	52.0	40.7	7.4
2. E ₁ U ₅	48.7	48.7	2.7
3. E ₁ C ₅	53.6	46.4	0
4. U ₁ E ₅	49.2	46.1	4.6
5. U ₁ U ₅	44.4	50.2	5.4
6. U ₁ C ₅	49.1	45.3	5.6
7. N ₁ E ₅	62.2	36.2	1.5
8. N ₁ U ₅	54.5	40.3	5.2
Average: July 1969	46.0	48.7	5.3
Average: July 1970	50.2	44.8	5.0

^aRow percentages may not add to 100.0 due to rounding.

Table A-4
Distribution of AFDC Mothers by Highest Grade of School Completed
(Row Percentages)^a

County Employment Group	0-4	5-7	8	9-11	12	13-16	Not Reported or Unknown
<u>Genesee:</u>							
1. E ₁ E ₅	2.4	9.6	8.8	48.0	18.4	3.2	9.6
2. E ₁ U ₅	5.8	4.3	5.8	46.4	29.0	7.2	1.4
3. E ₁ C ₅	0	5.8	3.8	53.8	34.6	5.8	0
4. U ₁ E ₅	0	5.8	2.5	50.6	30.4	2.5	10.1
5. U ₁ U ₅	5.2	8.0	11.3	50.9	17.5	2.8	4.2
6. U ₁ C ₅	0	10.9	10.9	39.1	17.4	4.3	17.3
7. N ₁ E ₅	1.0	0	2.9	29.5	37.1	6.7	22.9
8. N ₁ U ₅	0	2.7	11.0	30.1	31.5	2.7	21.9
Average: July 1969	3.9	8.2	10.4	48.8	18.7	3.2	6.7
Average: July 1970	2.6	5.3	10.3	41.2	24.9	3.0	12.7
<u>Ingham:</u>							
1. E ₁ E ₅	6.3	3.8	5.1	35.4	31.6	6.3	11.4
2. E ₁ U ₅	2.3	2.3	6.8	56.8	20.5	2.3	9.0
3. E ₁ C ₅	0	6.7	13.3	26.7	46.7	6.7	0
4. U ₁ E ₅	6.3	2.1	0	47.9	29.2	2.1	12.5
5. U ₁ U ₅	4.9	5.9	11.7	44.7	21.4	2.9	10.7
6. U ₁ C ₅	28.6	0	14.3	42.9	0	0	14.3
7. N ₁ E ₅	0	1.1	2.2	18.7	35.2	0	42.9
8. N ₁ U ₅	0	1.6	3.3	32.8	19.7	1.6	40.9
Average: July 1969	6.1	3.5	10.1	44.4	22.1	3.0	10.9
Average: July 1970	2.6	2.6	6.5	37.5	22.8	2.2	25.8
<u>Combined Counties:</u>							
1. E ₁ E ₅	3.9	7.4	7.4	43.1	23.5	4.4	10.3
2. E ₁ U ₅	4.4	3.5	6.2	50.4	25.7	5.3	4.4
3. E ₁ C ₅	0	4.9	7.3	43.9	39.0	4.9	0
4. U ₁ E ₅	2.3	3.2	1.6	49.6	30.0	2.4	11.0
5. U ₁ U ₅	5.1	6.7	11.4	48.9	18.8	2.8	6.3
6. U ₁ C ₅	3.8	9.5	11.3	39.6	15.1	3.7	16.9
7. N ₁ E ₅	0.5	0.5	2.6	24.5	36.2	3.6	32.2
8. N ₁ U ₅	0	2.2	7.5	31.3	26.1	2.2	30.5
Average: July 1969	4.6	6.7	10.3	47.5	19.8	3.1	8.0
Average: July 1970	2.6	4.3	8.6	40.0	23.6	2.7	18.0

^aRow percentages may not add to 100.0 due to rounding

Table A-5
Distribution of AFDC Mothers by Current or Usual Occupation Classification
(Row Percentages)^a

County Employment Group	Clerical & Sales	Service	Private Household	Unskilled, Semi-Skilled, Factory	Never Worked	All Other (Incl. Unknown)
Genesee:						
1. E ₁ E ₅	10.4	65.6	14.4	4.8	0	4.8
2. E ₁ U ₅	8.7	60.9	15.9	2.9	0	11.5
3. E ₁ C ₅	7.7	69.2	11.5	11.5	0	0
4. U ₁ E ₅	34.2	40.5	12.7	10.1	0	2.6
5. U ₁ U ₅	7.5	38.7	12.3	7.5	32.1	1.9
6. U ₁ C ₅	4.3	26.1	13.0	6.5	41.3	8.6
7. N ₁ E ₅	21.9	55.2	10.5	8.6	0	3.9
8. N ₁ U ₅	24.7	37.0	11.0	5.5	19.2	2.8
Average: July 1969	8.6	39.1	12.6	7.3	29.0	3.3
Average: July 1970	16.3	40.2	11.8	6.7	22.5	2.6
Ingham:						
1. E ₁ E ₅	25.3	54.4	16.5	2.5	0	1.3
2. E ₁ U ₅	18.2	61.4	13.6	4.5	0	2.3
3. E ₁ C ₅	26.7	46.7	13.3	13.3	0	0
4. U ₁ E ₅	22.9	47.9	16.7	8.3	0	4.2
5. U ₁ U ₅	21.4	34.0	7.8	4.9	25.2	6.9
6. U ₁ C ₅	14.3	14.3	14.3	14.3	28.6	14.3
7. N ₁ E ₅	40.7	42.9	5.5	6.6	0	4.4
8. N ₁ U ₅	27.9	29.5	3.3	9.8	8.2	21.3
Average: July 1969	21.4	37.2	9.9	5.6	19.8	6.3
Average: July 1970	26.0	35.2	6.7	7.0	13.2	11.9
Combined Counties:						
1. E ₁ E ₅	16.2	61.3	15.2	3.9	0	3.5
2. E ₁ U ₅	12.4	61.1	15.0	3.5	0	7.9
3. E ₁ C ₅	14.7	61.0	12.2	12.2	0	0
4. U ₁ E ₅	29.9	43.3	14.2	9.4	0	3.2
5. U ₁ U ₅	12.0	37.2	10.8	6.7	29.8	3.5
6. U ₁ C ₅	5.6	24.5	13.2	7.5	39.6	9.4
7. N ₁ E ₅	30.6	49.5	8.2	7.7	0	4.1
8. N ₁ U ₅	26.2	33.6	7.5	7.5	14.2	11.2
Average: July 1969	12.6	38.4	11.7	6.8	26.2	4.3
Average: July 1970	19.8	38.1	9.7	7.0	18.8	6.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-6
Distribution of AFDC Families by Area of Residence
(Row Percentages)^a

County Employment Group	Model Cities Area	Other Central City	Suburban	Small Town	Rural
Genesee:					
1. E ₁ E ₅	27.2	37.6	22.4	4.0	8.8
2. E ₁ U ₅	23.2	34.8	23.2	1.4	17.4
3. E ₁ C ₅	23.1	38.5	23.1	0	15.4
4. U ₁ E ₅	24.4	35.9	17.9	1.3	20.5
5. U ₁ U ₅	28.3	38.7	20.3	1.9	10.8
6. U ₁ C ₅	40.0	20.0	15.6	0	24.4
7. N ₁ E ₅	30.5	26.7	22.9	5.7	14.3
8. N ₁ U ₅	22.2	41.7	23.6	0	12.5
Average: July 1969	29.6	35.5	19.7	1.6	13.5
Average: July 1970	25.7	39.1	21.8	1.4	12.1
Ingham:					
1. E ₁ E ₅	24.1	32.9	26.6	7.6	8.9
2. E ₁ U ₅	42.9	28.6	21.4	4.8	2.4
3. E ₁ C ₅	13.3	40.0	40.0	6.7	0
4. U ₁ E ₅	14.3	30.6	44.9	2.0	8.2
5. U ₁ U ₅	35.4	31.3	21.2	4.0	8.1
6. U ₁ C ₅	0	71.4	28.6	0	0
7. N ₁ E ₅	18.7	36.3	28.6	9.9	6.6
8. N ₁ U ₅	37.7	24.6	32.8	3.3	1.6
Average: July 1969	31.0	33.4	24.3	4.0	7.4
Average: July 1970	33.4	29.1	27.8	4.4	5.3
Combined Counties:					
1. E ₁ E ₅	26.0	35.8	24.0	5.4	8.8
2. E ₁ U ₅	30.9	32.4	22.5	2.7	11.6
3. E ₁ C ₅	19.5	39.0	29.3	2.5	9.8
4. U ₁ E ₅	20.5	33.9	28.2	1.6	15.8
5. U ₁ U ₅	30.6	36.3	20.6	2.6	9.9
6. U ₁ C ₅	34.7	26.8	17.3	0	21.2
7. N ₁ E ₅	25.0	31.2	25.5	7.7	10.7
8. N ₁ U ₅	29.3	33.9	27.8	1.5	7.5
Average: July 1969	30.1	34.8	21.0	2.4	11.7
Average: July 1970	29.2	34.8	24.3	2.6	9.2

^aRow percentages may not add to 100.0 due to rounding.

Table A-7
Distribution of AFDC Families by Housing Arrangements
(Row Percentages)^a

County Employment Group	Owned or Purchasing	Purchasing FHA 235/221	Public Housing	Private Housing	Rent Free and Other
<u>Genesee:</u>					
1. E ₁ E ₅	22.4	19.2	12.8	45.6	0
2. E ₁ U ₅	8.7	26.1	15.9	46.4	2.8
3. E ₁ C ₅	15.4	3.8	7.7	65.4	7.6
4. U ₁ E ₅	8.9	15.2	17.7	51.9	6.4
5. U ₁ U ₅	10.4	26.4	12.7	47.6	2.8
6. U ₁ C ₅	19.6	2.2	4.3	67.4	6.7
7. N ₁ E ₅	18.3	12.5	4.8	62.5	1.9
8. N ₁ U ₅	11.0	8.2	0	72.6	8.2
Average: July 1969	12.3	21.5	11.7	50.9	3.5
Average: July 1970	11.4	17.7	7.4	58.6	5.0
<u>Ingham:</u>					
1. E ₁ E ₅	19.2	2.6	9.0	66.7	2.6
2. E ₁ U ₅	9.1	11.4	11.4	68.2	0
3. E ₁ C ₅	13.3	0	13.3	73.3	0
4. U ₁ E ₅	18.4	4.1	22.4	55.1	0
5. U ₁ U ₅	15.5	4.9	12.6	61.2	5.8
6. U ₁ C ₅	14.3	14.3	0	71.4	0
7. N ₁ E ₅	19.8	7.7	2.2	69.2	1.1
8. N ₁ U ₅	9.8	4.9	4.9	80.3	0
Average: July 1969	15.7	5.3	12.5	62.1	4.4
Average: July 1970	13.8	5.2	8.8	69.6	2.5
<u>Combined Counties:</u>					
1. E ₁ E ₅	21.2	12.8	11.3	53.8	1.0
2. E ₁ U ₅	8.9	20.4	14.1	54.9	1.7
3. E ₁ C ₅	14.6	2.4	9.8	68.3	4.8
4. U ₁ E ₅	12.5	11.0	19.5	53.1	3.9
5. U ₁ U ₅	12.1	19.4	12.7	52.0	3.8
6. U ₁ C ₅	18.9	3.8	3.7	67.9	5.8
7. N ₁ E ₅	19.0	10.3	3.6	65.6	1.5
8. N ₁ U ₅	10.5	6.7	2.2	76.1	4.5
Average: July 1969	13.4	16.4	11.9	54.4	3.8
Average: July 1970	12.2	13.1	8.1	62.8	3.8

^aRow percentages may not add to 100.0 due to rounding.

Table A-8
Distribution of AFDC Families by Status of Father
(Row Percentages)^a

County Employment Group	Divorced	Legally Separated	Deserted	No Legal Father	Absent for Other Reasons
Genesee:					
1. E ₁ E ₅	20.8	21.6	28.8	16.8	12.0
2. E ₁ U ₅	21.7	17.4	20.5	26.1	14.4
3. E ₁ C ₅	30.8	15.4	11.5	34.6	7.7
4. U ₁ E ₅	21.5	8.9	25.3	15.2	29.1
5. U ₁ U ₅	21.7	18.9	23.6	25.9	9.9
6. U ₁ C ₅	15.2	21.7	21.7	25.9	17.4
7. N ₁ E ₅	18.1	5.8	22.9	15.2	40.0
8. N ₁ U ₅	15.1	12.3	23.5	35.6	13.7
Average: July 1969	20.7	18.8	23.4	24.7	12.3
Average: July 1970	18.8	15.1	23.6	28.6	13.8
Ingham:					
1. E ₁ E ₅	43.0	6.3	27.8	17.7	5.1
2. E ₁ U ₅	34.1	13.6	15.9	31.8	4.5
3. E ₁ C ₅	26.7	13.5	33.5	26.7	0
4. U ₁ E ₅	26.5	6.1	30.6	20.4	16.5
5. U ₁ U ₅	52.0	1.9	26.2	21.4	15.5
6. U ₁ C ₅	11.5	14.5	0	0	71.5
7. N ₁ E ₅	12.1	6.6	27.5	12.1	41.8
8. N ₁ U ₅	18.0	8.2	39.5	24.6	9.7
Average: July 1969	31.5	6.1	25.1	20.5	16.8
Average: July 1970	24.8	6.7	31.5	21.8	15.1
Combined Counties:					
1. E ₁ E ₅	29.4	15.7	28.1	17.1	9.5
2. E ₁ U ₅	26.5	15.9	18.6	28.5	10.5
3. E ₁ C ₅	29.5	14.6	19.5	31.7	4.9
4. U ₁ E ₅	23.4	7.8	27.5	17.2	24.2
5. U ₁ U ₅	25.1	14.5	24.5	24.1	11.4
6. U ₁ C ₅	15.1	20.7	18.8	20.7	24.5
7. N ₁ E ₅	15.5	5.1	25.0	15.8	40.8
8. N ₁ U ₅	16.4	10.4	30.6	30.6	11.9
Average: July 1969	23.8	14.8	23.9	23.3	13.6
Average: July 1970	21.1	11.9	27.1	25.7	14.0

^aRow percentages may not add to 100.0 due to rounding.

Table A-9
Distribution of AFDC Families by Year of First Receipt of AFDC
(Row Percentages)^a

County Employment Group	1959 or earlier	1960- 1961	1962- 1963	1964- 1965	1966- 1967	1968- 1969	1970
Genesee:							
1. E ₁ E ₅	14.4	9.6	12.8	14.4	16.8	32.0	0
2. E ₁ U ₅	11.5	11.6	4.5	11.6	31.9	29.0	0
3. E ₁ C ₅	19.2	7.7	0	0	19.2	53.8	0
4. U ₁ E ₅	12.7	10.1	3.8	11.4	21.5	40.5	0
5. U ₁ U ₅	14.6	9.0	14.2	15.1	20.3	26.9	0
6. U ₁ C ₅	12.9	8.7	13.0	6.5	8.7	50.0	0
7. N ₁ E ₅	4.9	5.8	3.8	7.6	4.8	57.1	38.1
8. N ₁ U ₅	2.8	0	1.1	4.1	1.4	34.2	56.2
Average: July 1969	14.2	9.1	13.0	13.3	18.7	31.8	0
Average: July 1970	9.2	5.2	7.9	10.0	12.0	31.1	24.8
Ingham:							
1. E ₁ E ₅	16.7	7.7	12.8	9.0	24.4	29.5	0
2. E ₁ U ₅	22.8	6.8	9.1	18.2	18.2	25.0	0
3. E ₁ C ₅	33.4	6.7	0	20.0	20.0	20.0	0
4. U ₁ E ₅	14.1	8.2	14.3	4.1	26.5	32.7	0
5. U ₁ U ₅	21.3	7.8	7.8	10.7	17.5	35.0	0
6. U ₁ C ₅	28.6	0	14.3	28.6	14.3	14.3	0
7. N ₁ E ₅	2.2	3.3	3.3	4.4	6.6	53.0	47.3
8. N ₁ U ₅	1.6	1.6	1.6	1.6	3.3	29.5	60.7
Average: July 1969	20.9	7.4	9.0	11.3	18.7	32.7	0
Average: July 1970	11.2	4.9	5.5	6.3	11.6	32.1	28.6
Combined Counties:							
1. E ₁ E ₅	15.3	8.9	12.8	12.3	19.7	31.0	0
2. E ₁ U ₅	15.9	9.7	6.2	14.2	26.6	27.4	0
3. E ₁ C ₅	24.4	7.3	0	7.3	19.5	41.4	0
4. U ₁ E ₅	13.2	9.4	7.8	8.6	23.4	37.5	0
5. U ₁ U ₅	17.2	8.5	11.7	13.4	19.2	30.0	0
6. U ₁ C ₅	15.0	7.6	13.1	9.4	9.4	45.3	0
7. N ₁ E ₅	3.6	3.6	3.6	6.1	5.6	35.2	42.4
8. N ₁ U ₅	2.6	0.7	1.5	3.0	2.3	32.1	58.2
Average: July 1969	16.6	8.5	11.4	12.5	18.5	32.5	0
Average: July 1970	10.2	5.1	6.8	8.5	11.8	31.5	26.2

^aRow percentages may not add to 100.0 due to rounding.

Table A-10
Distribution of AFDC Families by Months of Continuous Receipt of AFDC Prior to July, 1970
(Row Percentages)

County Employment Group	Mean MONTHS	0-6	7-12	13-18	19-24	25-36	37-48	49-60	61-72	73+
Genesee:										
1. E ₁ E ₅	37.240	7.2	13.6	12.8	8.0	16.8	12.0	8.8	4.8	16.0
2. E ₁ U ₅	30.406	5.8	13.0	13.0	15.9	21.7	13.0	7.2	4.3	5.8
3. E ₁ C ₅	32.038	0	7.7	30.8	19.2	15.4	7.7	7.7	0	11.5
4. U ₁ E ₅	38.380	5.1	8.9	15.2	12.7	19.0	8.9	7.6	8.9	13.9
5. U ₁ U ₅	40.712	4.2	8.0	15.6	9.9	16.0	10.4	11.8	8.5	15.6
6. U ₁ C ₅	31.358	6.5	6.5	30.4	15.2	15.2	4.3	2.2	6.5	13.0
7. N ₁ E ₅	6.229	54.3	45.7	0	0	0	0	0	0	0
8. N ₁ U ₅	5.096	67.1	32.9	0	0	0	0	0	0	0
Average: 7-69	38.619	4.7	8.2	17.8	11.0	16.2	9.5	9.8	7.8	14.8
Average: 7-70	24.084	32.5	20.4	8.3	5.5	8.9	5.7	6.1	4.4	8.2
Ingham:										
1. E ₁ E ₅	34.646	6.3	19.0	10.1	12.7	17.7	12.7	2.5	5.1	13.9
2. E ₁ U ₅	40.432	2.3	9.1	11.4	13.6	22.7	4.5	6.8	15.9	13.6
3. E ₁ C ₅	27.467	0	20.0	33.3	6.7	20.0	13.3	0	0	6.7
4. U ₁ E ₅	32.490	0	12.2	22.4	16.3	16.3	14.3	2.0	8.2	8.2
5. U ₁ U ₅	28.485	3.9	16.5	25.2	13.6	14.6	9.7	8.7	2.9	4.9
6. U ₁ C ₅	13.714	14.3	14.3	71.4	0	0	0	0	0	0
7. N ₁ E ₅	5.615	61.5	38.5	0	0	0	0	0	0	0
8. N ₁ U ₅	5.098	68.9	31.1	0	0	0	0	0	0	0
Average: 7-69	29.085	4.1	15.9	25.6	13.0	14.7	9.7	7.0	3.9	6.0
Average: 7-70	17.753	35.1	24.1	11.7	7.0	7.8	5.1	3.8	2.1	3.2
Combined Counties:										
1. E ₁ E ₅	36.235	6.9	15.7	11.8	9.8	17.1	12.5	6.4	4.9	15.2
2. E ₁ U ₅	34.310	4.4	11.5	12.4	15.0	22.1	9.7	7.0	8.8	8.8
3. E ₁ C ₅	30.366	0	12.2	31.7	14.6	17.1	9.7	4.9	0	9.7
4. U ₁ E ₅	36.125	3.1	10.2	18.0	14.1	18.0	11.0	5.5	8.6	11.7
5. U ₁ U ₅	36.713	4.1	10.8	18.7	11.1	15.5	10.2	10.8	6.7	12.1
6. U ₁ C ₅	29.036	7.5	7.5	35.8	13.2	13.2	3.7	1.9	5.6	11.3
7. N ₁ E ₅	5.944	57.6	42.4	0	0	0	0	0	0	0
8. N ₁ U ₅	5.097	67.9	32.1	0	0	0	0	0	0	0
Average: 7-69	35.548	4.6	10.7	20.3	11.6	15.7	9.5	8.9	6.6	12.0
Average: 7-70	21.854	33.4	21.6	9.5	6.0	8.5	5.5	5.3	3.6	6.5

^aRow percentages may not add to 100.0 due to rounding.

Table A-11
Distribution of AFDC Families by Total Number of Children in Assistance Group
(Row Percentages)^a

County Employment Group	1	2	3	4	5	6	7	8+	Not Recorded
<u>Genesee:</u>									
1. E ₁ E ₅	14.4	18.4	19.2	19.2	15.2	7.2	4.0	2.4	0
2. E ₁ U ₅	24.6	27.5	15.9	15.9	5.8	2.9	2.9	4.2	0
3. E ₁ C ₅	42.3	23.1	19.2	7.7	3.8	3.8	0	0	0
4. U ₁ E ₅	16.5	32.9	21.5	13.9	5.1	3.8	5.1	1.3	0
5. U ₁ U ₅	19.3	23.1	21.7	14.6	8.5	5.2	5.2	1.9	0.5
6. U ₁ C ₅	34.8	26.1	15.2	10.9	4.3	4.3	2.2	0	2.2
7. N ₁ E ₅	23.8	31.4	15.2	16.2	5.7	4.8	2.9	0	0
8. N ₁ U ₅	39.7	32.9	5.5	9.6	5.5	5.5	0	0	1.4
Average: July 1969	21.7	24.0	20.4	14.2	7.9	5.0	4.6	1.6	0.7
Average: July 1970	27.6	27.8	14.6	12.8	7.2	5.3	2.9	1.1	0.8
<u>Ingham:</u>									
1. E ₁ E ₅	20.3	26.6	20.3	16.5	7.6	6.3	2.5	0	0
2. E ₁ U ₅	15.9	34.1	13.6	13.6	13.6	4.5	2.3	2.3	0
3. E ₁ C ₅	26.7	40.0	6.7	13.3	6.7	0	0	0	6.7
4. U ₁ E ₅	18.4	34.7	16.3	10.2	8.2	4.1	4.1	4.0	0
5. U ₁ U ₅	21.4	19.4	27.2	16.5	4.9	4.9	3.9	2.0	0
6. U ₁ C ₅	42.9	28.6	0	14.3	14.3	0	0	0	0
7. N ₁ E ₅	31.9	28.6	13.2	13.2	6.6	3.3	3.3	0	0
8. N ₁ U ₅	41.0	18.0	18.0	13.1	4.9	3.3	1.6	0	0
Average: July 1969	22.0	22.7	23.5	15.7	6.3	4.6	3.5	1.9	0.1
Average: July 1970	29.8	21.1	21.1	14.5	5.5	4.1	2.8	1.0	0
<u>Combined Counties:</u>									
1. E ₁ E ₅	16.7	21.6	19.6	18.2	12.3	6.9	3.4	1.5	0
2. E ₁ U ₅	21.2	30.1	15.0	15.0	8.8	3.5	2.7	3.5	0
3. E ₁ C ₅	36.6	29.3	14.6	9.7	4.9	2.4	0	0	2.5
4. U ₁ E ₅	17.2	33.6	19.5	12.5	6.3	3.9	4.7	2.3	0
5. U ₁ U ₅	20.0	21.9	23.5	15.2	7.3	5.1	4.8	1.9	0.3
6. U ₁ C ₅	35.9	26.4	13.2	11.3	5.6	3.7	1.9	0	1.9
7. N ₁ E ₅	27.6	30.1	14.3	14.8	6.1	4.1	3.1	0	0
8. N ₁ U ₅	40.3	26.1	11.2	11.2	5.2	4.5	0.7	0	0.7
Average: July 1969	21.8	23.5	21.4	14.6	7.3	4.9	4.2	1.7	0.5
Average: July 1970	28.5	24.7	17.5	13.6	6.5	4.8	2.9	1.0	0.4

^aRow percentages may not add to 100.0 due to rounding.

Table A-12
Distribution of AFDC Families by Number of Children Age 0-2 in Assistance Group
 (Row Percentages)^a

County Employment Group	0	1	2	3
Genesee:				
1. E ₁ E ₅	88.8	10.4	.8	0
2. E ₁ U ₅	88.4	11.6	0	0
3. E ₁ C ₅	80.8	19.2	0	0
4. U ₁ E ₅	75.9	21.5	2.5	0
5. U ₁ U ₅	77.4	19.8	2.8	0
6. U ₁ C ₅	82.6	17.4	0	0
7. N ₁ E ₅	70.5	25.7	2.9	1.0
8. N ₁ U ₅	45.8	46.6	9.6	0
Average: July 1969	79.0	18.8	2.2	0
Average: July 1970	63.9	30.6	5.4	0.1
Ingham:				
1. E ₁ E ₅	89.9	10.1	0	0
2. E ₁ U ₅	84.1	15.9	0	0
3. E ₁ C ₅	93.5	6.7	0	0
4. U ₁ E ₅	65.3	32.7	2.0	0
5. U ₁ U ₅	66.0	32.0	1.0	1.0
6. U ₁ C ₅	100.0	0	0	0
7. N ₁ E ₅	59.5	37.1	3.5	0
8. N ₁ U ₅	41.0	50.8	6.6	1.6
Average: July 1969	70.7	27.7	0.9	0.7
Average: July 1970	56.9	38.7	3.4	1.0
Combined Counties:				
1. E ₁ E ₅	89.3	10.5	0.3	0
2. E ₁ U ₅	86.7	13.3	0	0
3. E ₁ C ₅	85.1	14.6	0	0
4. U ₁ E ₅	71.8	25.8	2.3	0
5. U ₁ U ₅	73.7	23.8	2.2	0.3
6. U ₁ C ₅	84.9	15.1	0	0
7. N ₁ E ₅	65.3	31.1	3.1	0.5
8. N ₁ U ₅	42.5	38.5	8.2	0.7
Average: July 1969	76.4	21.6	1.7	0.2
Average: July 1970	61.3	33.6	4.6	0.4

^aRow percentages may not add to 100.0 due to rounding.

^bLess than 0.05 percent.

Table A-13
Distribution of AFDC Families by Number of Children Age 0-5 in Assistance Group
(Row Percentages)^a

County Employment Group	0	1	2	3	4	5+
Genesee:						
1. E ₁ E ₅	52.0	33.6	11.2	3.2	0	0
2. E ₁ U ₅	49.3	27.5	18.8	2.9	0	1.4
3. E ₁ C ₅	46.2	23.1	26.9	3.8	0	0
4. U ₁ E ₅	36.7	34.2	22.8	3.8	0	2.6
5. U ₁ U ₅	42.0	25.9	21.7	7.5	2.8	0
6. U ₁ C ₅	45.7	30.4	13.0	8.7	2.2	0
7. N ₁ E ₅	33.3	37.1	25.7	3.8	0	0
8. N ₁ U ₅	20.5	47.9	27.4	4.1	0	0
Average: July 1969	43.0	27.4	19.9	7.1	2.3	0.2
Average: July 1970	33.1	36.0	23.9	5.6	1.3	0.1
Ingham:						
1. E ₁ E ₅	58.2	29.1	7.6	3.8	1.3	0
2. E ₁ U ₅	36.4	36.4	20.5	4.5	2.3	0
3. E ₁ C ₅	60.0	26.7	13.3	0	0	0
4. U ₁ E ₅	42.9	30.6	18.4	8.2	0	0
5. U ₁ U ₅	35.0	31.1	18.4	10.7	4.9	0
6. U ₁ C ₅	71.4	28.6	0	0	0	0
7. N ₁ E ₅	20.9	45.1	25.3	7.7	1.1	0
8. N ₁ U ₅	14.8	41.0	27.9	13.1	3.3	0
Average: July 1969	39.7	30.9	16.7	9.0	3.8	0
Average: July 1970	27.0	36.4	22.4	10.8	3.5	0
Combined Counties:						
1. E ₁ E ₅	54.4	31.9	9.8	3.4	0.5	0
2. E ₁ U ₅	44.3	31.0	19.5	3.5	0.9	0.9
3. E ₁ C ₅	51.2	24.4	21.9	2.4	0	0
4. U ₁ E ₅	39.1	32.8	21.1	5.5	0	1.6
5. U ₁ U ₅	41.1	26.6	21.3	7.9	3.1	0
6. U ₁ C ₅	49.1	30.2	11.3	7.6	1.9	0
7. N ₁ E ₅	27.5	40.8	25.5	5.6	0.5	0
8. N ₁ U ₅	17.9	44.8	27.6	8.2	1.5	0
Average: July 1969	42.9	27.9	19.3	7.3	2.5	0.1
Average: July 1970	31.3	35.4	23.7	7.5	2.0	0.1

^aRow percentages may not add to 100.0 due to rounding.

Table A-14
Distribution of AFDC Families by Number of Children Age 6-12 in Assistance Group
(Row Percentages)^a

County Employment Group	0	1	2	3	4	5	6+
Genesee:							
1. E ₁ E ₅	22.4	20.0	26.4	17.6	10.4	1.6	1.6
2. E ₁ U ₅	36.2	29.0	15.9	13.0	2.9	1.4	1.4
3. E ₁ C ₅	53.8	11.5	19.2	11.5	3.8	0	0
4. U ₁ E ₅	35.4	29.1	16.5	10.1	7.6	1.3	0
5. U ₁ U ₅	37.7	25.9	17.5	12.3	4.2	1.4	0.9
6. U ₁ C ₅	45.7	26.1	17.4	8.7	2.2	0	0
7. N ₁ E ₅	41.0	20.0	18.1	14.3	5.7	1.0	0
8. N ₁ U ₅	63.0	19.2	4.1	8.2	4.1	1.4	0
Average: July 1969	38.2	25.8	17.8	11.9	4.3	1.2	0.8
Average: July 1970	47.5	22.9	12.3	10.8	4.5	1.4	0.5
Ingham:							
1. E ₁ E ₅	34.2	24.1	21.5	17.7	2.5	0	0
2. E ₁ U ₅	45.5	15.9	6.8	18.2	9.1	4.5	0
3. E ₁ C ₅	46.7	20.0	20.0	6.7	6.7	0	0
4. U ₁ E ₅	36.7	16.3	22.4	12.2	6.1	2.0	4.0
5. U ₁ U ₅	42.7	23.3	17.5	11.7	2.9	1.9	0
6. U ₁ C ₅	57.1	0	28.6	0	14.3	0	0
7. N ₁ E ₅	49.5	23.1	15.4	6.6	5.5	0	0
8. N ₁ U ₅	65.6	13.1	11.5	6.6	3.3	0	0
Average: July 1969	42.4	21.2	18.4	11.8	4.0	1.8	0.3
Average: July 1970	51.8	18.8	15.1	9.6	3.6	1.0	0.2
Combined Counties:							
1. E ₁ E ₅	26.9	21.6	24.5	17.6	7.4	1.0	1.0
2. E ₁ U ₅	39.8	23.9	12.4	15.0	5.3	2.6	0.9
3. E ₁ C ₅	51.2	14.6	19.5	9.7	4.9	0	0
4. U ₁ E ₅	35.9	24.2	18.8	10.9	7.0	1.6	1.5
5. U ₁ U ₅	39.3	25.0	17.5	12.1	3.7	1.6	0.6
6. U ₁ C ₅	47.2	22.7	18.9	7.6	3.8	0	0
7. N ₁ E ₅	44.9	21.4	16.8	10.7	5.6	0.5	0
8. N ₁ U ₅	64.2	16.4	7.5	7.5	3.7	0.8	0
Average: July 1969	39.5	24.3	18.0	11.8	4.2	1.4	0.6
Average: July 1970	49.1	21.1	13.6	10.4	4.1	1.2	0.4

^aRow percentages may not add to 100.0 due to rounding.

Table A-15
Distribution of AFDC Families by Number of Children Age 13 and Over in Assistance Group
(Row Percentages)^a

County Employment Group	0	1	2	3	4+
<u>Genesee:</u>					
1. E ₁ E ₅	40.8	27.2	20.8	8.0	3.2
2. E ₁ U ₅	59.4	18.8	10.1	7.2	4.3
3. E ₁ C ₅	76.9	15.4	7.7	0	0
4. U ₁ E ₅	63.3	16.5	8.9	7.6	3.8
5. U ₁ U ₅	55.2	19.3	13.7	9.0	2.9
6. U ₁ C ₅	63.0	26.1	6.5	4.3	0
7. N ₁ E ₅	70.5	16.2	8.6	4.8	0
8. N ₁ U ₅	80.8	6.8	11.0	1.4	0
Average: July 1969	56.5	20.5	12.5	8.0	2.5
Average: July 1970	66.3	14.2	12.3	5.6	1.6
<u>Ingham:</u>					
1. E ₁ E ₅	43.0	26.6	17.7	8.9	3.8
2. E ₁ U ₅	68.2	11.4	13.6	2.3	4.6
3. E ₁ C ₅	60.0	20.0	20.0	0	0
4. U ₁ E ₅	71.4	12.2	10.2	4.1	2.0
5. U ₁ U ₅	61.2	16.5	11.7	9.7	1.0
6. U ₁ C ₅	42.9	28.6	28.6	0	0
7. N ₁ E ₅	73.6	14.3	11.0	1.1	0
8. N ₁ U ₅	80.3	19.7	0	0	0
Average: July 1969	60.0	17.3	13.1	8.2	1.4
Average: July 1970	69.8	17.7	7.2	4.6	0.8
<u>Combined Counties:</u>					
1. E ₁ E ₅	44.7	27.0	19.6	8.3	3.4
2. E ₁ U ₅	62.8	15.9	11.5	5.3	4.4
3. E ₁ C ₅	70.7	17.1	12.2	0	0
4. U ₁ E ₅	66.4	14.9	9.4	6.3	3.1
5. U ₁ U ₅	57.2	18.4	13.0	9.2	2.3
6. U ₁ C ₅	60.3	26.4	9.4	3.7	0
7. N ₁ E ₅	71.9	15.3	9.7	3.1	0
8. N ₁ U ₅	80.6	12.7	6.0	0.8	0
Average: July 1969	57.6	19.6	12.6	8.1	2.2
Average: July 1970	67.5	16.0	10.0	5.2	1.3

^aRow percentages may not add to 100.0 due to rounding.

Table A-16
Distribution of APDC Families by Number of Persons in the Assistance Group, July, 1969
(Row Percentages)

County Employment Group	Mean PELI	2	3	4	5	6	7	8+
Genesee:								
1. E ₁ E ₅	4.464	15.4	18.7	16.3	21.1	15.4	5.7	7.3
2. E ₁ U ₅	3.768	24.6	34.8	8.7	11.6	14.5	2.9	2.9
3. E ₁ C ₅	3.115	46.2	26.9	11.5	3.8	7.7	3.8	0
4. U ₁ E ₅	3.987	16.5	32.9	24.1	10.1	6.3	5.0	5.0
5. U ₁ U ₅	4.108	21.7	22.2	23.6	13.7	7.1	3.8	8.0
6. U ₁ C ₅	3.195	37.0	23.9	21.7	6.5	2.2	8.7	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	3.959	23.8	23.3	22.5	12.6	6.9	4.7	6.4
Ingham:								
1. E ₁ E ₅	3.835	21.0	23.7	18.4	21.1	5.3	9.2	1.3
2. E ₁ U ₅	3.977	27.3	25.0	13.6	9.0	15.9	4.5	4.5
3. E ₁ C ₅	3.200	33.3	40.0	6.7	13.3	6.7	0	0
4. U ₁ E ₅	4.020	22.4	32.7	14.3	10.2	12.2	0	8.2
5. U ₁ U ₅	3.922	24.3	24.3	21.4	13.6	5.8	5.8	4.9
6. U ₁ C ₅	3.143	42.9	28.6	0	14.3	14.3	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	3.877	25.1	25.5	18.9	13.7	7.2	5.1	4.6
Combined Counties:								
1. E ₁ E ₅	4.221	17.6	20.6	17.1	21.1	11.5	7.1	5.0
2. E ₁ U ₅	3.850	25.7	31.0	10.6	10.6	15.0	3.5	3.5
3. E ₁ C ₅	3.146	41.5	31.7	9.7	7.3	7.3	2.4	0
4. U ₁ E ₅	4.000	18.8	32.8	20.3	10.1	8.6	3.1	6.2
5. U ₁ U ₅	4.048	22.6	22.9	22.9	13.7	6.7	4.5	7.0
6. U ₁ C ₅	3.359	37.8	24.5	18.8	7.5	3.8	7.6	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	3.953	24.3	23.9	21.4	13.0	7.0	4.9	5.8

^a Row percentages may not add to 100.0 due to rounding.

Table A-17
Distribution of AFDC Families by Number of Persons in Household, July, 1969
(Row Percentages)^a

County Employment Group	2	3	4	5	6	7	8+
<u>Genesee:</u>							
1. E ₁ E ₅	13.8	17.9	17.0	17.9	17.9	6.5	8.9
2. E ₁ U ₅	17.4	27.5	13.0	15.9	11.6	5.8	8.7
3. E ₁ C ₅	34.6	19.2	15.4	7.7	15.4	3.8	3.8
4. U ₁ E ₅	7.6	29.1	26.6	13.9	5.1	6.3	11.4
5. U ₁ U ₅	12.3	20.8	22.6	18.4	7.5	5.7	12.7
6. U ₁ C ₅	15.2	32.6	26.1	8.7	6.5	8.7	2.2
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969	12.9	23.1	22.8	16.5	7.9	6.2	10.6
<u>Ingham:</u>							
1. E ₁ E ₅	15.8	22.4	19.7	23.7	6.6	10.5	1.3
2. E ₁ U ₅	25.0	25.0	13.6	6.8	20.5	4.5	4.5
3. E ₁ C ₅	26.7	40.0	6.7	20.0	6.7	0	0
4. U ₁ E ₅	18.4	26.5	16.3	14.3	16.3	0	8.2
5. U ₁ U ₅	15.5	20.4	22.3	18.4	8.7	7.8	6.8
6. U ₁ C ₅	42.9	28.6	0	14.3	14.3	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969	17.7	22.0	19.9	17.8	9.9	6.7	6.0
<u>Combined Counties:</u>							
1. E ₁ E ₅	14.6	19.6	18.0	20.1	13.5	8.0	6.0
2. E ₁ U ₅	20.4	26.5	13.2	12.4	15.1	5.3	7.1
3. E ₁ C ₅	31.7	26.8	12.2	12.2	12.2	2.4	2.4
4. U ₁ E ₅	11.7	28.1	22.7	14.1	9.4	3.9	10.2
5. U ₁ U ₅	13.3	20.7	22.5	18.4	7.9	6.4	10.8
6. U ₁ C ₅	18.9	32.1	22.7	9.4	7.5	7.6	1.9
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969	14.4	22.8	21.9	16.8	8.5	6.4	9.2

^aRow percentages may not add to 100.0 due to rounding.

Table A-18
Distribution of Budgeted Rent, July, 1969
(Row Percentages)^a

County Employment Group	No Rent Budgeted	1-59	60-79	80-89	90-99	100-109	110-119	120+
<u>Genesee:</u>								
1. E ₁ E ₅	28.8	6.4	18.4	14.4	6.4	14.4	0.8	10.4
2. E ₁ U ₅	21.7	10.1	34.8	7.2	7.2	4.3	0	14.5
3. E ₁ C ₅	19.2	15.4	7.7	7.7	7.7	26.9	3.8	11.5
4. U ₁ E ₅	21.5	6.3	30.4	10.1	6.3	15.2	0	10.1
5. U ₁ U ₅	23.6	6.1	17.9	7.5	4.7	26.9	0.9	12.3
6. U ₁ C ₅	23.9	4.3	10.9	17.4	8.7	17.4	6.5	10.9
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: July 1969	23.7	6.0	17.9	9.5	5.6	23.6	1.7	11.9
<u>Ingham:</u>								
1. E ₁ E ₅	22.8	1.3	12.7	8.9	11.4	22.8	8.9	11.4
2. E ₁ U ₅	15.9	2.3	6.8	6.8	4.5	36.4	15.9	11.4
3. E ₁ C ₅	20.0	0	6.7	13.3	6.7	33.3	6.7	13.3
4. U ₁ E ₅	24.5	4.1	12.2	2.0	10.2	20.4	14.3	12.2
5. U ₁ U ₅	23.3	2.9	1.0	4.9	9.7	28.2	9.7	20.4
6. U ₁ C ₅	28.6	0	14.3	0	28.6	28.6	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: July 1969	23.3	2.7	3.9	4.9	10.5	27.6	9.8	17.5
<u>Combined Counties:</u>								
1. E ₁ E ₅	26.5	4.4	16.2	12.3	8.3	17.7	3.9	10.8
2. E ₁ U ₅	19.4	7.1	23.9	7.0	6.1	16.8	6.2	13.3
3. E ₁ C ₅	19.5	9.8	7.3	9.7	7.3	29.2	4.9	12.2
4. U ₁ E ₅	22.6	5.5	23.4	7.0	7.8	17.2	5.5	10.9
5. U ₁ U ₅	23.5	5.1	12.4	6.6	6.3	27.3	3.8	14.9
6. U ₁ C ₅	24.5	3.7	11.3	15.1	11.3	18.9	5.6	9.5
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: July 1969	23.6	5.0	13.5	8.1	7.1	24.8	4.2	13.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-19
Distribution of Budgeted Homestead Amount, July, 1969
(Row Percentages)^a

County Employment Group	No Homestead Budgeted	\$1-59	\$60-79	\$80-89	\$90-99	\$100-109	\$110-119	\$120+
Genesee:								
1. E ₁ E ₅	72.0	4.0	4.8	0.8	7.2	7.2	1.6	2.4
2. E ₁ U ₅	84.1	1.4	2.9	1.4	4.3	2.9	0	2.9
3. E ₁ C ₅	88.5	0	0	0	7.7	0	0	3.8
4. U ₁ E ₅	88.6	0	2.5	1.3	0	3.8	1.3	2.5
5. U ₁ U ₅	83.9	2.4	2.4	0.9	0.9	3.3	1.4	4.7
6. U ₁ C ₅	87.0	2.2	4.3	2.2	0	0	2.2	2.2
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: July 1969	84.1	2.3	2.8	1.1	1.2	3.0	1.5	4.0
Ingham:								
1. E ₁ E ₅	83.5	3.8	0	2.5	2.5	5.1	0	2.5
2. E ₁ U ₅	88.6	2.2	0	2.2	2.2	4.5	0	0
3. E ₁ C ₅	80.0	6.7	0	0	13.3	0	0	0
4. U ₁ E ₅	81.6	2.0	2.0	4.1	4.1	6.1	0	0
5. U ₁ U ₅	85.4	1.0	2.9	3.9	4.9	1.0	1.0	0
6. U ₁ C ₅	85.7	0	0	14.3	0	0	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: July 1969	85.0	1.4	2.3	4.2	4.4	1.8	0.7	0.2
Combined Counties:								
1. E ₁ E ₅	76.5	3.9	2.9	1.5	5.4	6.4	1.0	2.4
2. E ₁ U ₅	85.9	1.7	1.8	1.7	3.5	3.5	0	1.8
3. E ₁ C ₅	85.4	2.5	0	0	9.7	0	0	2.4
4. U ₁ E ₅	85.9	0.8	2.3	2.4	1.6	4.7	0.8	1.5
5. U ₁ U ₅	84.4	1.9	2.6	1.9	2.2	2.5	1.3	3.2
6. N ₁ C ₅	86.8	1.5	3.8	3.8	0	0	1.9	1.9
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: July 1969	84.4	1.9	2.7	2.1	2.2	2.6	1.3	2.8

^aRow percentages may not add to 100.0 due to rounding.

Table A-20
Distribution of Total Requirements, July, 1969
(Row Percentages)^a

County Employment Group	Mean TOTRQ1	\$0-99	\$100-139	\$140-179	\$180-219	\$220-259	\$260-299	\$300-399	\$400+
<u>Genesee:</u>									
1. E ₁ E ₅	259.736	0	2.4	9.8	16.3	21.1	19.5	28.5	2.4
2. E ₁ U ₅	225.261	2.9	7.2	17.4	24.6	17.4	17.4	10.1	2.9
3. E ₁ C ₅	208.077	3.8	3.8	23.1	30.8	19.2	7.7	11.5	0
4. U ₁ E ₅	230.759	5.1	6.3	12.7	25.3	16.5	13.9	17.7	2.5
5. U ₁ U ₅	242.527	3.3	4.7	11.4	23.7	16.6	20.9	13.7	5.7
6. U ₁ C ₅	217.217	6.5	6.5	15.2	19.6	26.1	17.4	8.7	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---
Average: 7-69	238.033	3.7	5.0	12.3	22.9	18.3	19.7	13.7	4.4
<u>Ingham:</u>									
1. E ₁ E ₅	241.342	2.6	3.9	9.2	17.1	15.8	25.0	26.3	0
2. E ₁ U ₅	249.455	2.3	4.5	6.8	22.7	18.1	20.5	22.7	2.3
3. E ₁ C ₅	233.933	0	6.7	0	46.7	20.0	20.0	6.7	0
4. U ₁ E ₅	246.918	2.0	6.1	12.2	22.4	16.3	20.4	12.2	8.2
5. U ₁ U ₅	246.290	3.9	3.9	16.5	8.7	24.3	18.4	22.3	1.9
6. U ₁ C ₅	206.857	14.3	0	14.3	28.6	14.3	0	28.6	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---
Average: 7-69	243.969	4.0	4.0	14.8	12.7	22.1	18.3	21.8	2.2
<u>Combined Counties:</u>									
1. E ₁ E ₅	252.613	1.0	3.0	9.6	16.6	19.0	21.6	27.6	1.5
2. E ₁ U ₅	234.681	2.7	6.1	13.3	23.9	17.7	18.6	15.0	2.7
3. E ₁ C ₅	213.878	2.4	4.9	14.6	36.6	19.5	12.2	9.7	0
4. U ₁ E ₅	236.945	3.9	6.2	12.5	24.2	16.4	16.4	15.6	4.7
5. U ₁ U ₅	243.756	3.5	4.4	13.1	18.8	19.1	20.1	16.5	4.5
6. U ₁ C ₅	215.849	7.5	5.6	15.1	20.8	24.5	15.1	11.3	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---
Average: 7-69	239.740	3.8	4.6	13.1	19.6	19.6	19.2	16.3	3.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-21
Distribution of Budgeted Employment Expenses, July, 1969
(Row Percentages)^a

County Employment Group	Mean	\$ 0	\$ 1-20	\$ 21-39	\$ 40-79	\$ 80-99	\$ 100+
Genesee:							
1. E ₁ E ₅	56.70	8.0	14.4	22.4	32.0	10.4	12.8
2. E ₁ U ₅	55.75	5.8	14.5	18.8	43.5	8.7	8.7
3. E ₁ C ₅	59.71	0	19.2	15.4	30.8	26.9	7.7
4. U ₁ E ₅	---	---	---	---	---	---	---
5. U ₁ U ₅	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969 (Employed Cases Only)	56.76	6.4	15.0	20.4	35.5	11.8	10.9
Ingham:							
1. E ₁ E ₅	61.85	8.9	13.9	19.0	31.6	10.1	16.5
2. E ₁ U ₅	55.14	2.3	15.9	22.7	31.8	11.4	15.9
3. E ₁ C ₅	82.71	13.3	13.3	0	13.3	26.7	33.3
4. U ₁ E ₅	---	---	---	---	---	---	---
5. U ₁ U ₅	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969 (Employed Cases Only)	61.98	7.3	14.5	18.1	29.7	12.3	18.1
Combined Counties:							
1. E ₁ E ₅	58.69	8.3	14.2	21.1	31.8	10.3	14.2
2. E ₁ U ₅	55.51	4.4	15.0	20.3	38.9	9.8	11.5
3. E ₁ C ₅	68.12	4.9	17.0	9.8	24.4	26.8	17.1
4. U ₁ E ₅	---	---	---	---	---	---	---
5. U ₁ U ₅	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969 (Employed Cases Only)	58.77	6.7	14.8	19.6	33.2	12.0	13.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-22
Distribution of Net Earnings of AFDC Mothers, July, 1969
(Row Percentages)^a

County Employment Group	Mean	\$ 0	\$ 1-39	\$ 40-79	\$ 80-119	\$ 120-159	\$ 160+
<u>Genesee:</u>							
1. E ₁ E ₅	51.42	26.4	24.0	23.2	16.0	5.6	4.8
2. E ₁ U ₅	41.10	21.7	31.9	26.1	13.0	5.8	1.4
3. E ₁ C ₅	62.27	23.1	30.8	3.8	26.9	7.7	7.7
4. U ₁ E ₅	---	---	---	---	---	---	---
5. U ₁ U ₅	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969 (Employed Cases Only)	49.45	24.5	27.3	21.8	16.3	5.9	4.1
<u>Ingham:</u>							
1. E ₁ E ₅	56.93	26.6	20.3	21.5	17.7	11.4	2.5
2. E ₁ U ₅	48.77	29.5	22.7	13.6	18.2	15.9	0
3. E ₁ C ₅	73.67	20.0	26.7	20.0	13.3	0	20.0
4. U ₁ E ₅	---	---	---	---	---	---	---
5. U ₁ U ₅	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969 (Employed Cases Only)	56.15	26.8	21.8	18.8	17.4	11.6	3.6
<u>Combined Counties:</u>							
1. E ₁ E ₅	53.55	26.5	22.6	22.5	16.7	7.8	3.9
2. E ₁ U ₅	44.09	24.7	28.3	21.2	15.0	9.7	0.9
3. E ₁ C ₅	66.44	22.0	29.3	9.7	21.9	4.9	12.2
4. U ₁ E ₅	---	---	---	---	---	---	---
5. U ₁ U ₅	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: July 1969 (Employed Cases Only)	52.04	25.4	25.2	20.6	16.8	8.1	3.9

^a Row percentages may not add to 100.0 due to rounding.

Table A-23
Distribution of Non-AFDC Net Income, July, 1969
(Row Percentages)^a

County Employment Group	No Net Income	\$1-49	\$50-99	\$100-199	\$200+
<u>Genesee:</u>					
1. E ₁ E ₅	24.0	30.4	26.4	17.6	1.6
2. E ₁ U ₅	15.9	42.0	23.2	15.9	2.9
3. E ₁ C ₅	23.1	26.9	19.2	19.2	11.5
4. U ₁ E ₅	92.4	5.1	1.3	1.3	0
5. U ₁ U ₅	88.7	5.7	0.9	4.2	0.5
6. U ₁ C ₅	87.0	6.5	2.2	4.3	0
7. N ₁ E ₅	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---
Average: July 1969	82.9	8.2	3.1	5.2	0.6
<u>Ingham:</u>					
1. E ₁ E ₅	22.8	25.3	24.1	25.3	2.5
2. E ₁ U ₅	27.3	25.0	18.2	29.5	0
3. E ₁ C ₅	20.0	20.0	33.3	13.3	13.3
4. U ₁ E ₅	81.6	4.1	8.2	4.1	2.0
5. U ₁ U ₅	77.7	8.7	3.9	5.8	3.9
6. U ₁ C ₅	42.9	14.3	0	28.6	14.3
7. N ₁ E ₅	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---
Average: July 1969	69.0	10.8	6.7	9.4	4.1
<u>Combined Counties:</u>					
1. E ₁ E ₅	23.5	28.4	25.5	20.6	1.9
2. E ₁ U ₅	20.3	35.4	21.5	21.2	1.8
3. E ₁ C ₅	22.0	24.4	24.4	17.0	12.2
4. U ₁ E ₅	88.3	4.7	3.9	2.4	0.8
5. U ₁ U ₅	85.1	6.7	1.9	4.7	1.6
6. U ₁ C ₅	81.2	7.5	1.9	7.5	1.9
7. N ₁ E ₅	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---
Average: July 1969	78.6	9.0	4.2	6.5	1.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-24
Distribution of Monthly AFDC Payments, July, 1969
(Row Percentages)^a

County Employment Group	Mean	0	\$1-49	\$50-99	\$100-149	\$150-199	\$200-249	\$250-299	\$300-399	\$400+
Genesee:										
1. E ₁ E ₅	192.71	0	4.0	4.8	16.0	25.6	23.2	11.2	14.4	0.8
2. E ₁ U ₅	156.41	0	2.8	15.9	18.8	27.5	21.7	10.1	2.9	0
3. E ₁ C ₅	115.27	0	15.4	19.2	19.2	30.8	7.7	3.8	3.8	0
4. U ₁ E ₅	202.04	0	1.3	6.3	6.3	20.3	30.4	15.2	17.7	2.5
5. U ₁ U ₅	212.85	0	1.0	4.7	7.5	19.8	25.9	24.1	12.3	4.7
6. U ₁ C ₅	185.54	0	0	8.7	13.0	23.9	21.7	23.9	8.7	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: July 1969	204.83	0	1.2	5.9	9.1	21.1	25.1	22.4	11.8	3.5
Ingham:										
1. E ₁ E ₅	160.49	0	3.8	13.9	20.3	19.0	25.3	12.7	5.1	0
2. E ₁ U ₅	187.87	0	0	13.6	6.8	31.8	27.2	11.4	9.1	0
3. E ₁ C ₅	116.80	0	20.0	6.7	26.7	33.3	0	6.7	6.7	0
4. U ₁ E ₅	208.92	0	0	8.2	8.2	28.6	18.4	18.4	14.3	4.1
5. U ₁ U ₅	207.11	0	1.9	7.8	9.7	19.4	18.4	22.3	19.4	1.0
6. U ₁ C ₅	128.43	0	28.6	28.6	0	14.3	14.3	0	14.3	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: July 1969	197.78	0	3.4	9.6	10.0	20.7	18.8	19.4	17.0	1.1
Combined Counties:										
1. E ₁ E ₅	180.24	0	4.0	8.3	17.7	23.0	24.0	11.8	10.8	0.5
2. E ₁ U ₅	168.65	0	1.8	15.0	14.1	29.2	23.8	10.6	5.3	0
3. E ₁ C ₅	115.83	0	17.1	14.6	21.9	31.7	4.9	4.9	4.9	0
4. U ₁ E ₅	204.35	0	0.8	7.0	7.0	23.5	25.8	16.4	16.4	3.1
5. U ₁ U ₅	211.58	0	1.3	5.7	8.2	19.7	23.4	23.5	14.6	3.5
6. U ₁ C ₅	178.57	0	3.8	11.3	11.3	22.6	20.7	20.7	9.4	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: July 1969	202.84	0	2.0	7.0	9.4	20.9	23.1	21.4	13.4	2.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-25
Distribution of Food Stamp Bonus Values, July, 1969
(Row Percentages)^a

County Employment Group	Mean FOODS1	0	\$12	\$18	\$24	\$36	\$44	\$54+
Genesee:								
1. E ₁ E ₅	18.464	28.0	11.2	16.0	33.6	7.2	1.6	2.4
2. E ₁ U ₅	17.855	24.6	14.5	17.4	37.7	5.8	0	0
3. E ₁ C ₅	15.038	26.9	30.8	15.4	15.4	7.7	3.8	0
4. U ₁ E ₅	14.481	38.0	7.6	20.3	27.8	5.1	1.3	0
5. U ₁ U ₅	17.697	28.3	11.3	14.2	36.3	6.6	3.3	0
6. U ₁ C ₅	15.000	32.6	13.0	17.4	28.3	8.7	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	17.124	29.4	11.6	15.2	34.3	6.9	2.5	0.1
Ingham:								
1. E ₁ E ₅	21.835	64.6	5.1	13.9	11.4	2.5	0	2.5
2. E ₁ U ₅	12.682	45.5	11.4	11.4	27.3	4.5	0	0
3. E ₁ C ₅	5.867	73.3	6.7	6.7	13.3	0	0	0
4. U ₁ E ₅	8.429	63.3	10.2	8.2	8.2	8.2	2.0	0
5. U ₁ U ₅	12.136	52.4	3.9	8.7	29.1	1.9	2.9	1.0
6. U ₁ C ₅	1.714	85.7	14.3	0	0	0	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	11.991	55.9	5.4	8.7	24.2	2.5	2.3	0.9
Combined Counties:								
1. E ₁ E ₅	19.770	42.2	8.8	15.2	25.0	5.4	1.0	2.4
2. E ₁ U ₅	15.841	32.7	13.3	15.1	33.7	5.3	0	0
3. E ₁ C ₅	11.683	43.9	22.0	12.2	14.6	4.9	2.4	0
4. U ₁ E ₅	12.164	47.7	8.6	15.7	20.3	6.3	1.6	0
5. U ₁ U ₅	15.879	36.2	8.9	12.4	33.9	5.1	3.2	0.3
6. U ₁ C ₅	13.245	39.6	13.2	15.1	24.6	7.6	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	15.490	37.7	9.7	13.2	31.2	5.5	2.5	0.4

^aRow percentages may not add to 100.0 due to rounding.

Table A-26
Distribution of Emergency Assistance Payments June-August, 1969
(Row Percentages)^a

County Employment Group	Mean EMAST1	0	\$1-99	\$100-199	\$200-299	\$300-399	\$400+
Genesee:							
1. E ₁ E ₅	20.648	90.4	4.0	3.2	0.8	0	1.6
2. E ₁ U ₅	4.406	92.8	5.8	1.4	0	0	0
3. E ₁ C ₅	13.269	92.3	3.8	0	0	3.8	0
4. U ₁ E ₅	20.025	82.3	13.9	1.3	0	1.3	1.3
5. U ₁ U ₅	14.608	84.4	10.8	3.8	0	0.5	0.5
6. U ₁ C ₅	12.000	89.1	8.7	0	0	2.2	0
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: 7-69	14.506	85.6	10.1	3.0	^b	0.8	0.5
Ingham:							
1. E ₁ E ₅	14.823	89.9	6.3	1.3	0	1.3	1.3
2. E ₁ U ₅	5.500	86.4	13.6	0	0	0	0
3. E ₁ C ₅	5.000	86.7	13.3	0	0	0	0
4. U ₁ E ₅	3.551	87.8	12.2	0	0	0	0
5. U ₁ U ₅	6.350	92.2	6.8	0	0	1.0	0
6. U ₁ C ₅	0.000	100.0	0	0	0	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: 7-69	6.400	91.7	7.3	0.1	0	0.8	0.1
Combined Co's							
1. E ₁ E ₅	18.392	90.2	4.9	2.5	0.5	0.5	1.5
2. E ₁ U ₅	4.832	90.3	8.8	0.9	0	0	0
3. E ₁ C ₅	10.244	90.3	7.3	0	0	2.4	0
4. U ₁ E ₅	13.719	84.4	13.2	0.8	0	0.8	0.8
5. U ₁ U ₅	11.908	87.0	9.5	2.6	0	0.7	0.3
6. U ₁ C ₅	10.415	90.5	7.6	0	0	1.9	0
7. N ₁ E ₅	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---
Average: 7-69	11.963	87.6	9.2	2.1	^b	0.8	0.3

^aRow percentages may not add to 100.0 due to rounding.

^bLess than 0.05 percent.

Table A-27
Distribution of Child Care Payments, July, 1969
(Row Percentages)^a

County Employment Group	Mean CCAREI	0	\$1-40	\$41-80	\$81-120	\$121-160	\$161-200	\$201+
Genesee:								
1. E ₁ E ₅	31.424	67.2	1.6	12.0	12.0	4.8	0.8	1.6
2. E ₁ U ₅	32.783	69.6	2.9	11.6	5.8	7.2	0	2.9
3. E ₁ C ₅	40.423	53.8	7.7	11.5	15.4	7.7	3.8	0
4. U ₁ E ₅	3.911	94.9	1.3	1.3	1.3	1.3	0	0
5. U ₁ U ₅	3.788	96.2	0.5	1.4	1.4	0	0	0.5
6. U ₁ C ₅	8.658	97.8	0	0	0	0	2.2	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	7.025	93.8	0.7	2.1	2.0	0.6	0.4	0.5
Ingham:								
1. E ₁ E ₅	33.291	63.3	3.8	15.2	8.9	5.1	2.5	1.3
2. E ₁ U ₅	30.205	61.4	6.8	15.9	9.1	4.5	2.3	0
3. E ₁ C ₅	34.067	60.0	0	20.0	13.3	6.7	0	0
4. U ₁ E ₅	21.551	87.8	2.0	2.0	2.0	0	2.0	4.1
5. U ₁ U ₅	8.961	93.2	1.9	0	1.9	0	1.9	1.0
6. U ₁ C ₅	0.000	100.0	0	0	0	0	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	12.792	88.9	2.1	2.3	2.8	0.7	1.9	1.2
Combined Counties:								
1. E ₁ E ₅	32.147	65.7	2.5	13.2	10.8	4.9	1.5	1.5
2. E ₁ U ₅	31.779	66.4	4.4	13.3	7.1	6.1	0.9	1.8
3. E ₁ C ₅	38.099	56.1	4.0	14.6	14.6	7.3	2.4	0
4. U ₁ E ₅	10.664	92.2	1.6	1.6	1.6	0.8	0.8	1.6
5. U ₁ U ₅	5.479	95.2	1.0	0.9	1.6	0	0.6	0.7
6. U ₁ C ₅	5.038	98.1	0	0	0	0	1.9	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-69	8.216	92.3	1.2	2.1	2.2	0.6	0.9	0.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-28
Distribution of Medicaid Benefits for the AFDC Mother, June-August, 1969
(Row Percentages)^a

County Employment Group	Mean MEDY1	0	\$1-39	\$40-99	\$100-199	\$200-299	\$300-399	\$400-499	\$500-999	\$1000+
Genesee:										
1. E ₁ E ₅	67.560	36.0	40.8	10.4	5.6	1.6	1.6	1.6	1.6	0.8
2. E ₁ U ₅	108.261	21.7	44.9	13.0	7.2	7.2	0	1.4	1.4	2.9
3. E ₁ C ₅	76.115	25.1	46.2	11.5	3.8	7.7	0	3.8	3.8	0
4. U ₁ E ₅	117.253	26.6	32.9	17.7	8.9	2.5	3.8	2.5	3.8	1.3
5. U ₁ U ₅	154.197	20.8	33.0	19.8	9.0	5.2	0.9	1.4	7.1	2.8
6. U ₁ C ₅	214.586	43.5	19.6	10.9	6.5	4.3	0	2.2	6.5	6.5
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-69	155.262	25.4	31.3	17.6	8.3	4.8	0.9	1.6	6.4	3.2
Ingham:										
1. E ₁ E ₅	45.557	44.3	35.4	11.4	2.5	2.5	2.5	0	0	1.3
2. E ₁ U ₅	46.795	43.2	25.0	13.6	11.4	4.5	0	2.3	0	0
3. E ₁ C ₅	61.667	20.0	60.0	6.7	6.7	0	0	0	6.7	0
4. U ₁ E ₅	79.082	24.5	36.7	28.6	0	2.0	0	2.0	6.1	0
5. U ₁ U ₅	84.572	24.3	38.8	16.5	11.7	1.0	2.9	1.9	1.0	1.9
6. U ₁ C ₅	39.571	57.1	0	28.6	14.3	0	0	0	0	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-69	76.857	28.3	36.2	17.5	10.0	1.3	2.3	1.7	1.4	1.5
Combined Counties:										
1. E ₁ E ₅	59.039	39.2	38.7	10.8	4.4	1.9	1.9	1.0	1.0	1.0
2. E ₁ U ₅	84.327	30.1	37.2	13.2	8.8	6.1	0	1.8	0.9	1.8
3. E ₁ C ₅	70.829	22.0	51.2	9.7	4.9	4.9	0	2.4	4.9	0
4. U ₁ E ₅	102.641	25.8	34.4	21.9	5.5	2.3	2.3	2.3	4.7	0.8
5. U ₁ U ₅	131.431	21.9	34.9	18.7	9.9	3.8	1.6	1.6	5.1	2.5
6. U ₁ C ₅	191.471	45.3	17.0	13.2	7.5	3.7	0	1.9	5.6	5.6
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-69	130.790	26.3	33.1	17.5	8.9	3.7	1.4	1.7	4.8	2.6

^aRow percentages may not add to 100.0 due to rounding.

Table A-29
Distribution of Medicaid Benefits for AFDC Dependents, June-August, 1969
(Row Percentages)^a

County Employment Group	Mean MEDPY1	\$0	\$1-39	\$40-99	\$100-199	\$200-299	\$300-399	\$400-499	\$500-999	\$1000+
Genesee:										
1. E ₁ E ₅	76.528	42.4	30.4	12.8	5.6	1.6	0	4.0	3.2	0
2. E ₁ U ₅	95.319	33.3	37.7	11.6	10.1	0	1.4	0	5.8	0
3. E ₁ C ₅	46.923	38.5	34.6	19.2	3.8	0	0	0	3.8	0
4. U ₁ E ₅	63.038	36.7	35.4	12.7	7.6	1.3	2.5	0	3.8	0
5. U ₁ U ₅	75.641	31.6	33.0	17.9	8.0	2.4	2.4	1.4	3.3	0
6. U ₁ C ₅	64.507	45.7	34.8	10.9	2.2	4.3	0	0	2.2	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-69	73.532	34.7	33.4	16.1	7.0	2.5	1.9	1.2	3.2	0
Ingham:										
1. E ₁ E ₅	39.278	44.3	32.9	11.4	6.3	1.3	1.3	2.5	0	0
2. E ₁ U ₅	95.682	36.4	27.3	20.5	4.5	9.1	0	0	2.3	0
3. E ₁ C ₅	16.067	53.3	33.3	13.3	0	0	0	0	0	0
4. U ₁ E ₅	70.286	32.7	44.9	8.2	10.2	0	0	0	4.1	0
5. U ₁ U ₅	55.563	35.9	35.0	19.4	2.9	2.9	1.0	0	2.9	0
6. U ₁ C ₅	4.429	71.4	28.6	0	0	0	0	0	0	0
7. U ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-69	54.192	38.3	35.0	16.8	3.7	2.6	0.8	0.2	2.6	0
Combined Counties:										
1. E ₁ E ₅	62.103	43.1	31.4	12.3	5.9	1.5	0.5	3.4	2.0	0
2. E ₁ U ₅	95.460	34.5	33.7	15.1	7.9	3.5	0.8	0	4.4	0
3. E ₁ C ₅	35.634	43.9	34.1	17.0	2.4	0	0	0	2.4	0
4. U ₁ E ₅	65.813	35.2	39.0	11.0	8.6	0.8	1.5	0	3.9	0
5. U ₁ U ₅	69.075	33.0	33.7	18.4	6.3	2.6	1.9	0.9	3.2	0
6. U ₁ C ₅	52.604	49.1	34.0	9.5	1.9	3.7	0	0	1.9	0
7. N ₁ E ₅	---	---	---	---	---	---	---	---	---	---
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-69	66.878	35.9	33.9	16.4	5.9	2.6	1.5	0.8	3.0	0

^aRow percentages may not add to 100.0 due to rounding.

Table A-30
Distribution of AFDC Families by Number of Persons in Assistance Group, July, 1970
(Row Percentages)^a

County Employment Group	Mean PEL2	2	3	4	5	6	7	8+
<u>Genesee:</u>								
1. E ₁ E ₅	4.536	14.4	20.8	16.0	20.8	14.4	6.4	7.2
2. E ₁ U ₅	3.739	26.0	29.0	15.9	14.5	7.2	1.4	5.8
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	3.962	15.4	34.6	20.5	16.7	3.8	2.6	6.4
5. U ₁ U ₅	4.132	20.3	23.6	21.7	15.1	7.1	5.7	6.6
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	3.705	25.7	30.5	15.2	15.2	5.7	4.8	2.9
8. N ₁ U ₅	3.151	43.9	31.5	5.5	6.8	8.2	4.1	0
Average: 7-70	3.712	29.9	27.6	14.5	12.0	7.6	4.8	3.7
<u>Ingham:</u>								
1. E ₁ E ₅	3.886	21.5	27.8	19.0	15.2	7.6	6.3	2.5
2. E ₁ U ₅	4.023	20.5	27.3	15.9	15.9	13.6	2.3	4.6
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	4.061	20.4	32.7	16.3	10.2	8.2	4.1	8.1
5. U ₁ U ₅	3.854	24.3	24.3	21.4	15.5	5.8	3.9	4.9
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	3.549	29.7	31.9	15.4	9.9	6.6	3.3	3.3
8. N ₁ U ₅	3.393	41.0	18.0	16.4	16.4	3.3	3.3	1.6
Average: 7-70	3.657	31.0	23.2	18.4	15.1	5.3	3.7	3.5
<u>Combined Co's</u>								
1. E ₁ E ₅	4.284	17.2	23.5	17.2	18.6	11.8	6.4	5.4
2. E ₁ U ₅	3.850	23.9	28.3	15.9	15.0	9.7	1.8	5.3
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	4.000	17.3	33.9	18.9	14.2	5.5	3.1	7.1
5. U ₁ U ₅	4.041	21.6	23.8	21.6	15.2	6.7	5.1	6.1
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	3.633	27.6	31.1	15.3	12.8	6.1	4.1	3.1
8. N ₁ U ₅	3.261	42.5	25.4	10.4	11.2	6.0	3.7	0.7
Average: 7-70	3.703	30.1	25.4	16.3	13.5	6.6	4.4	3.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-31
Distribution of AFDC Families by Number of Persons in the Household, July, 1970
(Row Percentages)^a

County Employment Group	2	3	4	5	6	7	8+
<u>Genesee:</u>							
1. E ₁ E ₅	13.6	18.4	16.8	20.8	14.4	7.2	8.8
2. E ₁ U ₅	15.9	26.1	15.9	18.8	8.7	4.3	10.0
3. E ₁ C ₅	---	---	---	---	---	---	---
4. U ₁ E ₅	11.5	32.1	17.9	17.9	5.1	2.6	12.9
5. U ₁ U ₅	13.2	20.8	24.1	14.2	10.4	6.1	11.4
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	15.2	27.6	19.0	19.0	8.6	3.8	6.7
8. N ₁ U ₅	34.2	28.8	8.2	8.2	5.5	8.2	6.8
Average: 7-70	21.8	24.8	16.8	12.4	8.2	6.7	9.2
<u>Ingham:</u>							
1. E ₁ E ₅	15.2	22.8	24.1	20.3	6.3	8.9	2.5
2. E ₁ U ₅	15.9	29.5	13.6	15.9	13.6	4.5	6.8
3. E ₁ C ₅	---	---	---	---	---	---	---
4. U ₁ E ₅	12.2	32.7	18.4	12.2	10.2	2.0	12.1
5. U ₁ U ₅	10.7	18.4	24.3	18.4	10.7	6.8	10.8
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	22.0	27.5	18.7	12.1	9.9	4.4	5.4
8. N ₁ U ₅	31.1	13.1	21.3	18.0	6.6	6.6	3.2
Average: 7-70	20.2	18.3	22.0	17.4	8.9	6.3	6.9
<u>Combined Co's</u>							
1. E ₁ E ₅	14.2	20.1	19.6	20.6	11.3	7.8	6.4
2. E ₁ U ₅	15.9	27.4	15.0	17.7	10.6	4.4	8.9
3. E ₁ C ₅	---	---	---	---	---	---	---
4. U ₁ E ₅	11.8	32.3	18.1	15.9	7.1	2.4	12.7
5. U ₁ U ₅	12.4	20.0	24.1	15.6	10.5	6.3	11.1
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	18.4	27.6	18.9	15.8	9.2	4.1	6.1
8. N ₁ U ₅	32.8	21.6	14.2	12.7	6.0	7.5	5.2
Average: 7-70	21.1	21.8	19.2	14.7	8.5	6.5	8.2

^aRow percentages may not add to 100.0 due to rounding.

Table A-32
 Distribution of AFDC Families by Number of Non-AFDC Recipients in Household, July, 1970
 (Row Percentages)^a

County Employment Group	0	1	2	3	4	≥ 5
<u>Genesee:</u>						
1. E ₁ E ₅	88.8	8.0	2.4	0	0	0.8
2. E ₁ U ₅	72.5	11.6	7.2	4.3	0	4.3
3. E ₁ C ₅	---	---	---	---	---	---
4. U ₁ E ₅	81.0	7.6	3.8	3.8	1.3	2.5
5. U ₁ U ₅	76.4	11.8	6.6	2.4	0.9	1.9
6. U ₁ C ₅	---	---	---	---	---	---
7. N ₁ E ₅	80.0	8.6	3.8	4.8	0	2.9
8. N ₁ U ₅	80.8	6.8	1.4	2.7	1.4	6.8
Average: 7-70	78.9	9.3	4.1	2.7	1.0	4.0
<u>Ingham:</u>						
1. E ₁ E ₅	83.5	8.9	5.1	1.3	1.3	0
2. E ₁ U ₅	88.6	4.5	2.3	4.5	0	0
3. E ₁ C ₅	---	---	---	---	---	---
4. U ₁ E ₅	85.7	8.2	0	4.1	0	2.0
5. U ₁ U ₅	68.9	6.8	9.7	4.9	3.9	5.8
6. U ₁ C ₅	---	---	---	---	---	---
7. N ₁ E ₅	79.1	8.8	7.7	2.2	1.1	1.1
8. N ₁ U ₅	83.6	1.6	4.9	1.6	4.9	3.3
Average: 7-70	77.6	5.0	6.8	3.1	3.6	3.8
<u>Combined Co's</u>						
1. E ₁ E ₅	86.8	8.3	3.4	0.5	0.5	0.5
2. E ₁ U ₅	78.8	8.8	5.3	4.4	0	2.7
3. E ₁ C ₅	---	---	---	---	---	---
4. U ₁ E ₅	82.8	7.8	2.3	3.9	0.8	2.3
5. U ₁ U ₅	74.0	10.2	7.6	3.2	1.9	3.2
6. U ₁ C ₅	---	---	---	---	---	---
7. N ₁ E ₅	79.6	8.7	5.6	3.6	0.5	2.0
8. N ₁ U ₅	82.1	4.5	3.0	2.2	3.0	5.2
Average: 7-70	78.5	7.6	5.2	2.8	2.1	3.8

^aRow percentages may not add to 100.0 due to rounding.

Table A-33
Distribution of Budgeted Rent, July, 1970
(Row Percentages)^a

County Employment Group	Rent Not Budgeted	\$1-59	\$60-79	\$80-89	\$90-99	\$100-109	\$110-119	\$120+
Genesee:								
1. E ₁ E ₅	40.0	1.6	4.0	16.0	12.8	14.4	1.6	9.6
2. E ₁ U ₅	34.8	5.8	11.6	11.6	8.7	10.1	0	17.4
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	30.4	3.8	10.1	13.9	10.1	15.2	2.5	13.9
5. U ₁ U ₅	35.4	2.8	3.3	7.5	9.0	19.8	2.4	19.8
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	33.3	3.8	7.6	6.7	5.7	21.9	2.9	18.1
8. N ₁ U ₅	30.1	2.7	5.5	5.5	5.5	16.4	4.1	30.1
Average: 7-70	33.1	2.9	4.8	7.2	7.6	18.0	3.1	23.3
Ingham:								
1. E ₁ E ₅	22.8	1.3	11.4	5.1	8.9	31.6	11.4	7.6
2. E ₁ U ₅	15.9	2.3	4.5	2.3	6.8	29.5	20.5	18.2
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	20.4	8.2	12.2	2.0	6.1	22.4	8.2	20.4
5. U ₁ U ₅	31.1	1.9	1.0	8.7	7.8	23.3	11.7	14.6
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	24.2	5.5	6.6	8.8	4.4	27.5	8.8	14.3
8. N ₁ U ₅	16.4	4.9	6.6	4.9	4.9	29.5	14.8	18.0
Average: 7-70	23.4	3.7	4.8	6.6	6.3	26.6	12.7	16.0
Combined Co's								
1. E ₁ E ₅	33.3	1.5	6.9	11.8	11.3	21.1	5.4	8.8
2. E ₁ U ₅	27.4	4.4	8.8	8.0	8.0	17.7	8.0	17.7
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	26.6	5.5	10.9	9.4	8.6	18.0	4.7	16.4
5. U ₁ U ₅	34.0	2.5	2.5	7.9	8.6	21.0	5.4	18.1
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	29.1	4.6	7.1	7.7	5.1	24.5	5.6	16.3
8. N ₁ U ₅	23.9	3.7	6.0	5.2	5.2	22.4	9.0	24.6
Average: 7-70	29.2	3.2	4.8	7.0	7.1	21.6	6.9	20.2

^a Row percentages may not add to 100.0 due to rounding.

Table A-34
Distribution of Budgeted Homestead Amount, July, 1970
(Row Percentages)

County Employment Group	Homestead Not Budgeted	\$1-59	\$60-79	\$80-89	\$90-99	\$100-109	\$110-119	\$120+
<u>Genesee:</u>								
1. E ₁ E ₅	59.2	4.0	3.2	4.0	5.6	10.4	5.6	8.0
2. E ₁ U ₅	68.1	0	2.9	2.9	4.3	5.8	7.2	8.7
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	75.9	0	3.8	1.3	0	7.6	3.8	7.6
5. U ₁ U ₅	68.4	2.4	1.9	1.9	3.8	4.2	6.6	10.8
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	70.5	1.9	1.9	1.9	2.9	2.9	5.7	12.4
8. N ₁ U ₅	80.8	0	1.4	0	2.7	4.1	2.7	8.2
Average: 7-70	73.5	1.3	1.8	1.2	3.2	4.4	4.9	9.6
<u>Ingham:</u>								
1. E ₁ E ₅	79.7	2.5	0	2.5	2.5	7.6	1.3	3.8
2. E ₁ U ₅	86.4	4.5	0	2.3	0	4.5	0	2.3
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	79.6	0	4.1	4.1	2.0	8.2	0	2.0
5. U ₁ U ₅	82.5	1.9	2.9	1.0	2.9	5.8	1.9	1.0
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	79.1	1.1	2.2	2.2	0	8.8	2.2	4.4
8. N ₁ U ₅	85.2	1.6	1.6	1.6	3.3	4.9	1.6	0
Average: 7-70	83.1	1.7	2.2	1.6	2.6	5.9	1.7	1.1
<u>Combined Co's</u>								
1. E ₁ E ₅	67.2	3.4	2.0	3.4	4.4	9.3	3.9	6.4
2. E ₁ U ₅	75.2	1.8	1.8	2.7	2.7	5.3	4.4	6.2
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	77.3	0	3.9	2.3	0.8	7.8	2.3	5.5
5. U ₁ U ₅	73.0	2.2	2.2	1.6	3.5	4.8	5.1	7.6
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	74.5	1.5	2.0	2.0	1.5	5.6	4.1	8.7
8. N ₁ U ₅	82.8	0.7	1.5	0.7	3.0	4.5	2.2	4.5
Average: 7-70	77.0	1.5	2.0	1.4	3.1	5.0	3.7	6.3

^aRow percentages may not add to 100.0 due to rounding.

Table A-35
Distribution of Total Requirements, July, 1970
(Row Percentages)^a

County Employment Group	Mean TOTRQ2	\$50-99	\$100-149	\$150-199	\$200-249	\$250-299	\$300-349	\$350-399	\$400+
<u>Genesee:</u>									
1. E ₁ E ₅	286.928	0	0.8	12.8	20.8	26.4	16.0	14.4	8.8
2. E ₁ U ₅	252.725	4.3	7.2	14.5	23.2	26.1	14.5	1.4	8.6
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	258.570	1.3	6.4	7.7	30.8	26.9	16.7	2.6	7.7
5. U ₁ U ₅	273.360	1.4	2.4	9.4	30.7	25.0	14.2	8.0	8.9
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	255.743	1.9	9.5	9.5	33.3	13.3	22.9	5.7	3.9
8. N ₁ U ₅	228.246	8.2	8.2	12.3	41.1	11.0	8.2	8.2	2.7
Average: 7-70	253.688	4.2	5.3	10.7	34.6	18.8	12.4	7.9	6.1
<u>Ingham:</u>									
1. E ₁ E ₅	263.278	2.5	2.5	19.0	25.3	19.0	16.5	10.1	5.1
2. E ₁ U ₅	270.864	0	4.5	18.2	22.7	20.5	18.2	11.4	4.6
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	270.653	0	4.1	18.4	22.4	26.5	10.2	10.2	8.1
5. U ₁ U ₅	253.122	7.7	4.9	13.6	23.3	22.3	14.6	5.8	7.9
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	247.407	1.1	5.5	24.2	30.8	16.5	8.8	8.8	4.4
8. N ₁ U ₅	240.656	1.6	4.9	36.1	16.4	19.7	14.8	3.3	3.3
Average: 7-70	249.309	3.9	4.8	24.1	21.3	20.7	14.1	5.6	5.6
<u>Combined Co's</u>									
1. E ₁ E ₅	277.770	1.0	1.5	15.2	22.5	23.5	16.2	12.7	7.4
2. E ₁ U ₅	259.788	2.7	6.2	15.9	23.0	23.9	15.9	5.3	7.1
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	263.195	0.8	5.5	11.8	27.6	26.8	14.2	5.5	7.9
5. U ₁ U ₅	266.734	3.5	3.2	10.8	28.3	24.1	14.3	7.3	8.5
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	251.872	1.5	7.7	16.3	32.1	14.8	16.3	7.1	4.1
8. N ₁ U ₅	233.895	5.2	6.7	23.1	29.9	14.9	11.2	6.0	3.0
Average: 7-70	252.649	3.8	5.0	16.4	28.9	19.9	13.3	6.8	5.9

Table A-36
Distribution of Budgeted Employment Expenses, July, 1970
(Row Percentages)^a

County Employment Group	Mean	\$0	\$1-19	\$20	\$21-40	\$41-60	\$61-80	\$81-100	\$101-139	\$141+
<u>Genesee:</u>										
1. E ₁ E ₅	66.99	0	0.8	11.7	25.0	15.8	10.8	13.3	13.3	9.2
2. E ₁ U ₅	---	---	---	---	---	---	---	---	---	---
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	53.16	0	4.3	21.4	18.6	12.9	12.9	15.7	10.0	4.2
5. U ₁ U ₅	---	---	---	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	70.95	0	3.8	16.3	19.2	13.5	12.5	5.8	19.3	9.6
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-70 (Employed Cases Only)	64.72	0	3.2	16.6	20.6	13.9	12.2	10.7	15.0	7.9
<u>Ingham:</u>										
1. E ₁ E ₅	68.22	0	3.9	5.3	18.4	23.7	10.5	18.4	13.2	6.5
2. E ₁ U ₅	---	---	---	---	---	---	---	---	---	---
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	65.30	0	0	10.9	23.9	21.7	13.0	8.7	13.1	8.7
5. U ₁ U ₅	---	---	---	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	85.13	0	2.2	5.5	9.9	16.5	16.5	19.8	14.3	15.4
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-70 (Employed Cases Only)	76.28	0	2.0	6.8	15.3	19.4	14.3	16.7	13.8	11.7
<u>Combined Co's</u>										
1. E ₁ E ₅	67.46	0	2.0	9.2	22.4	18.9	10.7	15.3	13.3	8.1
2. E ₁ U ₅	---	---	---	---	---	---	---	---	---	---
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	57.83	0	2.6	17.2	20.7	16.4	12.9	12.9	11.2	6.1
5. U ₁ U ₅	---	---	---	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	77.53	0	3.1	11.3	14.9	14.9	14.4	12.3	16.9	12.3
8. N ₁ U ₅	---	---	---	---	---	---	---	---	---	---
Average: 7-70 (Employed Cases Only)	69.61	0	2.7	12.4	18.4	16.3	13.1	13.2	14.4	9.6

^aRow percentages may not add to 100.0 due to rounding.

Table A-37
Distribution of Net Earnings of AFDC Mothers, July, 1970
(Row Percentages)^a

County Employment Group	Mean	0	\$1-39	\$40-79	\$80-119	\$120-159	\$160-199	200+
Genesee:								
1. E ₁ E ₅	59.33	20.8	23.2	22.4	16.0	12.8	2.4	2.4
2. E ₁ U ₅	---	---	---	---	---	---	---	---
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	54.59	31.6	24.1	16.5	11.4	10.1	5.1	1.3
5. U ₁ U ₅	---	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	74.80	13.3	24.8	25.7	14.3	9.5	6.7	5.7
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-70 (Employed Cases Only)	64.79	20.6	24.2	22.1	13.9	10.6	5.1	3.5
Ingham:								
1. E ₁ E ₅	75.61	13.9	21.5	20.3	19.0	15.2	6.3	3.8
2. E ₁ U ₅	---	---	---	---	---	---	---	---
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	43.70	36.7	18.4	18.4	16.3	0	6.1	4.1
5. U ₁ U ₅	---	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	62.57	24.2	20.9	22.0	16.5	11.0	4.4	1.1
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-70 (Employed Cases Only)	60.81	25.0	20.4	20.7	17.0	9.2	5.3	2.5
Combined Co's								
1. E ₁ E ₅	65.63	18.1	22.5	21.6	17.2	13.7	3.9	2.9
2. E ₁ U ₅	---	---	---	---	---	---	---	---
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	50.40	33.6	21.9	17.2	13.3	6.3	5.5	2.3
5. U ₁ U ₅	---	---	---	---	---	---	---	---
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	69.12	18.4	23.0	24.0	15.3	10.2	5.6	3.6
8. N ₁ U ₅	---	---	---	---	---	---	---	---
Average: 7-70 (Employed Cases Only)	63.10	22.4	22.6	21.6	15.2	10.0	5.1	3.1

^aRow percentages may not add to 100.0 due to rounding.

Table A-38
Distribution of Non-ARDC Net Income, July, 1970
(Row Percentages)^a

County Employ- ment Group	No Net Income	\$1-49	\$50-99	\$100-149	\$150-199	200+
Genesee:						
1. E ₁ E ₅	20.0	27.2	25.6	19.2	4.8	3.2
2. E ₁ U ₅	88.4	2.9	4.3	1.4	1.4	1.4
3. E ₁ C ₅	---	---	---	---	---	---
4. U ₁ E ₅	30.4	24.1	20.3	13.9	10.1	1.3
5. U ₁ U ₅	92.9	1.9	1.4	0.9	1.4	1.4
6. U ₁ C ₅	---	---	---	---	---	---
7. N ₁ E ₅	11.4	30.5	25.7	18.1	7.6	6.7
8. N ₁ U ₅	87.7	0	5.5	1.4	2.7	1.4
Average: 7-70	81.9	4.2	5.8	3.0	2.7	1.7
Ingham:						
1. E ₁ E ₅	10.1	25.3	22.8	30.4	6.3	5.1
2. E ₁ U ₅	88.6	0	9.1	2.3	0	0
3. E ₁ C ₅	---	---	---	---	---	---
4. U ₁ E ₅	34.7	22.4	20.4	8.2	8.2	6.1
5. U ₁ U ₅	83.5	3.9	4.9	3.9	1.0	2.0
6. U ₁ C ₅	---	---	---	---	---	---
7. N ₁ E ₅	18.7	23.1	27.5	19.8	8.8	2.2
8. N ₁ U ₅	82.0	8.2	3.3	6.6	0	0
Average: 7-70	71.3	9.1	8.1	7.8	1.9	1.5
Combined Co's						
1. E ₁ E ₅	16.2	26.5	24.5	23.5	5.4	3.9
2. E ₁ U ₅	88.5	1.8	6.2	1.8	0.9	0.9
3. E ₁ C ₅	---	---	---	---	---	---
4. U ₁ E ₅	32.0	23.4	20.6	11.7	9.4	3.1
5. U ₁ U ₅	89.8	2.5	2.5	1.9	1.3	1.9
6. U ₁ C ₅	---	---	---	---	---	---
7. N ₁ E ₅	14.8	27.0	26.5	18.9	8.2	4.6
8. N ₁ U ₅	85.1	3.7	5.2	3.7	1.5	0.7
Average: 7-70	78.1	6.3	6.7	4.9	2.3	1.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-39
Distribution of Monthly AFDC Payments, July, 1970
(Row Percentages)^a

County Employment Group	Mean	1-99	100-139	140-179	180-219	220-259	260-299	300-399	400+
Genesee:									
1. E ₁ E ₅	195.61	4.8	11.2	15.2	24.0	12.8	13.6	15.2	3.2
2. E ₁ U ₅	224.17	7.1	7.2	8.6	20.3	17.4	17.3	12.9	8.7
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	162.33	14.3	15.6	13.0	16.9	11.7	13.0	11.7	3.9
5. U ₁ U ₅	238.62	3.2	3.3	5.2	19.8	23.1	15.6	21.7	8.1
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	158.01	15.4	15.4	21.2	16.3	15.4	10.6	4.9	1.0
8. N ₁ U ₅	199.07	12.3	6.9	9.6	24.7	23.3	6.8	13.7	2.7
Average: 7-70	214.57	8.0	6.1	8.5	21.6	22.0	11.6	16.9	5.2
Ingham:									
1. E ₁ E ₅	160.26	16.6	15.4	19.2	15.4	14.1	8.9	8.8	1.3
2. E ₁ U ₅	237.95	0	2.3	6.8	22.7	22.7	13.6	29.9	2.3
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	193.58	18.3	2.0	14.2	16.3	20.4	14.3	12.2	2.0
5. U ₁ U ₅	204.75	12.6	5.9	7.7	13.6	18.5	17.4	19.5	4.9
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	154.16	19.8	14.3	16.5	16.5	17.6	7.7	6.6	1.1
8. N ₁ U ₅	210.71	3.2	4.9	16.5	27.9	13.1	14.8	16.4	3.3
Average: 7-70	200.12	9.7	6.5	12.8	19.9	16.3	14.8	16.5	3.5
Combined Co's									
1. E ₁ E ₅	151.92	9.4	12.8	16.8	20.7	15.3	11.8	12.8	2.5
2. E ₁ U ₅	229.54	4.5	5.3	7.9	21.2	19.5	16.0	19.4	6.2
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	174.30	16.0	10.4	13.5	16.7	15.0	13.4	12.0	3.2
5. U ₁ U ₅	228.90	6.3	4.2	6.0	17.8	21.6	16.2	21.1	7.0
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	156.22	17.4	14.9	19.0	16.5	16.4	9.2	5.6	1.0
8. N ₁ U ₅	202.70	8.2	5.9	12.7	26.1	18.7	10.4	14.9	3.0
Average: 7-70	209.96	8.3	6.2	10.3	21.1	19.5	13.1	16.9	4.7

^aRow percentages may not add to 100.0 due to rounding.

Table A-40
Distribution of Food Stamp Bonus Values, July, 1970
(Row Percentages)^a

County Employment Group	Mean FOODS2	\$0	\$26 (2 Persons)	\$40 (3 Persons)	\$46 (4 Persons)	\$54-56 (5-6 Persons)	\$66+ (7+ Persons)
<u>Genesee:</u>							
1. E ₁ E ₅	36.480	27.2	11.2	15.2	10.4	20.8	15.2
2. E ₁ U ₅	32.638	30.4	15.9	15.9	10.1	18.8	8.7
3. E ₁ C ₅	---	---	---	---	---	---	---
4. U ₁ E ₅	32.873	29.1	8.9	27.8	13.9	11.4	8.9
5. U ₁ U ₅	33.490	27.4	15.1	15.1	16.5	17.0	9.0
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	34.762	19.0	19.1	24.8	13.3	17.1	7.6
8. N ₁ U ₅	28.109	24.7	34.2	20.5	6.8	11.0	2.7
Average: 7-70	31.432	26.0	22.7	18.3	12.0	14.5	6.6
<u>Ingham:</u>							
1. E ₁ E ₅	19.089	55.7	11.4	8.9	6.3	12.7	5.1
2. E ₁ U ₅	22.341	36.4	20.5	29.5	4.5	9.1	0
3. E ₁ C ₅	---	---	---	---	---	---	---
4. U ₁ E ₅	31.347	34.7	14.3	18.4	6.1	14.3	12.2
5. U ₁ U ₅	20.679	49.5	14.6	12.6	11.7	8.7	2.9
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	23.912	42.9	14.3	18.7	8.8	12.1	3.3
8. N ₁ U ₅	30.328	26.2	26.2	11.5	13.1	16.4	6.6
Average: 7-70	25.272	38.9	19.1	13.3	11.3	12.5	4.9
<u>Combined Co's</u>							
1. E ₁ E ₅	29.745	35.2	11.3	12.7	8.8	17.6	11.3
2. E ₁ U ₅	28.628	32.7	17.7	21.2	8.0	15.0	5.3
3. E ₁ C ₅	---	---	---	---	---	---	---
4. U ₁ E ₅	32.289	31.3	10.9	24.2	10.9	12.5	10.2
5. U ₁ U ₅	29.300	34.6	14.9	14.3	14.9	14.3	7.0
6. U ₁ C ₅	---	---	---	---	---	---	---
7. N ₁ E ₅	29.724	30.1	16.3	21.9	11.2	14.8	5.6
8. N ₁ U ₅	29.119	25.4	30.6	16.4	9.7	13.4	4.5
Average: 7-70	29.374	30.6	21.1	16.1	12.1	14.0	6.1

^aRow percentages may not add to 100.0 due to rounding.

Table A-41
Distribution of Emergency Assistance Payments, June-August, 1970
(Row Percentages)^a

County Employment Group	Mean EMAST2	\$0	\$1-99	\$100-199	\$200-299	\$300-399	\$400-499	\$500+
<u>Genesee:</u>								
1. E ₁ E ₅	19.968	83.2	12.0	0.8	2.4	1.6	0	0
2. E ₁ U ₅	27.464	71.0	23.2	1.4	0	2.9	1.4	0
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	39.848	74.7	13.9	5.1	2.5	1.3	1.3	1.3
5. U ₁ U ₅	23.301	80.7	12.7	1.9	2.4	1.4	0.5	0.5
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	35.038	78.1	12.4	3.8	2.9	0	0	2.9
8. N ₁ U ₅	35.959	83.6	6.8	2.7	1.4	1.4	1.4	2.7
Average: 7-70	29.597	81.4	10.5	2.4	2.0	1.4	0.9	1.5
<u>Ingham:</u>								
1. E ₁ E ₅	9.886	89.9	7.6	0	1.3	1.3	0	0
2. E ₁ U ₅	31.909	70.5	15.9	9.1	2.3	0	2.3	0
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	6.163	87.8	10.2	2.0	0	0	0	0
5. U ₁ U ₅	24.330	77.7	13.6	4.9	1.9	1.0	0	1.0
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	24.758	91.2	3.3	1.1	1.1	0	1.1	2.2
8. N ₁ U ₅	18.525	75.4	21.3	0	1.6	0	1.6	0
Average: 7-70	20.801	78.9	15.3	2.4	1.6	0.5	0.8	0.6
<u>Combined Co's</u>								
1. E ₁ E ₅	16.064	85.8	10.3	0.5	2.0	1.5	0	0
2. E ₁ U ₅	29.195	70.8	20.4	4.4	0.9	1.8	1.8	0
3. E ₁ C ₅	---	---	---	---	---	---	---	---
4. U ₁ E ₅	26.953	79.7	12.5	3.9	1.6	0.8	0.8	0.8
5. U ₁ U ₅	23.837	79.7	13.0	2.9	2.2	1.3	0.3	0.6
6. U ₁ C ₅	---	---	---	---	---	---	---	---
7. N ₁ E ₅	30.265	84.2	8.2	2.6	2.0	0	0.5	2.6
8. N ₁ U ₅	28.022	79.9	13.4	1.5	1.5	0.7	1.5	1.5
Average: 7-70	25.903	80.1	12.9	2.3	1.8	1.0	0.8	1.1

^aRow percentages may not add to 100.0 due to rounding.

Table A-42
Distribution of Child Care Payments, July, 1970
(Row Percentages)^a

County Employment Group	Mean CCARE2	\$0	\$1-39	\$40-79	\$80-119	\$120-159	\$160-199	\$200-299	\$300+
<u>Genesee:</u>									
1. E ₁ E ₅	43.040	60.0	2.4	11.2	13.6	7.2	2.4	2.4	0.8
2. E ₁ U ₅	8.043	89.9	1.4	5.8	0	2.9	0	0	0
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	37.190	65.8	0	5.1	17.7	7.6	1.3	2.5	0
5. U ₁ U ₅	9.099	91.5	0.9	1.4	3.3	1.4	0.9	0.5	0
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	40.533	60.9	1.0	10.5	20.0	6.7	1.0	0	1.0
8. N ₁ U ₅	1.356	98.6	0	0	1.4	0	0	0	0
Average: 7-70	9.644	90.9	0.6	1.8	4.2	1.5	0.6	0.4	0.1
<u>Ingham:</u>									
1. E ₁ E ₅	48.076	54.4	0	20.3	8.9	8.9	5.1	1.3	1.3
2. E ₁ U ₅	23.568	84.1	0	4.5	2.3	2.3	2.3	4.5	0
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	41.347	63.3	4.1	8.2	10.2	8.2	0	6.1	0
5. U ₁ U ₅	14.369	90.3	1.0	1.0	1.9	1.0	1.9	2.9	0
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	43.692	62.6	3.3	4.4	11.0	9.9	6.6	0	1.1
8. N ₁ U ₅	8.049	90.2	3.3	3.3	0	1.6	1.6	0	0
Average: 7-70	17.633	84.6	2.2	3.5	2.7	2.8	2.3	1.6	0.2
<u>Combined Co's</u>									
1. E ₁ F ₅	44.990	57.5	1.5	14.7	11.8	7.8	3.4	2.0	1.0
2. E ₁ U ₅	14.089	87.6	0.9	5.3	0.9	2.7	0.9	1.8	0
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	38.781	64.8	1.6	6.3	14.8	7.8	0.8	3.9	0
5. U ₁ U ₅	10.822	91.1	1.0	1.3	2.9	1.3	1.3	1.3	0
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	42.000	61.2	2.0	7.7	15.8	8.7	3.6	0	1.0
8. N ₁ U ₅	4.403	94.8	1.5	1.5	0.7	0.7	0.7	0	0
Average: 7-70	12.665	88.3	1.3	2.5	3.6	2.1	1.3	0.8	0.1

^aRow percentages may not add to 100.0 due to rounding.

Table A-43
Distribution of Medicaid Payments for AFDC Mothers, June, August, 1970
(Row Percentages)^a

County Employment Group	Mean MEDPY2	\$0	\$1-39	\$40-99	\$100-199	\$200-299	\$300-499	\$500-999	\$1000+
<u>Genesee:</u>									
1. E ₁ E ₅	78.688	36.0	29.6	23.2	4.8	0	0.8	4.8	0.8
2. E ₁ U ₅	121.725	21.7	33.3	21.7	10.1	4.3	0	7.2	1.4
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	93.772	26.6	29.1	17.7	19.0	3.8	2.5	0	1.3
5. U ₁ U ₅	151.646	22.6	26.9	21.2	14.2	3.8	5.2	2.4	3.8
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	59.019	29.5	37.1	18.1	8.6	1.0	4.8	1.0	0
8. N ₁ U ₅	89.219	32.9	39.7	15.1	4.1	0	1.4	4.1	2.7
Average: 7-70	116.621	27.7	32.9	18.5	9.6	2.0	3.3	3.1	2.9
<u>Ingham:</u>									
1. E ₁ E ₅	26.759	41.8	38.0	17.7	0	1.3	1.3	0	0
2. E ₁ U ₅	74.795	38.6	25.0	27.3	2.3	2.3	2.3	0	2.3
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	53.388	26.5	53.1	12.2	2.0	2.0	0	4.1	0
5. U ₁ U ₅	105.301	32.0	29.1	20.4	8.7	2.9	1.9	2.9	1.9
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	76.670	42.9	38.5	8.8	4.4	0	0	2.2	3.3
8. N ₁ U ₅	174.279	16.4	47.5	18.0	3.3	3.3	3.3	3.3	4.9
Average: 7-70	123.278	27.2	38.7	18.0	5.3	2.7	2.2	2.9	3.1
<u>Combined Co's</u>									
1. E ₁ E ₅	58.578	38.2	32.8	21.1	2.9	0.5	1.0	2.9	0.5
2. E ₁ U ₅	103.451	28.3	30.1	23.9	7.1	3.5	0.9	4.4	1.8
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	78.313	26.6	38.3	15.6	12.5	3.1	1.6	1.6	0.8
5. U ₁ U ₅	136.491	25.7	27.6	21.0	12.4	3.5	4.1	2.5	3.2
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	67.214	35.7	37.8	13.8	6.6	0.5	2.6	1.5	1.5
8. N ₁ U ₅	127.940	25.4	43.5	16.4	3.7	1.5	2.2	3.7	3.7
Average: 7-70	122.808	26.8	35.2	18.5	8.1	2.4	3.0	2.9	3.1

^aRow percentages may not add to 100.0 due to rounding.

Table A-44
Distribution of Medicaid Payments for AFDC Dependents, June-August, 1970
(Row Percentages)^a

County Employment Group	Mean MEDFM2	\$0	\$1-39	\$40-99	\$100-199	\$200-299	\$300-499	\$500-999	\$1000+
<u>Genesee:</u>									
1. E ₁ E ₅	49.464	32.8	38.4	16.0	6.4	3.2	2.4	0.8	0
2. E ₁ U ₅	133.391	21.7	43.5	13.0	11.6	0	1.4	2.8	5.8
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	56.734	38.0	30.4	17.7	7.6	0	5.1	1.3	0
5. U ₁ U ₅	95.815	31.1	29.7	19.3	9.9	0.9	1.9	6.1	0.9
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	36.581	37.1	38.1	18.1	6.8	0	1.0	1.9	0
8. N ₁ U ₅	50.370	37.0	39.7	13.7	4.1	0	2.7	2.7	0
Average: 7-70	72.097	33.9	34.7	16.7	7.1	0.5	2.3	4.1	0.5
<u>Ingham:</u>									
1. E ₁ E ₅	60.810	38.0	34.2	15.2	6.3	2.5	1.3	1.3	1.3
2. E ₁ U ₅	54.955	31.8	31.8	22.7	9.1	0	2.3	2.3	0
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	81.408	28.6	38.8	20.4	4.1	0	4.1	2.0	2.0
5. U ₁ U ₅	84.048	35.0	25.2	16.5	12.6	1.0	4.9	4.9	0
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	54.033	44.0	34.1	15.4	0	2.2	2.2	1.1	1.1
8. N ₁ U ₅	69.033	41.0	27.9	18.0	8.2	0	3.3	0	1.6
Average: 7-70	73.403	38.0	28.3	17.3	8.9	0.7	3.8	2.2	0.9
<u>Combined Co's</u>									
1. E ₁ E ₅	53.858	34.8	36.8	15.7	6.4	2.9	2.0	1.0	0.5
2. E ₁ U ₅	102.850	25.7	38.9	16.8	10.6	0	1.8	2.7	3.5
3. E ₁ C ₅	---	---	---	---	---	---	---	---	---
4. U ₁ E ₅	66.180	34.4	33.6	18.8	6.3	0	4.7	1.6	0.8
5. U ₁ U ₅	91.967	32.4	28.3	18.4	10.8	1.0	2.9	5.7	6.3
6. U ₁ C ₅	---	---	---	---	---	---	---	---	---
7. N ₁ E ₅	44.685	40.3	36.2	16.8	2.0	1.0	1.5	1.5	0.5
8. N ₁ U ₅	58.865	38.8	34.3	15.7	6.0	0	3.0	1.5	0.7
Average: 7-70	73.375	35.5	31.9	17.1	7.9	0.6	2.9	3.3	3.2

^aRow percentages may not add to 100.0 due to rounding.

APPENDIX B
MULTIPLE REGRESSION EQUATIONS

This appendix presents the results of multiple-regression equations and the mean values of explanatory variables used in those regressions. There are, for Genesee County, for Ingham County, and for the two counties combined, 15 regressions for each appropriate combination of the eight employment groups and six specifications of the dependent variable.¹ The organization of tables presenting these regressions is shown in Figure B-1. Following the presentation of these 45 regressions are six tables which show the mean values of the dependent variables for each employment group combination, for each county and for both counties combined.

¹As a guide to interpreting the significance of individual coefficients, reference may be made to the critical values for the t-statistic and associated levels of significance below:

<u>Critical t-Value</u>	<u>One-Tail Significance Level</u>	<u>Two-Tail Significance Level</u>
1.645	0.050	0.100
1.960	0.025	0.050
2.326	0.010	0.020
2.576	0.005	0.010

Figure B-1
Appendix B Tables by Dependent Variable and
Employment Group Combination
(Multiple Regression Tables Only)

Employment Group	Level of Earnings			Employment Status		
	7-69	7-70	7-69-7-70	7-69	7-70	7-69-7-70
E ₁ E ₂	B-1	B-5	B-9			
E ₁ U ₂	B-2					
E ₁ U ₂	B-3					
All E ₁	B-4					
U ₁ E ₂		B-6				
N ₁ E ₂		B-7				
All E ₂		B-8				
All 7-69 Cases	B-10			B-13		
All 7-70 Cases		B-11			B-14	
7-69 <u>and</u> 7-70 Cases			B-12			B-15

^aIn these tables, a letter in parentheses following the table number indicates that the table refers to Genesee County only (G), Ingham County only (I), or to the counties combined (C).

Definitions of Variables Used in Regressions

The Dependent Variables

EARNINGS JULY 1969	Gross monthly earnings of the AFDC mother for June of 1969, as reported in July, 1969.
EARNINGS JULY 1970	Gross monthly earnings of the AFDC mother for June of 1970, as reported in July, 1970.
EARNINGS CHANGE	The change in earnings from June of 1969 to June of 1970.
EMPLOYMENT STATUS JULY 1969	A dummy variable indicating that the AFDC mother was employed in June of 1969; i.e., earnings of \$1 or more were reported in July, 1969.
EMPLOYMENT STATUS JULY 1970	A dummy variable indicating that the AFDC mother was employed in June of 1970; i.e., earnings of \$1 or more reported in July, 1970.
EMPLOYMENT STATUS JULY 1969 AND 1970	A dummy variable indicating that the AFDC mother was employed both in June of 1969 and June of 1970.

The Independent Variables

1 MONTHS	The number of months of continuous receipt of AFDC assistance prior to July, 1970.
2 PREV	A dummy variable indicating that a previous period of AFDC assistance occurred prior to the current period of assistance.
3 YOB	The year of birth of the AFDC mother.
4 PUBHOS	A dummy variable indicating residence in a housing unit owned and operated by a local public housing agency.
5 HOME	A dummy variable indicating residence in a home which the AFDC mother owns or is purchasing.
6 HSDROP	A dummy variable indicating that the highest grade of school completed by the AFDC mother was more than 8 but less than 12, i.e., she was a high school dropout.

The Independent Variables

7	HSGRAD	A dummy variable indicating that the AFDC mother completed at least 12 full years of education, i.e., she was a high school graduate.
8	RACE-W	A dummy variable indicating the race of the AFDC mother to be Caucasian.
9	CH02	A dummy variable indicating the presence of one or more children age 0 to 2 in the assistance group. In the regressions, this variable is omitted and serves as the basis for comparison for the following five children-age group variables.
10	CH001	A dummy variable indicating that the child(ren) in the assistance group are age 13 or over only.
11	CH100	A dummy variable indicating that the child(ren) in the assistance group are age 6 to 12 only.
12	CH100	A dummy variable indicating that the child(ren) in the assistance group are age 3 to 5 only.
13	CH110	A dummy variable indicating that the children in the assistance group are in both the 3 to 5 and 6 to 12 age groups only.
14	CH111	A dummy variable indicating that one or more of the children in the assistance group is aged 13 or over and others are aged 6 to 12 and/or 3 to 5.
15	INCAP	A dummy variable indicating that the AFDC mother has been determined incapacitated and therefore not required to work.
16	NOTEX	A dummy variable indicating that the AFDC mother has been determined as not expected to work, due to the age or number of children in the home or due to other reasons which would make the mother's absence from the home contrary to the best interest of the family.

The Independent Variables

17 AREA A	A dummy variable indicating residence in a part of the central city designated as a model cities area.
18 AREA B	A dummy variable indicating residence in a part of the central city not designated as a model cities area.
19 AREA C	A dummy variable indicating residence in a suburban neighborhood or city.
20 AREA D	A dummy variable indicating residence in a small town.
21 AREA E	A dummy variable indicating residence in a rural area. In the regressions, this was the omitted category.
22 EXPWGS	The level of "expected wages" for the AFDC mother, based on her occupation and county of residence. The expected wage for each AFDC mother is assumed to equal the average starting salary of female WIN placements into jobs of similar occupational classification during the period from July, 1969 to June, 1970.
- (For the following eleven variables, the subscript "1" refers to the July 1, 1969 observation point (i.e., the month of June, 1969), and the subscript "2" refers to the July 1, 1970 observation point (i.e., the month of June, 1970).
- | | |
|---------------------|--|
| 23 PEL 1
PEL 2 | The number of persons in the household eligible for AFDC assistance. |
| 24 POTH 1
POTH 2 | A dummy variable indicating the presence of persons in the household other than those who are included in the AFDC assistance group. |
| 25 RENT 1
RENT 2 | The dollar amount included in the AFDC budget specifically for the rent, house payment, or other actual shelter cost, per month. |
| 26 TOTRQ1
TOTRQ2 | The dollar amount of monthly total requirements, as defined by the family's circumstances and AFDC policy. This amount, less any net income equals the AFDC payment. |

The Independent Variables

27	OTHIN 1 OTHIN 2	The dollar amount of monthly social security, child support, or similar non-assistance, non-earned transfer income considered in computing the amount of the AFDC payment.
28	FOODS 1 FOODS 2	The monthly dollar value of bonus food stamps. I.e., the amount by which the value of food stamps in the grocery store exceeded the price paid by the AFDC mother for the stamps.
29	EMAST 1 EMAST 2	The dollar value of items such as stoves, refrigerators, washing machines, home repairs, etc. paid for by the welfare department through the Emergency Assistance program or through County General Assistance funds, over the three-month June-August period surrounding each observation point.
30	CCARE 1 CCARE 2	The dollar value of monthly child care services paid by the welfare department.
31	MEDPY 1 MEDPY 2	The dollar value of Medicaid services for the AFDC mother only paid by the welfare department over the three-month June-August period surrounding each observation point.
32	MEDFM 1 MEDFM 2	The dollar value of Medicaid services for the members of the AFDC family (except the mother) paid by the welfare department over the three-month June-August period surrounding each observation point.
33	WIN 1 WIN 2	A dummy variable indicating enrollment in the WIN program.
34	RATIO 1 RATIO 2	An "opportunity cost" measure defined as the ratio of expected wages to total requirements; i.e., the ratio of expected off-AFDC income to guaranteed on-AFDC income.

Table B-1 (C)
MULTIPLE REGRESSION 1

COMBINED COUNTIES EMPLOYMENT GROUP 1 ($E_1 E_2$)

NUMBER OF OBSERVATIONS: 204

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 197.4314 (126.6851)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	12	1176967.000	98080.562
RESIDUAL	191	2081000.000	10895.285

MULTIPLE - R = 0.601

STD. ERROR OF EST. = 104.381

R - SQUARED = 0.361

F - RATIO = 9.002

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-90.6191		
1 MONTHS	-0.8630	0.2808	-3.073
2 PUBHOS	-35.0589	24.8265	-1.412
3 RACE-W	-25.8281	15.4711	-1.669
4 CHO10	-50.0743	21.4225	-2.337
5 INCAP	120.5083	54.1179	2.227
6 NOTEX	-102.4565	25.5488	-4.010
7 AREA B	29.9703	15.7341	1.905
8 OTHIN 1	-0.4028	0.1788	-2.253
9 EMAST 1	0.1885	0.0823	2.290
10 CCARE 1	0.4178	0.1442	2.897
11 EXPWGS	1.2986	0.2378	5.461
12 RATIO 1	-62.0543	13.8776	-4.472

Table B-1 (G)

MULTIPLE REGRESSION 2

GENESEE COUNTY EMPLOYMENT GROUP 1 ($E_1 E_2$)

NUMBER OF OBSERVATIONS: 125

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 190.9520 (125.4052)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	16	1019030.400	63689.402
RESIDUAL	108	931051.560	8620.848
MULTIPLE - R = 0.723		STD. ERROR OF EST. = 92.849	
R - SQUARED = 0.523		F - RATIO = 7.388	

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	-305.1772		
1 MONTHS	-0.4569	0.3306	-1.382
2 PEL 1	32.4871	12.7112	2.556
3 HOME	25.1594	18.1731	1.384
4 HSDROP	-31.4715	20.5834	-1.529
5 HSGRAD	-46.0164	24.9954	-1.841
6 CHO10	-32.1665	23.6128	-1.362
7 NOTEX	-89.4269	35.8379	-2.495
8 WIN 1	-33.4025	31.3562	-1.065
9 AREA B	29.4852	18.8482	1.564
10 AREA D	-53.6928	45.1114	-1.190
11 TOTRQ1	-1.0851	0.3179	-3.413
12 EMAST1	0.2196	0.0869	2.527
13 CCARE1	0.5550	0.1682	2.981
14 MEDPY1	0.0341	0.0374	0.912
15 EXPWGS	2.3903	0.3467	6.894
16 RATIO1	-77.3266	29.6156	-2.611

Table B-1 (I)
MULTIPLE REGRESSION 3

INGHAM COUNTY EMPLOYMENT GROUP 1 (E_1E_2)

NUMBER OF OBSERVATIONS: 79

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 207.6835 (128.8193)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	23	798785.120	34729.785
RESIDUAL	55	495578.870	9010.523

MULTIPLE-R = 0.786

STD. ERROR OF EST. = 94.924

R-SQUARED = 0.617

F - RATIO = 3.854

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	69.4619		
1 MONTHS	-1.0779	0.5029	-2.143
2 PUBHOS	-87.6420	46.2024	-1.897
3 HOME	61.7083	48.0053	1.285
4 HSGRAD	92.2015	30.0023	3.073
5 HSDROP	28.6279	32.0403	0.893
6 RACE-W	-65.7782	30.9513	-2.125
7 CHOO1	-32.4834	34.8733	-0.931
8 CHO10	-87.8331	40.3914	-2.175
9 INCAP	89.9323	54.7242	1.643
10 NOTEX	-135.7567	34.9253	-3.887
11 WIN 1	-119.4719	84.1536	-1.420
12 AREA A	-59.1890	47.4347	-1.248
13 AREA B	-21.0888	44.2934	-0.476
14 AREA C	-125.8954	46.7880	-2.691
15 POTH 1	58.3819	39.9287	1.462
16 RENT 1	1.6131	0.5614	2.874
17 TOTRQ 1	-0.2195	0.2028	-1.082
18 OTHIN 1	-0.4028	0.2601	-1.549
19 FOODS 1	-0.1673	0.1042	-1.606
20 EMAST 1	0.2983	0.1730	1.724
21 MEDPY 1	-0.1116	0.0815	-1.369
22 EXPWGS	0.8487	0.3677	2.308
23 RATIO 1	-57.6959	20.9926	-2.749

Table B-2 (C)
MULTIPLE REGRESSION 4

COMBINED COUNTIES EMPLOYMENT GROUP 2 (E_1U_2)

NUMBER OF OBSERVATIONS: 113

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 178.3805 (110.8882)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	15	597093.500	39806.230
RESIDUAL	97	780078.500	8042.043

MULTIPLE - R = 0.659
R - SQUARED = 0.434

STD. ERROR OF EST. - 89.677
F - RATIO = 4.950

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-300.7134		
1 PEL 1	59.9533	15.7642	3.803
2 YOB	2.2980	1.3149	1.748
3 PREV	-34.8330	18.8135	-1.851
4 HOME	50.1343	23.8875	2.099
5 HSDROP	48.8393	28.4093	1.701
6 HSGRAD	37.0710	30.1647	1.229
7 RACE-W	-34.9605	20.2289	-1.728
8 AREA A	79.8968	23.8314	3.353
9 AREA C	24.8925	22.6362	1.100
10 RENT 1	0.3095	0.2952	1.048
11 TOTRQ 1	-0.9502	0.3819	-2.488
12 OTHIN 1	-0.2160	0.1867	-1.157
13 CCARE 1	0.3741	0.1661	2.252
14 MEDFM 1	-0.0772	0.0310	-2.490
15 EXPWGS	1.0031	0.2667	3.761

Table B-2 (G)

MULTIPLE REGRESSION 5

GENESEE COUNTY EMPLOYMENT GROUP 2 (E_1U_2)

NUMBER OF OBSERVATIONS: 69

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 172.1449 (113.7083)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	16	509838.180	31864.887
RESIDUAL	52	369372.310	7103.313

MULTIPLE - R = 0.762

STD. ERROR OF EST. = 84.281

R - SQUARED = 0.580

F - RATIO = 4.486

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-171.6778		
1 YOB	-3.0173	1.5763	-1.914
2 PREV	-41.5301	25.3297	-1.640
3 HOME	13.9137	24.6528	0.564
4 HSDROP	42.1337	22.7512	1.852
5 RACE-W	-39.9754	25.2325	-1.584
6 CH100	-62.8314	35.6007	-1.765
7 CH110	43.0565	33.6101	1.281
8 AREA A	59.2728	27.6580	2.143
9 POTH 1	46.9450	25.8665	1.815
10 FOODS1	2.5001	1.0414	2.401
11 EMAST 1	1.3089	0.6127	2.136
12 CCARE1	0.6994	0.2165	3.230
13 MEDPY1	-0.0674	0.0383	-1.760
14 MEDFM1	-0.1174	0.0467	-2.514
15 EXPWGS	0.4262	0.3634	1.173
16 RATIO1	25.8312	21.4786	1.203

Table B-2 (I)

MULTIPLE REGRESSION 6

INGHAM COUNTY EMPLOYMENT GROUP 2 ($E_1 U_2$)

NUMBER OF OBSERVATIONS: 44

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 188.1591 (106.8673)

ANALYSIS OF VARIANCE

REGRESSION	DOF	SUM OF SQ.	MEAN SQ.
	13	304053.370	23388.719
RESIDUAL	30	187032.930	6234.430

MULTIPLE-R = 0.787

STD. ERROR OF EST. = 78.958

R-SQUARED = 0.619

F-RATIO = 3.752

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-172.5155		
1 MONTHS	-0.5215	0.5050	-1.033
2 PREV	-1.9734	36.1965	-0.055
3 RACE-W	-57.7670	27.7999	-2.078
4 CH100	44.8852	35.7020	1.257
5 NOTEX	-106.2347	51.8548	-2.049
6 WIN 1	121.7220	68.5967	1.774
7 AREA C	-43.8740	34.5897	-1.268
8 AREA D	90.4887	86.7857	1.043
9 TOTRQ 1	0.5361	0.1846	2.903
10 EMAST 1	-1.9655	0.8186	-2.401
11 CCARE 1	0.5199	0.2906	1.790
12 MEDPY 1	0.1311	0.1742	0.752
13 EXPWGS	0.8113	0.3327	2.439

Table B-3(C)

MULTIPLE REGRESSION 7

COMBINED COUNTIES EMPLOYMENT GROUP 3 ($E_1 N_2$)

NUMBER OF OBSERVATIONS: 41

DEPENDENT VARIABLE: EARNINGS JULY, 1969

DEPENDENT VARIABLE MEAN (STD. DEV.): 229.6341 (159.4839)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION:	8	445076.680	55634.586
RESIDUAL:	32	572327.370	17885.230

MULTIPLE - R = 0.661

STD. ERROR OF EST. = 133.736

R - SQUARED = 0.438

F - RATIO - 3.111

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	24.0963		
1 PUBHOS	142.7001	76.9655	1.854
2 CH110	214.8137	91.9547	2.336
3 NOTEX	-134.3896	81.7513	-1.644
4 WIN 1	-229.9541	87.3505	-2.633
5 AREA A	-121.5377	56.2341	-2.161
6 OTHIN1	-0.5156	0.4562	-1.130
7 CCARE1	0.7073	0.4474	1.581
8 EXPWGS	0.6686	0.5055	1.323

Table B-3 (G)

MULTIPLE REGRESSION 8

GENESEE COUNTY EMPLOYMENT GROUP 3 (E_1N_2)

NUMBER OF OBSERVATIONS: 26

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 215.3462 (135.5940)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	16	410512.370	25657.023
RESIDUAL	9	49130.742	5458.969

MULTIPLE - R = 0.945

STD. ERROR OF EST. = 73.885

R - SQUARED = 0.893

F - RATIO = 4.700

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	-532.5903		
1 PUBHOS	241.7190	73.1773	3.303
2 HOME	307.7488	77.4038	3.976
3 RACE-W	-88.8641	39.4818	-2.251
4 CHO10	125.1211	59.9437	2.087
5 CH100	-69.3607	45.2588	-1.533
6 CH111	-349.3696	93.6349	-3.731
7 WIN 1	377.4573	141.4285	2.669
8 AREA C	-403.3923	106.6333	-3.783
9 POTH 1	-48.0932	52.4921	-0.916
10 RENT 1	1.5309	0.7795	1.964
11 FOODS 1	1.7683	1.6106	1.098
12 EMAS1	-7.7472	1.8555	-4.175
13 MEDPY1	-1.2461	0.1573	-1.565
14 MEDFM1	4.8432	1.0314	4.696
15 EXPWGS	1.1158	0.6490	1.719
16 RATIO1	124.7264	46.1330	2.704

Table B-3 (I)

MULTIPLE REGRESSION 9

INGHAM COUNTY EMPLOYMENT GROUP 3 (E_1N_2)

NUMBER OF OBSERVATIONS: 15

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 254.4000 (196.9868)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	5	432522.560	86504.500
RESIDUAL	9	110730.560	12303.395

MULTIPLE - R = 0.892

STD. ERROR OF EST. = 110.921

R - SQUARED = 0.796

F - RATIO = 7.031

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	250.2033		
1 HOME	-221.2033	90.5656	-2.442
2 CH111	252.2963	90.5657	2.786
3 NOTEX	-148.7037	90.5656	-1.642
4 WIN 1	-451.5000	135.8496	-3.324
5 EMAS1	6.6316	2.4148	2.746

Table B-4 (C)
MULTIPLE REGRESSION 10

COMBINED COUNTIES EMPLOYMENT GROUPS 1, 2, 3 (E_1E_2 , E_1U_2 , E_1N_2 = All E_1)

NUMBER OF OBSERVATIONS: 358

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 195.1061 (126.7354)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	15	1573326.000	104888.370
RESIDUAL	342	4160753.000	12165.941

MULTIPLE - R = 0.524

STD. ERROR OF EST. = 110.299

R - SQUARED = 0.274

F - RATIO = 8.621

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-43.9979		
1 MONTHS	-0.7262	0.2342	-3.101
2 PEL 1	21.4849	8.8427	2.430
3 YOB	0.9618	0.7591	1.267
4 RACE-W	-33.1513	12.2516	-2.706
5 CH110	22.5730	19.5443	1.155
6 CH111	11.7697	17.1823	0.685
7 NOTEX	-83.3005	19.7562	-4.216
8 WIN 1	-48.5702	25.6044	-1.897
9 POTH 1	24.4420	16.7738	1.457
10 TOTRQ 1	-0.5631	0.2179	-2.584
11 OTHIN 1	-0.2531	0.1322	-1.763
12 EMAST 1	0.2053	0.0827	2.482
13 CCARE 1	0.2950	0.1209	2.440
14 EXPWGS	1.1556	0.1799	6.424
15 RATIO 1	-55.1830	14.2831	-3.864

Table B-4 (G)

MULTIPLE REGRESSION 11

GENESEE COUNTY EMPLOYMENT GROUPS 1, 2, 3 (E_1E_2 , E_1U_2 , $E_1N_2 = A11 E_1$)

NUMBER OF OBSERVATIONS: 220

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 187.9364 (123.2506)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION:	16	1223676.000	76479.750
RESIDUAL:	203	2103089.000	10360.043

MULTIPLE - R = 0.607

STD. ERROR OF EST. = 101.784

R - SQUARED = 0.368

F - RATIO = 7.382

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	-124.7296		
1 MONTHS	-0.5087	0.2877	-1.768
2 PEL 1	40.6096	10.1511	4.001
3 YOB	1.8223	0.9285	1.963
4 HOME	32.4689	15.3168	2.120
5 HSGRAD	-23.6464	16.7305	-1.413
6 RACE-W	-35.2103	14.7103	-2.394
7 CH110	19.5745	21.0865	0.928
8 NOTEX	-64.9992	25.1411	-2.585
9 WIN 1	-40.4674	27.3693	-1.479
10 POTH1	21.2224	18.9979	1.117
11 TOTRQ1	-1.2605	0.2777	-4.539
12 FOODS1	0.6187	0.5777	1.071
13 EMAST1	0.2420	0.0870	2.782
14 CCARE1	0.3058	0.1345	2.274
15 EXPWGS	1.4982	0.2573	5.823
16 RATIO1	-54.0507	19.6207	-2.755

Table B-4 (I)

MULTIPLE REGRESSION 12

INGHAM COUNTY EMPLOYMENT GROUPS 1, 2, 3 (E_1E_2 , E_1U_5 , $E_1N_5 = A11 E_1$)

NUMBER OF OBSERVATIONS: 138

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD DEV): 206.5362 (131.7487)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	16	1002808.000	62675.500
RESIDUAL	121	1375200.000	11365.289

MULTIPLE - R = 0.649

STD. ERROR OF EST. = 106.608

R - SQUARED = 0.422

F-RATIO = 5.515

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	58.1580		
1 MONTHS	-1.2285	0.3551	-3.460
2 PUBHOS	-61.1413	34.6151	-1.766
3 HSGRAD	75.2172	21.0400	3.575
4 RACE-W	-61.8533	21.7184	-2.848
5 CHO10	-54.3327	26.7818	2.029
6 INCAP	65.1233	51.3239	1.269
7 NOTEX	-127.6276	30.3002	-4.212
8 WIN 1	-62.1112	51.8572	-1.198
9 AREA C	-45.2990	23.7626	-1.906
10 AREA D	55.4340	42.0194	1.319
11 POTH 1	42.5207	31.0829	1.368
12 RENT 1	0.6926	0.2409	2.875
13 OTHIN1	-0.5011	0.2315	-2.165
14 FOODS1	-0.1380	0.1098	-1.257
15 EXPWGS	0.8569	0.2527	3.391
16 RATIO 1	-56.9538	15.6124	-3.648

Table B-5 (C)
 MULTIPLE REGRESSION 13

COMBINED COUNTIES EMPLOYMENT GROUP 1 (E_1E_2)

NUMBER OF OBSERVATIONS: 204

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 228.7549 (140.9842)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	13	1266211.000	97400.812
RESIDUAL	190	2768728.000	14572.250

MULTIPLE - R = 0.560

STD. ERROR OF EST. = 120.716

R - SQUARED = 0.314

F - RATIO = 6.684

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-131.1968		
1 PUBHOS	-80.8891	28.9290	-2.796
2 HSDROP	-23.1695	17.4142	-1.330
3 RACE-W	-38.0518	20.0097	-1.902
4 CH100	78.1994	32.2378	2.426
5 CH111	36.1296	21.7012	1.665
6 INCAP	128.5255	62.0097	2.073
7 WIN 2	-75.6507	55.9053	-1.353
8 AREA A	-70.1751	21.7700	-3.223
9 AREA D	-61.4611	39.2530	-1.566
10 TOTRQ 2	0.3503	0.1390	2.520
11 OTHIN 2	-0.5369	0.1427	-3.762
12 CCARE 2	0.4425	0.1352	3.273
13 EXPWGS	0.9308	0.2664	3.494

Table B-5 (G)

MULTIPLE REGRESSION 14

GENESEE COUNTY EMPLOYMENT GROUP 1 ($E_1 E_2$)

NUMBER OF OBSERVATIONS: 125

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN(STD DEV): 218.2320 (142.4577)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	14	1139416.000	81386.812
RESIDUAL	110	1377065.000	12518.770

MULTIPLE - R = 0.673

STD. ERROR OF EST. = 111.887

R - SQUARED = 0.453

F - RATIO = 6.501

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	-141.7576		
1 HOME	38.7522	21.0846	1.838
2 HSGRAD	-31.8683	26.0646	-1.223
3 RACE-W	-76.7167	25.9834	-2.953
4 CHOO1	-39.7889	36.7497	-1.083
5 CH111	37.4171	23.8853	1.567
6 WIN 2	-104.2599	57.7335	-1.806
7 AREA A	-209.5292	46.6827	-4.488
8 AREA B	-117.2668	43.1100	-2.720
9 AREA C	-108.3454	41.7113	-2.598
10 AREA D	-150.8829	63.1130	-2.391
11 OTHIN2	-0.5185	0.1530	-3.389
12 EMAST2	-0.1944	0.1644	-1.182
13 CCARE2	0.4111	0.1669	2.463
14 EXPWGS	1.6351	0.3911	4.181

Table B-5 (I)

MULTIPLE REGRESSION 15

INGHAM COUNTY EMPLOYMENT GROUP 1 ($E_1 E_2$)

NUMBER OF OBSERVATIONS: 79

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 245.4051 (137.8749)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	15	746931.500	49795.430
RESIDUAL	63	735807.500	11679.480

MULTIPLE-R = 0.710

STD. ERROR OF EST. = 108.072

R-SQUARED = 0.504

F-RATIO = 4.263

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	-162.2548		
1 MONTHS	-0.8758	0.5489	-1.595
2 PEL 2	-28.9548	13.2872	-2.179
3 PUBHOS	-143.0295	53.7700	-2.660
4 HOME	-99.0199	33.1308	-2.989
5 HSDROP	-73.4883	28.3530	-2.592
6 WIN 1	179.3415	85.6839	2.093
7 WIN 2	-231.6772	120.9921	-1.915
8 AREA A	49.8190	33.1744	1.502
9 AREA B	71.9434	32.5975	2.207
10 POTH 2	65.9471	51.0718	1.291
11 TOTRQ 2	1.1163	0.3148	3.546
12 OTHIN 2	-0.8008	0.2691	-2.976
13 CCARE 2	0.4940	0.2261	2.185
14 MEDPY 2	0.2468	0.2200	1.122
15 EXPWGS	0.7857	0.3715	2.115

Table B-6 (C)

MULTIPLE REGRESSION 16

COMBINED COUNTIES EMPLOYMENT GROUP 4 (U_1E_2)

NUMBER OF OBSERVATIONS: 128

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 190.6563 (153.7375)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	16	936555.000	58534.688
RESIDUAL	111	2065117.000	18604.656

MULTIPLE - R = 0.559

STD. ERROR OF EST. = 136.399

R - SQUARED = 0.312

F - RATIO = 3.146

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-13.2001		
1 MONTHS	-1.1527	0.5488	-2.100
2 PEL 1	-15.0541	8.4125	-1.789
3 PUBHOS	59.8598	34.3068	1.745
4 HOME	-34.3667	30.9758	-1.109
5 HSGRAD	47.4533	29.1499	1.628
6 CHOO1	49.7993	60.3844	0.825
7 CH100	-32.7189	32.1801	-1.017
8 INCAP	-59.8957	52.3175	-1.145
9 WIN 2	-69.8168	43.9283	-1.589
10 AREA D	-123.2971	101.7479	-1.212
11 POTH 2	39.6761	36.3315	1.092
12 OTHIN 2	-0.3044	0.2195	-1.387
13 CCARE 2	0.5556	0.2154	2.579
14 MEDPY 2	-0.0755	0.0478	-1.579
15 EXPWGS	1.1828	0.2745	4.309
16 RATIO 2	-67.3528	30.4073	-2.215

Table B-6 (G)

MULTIPLE REGRESSION 17

GENESEE COUNTY EMPLOYMENT GROUP 4 (U_1E_2)

NUMBER OF OBSERVATIONS: 79

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 189.3798 (157.1554)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	25	970514.870	38820.594
RESIDUAL	53	955915.120	18036.133

MULTIPLE - R = 0.710

STD. ERROR OF EST. = 134.299

R - SQUARED = 0.504

F - RATIO = 2.152

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	-120.5018		
1 MONTHS	-0.8147	0.6942	-1.174
2 PEL 1	-13.6534	29.8079	-0.458
3 PEL 2	66.3054	53.9261	1.229
4 YOB	-3.1735	2.7860	-1.139
5 PREV	32.1436	39.6050	0.812
6 HOME	188.8434	108.9596	1.733
7 HSDROP	-45.3539	56.2620	-0.806
8 HSGRAD	36.8886	57.0871	0.646
9 CHO10	-22.4073	56.7697	-0.395
10 CH100	-12.6698	52.9290	-0.239
11 INCAP	-32.3352	71.2451	-0.454
12 NOTEX	38.9341	39.9730	0.974
13 WIN 2	-143.0892	60.9725	-2.347
14 AREA B	-31.6760	39.3995	-0.804
15 AREA C	34.6879	49.8771	0.695
16 AREA D	-263.5059	166.9177	-1.581
17 POTH 2	66.5018	45.9767	1.446
18 RENT 2	2.0247	1.0241	1.977
19 TOTRQ2	-1.8666	1.0977	-1.700
20 OTHIN2	-0.1722	0.2803	-0.614
21 EMAST2	0.0776	0.1585	0.490
22 CCARE2	1.1946	0.3736	3.198
23 MEDPY2	-0.0760	0.0548	-1.387
24 EXPWGS	2.0128	0.5933	3.393
25 RATIO2	-86.4089	48.1378	-1.795

Table B-6 (I)
MULTIPLE REGRESSION 18

INGHAM COUNTY EMPLOYMENT GROUP 4 ($U_1 E_2$)

NUMBER OF OBSERVATIONS: 49

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 192.7143 (149.6471)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	24	756656.680	31527.359
RESIDUAL	24	318266.310	13261.094

MULTIPLE-R = 0.839

STD. ERROR OF EST. = 115.157

R-SQUARED = 0.704

F - RATIO = 2.377

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	924.0259		
1 MONTHS	-1.6231	1.2561	-1.292
2 PEL	-47.0292	18.6245	-2.525
3 YOB	4.4787	3.9862	-1.124
4 PREV	-44.0519	45.9057	-0.960
5 PUBHOS	192.6593	60.1900	3.201
6 HOME	-313.9604	115.0260	-2.729
7 HSGRAD	43.4471	46.8066	0.928
8 CH001	192.3326	167.8786	1.146
9 CH010	-381.8054	116.0610	-3.290
10 CH100	-437.1057	99.5535	-4.391
11 CH110	-533.2126	122.8269	-4.341
12 CH111	-439.2795	126.7926	-3.465
13 INCAP	-136.9919	101.7990	-1.346
14 NOTEX	46.1587	55.5642	0.831
15 WIN 1	142.6425	83.3497	1.711
16 WIN 2	-173.6074	136.7792	-1.269
17 AREA A	60.2163	78.5602	0.766
18 AREA C	-110.2659	55.0619	-2.003
19 RENT 2	-3.4364	1.2386	-2.774
20 OTHIN2	-0.5803	0.3792	-1.530
21 EMAST2	0.8934	1.3424	0.666
22 MEDPY2	-0.0566	0.1623	-0.349
23 EXPWGS	2.1419	0.4827	4.437
24 RATIO2	-459.6223	104.4574	-4.400

Table B-7 (C)

MULTIPLE REGRESSION 19

COMBINED COUNTIES EMPLOYMENT GROUP 7 (N_1E_2)

NUMBER OF OBSERVATIONS: 196

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 249.2806 (153.1384)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	14	1435722.000	102551.560
RESIDUAL	181	3137293.000	17333.109

MULTIPLE - R = 0.560

STD. ERROR OF EST. = 131.655

R - SQUARED = 0.314

F - RATIO = 5.917

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	-241.7908		
1 PEL 2	28.1861	7.1455	3.945
2 HOME	30.1731	23.5071	1.284
3 HSDROP	-39.7161	22.7767	-1.744
4 CH100	-27.2705	24.2204	-1.126
5 CH110	-54.4255	26.3377	-2.070
6 INCAP	-87.8695	63.7677	-1.378
7 WIN 1	-121.1796	99.2187	-1.221
8 WIN 2	-53.7536	43.0483	-1.249
9 AREA C	-28.7454	22.9216	-1.254
10 AREA D	-99.4353	36.9341	-2.692
11 POTH 2	33.0891	24.3021	1.362
12 OTHIN 2	-0.4018	0.1850	-2.172
13 CCARE 2	0.2943	0.1660	1.773
14 EXPWGS	1.2888	0.2687	4.796

Table B-7 (G)

MULTIPLE REGRESSION 20

GENESEE COUNTY EMPLOYMENT GROUP 7 ($N_1 E_2$)

NUMBER OF OBSERVATIONS: 105

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 246.4571 (170.9206)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	16	1504188.000	94011.750
RESIDUAL	88	1534050.000	17432.383

MULTIPLE - R = 0.704

STD. ERROR OF EST. = 132.032

R - SQUARED = 0.495

F - RATIO = 5.393

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-798.0608		
1 PEL 2	33.1200	11.7590	2.817
2 YOB	5.0317	2.7241	1.847
3 PREV	-29.0589	31.8849	-0.911
4 PUBHOS	86.6399	68.9315	1.257
5 HOME	68.1270	34.6734	1.965
6 RACE-W	-45.2716	31.2698	-1.448
7 CH001	126.6993	82.2913	1.540
8 CH100	-62.6970	37.0710	-1.691
9 CH111	55.2787	47.6938	1.159
10 INCAP	-195.5672	103.8741	-1.883
11 WIN 1	-181.5442	157.8691	-1.150
12 AREA A	-73.2823	32.8061	-2.234
13 AREA D	-94.1693	64.4991	-1.460
14 OTHIN2	-0.2545	0.2823	-0.902
15 MEDPY2	-0.1332	0.1204	-1.106
16 EXPWGS	2.4338	0.4683	5.197

Table B-7 (I)
MULTIPLE REGRESSION 21

INGHAM COUNTY EMPLOYMENT GROUP 7 ($N_1 E_2$)

NUMBER OF OBSERVATIONS: 91

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 252.5385 (130.5118)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	16	611754.560	38234.660
RESIDUAL	74	921245.430	12449.262

MULTIPLE-R = 0.632

STD. ERROR OF EST. 111.576

R-SQUARED = 0.399

F-RATIO = 3.071

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	364.9258		
1 PEL 2	46.7618	26.0876	1.792
2 PUBHOS	-84.2080	87.8700	-0.958
3 HSDROP	-67.8274	33.3267	-2.035
4 RACE-W	40.0183	31.3432	1.277
5 CH001	-68.8730	73.6384	-0.935
6 CH100	-58.8161	31.3304	-1.877
7 CH110	-90.4431	35.3573	-2.558
8 AREA A	1.3935	58.4392	0.024
9 AREA B	-36.6926	55.5822	-0.660
10 AREA C	-96.5139	56.7148	-1.702
11 AREA D	-134.7833	63.4894	-2.123
12 TOTRQ 2	-1.4778	0.8757	-1.687
13 OTHIN 2	-0.6155	0.2351	-2.618
14 CCARE 2	0.5093	0.2207	2.308
15 EXPWGS	1.0795	0.4146	2.604
16 RATIO 2	-135.5661	72.7124	-1.864

Table B-8 (C)

MULTIPLE REGRESSION 22

COMBINED COUNTIES EMPLOYMENT GROUPS 1, 4, 7 (E_1E_2 , U_1E_2 , $N_1E_2 = A11 E_2$)

NUMBER OF OBSERVATIONS: 528

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 227.1382 (150.1206)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	13	2876948.000	221303.680
RESIDUAL	514	8999620.000	17508.988

MULTIPLE - R = 0.492

STD. ERROR OF EST. = 132.322

R - SQUARED = 0.242

F - RATIO = 12.639

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-34.9266		
1 MONTHS	-0.6223	0.2741	-2.270
2 PEL 1	-6.4478	3.0580	-2.109
3 HSDROP	-23.6390	12.4983	-1.891
4 RACE-W	-22.2725	12.9687	-1.717
5 CH111	44.0784	14.8409	2.970
6 WIN 2	-70.4063	25.6307	-2.747
7 AREA A	-15.2803	14.5331	-1.051
8 AREA D	-68.4972	26.5637	-2.579
9 OTHIN 2	-0.4504	0.1015	-4.437
10 CCARE 2	0.4714	0.0963	4.895
11 MEDPY 2	-0.0350	0.0284	-1.232
12 EXPWGS	1.1242	0.1507	7.460
13 RATIO 2	-39.7579	12.9320	-3.074

Table B-8 (G)
MULTIPLE REGRESSION 23

GENESEE COUNTY EMPLOYMENT GROUPS 1, 4, 7 (E_1E_2 , U_1E_2 , $N_1E_2 = \text{All } E_2$)

NUMBER OF OBSERVATIONS: 309

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 220.4466 (157.3835)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	13	2780115.000	213855.000
RESIDUAL	295	4848906.000	16436.969

MULTIPLE - R = 0.604

STD. ERROR OF EST. = 128.207

R - SQUARED = 0.364

F - RATIO = 13.011

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-296.2783		
1 PEL 1	-16.2593	3.6198	-4.492
2 PEL 2	32.6202	13.9261	2.342
3 HOME	33.4083	16.6194	2.010
4 RACE-W	-41.7060	16.7207	-2.494
5 CH111	45.5616	20.9920	2.170
6 WIN 2	-74.2678	29.0763	-2.554
7 AREA A	-51.8443	17.8276	-2.908
8 AREA D	-74.3307	39.6133	-1.876
9 TOTRQ2	-0.6883	0.3640	-1.891
10 OTHIN2	-0.3284	0.1234	-2.661
11 CCARE2	0.5400	0.1311	4.119
12 EXPWGS	2.2175	0.2681	8.271
13 RATIO2	-65.2176	28.5387	-2.285

Table B-8 (I)
MULTIPLE REGRESSION 24

INGHAM COUNTY EMPLOYMENT GROUPS 1, 4, 7 (E_1E_2 , U_1E_2 , $N_1E_2 = A11 E_2$)

NUMBER OF OBSERVATIONS: 219

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 236.5799 (139.0371)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	19	1324471.000	69709.000
RESIDUAL	199	2889757.000	14521.391
MULTIPLE - R = 0.561		STD. ERROR OF EST. = 120.505	
R - SQUARED = 0.314		F-RATIO = 4.800	

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	100.8063		
1 MONTHS	-1.1571	0.4496	-2.574
2 PEL 1	-4.8896	4.8289	-1.016
3 HOME	-53.4027	20.2010	-2.644
4 HSDROP	-52.4631	18.5602	-2.827
5 RACE-W	29.0933	19.6305	1.482
6 CHO10	-42.7128	32.4111	-1.318
7 CH100	-84.9758	27.2202	-3.122
8 CH110	-105.2809	32.3087	-3.259
9 CH111	-57.4627	31.4556	-1.827
10 WIN 1	83.9523	49.5317	1.695
11 WIN 2	-82.2726	48.3356	-1.702
12 AREA C	-44.2528	19.0800	-2.319
13 AREA D	-70.2762	33.8143	-2.078
14 TOTRQ2	0.5393	0.1536	3.511
15 OTHIN2	-0.6710	0.1608	-4.173
16 FOODS 2	-0.4944	0.3804	-1.300
17 CCARE2	0.4073	0.1369	2.975
18 MEDPY 2	-0.0583	0.0451	-1.293
19 EXPWGS	0.4148	0.1727	2.402

Table B-9 (C)

MULTIPLE REGRESSION 25

COMBINED COUNTIES EMPLOYMENT GROUP 1 (E_1E_2)

NUMBER OF OBSERVATIONS: 204

DEPENDENT VARIABLE: EARNINGS CHANGE JULY 1969 TO JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 31.3235 (114.2672)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	10	311489.000	31148.898
RESIDUAL	193	2339079.000	12119.578

MULTIPLE - R = 0.343

STD. ERROR OF EST. = 110.089

R - SQUARED = 0.118

F - RATIO = 2.570

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-4.1064		
1 MONTHS	0.4864	0.2938	1.656
2 YOB	1.1545	1.0343	1.116
3 PREV	-19.6591	15.9769	-1.230
4 PUBHOS	-36.7090	24.8531	-1.477
5 CH110	-40.9468	23.8440	-1.717
6 NOTEX	67.6971	27.4815	2.463
7 AREA A	-37.1599	17.7635	-2.092
8 OTHIN 2	-0.1419	0.1293	-1.097
9 EMAST 2	-0.1644	0.1340	-1.227
10 CCARE 2	0.2252	0.1374	1.639

Table B-9 (G)
MULTIPLE REGRESSION 26

GENESEE COUNTY EMPLOYMENT GROUP 1 ($E_1 E_2$)

NUMBER OF OBSERVATIONS: 125

DEPENDENT VARIABLE: CHANGE IN EARNINGS JULY 1969 TO JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 27.2800 (118.2839)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	16	408647.000	25540.438
RESIDUAL	108	1326246.000	12280.055

MULTIPLE - R = 0.485

STD. ERROR OF EST. = 110.815

R - SQUARED = 0.236

F- RATIO = 2.080

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	193.9116		
1 MONTHS	0.5593	0.3984	1.404
2 PEL 1	-26.8986	18.3551	-1.465
3 RACE-W	-63.8498	27.4914	-2.323
4 CH110	-19.6966	28.3981	-0.694
5 NOTEX	58.3099	42.9794	1.357
6 AREA A	-175.7444	47.4762	-3.702
7 AREA B	-119.1063	43.8276	-2.718
8 AREA C	-99.2878	41.5163	-2.392
9 AREA D	-84.2742	62.7766	-1.342
10 POTH2	-38.7887	33.3866	-1.162
11 TOTRQ2	0.5582	0.5852	0.954
12 CHTRQ	-0.9259	0.3959	-2.339
13 OTHIN2	-0.2643	0.1566	-1.688
14 FOODS2	0.4622	0.4916	0.940
15 EMAST2	-0.4317	0.1618	-2.668
16 RATIO2	-46.3609	70.1289	-0.661

Table B-9 (I)

MULTIPLE REGRESSION 27

INGHAM COUNTY EMPLOYMENT GROUP 1 ($E_1 E_2$)

NUMBER OF OBSERVATIONS: 79

DEPENDENT VARIABLE: EARNINGS CHANGE JULY 1969 - JULY 1970

DEPENDENT VARIABLE MEAN (STD DEV): 37.7215 (108.0380)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	18	403228.680	22401.594
RESIDUAL	60	507203.120	8453.383

MULTIPLE- R = 0.666

STD. ERROR OF EST. = 91.942

R-SQUARED = 0.443

F-RATIO = 2.650

VARIABLE	COEFFICIENT	STD. ERROR	T-VALUE
CONSTANT	-5.7021		
1 YOB	2.2989	1.6775	1.370
2 PREV	-50.1320	23.7076	-2.115
3 PUBHOS	-84.7384	45.9615	-1.844
4 HOME	-33.3651	28.7051	-1.162
5 HSDROP	-60.6658	29.2421	-2.075
6 HSGRAD	-29.3816	29.2992	-1.003
7 CHO10	20.7949	34.7059	0.599
8 CH100	-44.3902	39.1616	-1.134
9 CH110	-74.1237	38.4684	-1.927
10 NOTEX	69.1120	33.4882	2.064
11 WIN 1	302.8584	74.6097	4.059
12 AREA B	41.6620	29.3034	1.422
13 AREA C	53.3113	29.6169	1.800
14 POTH 2	38.4748	32.9306	1.168
15 FOODS 2	-0.6420	0.5248	-1.223
16 CCARE2	0.3164	0.2081	1.520
17 MEDPY2	0.1867	0.2003	0.932
18 MEDFM2	-0.0634	0.0709	-0.894

Table B-10 (C)

MULTIPLE REGRESSION 28

COMBINED COUNTIES EMPLOYMENT GROUPS 1-6 (All E_1 and All U_1)

NUMBER OF OBSERVATIONS: 854 - WEIGHTED TO REPRESENT ALL 7-69 CASES

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD.DEV.): 19.0090 (70.0980)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	10	490584.572	49058.457
RESIDUAL	843	3700827.242	4390.068

MULTIPLE - R = 0.342

STD. ERROR OF EST. = 66.258

R - SQUARED = 0.117

F - RATIO = 11.175

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	2.4445		
1 YOB	-0.4613	0.2473	-1.865
2 HSGRAD	10.2219	5.5328	1.848
3 INCAP	-21.4631	8.6686	-2.476
4 NOTEX	-22.5105	5.1271	-4.391
5 WIN 1	-27.1142	9.2322	-2.937
6 OTHIN1	-0.0874	0.0428	-2.042
7 CCARE1	0.4882	0.0665	7.339
8 MEDPY1	-0.0148	0.0069	-2.154
9 EXPWGS	0.1658	0.0545	3.045
10 RATIO1	-5.8065	2.8911	-2.008

Table B-10 (G)
MULTIPLE REGRESSION 29

GENESEE COUNTY EMPLOYMENT GROUPS 1-6 (All E_1 and U_1)

NUMBER OF OBSERVATIONS: 557 - WEIGHTED TO REPRESENT ALL 7-69 CASES

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD. DEV.): 15.7754 (63.1857)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	10	336736.523	33673.652
RESIDUAL	546	1883053.510	3448.816

MULTIPLE - R = 0.390

STD. ERROR OF EST. = 58.727

R - SQUARED = 0.152

F - RATIO = 9.764

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-13.2298		
1 YOB	-0.3687	0.2792	-1.321
2 HSGRAD	2.4636	6.3250	0.390
3 INCAP	-21.7444	10.0681	-2.160
4 NOTEX	-19.2464	5.6407	-3.412
5 WIN 1	-19.3250	9.4541	-2.044
6 OTHIN 1	-0.0437	0.0531	-0.823
7 CCARE1	0.7191	0.0911	7.891
8 MEDPY1	-0.0146	0.0067	-2.173
9 EXPWGS	0.1883	0.0752	2.505
10 RATIO1	-4.6954	3.5012	-1.341

Table B-10 (I)

MULTIPLE REGRESSION 30

INGHAM COUNTY EMPLOYMENT GROUPS 1-6 (All E_1 and All U_1)

NUMBER OF OBSERVATIONS: 297 - WEIGHTED TO REPRESENT ALL 7-69 CASES

DEPENDENT VARIABLE: EARNINGS JULY 1969

DEPENDENT VARIABLE MEAN (STD.DEV.): 27.0823 (84.5203)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	10	230185.210	23018.521
RESIDUAL	286	1884343.782	6588.615

MULTIPLE - R = 0.330

STD. ERROR OF EST. = 81.170

R - SQUARED = 0.109

F - RATIO = 3.494

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	38.2738		
1 YOB	-0.5996	0.5217	-1.149
2 HSGRAD	19.4482	11.1202	1.749
3 INCAP	-26.0626	16.5960	-1.570
4 NOTEX	-32.7175	10.9436	-2.990
5 WIN 1	-42.6329	25.5594	-1.668
6 OTHIN1	-0.1429	0.0747	-1.913
7 CCARE1	0.2987	0.1091	2.737
8 MEDPY1	-0.0422	0.0259	-1.634
9 EXPWGS	0.1187	0.0907	1.309
10 RATIO1	-7.9131	5.5673	-1.421

Table B-11 (C)

MULTIPLE REGRESSION 31

COMBINED COUNTIES EMPLOYMENT GROUPS 1,2,4,5,7,8 (All E_2 and All U_2)

NUMBER OF OBSERVATIONS: 1,090 - WEIGHTED TO REPRESENT ALL 7-70 CASES

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD.DEV.) : 30.4259 (95.4019)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	11	1357679.173	123425.379
RESIDUAL	1078	8553878.135	7934.952

MULTIPLE - R = 0.370

STD. ERROR OF EST. = 89.078

R - SQUARED = 0.137

F - RATIO = 15.555

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	17.8731		
1 YOB	-0.8140	0.3140	-2.592
2 HSGRAD	11.7447	6.2405	1.882
3 INCAP	-21.2536	12.9751	-1.638
4 NOTEX	-22.5190	6.0951	-3.695
5 WIN 2	-37.6215	11.0029	-3.419
6 OTHIN2	-0.0319	0.0401	-0.795
7 CCARE2	0.7222	0.0689	10.478
8 MEDPY2	-0.0172	0.0079	-2.163
9 MEDFM2	-0.0234	0.0155	-1.507
10 EXPWGS	0.1776	0.0614	2.892
11 RATIO2	-5.9655	3.5913	-1.661

Table B-11 (G)

MULTIPLE REGRESSION 32

GENESEE COUNTY EMPLOYMENT GROUPS 1-6 (All E_2 and U_2)

NUMBER OF OBSERVATIONS: 663 - WEIGHTED TO REPRESENT ALL 7-70 CASES

DEPENDENT VARIABLE: EARNINGS JULY 1970

DEPENDENT VARIABLE MEAN (STD.DEV.) : 25.1597 (88.8774)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	11	917785.678	83435.062
RESIDUAL	651	4311473.140	6622.847

MULTIPLE - R = 0.419

STD. ERROR OF EST. = 81.381

R - SQUARED = 0.176

F - RATIO = 12.598

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T- VALUE</u>
CONSTANT	-56.5860		
1 YOB	-0.8200	0.3700	-2.216
2 HSGRAD	0.8889	7.2661	0.122
3 INCAP	-25.2466	16.5948	-1.521
4 NOTEX	-18.2201	7.2137	-2.526
5 WIN 2	-35.5016	13.0374	-2.723
6 OTHIN2	-0.0077	0.0464	-0.166
7 CCARE2	0.9345	0.0965	9.681
8 MEDPY2	-0.0066	0.0106	-0.627
9 MEDFM2	-0.0398	0.0193	-2.060
10 EXPWGS	0.4150	0.0984	4.219
11 RATIO2	-7.3196	4.6840	-1.563

Table B-11 (I)
MULTIPLE REGRESSION 33

INGHAM COUNTY EMPLOYMENT GROUPS 1,2,4,5,7,8 (All E_2 and All U_2)
NUMBER OF OBSERVATIONS: 427 - WEIGHTED TO REPRESENT ALL 7-70 CASES
DEPENDENT VARIABLE: EARNINGS JULY 1970
DEPENDENT VARIABLE MEAN (STD. DEV.): 40.5462 (106.0495)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	11	653154.419	59377.674
RESIDUAL	415	4137850.901	9970.725

MULTIPLE - R = 0.369

STD. ERROR OF EST. = 99.854

R - SQUARED = 0.136

F - RATIO = 5.955

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	86.7817		
1 YOB	-1.1453	0.5905	-1.940
2 HSGRAD	23.4651	11.4878	2.043
3 INCAP	-29.9791	22.0167	-1.362
4 NOTEX	-33.3273	11.0920	-3.005
5 WIN 2	-48.8268	20.1392	-2.425
6 OTHIN2	-0.1016	0.7651	-1.328
7 CCARE2	0.5870	0.1030	5.698
8 MEDPY2	-0.0308	0.0133	-2.309
9 MEDFM2	-0.00003	0.0276	-0.001
10 EXPWGS	0.0445	0.0899	0.495
11 RATIO2	-5.7370	5.6465	-1.016

Table B-12 (C)

MULTIPLE REGRESSION 34

COMBINED COUNTIES EMPLOYMENT GROUPS 1, 2, 4, 5

NUMBER OF OBSERVATIONS: 760 - WEIGHTED TO REPRESENT ALL CASES

ACTIVE BOTH 7-69 AND 7-70

DEPENDENT VARIABLE: CHANGE IN EARNINGS JULY 1969 TO JULY 1970

DEPENDENT VARIABLE MEAN (STD. DEV.): 9.1535 (81.2663)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	12	200861.872	16738.489
RESIDUAL	747	4811733.007	6441.410

MULTIPLE - R = 0.200

STD. ERROR OF EST. = 80.258

R - SQUARED = 0.040

F - RATIO = 2.599

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-43.6446		
1 YOB	-0.0433	0.3279	-0.132
2 HSGRAD	4.1030	7.1136	0.577
3 INCAP	3.5420	11.0886	0.319
4 NOTEX	4.2577	6.5431	0.651
5 WIN 1	10.4673	12.3909	0.845
6 WIN 2	-15.7833	11.2605	-1.402
7 OTHIN2	-0.0021	0.0386	-0.053
8 CCARE2	0.2948	0.0676	4.363
9 MEDPY2	-0.0097	0.0086	-1.124
10 MEDFM2	-0.0219	0.0157	-1.399
11 EXPWGS	0.1717	0.0703	2.443
12 RATIO2	-1.7468	3.5811	-0.488

Table B-12 (G)

MULTIPLE REGRESSION 35

GENESEE COUNTY EMPLOYMENT GROUPS 1, 2, 4, 5

NUMBER OF OBSERVATIONS: 485 - WEIGHTED TO REPRESENT ALL CASES
ACTIVE BOTH 7-69 AND 7-70

DEPENDENT VARIABLE: EARNINGS CHANGE JULY 1969 TO JULY 1970

DEPENDENT VARIABLE MEAN (STD. DEV.): 8.0830 (76.9161)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	12	159065.820	13255.485
RESIDUAL	472	2704317.871	5729.487

MULTIPLE - R = 0.236

STD. ERROR OF EST. = 75.693

R - SQUARED = 0.056

F - RATIO = 2.314

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-67.2836		
1 YOB	-0.0492	0.3910	-0.126
2 HSGRAD	3.3886	8.7992	0.385
3 INCAP	3.1921	13.7540	0.232
4 NOTEX	5.0135	7.7444	0.647
5 WIN 1	-0.0586	13.9359	-0.004
6 WIN 2	-5.9903	13.2596	-0.452
7 OTHIN2	0.0129	0.0446	0.289
8 CCARE2	0.3641	0.0918	3.967
9 MEDPY2	-0.0047	0.0100	-0.469
10 MEDFM2	-0.0246	0.0176	-1.396
11 EXPWGS	0.2652	0.1050	2.525
12 RATIO2	-6.3671	6.1317	-1.038

Table B-12 (I)

MULTIPLE REGRESSION 36

INGHAM COUNTY EMPLOYMENT GROUPS 1, 2, 4, 5

NUMBER OF OBSERVATIONS: 275 - WEIGHTED TO REPRESENT ALL CASES

ACTIVE BOTH 7-69 AND 7-70

DEPENDENT VARIABLE: EARNINGS CHANGE JULY 1969 TO JULY 1970

DEPENDENT VARIABLE MEAN (STD. DEV.): 11.6874 (90.8009)

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	12	92172.840	7681.070
RESIDUAL	262	2166904.828	8270.629

MULTIPLE - R = 0.202

STD. ERROR OF EST. = 90.943

R - SQUARED = 0.041

F - RATIO = 0.929

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-23.4978		
1 YOB	-0.1705	0.6460	-0.264
2 HSGRAD	6.8531	12.8127	0.535
3 INCAP	-1.0336	19.9289	-0.052
4 NOTEX	2.2014	12.6235	0.174
5 WIN 1	40.1331	28.9548	1.386
6 WIN 2	-39.9093	21.6279	-1.845
7 OTHIN2	-0.0246	0.0812	-0.303
8 CCARE2	0.2617	0.1114	2.350
9 MEDPY2	-0.0246	0.0191	-1.285
10 MEDFM2	-0.0185	0.0358	-0.517
11 EXPWGS	0.1256	0.1083	1.160
12 RATIO2	-0.2996	5.0702	-0.059

Table B-13 (C)

MULTIPLE REGRESSION 37

COMBINED COUNTIES EMPLOYMENT GROUPS 1-6 (All E_1 and All U_1)

NUMBER OF OBSERVATIONS: 854 - WEIGHTED TO REPRESENT ALL 7-69 CASES

DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1969

DEPENDENT VARIABLE MEAN: 0.0974

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	10	8.2932	0.8293
RESIDUAL	843	66.8044	0.0792

MULTIPLE - R = 0.332

STD. ERROR OF EST. = 0.2815

R - SQUARED = 0.110

F - RATIO = 10.465

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	0.10652		
1 YOB	-0.00269	0.00105	-2.558
2 HSGRAD	0.04553	0.02351	1.937
3 INCAP	-0.12331	0.03683	-3.348
4 NOTEX	-0.10271	0.02178	-4.715
5 WIN 1	-0.10759	0.03922	-2.743
6 OTHIN1	-0.00034	0.00018	-1.853
7 CCARE1	0.00193	0.00028	6.832
8 MEDPY1	-0.00006	0.00003	-2.073
9 EXPWGS	0.00051	0.00023	2.192
10 RATIO1	-0.01689	0.01228	-1.375

Table B-13 (G)

MULTIPLE REGRESSION 38

GENESEE COUNTY EMPLOYMENT GROUPS 1-6 (All E_1 and U_1)

NUMBER OF OBSERVATIONS: 557 - WEIGHTED TO REPRESENT ALL 7-69 CASES

DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1969

DEPENDENT VARIABLE MEAN: 0.0839

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	10	5.6443	0.5644
RESIDUAL	546	37.1858	0.0681

MULTIPLE - R = 0.363
 R - SQUARED = 0.132

STD. ERROR OF EST. = 0.2610
 F - RATIO = 8.288

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	0.07198		
1 YOB	-0.00236	0.00124	-1.904
2 HSGRAD	0.02050	0.02811	0.729
3 INCAP	-0.11841	0.04474	-2.647
4 NOTEX	-0.09443	0.02507	-3.767
5 WIN 1	-0.08118	0.04201	-1.932
6 OTHIN1	-0.00021	0.00024	-0.882
7 CCARE1	0.00282	0.00040	6.963
8 MEDPY1	-0.00006	0.00003	-2.043
9 EXPWGS	0.00052	0.00033	1.569
10 RATIO1	-0.01540	0.01556	-0.990

Table B-13 (I)

MULTIPLE REGRESSION 39

INGHAM COUNTY EMPLOYMENT GROUPS 1-6 (All E_1 and All U_1)

NUMBER OF OBSERVATIONS: 297 - WEIGHTED TO REPRESENT ALL 7-69 CASES

DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1969

DEPENDENT VARIABLE MEAN: 0.1311

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	10	3.5751	0.3575
RESIDUAL	286	30.2627	0.1058

MULTIPLE - R = 0.325

STD. ERROR OF EST. = 0.3253

R - SQUARED = 0.106

F - RATIO = 3.379

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	0.21340		
1 YOB	-0.00322	0.00209	-1.541
2 HSGRAD	0.07490	0.04456	1.681
3 INCAP	-0.15165	0.06651	-2.280
4 NOTEX	-0.12952	0.04386	-2.953
5 WIN 1	-0.15775	0.10243	-1.540
6 OTHIN1	-0.00049	0.00030	-1.625
7 CCARE1	0.00120	0.00044	2.753
8 MEDPY1	-0.00014	0.00010	-1.386
9 EXPWGS	0.00039	0.00036	1.063
10 RATIO1	-0.01838	0.02231	-0.824

Table B-14 (C)

MULTIPLE REGRESSION 40

COMBINED COUNTIES EMPLOYMENT GROUPS 1, 2, 4, 5, 7, 8 (All E_2 and All U_2)

NUMBER OF OBSERVATIONS: 1,090 - WEIGHTED TO REPRESENT ALL 7-70 CASES

DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1970

DEPENDENT VARIABLE MEAN: 0.1334

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	11	15.5816	1.4165
RESIDUAL	1078	110.4173	0.1024

MULTIPLE - R = 0.352

STD. ERROR OF EST. = 0.3200

R - SQUARED = 0.124

F - RATIO = 13.829

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	0.23349		
1 YOB	-0.00386	0.00113	-3.420
2 HSGRAD	0.04979	0.02242	2.221
3 INCAP	-0.08910	0.04662	-1.911
4 NOTEX	-0.09331	0.02190	-4.261
5 WIN 2	-0.11010	0.03953	-2.785
6 OTHIN2	-0.00004	0.00014	-0.253
7 CCARE2	0.00243	0.00025	9.812
8 MEDPY2	-0.00006	0.00003	-2.274
9 MEDFM2	-0.00007	0.00006	-1.293
10 EXPWGS	0.00026	0.00022	1.179
11 RATIO2	-0.01438	0.01290	-1.115

Table B-14 (G)

MULTIPLE REGRESSION 41

GENESEE COUNTY EMPLOYMENT GROUPS 1, 2, 4, 5, 7, 8 (All E_2 and All U_2)

NUMBER OF OBSERVATIONS: 663 - WEIGHTED TO REPRESENT ALL 7-70 CASES

DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1970

DEPENDENT VARIABLE MEAN: 0.1132

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	11	9.3237	0.8476
RESIDUAL	651	57.2139	0.0879

MULTIPLE - R = 0.374

STD. ERROR OF EST. = 0.2965

R - SQUARED = 0.140

F - RATIO = 9.644

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	0.02243		
1 YOB	-0.00364	0.00135	-2.698
2 HSGRAD	0.01457	0.02647	0.551
3 INCAP	-0.07776	0.06045	-1.286
4 NOTEX	-0.07095	0.02628	-2.700
5 WIN 2	-0.08957	0.04749	-1.886
6 OTHIN2	0.00002	0.00017	0.102
7 CCARE2	0.00307	0.00035	8.733
8 MEDPY2	-0.00002	0.00004	-0.546
9 MEDFM2	-0.00014	0.00007	-1.943
10 EXPWGS	0.00085	0.00036	2.377
11 RATIO2	-0.01491	0.01706	-0.874

Table B-14 (I)

MULTIPLE REGRESSION 42

INGHAM COUNTY EMPLOYMENT GROUPS 1, 2, 4, 5, 7, 8 (All E_2 and All U_2)

NUMBER OF OBSERVATIONS: 427 - WEIGHTED TO REPRESENT ALL 7-70 CASES

DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1970

DEPENDENT VARIABLE MEAN (STD. DEV.): 0.1719

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	11	8.8376	0.8034
RESIDUAL	415	51.9327	0.1251

MULTIPLE - R = 0.381

STD. ERROR OF EST. = 0.3538

R - SQUARED = 0.145

F - RATIO = 6.420

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	0.50419		
1 YOB	-0.00578	0.00209	-2.762
2 HSGRAD	0.08829	0.04070	2.169
3 INCAP	-0.15746	0.07800	-2.019
4 NOTEX	-0.14003	0.03930	-3.564
5 WIN 2	-0.16778	0.07135	-2.352
6 OTHIN2	-0.00022	0.00027	-0.806
7 CCARE2	0.00204	0.00037	5.581
8 MEDPY2	-0.00013	0.00005	-2.766
9 MEDFM2	0.00003	0.00010	0.341
10 EXPWGS	-0.00014	0.00032	-0.453
11 RATIO2	-0.01854	0.02000	-0.927

Table B-15 (C)

MULTIPLE REGRESSION 43

COMBINED COUNTIES EMPLOYMENT GROUPS 1, 2, 4, 5
 NUMBER OF OBSERVATIONS: 760 - WEIGHTED TO REPRESENT ALL CASES
 ACTIVE BOTH 7-69 AND 7-70
 DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1969 AND 1970
 DEPENDENT VARIABLE MEAN: 0.1701

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	12	12.8546	1.0712
RESIDUAL	747	94.4242	0.1264

MULTIPLE - R = 0.346
 R - SQUARED = 0.120

STD. ERROR OF EST. = 0.3555
 F - RATIO = 8.475

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	0.07550		
1 YOB	-0.00274	0.00145	-1.885
2 HSGRAD	0.04825	0.03151	1.531
3 INCAP	-0.16719	0.04912	-3.404
4 NOTEX	-0.15960	0.02899	-5.506
5 WIN 1	-0.05560	0.05489	-1.013
6 WIN 2	-0.15554	0.04988	-3.118
7 OTHIN2	-0.00006	0.00017	-0.331
8 CCARE2	0.00185	0.00030	6.194
9 MEDPY2	-0.00009	0.00004	-2.289
10 MEDFM2	-0.00004	0.00007	-0.572
11 EXPWGS	0.00090	0.00031	2.894
12 RATIO2	-0.01560	0.01586	-0.984

Table B-15 (G)

MULTIPLE REGRESSION 44

GENESEE COUNTY EMPLOYMENT GROUPS 1, 2, 4, 5

NUMBER OF OBSERVATIONS: 485 - WEIGHTED TO REPRESENT ALL CASES

ACTIVE BOTH 7-69 AND 7-70

DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1969 AND 1970

DEPENDENT VARIABLE MEAN: 0.1516

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	12	7.1884	0.5990
RESIDUAL	472	55.1942	0.1169

MULTIPLE - R = 0.340

STD. ERROR OF EST. = 0.3420

R - SQUARED = 0.115

F - RATIO = 5.123

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	-0.10528		
1 YOB	-0.00205	0.00177	-1.162
2 HSGRAD	0.04093	0.03975	1.030
3 INCAP	-0.15435	0.06214	-2.484
4 NOTEX	-0.14305	0.03499	-4.089
5 WIN 1	-0.05972	0.06296	-0.949
6 WIN 2	-0.14403	0.05990	-2.404
7 OTHIN2	0.00014	0.00020	0.698
8 CCARE2	0.00204	0.00041	4.917
9 MEDPY2	-0.00004	0.00005	-0.906
10 MEDFM2	-0.00005	0.00008	-0.641
11 EXPWGS	0.00130	0.00047	2.732
12 RATIO2	-0.01044	0.02770	-0.377

Table B-15 (I)

MULTIPLE REGRESSION 45

INGHAM COUNTY EMPLOYMENT GROUPS 1, 2, 4, 5

NUMBER OF OBSERVATIONS: 275 - WEIGHTED TO REPRESENT ALL CASES

ACTIVE BOTH 7-69 AND 7-70

DEPENDENT VARIABLE: EMPLOYMENT STATUS JULY 1969 AND 1970

DEPENDENT VARIABLE MEAN: 0.2135

ANALYSIS OF VARIANCE

	DOF	SUM OF SQ.	MEAN SQ.
REGRESSION	12	7.6514	0.6376
RESIDUAL	262	38.5210	0.1470

MULTIPLE - R = 0.407

STD. ERROR OF EST. = 0.3834

R - SQUARED = 0.166

F - RATIO = 4.337

<u>VARIABLE</u>	<u>COEFFICIENT</u>	<u>STD. ERROR</u>	<u>T-VALUE</u>
CONSTANT	0.43098		
1 YOB	-0.00561	0.00272	-2.059
2 HSGRAD	0.05515	0.05402	1.021
3 INCAP	-0.22471	0.08403	-2.674
4 NOTEX	-0.19822	0.05322	-3.724
5 WIN 1	-0.00920	0.12208	-0.075
6 WIN 2	-0.19165	0.09119	-2.102
7 OTHIN2	-0.00057	0.00034	-1.669
8 CCARE2	0.00195	0.00047	4.146
9 MEDPY2	-0.00022	0.00008	-2.769
10 MEDFM2	0.00005	0.00015	0.337
11 EXPWGS	0.00042	0.00046	0.919
12 RATIO2	-0.03195	0.02138	-1.494

Table B-16 (C)

Mean Values for Independent Variables
by Employment Group: Counties Combined

Variable	Employment Group: Counties Combined							
	1.E ₁ E ₂ (N=204)	2.E ₁ U ₂ (N=113)	3.E ₁ C ₂ (N=41)	4.U ₁ E ₂ (N=128)	5.U ₁ U ₂ (N=315)	6.U ₁ C ₂ (N=53)	7.N ₁ E ₂ (N=196)	8.N ₁ U ₂ (N=134)
1 MONTHS	36.235	34.310	30.366	36.125	36.713	29.056	5.944	5.097
2 PREV	.549	.531	.561	.430	.505	.509	.311	.142
3 YOB	33.873	35.832	38.707	37.375	35.919	33.075	39.133	42.776
4 PUBHOS	.113	.142	.098	.195	.127	.038	.036	.022
5 HOME	.343	.301	.195	.242	.321	.226	.291	.172
6 HSDROP	.431	.504	.439	.492	.489	.396	.245	.313
7 HSGRAD	.279	.310	.439	.320	.216	.189	.398	.284
8 RACE-W	.520	.487	.537	.492	.444	.491	.622	.545
9 CH02	.035	.045	.050	.046	.056	.075	.158	.343
10 CH001	.137	.097	.146	.055	.118	.264	.041	.052
11 CH010	.152	.177	.268	.172	.121	.189	.112	.082
12 CH100	.088	.239	.317	.258	.213	.132	.245	.239
13 CH110	.152	.168	.073	.188	.197	.208	.204	.142
14 CH111	.436	.274	.146	.281	.295	.132	.240	.142
15 INCAP	.020	.027	0	.063	.102	.094	.026	.008
16 NOTEX	.093	.124	.098	.242	.381	.264	.107	.261
17 WIN1	.059	.053	.073	.102	.076	.038	.010	.000
18 WIN2	.025	.089	0	.109	.098	0	.056	.037
19 AREA A	.260	.301	.195	.203	.302	.340	.250	.291
20 AREA B	.358	.319	.390	.336	.359	.264	.311	.336
21 AREA C	.240	.221	.292	.281	.203	.170	.255	.276
22 AREA D	.054	.027	.024	.016	.025	0	.077	.015
23 AREA E	.088	.132	.098	.164	.111	.226	.107	.082
24 PEL1	4.221	3.850	3.146	4.000	4.048	3.359	---	---
25 POTH1	.127	.204	.244	.227	.260	.245	---	---
26 RENT1	66.858	71.212	75.463	68.797	73.494	71.434	---	---
27 TOTRQ1	252.613	234.681	213.878	236.945	243.756	215.849	---	---
28 OTHIN1	18.828	21.938	31.610	32.273	32.783	37.849	---	---
29 FOODS1	19.770	15.841	11.683	12.164	15.879	13.245	1.347	---
30 EMAST1	18.392	4.832	10.244	13.719	11.908	10.415	.883	.284
31 CCARE1	32.147	31.779	38.098	10.664	5.479	3.038	4.020	---
32 MEDPY1	59.039	84.327	70.829	102.641	131.431	191.471	18.643	8.403
33 MEDFM1	62.103	95.460	35.634	65.813	69.075	52.604	4.367	4.739
34 PEL2	4.284	3.850	---	4.000	4.041	---	3.633	3.261
35 POTH2	.132	.212	---	.172	.260	---	.204	.179
36 RENT2	69.328	79.796	---	70.695	68.513	---	70.153	79.589
37 TOTRQ2	277.770	259.788	---	263.195	266.734	---	251.872	233.895
38 OTHIN2	30.211	30.248	---	38.477	39.196	---	26.531	29.529
39 FOODS2	29.745	28.628	2.390	32.289	29.300	1.623	29.724	29.119
40 EMAST2	16.064	29.195	0	26.953	23.637	0	30.265	28.022
41 CCARE2	44.990	14.089	.585	38.781	10.822	0	42.000	4.403
42 MEDPY2	58.578	103.451	3.707	78.313	136.491	8.509	67.214	127.940
43 MEDFM2	53.858	102.850	0	66.180	91.967	1.038	44.684	58.865
44 EXPWGS	318.093	320.920	327.415	327.063	309.139	299.016	326.204	320.679
45 RATIO1	1.316	1.530	1.663	1.603	1.458	1.693	---	---
46 RATIO2	1.262	1.430	---	1.357	1.372	---	1.436	1.573

Table B-16 (G)

Mean Values for Independent Variables by
Employment Group: Genesee County

Variable	Employment Group: Genesee County							
	1.E ₁ E ₂ (N=125)	2.E ₁ U ₂ (N=69)	3.E ₁ N ₂ (N=26)	4.U ₁ E ₂ (N=79)	5.U ₁ U ₂ (N=212)	6.U ₁ N ₂ (N=46)	7.N ₁ E ₂ (N=105)	8.N ₁ U ₂ (N=73)
1 MONTHS	37.240	30.406	32.038	38.380	40.712	31.391	6.229	5.096
2 PREV	0.536	0.551	0.423	0.367	0.505	0.435	0.333	0.151
3 YOB	33.904	35.435	40.923	38.190	35.570	34.478	39.276	43.041
4 PUBHOS	0.128	0.159	0.077	0.177	0.127	0.044	0.048	0.000
5 HOME	0.416	0.362	0.231	0.253	0.377	0.217	0.305	0.192
6 HSDROP	0.480	0.464	0.538	0.506	0.509	0.391	0.295	0.301
7 HSGRAD	0.216	0.362	0.385	0.329	0.203	0.217	0.438	0.343
8 RACE-W	0.408	0.406	0.423	0.418	0.363	0.435	0.505	0.452
9 CH02	0.040	0.045	0.078	0.038	0.057	0.088	0.142	0.356
10 CH001	0.120	0.130	0.115	0.063	0.123	0.239	0.048	0.055
11 CH010	0.160	0.188	0.231	0.139	0.127	0.196	0.162	0.110
12 CH100	0.056	0.188	0.346	0.253	0.184	0.130	0.219	0.219
13 CH110	0.160	0.174	0.115	0.203	0.193	0.217	0.181	0.123
14 CH111	0.464	0.275	0.115	0.304	0.316	0.130	0.248	0.137
15 INCAP	0.000	0.029	0.000	0.063	0.085	0.087	0.019	0.000
16 NOTEX	0.064	0.130	0.077	0.266	0.377	0.239	0.124	0.219
17 WIN1	0.080	0.058	0.077	0.114	0.094	0.044	0.010	0.000
18 WIN2	0.032	0.043	0.000	0.139	0.104	0.000	0.076	0.274
19 AREA A	0.272	0.232	0.231	0.241	0.283	0.391	0.305	0.219
20 AREA B	0.376	0.348	0.385	0.354	0.387	0.196	0.267	0.411
21 AREA C	0.224	0.232	0.231	0.177	0.203	0.152	0.229	0.233
22 AREA D	0.040	0.014	0.000	0.013	0.019	0.000	0.057	0.000
23 AREA E	0.088	0.174	0.153	0.215	0.108	0.261	0.142	0.137
24 PEL1	4.464	3.768	3.115	3.987	4.108	3.391	---	---
25 POTH1	0.120	0.290	0.308	0.253	0.278	0.261	---	---
26 RENT1	62.136	63.406	73.500	66.089	70.452	72.500	---	---
27 TOTRQ1	259.736	225.261	208.077	230.759	242.527	217.217	---	---
28 OTHIN1	15.608	27.754	30.538	28.722	29.674	31.674	---	---
29 FOODS1	18.464	17.855	15.038	14.481	17.697	15.000	---	---
30 EMAST1	20.648	4.406	13.269	20.025	14.608	12.000	---	---
31 CCARE1	31.424	32.783	40.423	3.911	3.788	3.500	---	---
32 MEDPY1	67.560	108.261	76.115	117.253	154.197	214.586	---	---
33 MEDFM1	76.528	95.319	46.923	63.038	75.641	59.935	---	---
34 PEL2	4.536	3.739	---	3.962	4.132	---	3.705	3.151
35 POTH2	0.112	0.275	---	0.190	0.236	---	0.200	0.192
36 RENT2	65.720	74.667	---	67.000	67.490	---	67.352	76.260
37 TOTRQ2	286.928	252.725	---	258.570	273.360	---	255.743	228.246
38 OTHIN2	31.984	28.551	---	41.646	34.740	---	22.933	29.178
39 FOODS2	36.480	32.638	---	32.873	33.490	---	34.762	28.109
40 EMAST2	19.968	27.464	---	39.848	23.301	---	35.038	35.959
41 CCARE2	43.040	8.043	---	37.190	9.099	---	40.533	1.356
42 MEDPY2	78.688	121.725	---	93.772	151.646	---	59.019	89.219
43 MEDFM2	49.464	133.391	---	56.734	95.815	---	36.581	50.370
44 EXPWGS	310.048	312.898	316.808	323.190	302.818	295.758	317.495	309.051
45 RATIO1	1.245	1.556	1.699	1.650	1.431	1.610	---	---
46 RATIO2	1.168	1.494	---	1.362	1.244	---	1.392	1.611

Table B-16 (I)

**Mean Values for Independent Variables by
Employment Group: Ingham County**

Variable	Employment Group: Ingham County							
	1.E ₁ E ₂ (N=79)	2.E ₁ U ₂ (N=44)	3.E ₁ N ₂ (N=15)	4.U ₁ E ₂ (N=49)	5.U ₁ U ₂ (N=103)	6.U ₁ N ₂ (N=7)	7.N ₁ E ₂ (N=91)	8.N ₁ U ₂ (N=61)
1 MONTHS	34.646	40.432	27.467	32.490	28.485	13.714	5.615	5.098
2 PREV	0.570	0.500	0.800	0.531	0.505	1.000	0.286	0.131
3 YOB	33.823	36.455	34.867	36.061	36.640	23.857	38.967	42.459
4 PUBHOS	0.089	0.114	0.133	0.224	0.126	0.000	0.022	0.049
5 HOME	0.228	0.205	0.133	0.224	0.204	0.286	0.275	0.148
6 HSDROP	0.354	0.568	0.267	0.469	0.447	0.429	0.187	0.328
7 HSGRAD	0.380	0.227	0.533	0.306	0.243	0.000	0.352	0.213
8 RACE-W	0.696	0.614	0.733	0.612	0.612	0.857	0.758	0.656
9 CH02	0.026	0.046	0.000	0.062	0.058	0.000	0.175	0.328
10 CH001	0.165	0.045	0.200	0.041	0.107	0.429	0.033	0.049
11 CH010	0.139	0.159	0.333	0.224	0.107	0.143	0.055	0.049
12 CH100	0.139	0.318	0.267	0.265	0.272	0.143	0.275	0.262
13 CH110	0.139	0.159	0.000	0.163	0.204	0.143	0.231	0.164
14 CH111	0.392	0.273	0.200	0.245	0.252	0.143	0.231	0.148
15 INCAP	0.051	0.023	0.000	0.061	0.136	0.143	0.033	0.016
16 NOTEX	0.139	0.114	0.133	0.204	0.388	0.429	0.088	0.312
17 WIN1	0.025	0.045	0.067	0.082	0.039	0.000	0.011	0.000
18 WIN2	0.013	0.159	0.000	0.061	0.087	0.000	0.033	0.049
19 AREA A	0.241	0.409	0.133	0.143	0.340	0.000	0.187	0.377
20 AREA B	0.329	0.273	0.400	0.306	0.301	0.714	0.363	0.246
21 AREA C	0.266	0.205	0.400	0.449	0.204	0.286	0.286	0.328
22 AREA D	0.076	0.045	0.067	0.020	0.039	0.000	0.099	0.033
23 AREA E	0.088	0.068	0.000	0.082	0.116	0.000	0.065	0.016
24 PEL1	3.835	3.977	3.200	4.020	3.922	3.143	---	---
25 POTH1	0.139	0.068	0.133	0.184	0.223	0.143	---	---
26 RENT1	74.329	83.455	78.867	73.163	79.757	64.429	---	---
27 TOTRQ1	241.342	249.455	223.933	246.918	246.290	206.857	---	---
28 OTHIN1	23.924	12.818	33.467	38.000	39.184	78.429	---	---
29 FOODS1	21.835	12.682	5.867	8.429	12.136	1.714	---	---
30 EMAST1	14.823	5.500	5.000	3.551	6.350	0.000	---	---
31 CCARE1	33.291	30.205	34.067	21.551	8.961	0.000	---	---
32 MEDPY1	45.557	46.795	61.667	79.082	84.572	39.571	---	---
33 MEDFM1	39.278	95.682	16.067	70.286	55.563	4.429	---	---
34 PEL2	3.886	4.023	---	4.061	3.854	---	3.549	3.393
35 POTH2	0.165	0.114	---	0.143	0.311	---	0.209	0.164
36 RENT2	75.038	87.841	---	76.653	70.621	---	73.385	83.574
37 TOTRQ2	263.278	270.864	---	270.653	253.122	---	247.407	240.656
38 OTHIN2	27.405	32.909	---	33.367	48.369	---	30.681	29.951
39 FOODS2	19.089	22.341	---	31.347	20.679	---	23.912	30.328
40 EMAST2	9.886	31.909	---	6.163	24.330	---	24.758	18.525
41 CCARE2	48.076	23.568	---	41.347	14.369	---	43.692	8.049
42 MEDPY2	26.759	74.795	---	53.388	105.301	---	76.670	174.279
43 MEDFM2	60.810	54.955	---	81.408	84.048	---	54.033	69.033
44 EXPWGS	330.823	333.500	345.800	333.306	322.178	320.429	336.253	334.603
45 RATIO1	1.428	1.489	1.601	1.526	1.514	2.239	---	---
46 RATIO2	1.410	1.330	---	1.349	1.638	---	1.488	1.529

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Table B-17 (C)

Mean Values for Independent Variables by
Employed, Unemployed and All Cases
July, 1969 and July, 1970: Counties Combined

Variable	All E ₁ : Groups 1,2,3 ^a (N=358)	All U ₁ : Groups 4,5,6 ^a (N=495)	All Cases July 1, 1969 ^b	All E ₂ : Groups 1,4,7 ^a (N=528)	All U ₂ : Groups 2,5,8 ^a (N=561)	All Cases July 1, 1970 ^b
1 MONTHS	34.955	35.742	35.552	24.964	28.690	19.908
2 PREV	0.545	0.486	0.505	0.432	0.424	0.327
3 YOB	35.045	35.990	35.501	36.674	37.535	39.232
4 PUBHOS	0.120	0.135	0.119	0.104	0.105	0.076
5 HOME	0.313	0.290	0.299	0.299	0.281	0.246
6 HSDROP	0.455	0.480	0.475	0.377	0.450	0.393
7 HSGRAD	0.307	0.240	0.228	0.333	0.251	0.264
8 RACE-W	0.511	0.462	0.459	0.551	0.477	0.505
9 CH02	0.039	0.056	0.056	0.083	0.123	0.192
10 CH001	0.126	0.117	0.133	0.081	0.098	0.081
11 CH010	0.173	0.141	0.137	0.142	0.123	0.106
12 CH100	0.162	0.216	0.201	0.188	0.224	0.225
13 CH110	0.148	0.196	0.193	0.180	0.178	0.170
14 CH111	0.352	0.274	0.279	0.326	0.254	0.225
15 INCAP	0.020	0.091	0.911	0.032	0.064	0.050
16 NOTEX	0.103	0.333	0.332	0.134	0.301	0.293
17 WIN1	0.059	0.079	0.711	0.051	0.053	0.037
18 WIN2	0.042	0.091	0.813	0.057	0.082	0.066
19 AREA A	0.265	0.280	0.302	0.242	0.299	0.292
20 AREA B	0.349	0.343	0.349	0.335	0.345	0.347
21 AREA C	0.240	0.220	0.210	0.256	0.224	0.246
22 AREA D	0.042	0.020	0.024	0.053	0.023	0.024
23 AREA E	0.104	0.137	0.117	0.114	0.109	0.091
24 PEL1	3.980	3.962	3.952	---	---	---
25 POTH1	0.165	0.250	0.247	---	---	---
26 RENT1	69.218	72.061	72.572	---	---	---
27 TOTRQ1	242.517	239.016	239.722	---	---	---
28 OTHIN1	21.274	33.192	32.323	---	---	---
29 FOODS1	17.603	14.639	15.486	---	---	---
30 EMAST1	13.179	12.216	11.924	---	---	---
31 CCARE1	32.712	6.556	8.006	---	---	---
32 MEDPY1	68.372	130.416	131.443	---	---	---
33 MEDFM1	69.601	66.472	66.924	---	---	---
34 PEL2	---	---	---	3.973	3.817	3.663
35 POTH2	---	---	---	0.169	0.231	0.212
36 RENT2	---	---	---	69.966	73.421	73.966
37 TOTRQ2	---	---	---	264.623	257.486	245.671
38 OTHIN2	---	---	---	30.848	35.091	33.592
39 FOODS2	---	---	---	30.354	29.121	29.341
40 EMAST2	---	---	---	23.975	25.799	26.020
41 CCARE2	---	---	---	42.375	9.948	11.677
42 MEDPY2	---	---	---	66.568	127.808	123.784
43 MEDFM2	---	---	---	53.439	86.262	72.291
44 EXPWGS	320.053	312.668	309.939	323.278	314.239	316.473
45 RATIO1	1.423	1.521	1.493	---	---	---
46 RATIO2	---	---	---	1.350	1.432	1.465

^aUnweighted means of indicated employment groups

^bWeighted means of appropriate employment groups

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Table B-17 (G)

Mean Values for Independent Variables by
Employed, Unemployed and All Cases
July 1969 and July 1970: Genesee County

Variable	All E ₁ : Groups 1,2,3 ^a (N=220)	All U ₁ : Groups 4,5,6 (N=337)	All Cases July 1, 1969 ^b	All E ₂ : Groups 1,4,7 (N=309)	All U ₂ : Groups 2,5,8 (N=354)	All Cases July 1, 1970 ^b
1 MONTHs	34.482	38.892	38.685	26.994	31.358	22.755
2 PREV	0.527	0.463	0.490	0.424	0.441	0.335
3 YOB	35.214	36.035	35.512	36.825	37.084	39.136
4 PUBHOS	0.132	0.128	0.117	0.113	0.107	0.068
5 HOME	0.377	0.326	0.339	0.337	0.336	0.283
6 HSDROP	0.482	0.493	0.489	0.424	0.458	0.404
7 HSGRAD	0.282	0.234	0.218	0.320	0.263	0.283
8 RACE-W	0.409	0.386	0.380	0.443	0.390	0.413
9 CHO2	0.045	0.055	0.060	0.074	0.116	0.194
10 CH001	0.123	0.125	0.137	0.081	0.110	0.087
11 CH010	0.177	0.140	0.142	0.155	0.136	0.123
12 CH100	0.132	0.193	0.175	0.162	0.192	0.200
13 CH110	0.159	0.199	0.194	0.178	0.175	0.160
14 CH111	0.364	0.288	0.291	0.350	0.271	0.235
15 INCAP	0.009	0.080	0.078	0.023	0.057	0.040
16 NOTEX	0.086	0.332	0.327	0.136	0.297	0.278
17 WIN1	0.073	0.092	0.086	0.065	0.068	0.047
18 WIN2	0.032	0.098	0.084	0.074	0.076	0.177
19 AREA A	0.255	0.288	0.296	0.275	0.260	0.054
20 AREA B	0.368	0.353	0.356	0.333	0.384	0.398
21 AREA C	0.227	0.190	0.197	0.214	0.215	0.219
22 AREA D	0.027	0.015	0.017	0.039	0.014	0.013
23 AREA E	0.123	0.154	0.134	0.139	0.127	0.121
24 PEL1	4.086	3.982	3.963	---	---	---
25 POTH1	0.195	0.270	0.268	---	---	---
26 RENT1	63.877	69.708	70.005	---	---	---
27 TOTRQ1	242.818	236.313	238.154	---	---	---
28 OTHIN1	21.182	29.723	29.243	---	---	---
29 FOODS1	17.868	16.575	17.148	---	---	---
30 EMAS1	14.682	15.522	14.481	---	---	---
31 CCARE1	32.914	3.777	6.910	---	---	---
32 MEDPY1	81.336	153.779	155.409	---	---	---
33 MEDFM1	78.923	70.542	73.633	---	---	---
34 PEL2	---	---	---	4.107	3.853	3.670
35 POTH2	---	---	---	0.162	0.235	0.210
36 RENT2	---	---	---	66.602	70.696	71.483
37 TOTRQ2	---	---	---	269.081	260.024	244.110
38 OTHIN2	---	---	---	31.379	32.386	31.722
39 FOODS2	---	---	---	34.974	32.214	28.109
40 EMAS2	---	---	---	30.172	26.722	30.013
41 CCARE2	---	---	---	40.963	7.297	8.819
42 MEDPY2	---	---	---	75.861	132.940	115.062
43 MEDFM2	---	---	---	46.945	93.767	70.782
44 EXPWGS	311.741	306.618	303.523	315.938	306.055	307.273
45 RATIO1	1.396	1.507	1.466	---	---	---
46 RATIO2	---	---	---	1.293	1.368	1.421

^aUnweighted means of indicated employment groups.

^bWeighted means of appropriate employment groups.

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Table B-17 (I)

Mean Values for Independent Variables by
Employed, Unemployed and All Cases,
July 1969 and July 1970: Ingham County

Variable	All E: Groups ₁ 1,2,3, (N=138) ^a	All U: Groups ₁ 4,5,6 ^a (N=159)	All Cases July 1, 1969 ^b	All E: Groups ₂ 1,4,7 ^a (N=219)	All U: Groups ₂ 2,5,8 ^a (N=208)	All Cases July 1, 1970 ^b
1 MONTHS	35.710	29.069	28.617	22.100	24.153	16.183
2 PREV	0.572	0.535	0.550	0.443	0.394	0.314
3 YOB	34.775	35.899	35.474	36.461	38.307	39.457
4 PUBHOS	0.101	0.151	0.122	0.091	0.101	0.084
5 HOME	0.210	0.214	0.212	0.247	0.188	0.185
6 HSDROP	0.413	0.423	0.445	0.311	0.438	0.370
7 HSGRAD	0.348	0.252	0.243	0.352	0.231	0.244
8 RACE-W	0.674	0.623	0.636	0.703	0.625	0.647
9 CHO2	0.030	0.056	0.051	0.096	0.134	0.194
10 CH001	0.130	0.101	0.127	0.082	0.077	0.072
11 CH010	0.167	0.145	0.126	0.123	0.101	0.082
12 CH100	0.210	0.264	0.255	0.224	0.279	0.264
13 CH110	0.130	0.189	0.188	0.183	0.183	0.183
14 CH111	0.333	0.245	0.253	0.292	0.226	0.206
15 INCAP	0.036	0.113	0.119	0.046	0.077	0.063
16 NOTEX	0.130	0.333	0.346	0.132	0.308	0.307
17 WIN1	0.036	0.050	0.039	0.032	0.029	0.020
18 WIN2	0.058	0.076	0.076	0.032	0.091	0.063
19 AREA A	0.283	0.264	0.305	0.196	0.365	0.341
20 AREA B	0.319	0.321	0.342	0.338	0.279	0.285
21 AREA C	0.261	0.283	0.242	0.315	0.240	0.283
22 AREA D	0.065	0.031	0.039	0.073	0.039	0.042
23 AREA E	0.072	0.101	0.073	0.078	0.077	0.048
24 PEL1	3.812	3.918	3.862	---	---	---
25 POTH1	0.116	0.208	0.201	---	---	---
26 RENT1	77.732	77.050	77.943	---	---	---
27 TOTRQ1	242.036	244.747	243.191	---	---	---
28 OTHIN1	21.420	40.547	39.756	---	---	---
29 FOODS1	17.181	10.535	11.678	---	---	---
30 EMAST1	10.783	5.208	6.177	---	---	---
31 CCARE1	32.391	12.446	12.048	---	---	---
32 MEDPY1	47.703	80.899	76.603	---	---	---
33 MEDFM1	54.739	57.849	53.160	---	---	---
34 PEL2	---	---	---	3.785	3.755	3.624
35 POTH2	---	---	---	0.178	0.226	0.219
36 RENT2	---	---	---	74.712	78.062	77.656
37 TOTRQ2	---	---	---	258.333	253.212	249.030
38 OTHIN2	---	---	---	30.100	39.696	36.709
39 FOODS2	---	---	---	23.836	23.860	25.875
40 EMAST2	---	---	---	15.233	24.230	20.639
41 CCARE2	---	---	---	44.749	14.461	16.071
42 MEDPY2	---	---	---	53.457	119.076	130.373
43 MEDFM2	---	---	---	62.603	73.490	73.103
44 EXPWGS	333.304	325.525	324.232	333.635	328.209	330.106
45 RATIO1	1.466	1.549	1.561	---	---	---
46 RATIO2	---	---	---	1.429	1.541	1.550

^a Unweighted means of indicated employment groups

^b Weighted means of appropriate employment groups

APPENDIX C

THE WIN PROGRAM IN INGHAM COUNTY

The purpose of this Appendix is to discuss the operation of the WIN Program in Ingham County, including a description of the component programs and program activities from the time of program implementation through June of 1970. A similar description of the Genesee County WIN Program is presented in Appendix D.

The terms listed below are defined according to their usage throughout Appendix C and Appendix D.

Direct Placement - Employment in a regular job after receiving only support services and/or orientation and assessment through WIN.

Follow-up - The three-to-six month period immediately following the start of employment. Periodic contacts are made during this time with the enrollee and the employer.

Holding - The status of an enrollee who is inactive; i.e., waiting for a program component, a job, or receiving extensive support services and, therefore, not participating actively in WIN. No distinction is made in this study between "program-related" holding, and "non-program-related" holding. The latter includes enrollees who are inactive due to a need for day care, vocational rehabilitation, legal, health, or other similar services.

Job Entry Holding - The status of an enrollee considered by the MESC-WIN Team to be "job ready," i.e., immediately employable, who is inactive while awaiting job placement.

Successful Termination - A successful termination occurs when an enrollee terminates from WIN after maintaining employment through the follow-up period. A successful terminnee may have entered employment

either directly or indirectly. The term successful trainee refers to an enrollee who terminates successfully following indirect placement.

Unsuccessful Termination - An unsuccessful termination occurs when an enrollee terminates from WIN for any reason other than employment.

The WIN Program in Ingham County

The WIN program was implemented in Ingham County in February, 1969 with an enrollee quota of 200. Administration of the program was shared by the County Department of Social Services and the local MESC-WIN office, both located in South Lansing.

Over the seventeen month period from WIN implementation through June, 1970, a total of 877 individuals were referred by DSS to WIN, and of these, 325 had been accepted for enrollment. A profile of the 325 enrollees, including sex, race, age, education and family status is shown in Table C-1. To provide an indication of trends in the type of individual served by the program, characteristics of "initial" enrollees (i.e., those enrolled February through August, 1969) are shown separately from those who enrolled later (i.e., September, 1969 through June, 1970).

In the Lansing program, a majority of enrollees were female (62 percent), white (70 percent), and the head of the family (95 percent). In these areas, little change occurred from program beginning through June, 1970. However, in the area of educational achievement, a significant shift did occur. Although a minority of both initial and later enrollees had completed the twelfth grade upon enrollment, the proportion with a high school diploma decreased from 41 percent among initial enrollees to 24 percent among those enrolled later. This shift probably reflects the

Table C-1

Lansing WIN Applicant Characteristics
 February, 1969 - June, 1970
 (In Percent)

Characteristic	February- August, 1969 (N=133)	September, 1969- June, 1970 (N=192)	Total (N=325)
Sex: Male	36.8	39.6	38.5
Female	63.2	60.4	61.5
Race: White	69.2	70.8	70.2
Non-White	30.8	29.2	29.8
Age: 16-18	6.0	6.8	6.4
19-21	6.8	8.9	8.0
22-44	78.9	77.6	78.2
45-54	7.5	6.8	7.1
55-64	0.8	0.0	0.3
65+	0.0	0.0	0.0
INA:	0.0	0.0	0.0
Education:			
0-4th	3.0	3.6	3.4
5th-7th	6.8	6.8	6.8
8th	15.0	20.8	18.5
9th-11th	34.6	44.3	40.3
12th	37.6	23.4	29.4
Over 12	3.0	1.0	1.8
INA.	0.0	0.0	0.0
Head of Family	94.0	94.8	94.5

Source: Compiled from data in: Nancy J. Felder, "The Work Incentive Program," Michigan Employment Security Commission, August, 1969 and June, 1970.

impact of two factors, First, the "best" candidates may have been enrolled first. Second, and perhaps more important, the basic education and high school equivalency courses for persons without a high school diploma did not begin until September, 1969. Of the 325 who enrolled in the program over this period, a total of 150 enrollees had terminated by June, 1970, leaving WIN enrollment during that month at 175. Of these 175 enrollees, 26 were in the follow-up period following placement in employment. Another 51 were in some type of holding status, i.e., were awaiting a job or commencement of the next component in their employability plan. The remaining 117 enrollees were actively engaged in some type of Phase II training, education or job experience component.¹

Training and education activities available through the Lansing WIN program can be generally classified into several types, according to the content and location of the training. Activities included basic education, for adults lacking an eighth grade level education, completion of regular high school courses, or preparation for General Education Development (GED) high school equivalency exams, all offered through the Lansing School District, Adult Board of Education. One and two year vocational training courses were offered through Lansing Business University (LBU) and Lansing Community College (LCC). Michigan State University offered regular college level training for those who qualified. In addition, the Michigan State University Department of Urban Affairs began in January, 1970 a special "Welfare Mothers Project" which offered practical as well as basic education skills. Finally, work experience training was available in a number of governmental units.

Participants in these activities received, in addition to their

regular AFDC grant, an "incentive payment" of \$30 each month from MESC, and an allowance of \$24 each month from DSS to meet the out-of-pocket expenses associated with the training activity. Prior to June, 1970 the \$24 expense portion provided by DSS was added to and included in the AFDC grant, \$12 with each semi-monthly payment. After June, 1970 the entire \$54 per month was provided through MESC in two semi-monthly payments of \$27. The normal procedure was to distribute checks during the usual instruction period.

Data on individual participants in the various component programs proved difficult to assemble. Short of making a search through the files of all current and former WIN enrollees, a complete listing of all individuals ever enrolled in a given program or institution was not obtainable. The reason is that participants might be enrolled in a particular institution under an individual contract written specifically for that person, or enrollment may take place under a general agreement which might provide for several dozen participants, some of which began earlier than others. In Lansing, examination of the records for those participants enrolled under the half-dozen principal agreements with the major institutions provided information on more than 80 percent of all Lansing trainees, allowing a good indication of activity in these areas. Data obtained in the latter manner were utilized in the component descriptions which follow.²

Basic Education

Basic education training is offered for those adults who lack the basic communication skills normally acquired through the eighth grade.

Reading and writing, English as a second language, arithmetic and typing are covered in this program. As shown in Table C-2, enrollment in this component program began with the implementation of WIN in the Spring of 1969. Through August 1, 1970, a total of 32 individuals had participated in basic education. Of these 32, nine continued enrollment in basic education on June 1, 1971. Five others had been judged "job ready" and had been placed in "job entry holding" status to await job placement.³ These five were in basic education an average of two months prior to termination from this component. Another three dropped out without good cause after an average four months participation. Twelve terminated from basic education with good cause after an average enrollment of five-and-a-half months. Good cause included such reasons as health, care of family, marriage, or cancellation of AFDC benefits. Three participants, after an average enrollment of five months, advanced from basic education to other program components.

GED Program

The General Education Development (GED) program prepares participants to take an exam for a high school graduate equivalent diploma. Since a diploma is a requisite for many jobs and since many enrollees lack a high school education, the GED preparation program has been utilized by many WIN enrollees, as well as by other AFDC recipients. As shown in Table C-2, 57 WIN enrollees participated in the GED course through the Summer of 1970. On June 1, 1971, 11 of these 57 continued to be enrolled. Of the remaining 46 enrollees, eight had been judged job ready and placed in job entry status, after an average participation

Table C-2

Basic Education and GED Training in the Lansing WIN Program: Status on June 1, 1971
of Participants Enrolled Spring, 1969 through Summer, 1970

Component and Date of Enrollment in Component	Number Enrolled		Status on June 1, 1971								
			Still Enrolled in Same Com- ponent	Reason for Termination from Component: Number and Average Months Enrolled in Component							
	Total	Female		To Job Entry Holding		Dropped Out of WIN		Left WIN: Good Cause		Transferred to Other Program	
				No.	Months	No.	Months	No.	Months	No.	Months
Basic Education											
Spring, 1969	1	3	0	1	1.0	0	0	2	14.5	0	0
Summer	1	1	0	0	0	1	8.0	0	0	0	0
Fall	2	5	2	1	4.0	0	0	2	8.5	0	0
Winter, 1970	2	4	1	0	0	0	0	2	5.0	1	9.0
Spring	1	6	0	3	1.5	1	2.0	2	3.0	0	0
Summer	6	13	6	0	0	1	1.5	4	1.0	2	1.0
Total	13	32	9	5	2.0	3	4.0	12	5.5	3	5.0
GED											
Spring, 1969	6	14	0	5	5.0	0	0	4	5.5	5	7.0
Summer	9	16	3	1	2.0	0	0	8	6.0	4	4.0
Fall	7	13	0	2	8.0	1	6.0	8	8.0	2	2.0
Winter, 1970	3	5	1	0	0	0	0	1	10.0	3	5.0
Spring	3	3	1	0	0	0	0	2	3.0	0	0
Summer	5	6	6	0	0	0	0	0	0	0	0
Total	33	57	11	8	5.5	1	6.0	23	6.5	14	5.0

Source: Compiled from data provided by MESC-WIN Team, Lansing, Michigan, June, 1971.

period of five-and-a-half months. One dropped out after six months, while 23 left for good cause prior to course completion after an average 6.5 month participation. After an average of five months, fourteen enrollees left the GED program to enter another education or training program. Eight of these fourteen advanced to a vocational training level program, while three entered basic education and another three continued their GED preparation under the special program sponsored by the Department of Urban Affairs at Michigan State University (MSU).

Urban Affairs Project

The Urban Affairs project began in January, 1970, sponsored by the Urban Affairs Department of Michigan State University, and funded partly by funds available under Title I of the Higher Education Act. The objective of the program was to provide job training and enrichment for up to 40 Inner-City and AFDC mothers. A comprehensive array of social and educational services were offered, with a major goal of the program successful preparation for the GED exam. Structured instruction in mathematics, English and literature was offered with a student to teacher ratio of no more than five-to-one; much of the teaching was on a one-to-one basis. Instructors for the program were volunteers, most of whom were Ph.D candidates or other graduate students from various departments at MSU.

The project activities centered in a church located in the inner-city area. Transportation was provided for all participants who required it. Initially the program operated both morning and afternoon, with lunch provided, although as the program developed some enrollees

participated on a half-day basis. Other services included home visits, educational testing, job orientation, medical screening (including immunization shots for the children), counseling, instruction in sewing and cooking, and child care. The child care was enriched with a variety of educational programs for the children. Periodically enrollees were provided tickets and transportation for entertainment events at MSU.

The program was designed to serve forty participants, and was open to the inner-city community. At any given time, about half the participants were WIN enrollees. The normal enrollment period lasted about three to six months, although some completed the GED after four weeks, while others required up to fifty-five weeks. During the first six months of program operation, about thirty WIN enrollees were involved with this program. Several were able to pass the GED exam, and four of these continued their vocational training at the junior college level, two at Lansing Community College and two at Lansing Business University.⁴

Lansing Business University

Lansing Business University (LBU) offers training in several business related areas, including general clerical, typing, stenography, keypunching and accounting. As shown in Table C-3, through the five quarterly terms ending with Summer term, 1970, 28 individuals had enrolled in LBU through WIN. Of these, half were enrolled for training in clerical and typing skills, and the remaining half were equally divided among accounting, stenography and keypunch training. As of June 1, 1971, nine of the 28 continued to be enrolled at LBU. Four enrollees, after

an average eight month period of participation, had entered job entry holding. Six had dropped out after an average of 4.5 months in this program. Nine others dropped out with good cause after an average of four months in this program.

Lansing Community College

Lansing Community College (LCC) offers a diversified array of academic and vocational training courses. WIN participants enrolled at LCC were studying the following fields of training: nurse aide, licensed practical nurse, registered nurse, secretarial, commercial art, accounting, business education, pre-teaching, architectural drafting, mechanical drafting, electrical technician, TV-radio repair, auto mechanic, auto service, business administration, office management, keypunch, dental hygiene, and library technology.

Enrollment at LCC through WIN began with Fall term, 1969. Over the year beginning with that term, 41 WIN enrollees participated in vocational training at LCC. On June 1, 1971, seven of these were still enrolled. Fourteen had completed training and entered job entry holding, after an enrollment at LCC which averaged seven-and-a-half months. Six dropped out of the program; average time of enrollment for these six was two-and-a-half months. The remaining fourteen left the program with good cause prior to completion of their training. Average period of participation for this group was five months.

Michigan State University

WIN enrollees for whom college training would be expected to

Table C-3

Business and Community College Training in the Lansing WIN Program: Status on
June 1, 1971 of Participants Enrolled Summer, 1969 through Summer, 1970

Component and Date of Enrollment in Component	Number Enrolled		Status on June 1, 1971						
			Still Enrolled in Same Com- ponent	Reason for Termination from Component: Number and Average Months Enrolled in Component					
	Total	Female		To Job Entry Holding		Dropped Out of WIN		Left WIN: Good Cause	
				No.	Months	No.	Months	No.	Months
Lansing Business University									
Summer, 1969	1	1	1	0	0	0	0	0	0
Fall	11	11	3	2	10.0	2	7.0	3	4.0
Winter	3	5	1	0	0	1	1.0	3	5.0
Spring	5	6	2	2	5.5	1	2.0	1	6.0
Summer	5	5	2	0	0	1	4.0	2	2.5
Total	25	28	9	4	8.0	6	4.5	9	4.0
Lansing Community College									
Fall, 1969	9	20	1	9	9.0	2	1.0	8	6.0
Winter, 1970	8	11	2	3	6.0	3	4.5	3	5.0
Spring	3	5	2	0	0	1	1.0	2	2.0
Summer	3	5	2	2	4.5	0	0	1	2.0
Total	23	41	7	14	7.5	6	2.5	14	5.0

Source: Compiled from Data provided by MESC-WIN Team, Lansing, Michigan, June, 1971.

contribute substantially to their employability might be considered for enrollment at MSU. Normally, this would include an individual who had completed all except the last few terms toward the BA degree. Three WIN participants were enrolled at MSU during the 1969-70 academic year under this arrangement. Areas of study included social work, elementary education and special education. All completed degrees during the 1970-71 academic year, all were placed in professional positions following graduation, and all left AFDC as a result of their employment.

Work Experience

It is not uncommon for a WIN enrollee to have had no job experience at all. Even after completing one or more of the education or training component programs, some may lack the confidence to spend an entire day in an employment situation for which they are otherwise qualified. The work experience component is designed to place these individuals in an actual work situation from which they can gain experience and confidence and develop basic work habits.

During this period of training the individual does not receive wages. Instead she continues to receive the \$54 per month incentive-expense allowance provided to other Phase II trainees. Work experience training normally involves 13 weeks of half-time "employment." During the year ending in June, 1970, six enrollees engaged in this training, normally as the last step in their employability plan prior to job placement. Positions were of the typist-receptionist-general-office-work variety with such governmental or other units as MESC, DSS or the Urban League of Greater Lansing.

WIN Job Placements in Lansing

From the implementation of WIN in February, 1969 through June, 1970 a total of 325 individuals had enrolled in WIN. Of these, 74 had completed whatever training (if any) was required to bring them to the point of being "job ready," had entered the job entry period and had been placed in employment. (See Table C-4.) As of June, 1970, 26 of these employed individuals continued WIN enrollment as part of the three-to-six month follow-up period after placement. Of the remaining 48 individuals placed, two-thirds, or 32, had successfully completed their employability plans. One-third, or 16, had failed to maintain employment for three months after placement, and had left WIN for other reasons.

The Lansing WIN project enjoyed a rather unique and beneficial relationship with local AFL-CIO officials, who were able to provide assistance in placing job ready WIN enrollees. As shown in Table C-4, fully one-third of all placements over the February, 1969-June, 1970 period were through the AFL-CIO. For the last five months of this period the AFL-CIO was responsible for 21 of 37 placements. Typically, these placements were in relatively well-paying industrial positions.

The contention that welfare recipients seek work on their own is supported by the fact that 21 of the 74 placements were individuals who located their own employment. A total of 28 placements were made directly by the MESC-WIN team.

Females comprised 41 of the 74 total placements, as shown in Table C-5. Nonwhite placements were about one-third of the total. Most placements were in the 22-44 age group; only 17 were not, including twelve under age 22 and five forty-five years of age or older.

Table C-4

WIN Job Placements and Employability Plan Completions
 Lansing, Michigan
 (Program Beginning through June, 1970)

Month	Placements				Employability Plans Completed
	Total	By WIN	On own	AFL-CIO	
February through July, 1969	5	5	0	0	0
August	7	4	3	0	0
September	2	1	1	0	1
October	8	6	0	2	3
November	8	3	3	2	2
December	1	0	1	0	1
January, 1970	6	3	3	0	1
February	8	0	3	5	4
March	3	0	1	2	8
April	5	2	2	1	1
May	9	0	2	7	3
June	12	4	2	6	8
TOTALS	74	28	21	25	32

Source: Compiled from data reported in: Nancy J. Felder, "The Work Incentive Program," Michigan Employment Security Commission. Monthly reports August, 1969 through June, 1970.

Table C-5
 All WIN Placements: Characteristics and Starting Pay, by Month
 Lansing, Michigan
 (Program beginning through June, 1970)

Month	Total	Female	Nonwhite	Under 22	45 and over	Average Monthly Starting Pay
February through August, 1969	12 ^a	4	NA	2	2	\$353.70
September	2	0	NA	0	1	521.16
October	8	7	3	1	0	421.97
November	3	7	3	0	0	392.05
December	1	1	0	1	0	264.00
January 1970	6	5	3	0	0	362.95
February	8	6	4	2	1	379.35
March	3	3	2	1	0	380.60
April	5	3	1	0	1	342.83
May	9	3	2	2	0	457.00
June	12	2	3	3	0	497.07
TOTALS	74	41	21 of 60 ^b (NA=14)	12	5	\$408.07

^aOf these 12, 7 placements were for August 1969, and 5 were prior to August.

^bRace of placements prior to October, 1969 not available.

Source: Compiled from data reported in: Nancy J. Felder, "The Work Incentive Program," Michigan Employment Security Commission. Monthly reports August, 1969 through June, 1970.

Table C-6
 Female WIN Placements by Occupation, Race, Age Group and Starting Pay
 Lansing, Michigan
 (Beginning of Program Through June, 1970)

Occupation: Category and Title	Number Placed	Nonwhite ^a	Under 22	45 or over	Average Monthly Starting Pay
Professional, Managerial, Technical:					
LPN	1	1	0	0	\$450.64
EKG Technician	1	0	0	0	320.00
Dental Assistant	1	1	0	0	291.00
Case Aide	1	1	0	0	340.00
Floral Designer	1	0	0	0	153.00 PT
Clerical and Sales:					
Clerk, General Office	5	2	1	0	312.90
Clerk-Typist	3	1	1	0	351.00
Sales Clerk	1	0	0	0	238.00
Statistical Clerk	1	1	0	0	480.00
Cashier Checker	1	1	1	0	284.00
Telephone Operator	1	1	0	0	507.00
In-file Operator	1	NA	0	0	210.00 PT
Services:					
Charwoman	1	NA	0	1	347.44
Janitor	1	1	0	0	513.00 ^b
Housekeeper	1	1	0	0	360.00
Porter	1	0	0	0	352.00
Laborer	1	0	0	0	238.00
Glazier, Construction	1	0	0	0	337.12
Waitress	3	0	0	0	250.80
Cosmetologist	1	1	0	0	236.50
Medical Service	1	0	0	0	258.00
P.N.	1	0	0	0	352.00
Processing:					
Baker	1	0	1	0	264.00
Bench Work:					
Sander, Hand	2	NA	0	0	318.20
Structural Work:					
Welder, Helper	1	1	0	0	433.60
Machine Operator	1	0	0	0	452.00
Glazier	1	0	1	0	302.75
Assembler, Auto	3	2	1	0	561.75
Miscellaneous:					
Packager, Hand	1	0	0	0	301.00
Bus Driver	1	0	0	0	347.00
TOTALS	41	15 of 37 (NA = 4)	6	1	\$342.92

^a Race status was reported only for placements made after September, 1969.

^b Average monthly starting pay for two placements, one of which was female, both of which were nonwhite, aged 22 to 45.

Source: Compiled from data reported in: Nancy J. Felder, "The Work Incentive Program," Michigan Employment Security Commission. Monthly reports August, 1969 through June, 1970.

Although the average monthly starting salary for the 74 placements was \$408.07, the average pay was significantly higher for male than for female placements.

As shown in Table C-6, the average starting pay for female placements was \$342.92. For males, the average was \$489.01. Part of the explanation for this phenomenon lies in the types of jobs found for males relative to those located by and for females. Two-thirds of the occupational titles listed for the 33 male placements are accounted for by foundry workers (9), auto and truck mechanics (4), auto assemblers (4), arc welders (2), and janitors (2). Other titles included sales manager, X-ray technician, electrical motor repairman and laborer. When this listing is compared to the listing of female placements shown in Table C-6, the reason for the large difference in starting pay becomes apparent: Few females were placed in the higher paying industrial type jobs, while many were placed in clerical and service positions. Indeed, sixty percent of female placements (25 of 41) were in services, clerical and sales.

Appendix C Footnotes

¹Nancy Felder, The Work Incentive Program, June, 1970, Michigan Employment Security Commission, Management Release #38, August 7, 1970, p. 16.

²These sections are based upon lists of individuals enrolled under group contracts with the respective provider institutions, and upon interviews with members of the Lansing MESC-WIN participants. Interviews took place in June, 1971.

³Trainees placed in "job entry holding" may or may not have been placed in a job, and if placed, whether employment was maintained. Sufficient information was not available to determine by program which or how many of those in job entry holding became employed, or whether such employment was in any way related to training provided through WIN.

⁴This section based upon discussions with the Lansing MESC-WIN Team, June, 1971, and the "Ingham WIN-Letter," Vol. 1, No. 1, January 19, 1970, written by Jean Vogt, Ingham County DSS WIN Coordinator.

APPENDIX D

THE WIN PROGRAM IN GENESEE COUNTY

The WIN program was inaugurated in Genesee County in February, 1969 with an enrollee quota of 400. Offices for the two MESC-WIN teams were established in a building separate and a block away from the branch office of the Michigan Employment Security Commission in downtown Flint.

Over the seventeen months from program implementation through June, 1970 individuals referred to WIN by DSS totalled 1,954. Of those referred, 737 had been enrolled. A profile of participants at the time of their enrollment is shown in Table D-1.¹ As in the Lansing program (compare Table C-1), a majority of Flint enrollees were female, aged 22 to 44, had less than a high school education, and were the head of a family. However, Flint enrollees tended to be non-white (63 percent), while in Lansing non-whites comprised only 30 percent of the WIN caseload. In addition, enrollees in Flint were more likely to be female (83 versus 62 percent), to be aged 16 to 21 (24 versus 14 percent), and to be a high school graduate at the time of enrollment (42 versus 31 percent).

Later enrollees in the Flint program differed in a number of ways from initial participants(i.e., those enrolled in the February-August, 1969 start up period). Later enrollees were more likely to be male (19 versus 16 percent), to be white (43 versus 32 percent), to be 16 to 21 years of age (27 versus 20 percent), to be the head of the family (95 versus 85 percent), and to be a high school graduate (43 versus 41 percent).

Table D-1

Flint WIN Applicant Characteristics
February, 1969 - June, 1970
(In Percent)

Characteristic	February- August, 1969 (N=378)	September, 1969- June, 1970 (N=359)	Total (N=737)
Sex: Male	15.6	18.7	17.0
Female	84.4	81.3	83.0
Race: White	32.0	42.6	37.2
Non-White	68.0	57.4	62.8
Age: 16-18	10.6	5.6	8.1
19-21	9.8	21.4	15.5
22-44	73.2	68.5	71.0
45-54	5.6	4.2	4.9
55-64	0.8	0.0	0.4
65+	0.0	0.0	0.0
INA.	0.0	0.3	0.1
Education:			
0-4th	1.1	1.1	1.1
5th-7th	4.2	2.8	3.5
8th	10.8	7.8	9.4
9th-11th	43.1	44.8	44.0
12th	34.9	40.7	37.7
Over 12	5.6	2.8	4.2
INA.	0.3	0.0	0.1
Head of Family	85.4	95.0	90.1

Source: Compiled from data in: Nancy J. Felder, "The Work Incentive Program," Michigan Employment Security Commission, August, 1969 and June, 1970.

The trend toward a greater percentage of high school graduates among Flint enrollees contrasts with the Lansing experience, in which a decline from 41 to 24 percent occurred. The Flint increase is probably due in part to the early emphasis upon adult high school instruction, while junior college and business college level training developed later.

Of the 737 who had enrolled through June 30, 1970, one less than half, or 368, had terminated from the program by that date. Among all terminations were 41 individuals who had completed the job entry period. That is, 41 individuals had been placed in a job and had maintained employment through the three-to-six month follow-up period, thereby becoming "successful WIN terminees." Other "non-successful" terminations included 39 who dropped out of the program without good cause, and 288 who left with good cause. (Good cause included poor health, transportation or family care problems, pregnancy, or other reasons deemed legitimate by WIN. A breakdown of relative importance of these reasons is shown in a later section.)

Included in the 369 active participants in June, 1970 were 29 employed enrollees in job entry follow-up status. Five of these were "direct" placements, meaning that no training or education was provided prior to placement. The remaining 24 had received some form of training prior to placement.

Another 155 were in some type of "holding" status, including six job-ready enrollees holding for job placement, 93 waiting for an opening in a program component (including 59 holding for their initial component), and 56 who were inactive participants for non-program related reasons, such as a need for health, legal, child care, or other supportive or casework services.

The remaining 185 enrollees were actively participating in a Phase II training or education component. These included 22 in orientation and assessment, 40 enrolled in basic education, 101 in vocational training, and 22 in other training.²

Job Placement in Flint

From program implementation through June, 1970, a total of 737 individuals had enrolled in WIN, for whom 112 job placements had been made.³ (See Table D-2). Of these 112, there were 29 still enrolled in WIN in the regular post-placement follow-up period. Of the remaining 83 placements, just fewer than half (41, or 49 percent) led to termination from WIN because of employment. The other 42 placements did not result in employment of at least three months duration, and these individuals generally terminated unsuccessfully from WIN for "other" reasons.

The 49 percent success rate in Flint compares with 67 percent of all placements who terminated to employment in Lansing. Part of the difference may be explained by the higher proportion of females placed in Flint (68 percent in Flint, 55 percent in Lansing), and differences in job finding procedures. In Lansing, placements were about evenly distributed among placements by WIN, by the AFL-CIO, and the individual who located his own job. In Flint, however, the WIN team had not yet begun utilizing the AFL-CIO for placement, and four-sevenths of all jobs were located by the enrollee on his own. The fact that enrollees were relied on to a greater degree to find their own jobs may also account for the lower percentage of all enrollees placed in Flint relative to Lansing (15 versus 23 percent).

Table D-2

WIN Job Placements and Employability Plan Completions
 Flint, Michigan
 (Program Beginning through June, 1970)

Month	Placements			Employability Plans Completed
	Total	By WIN	On Own	
February through July, 1969	20	5	15	0
August	8	0	8	0
September	15	8	7	1
October	13	1	12	4
November	7	2	5	4
December	8	4	4	11
January, 1970	8	3	5	8
February	4	2	2	4
March	1	1	0	2
April	7	5	2	3
May	9	8	1	1
June	12	8	4	3
TOTALS	112	47	65	41

Source: Compiled from data reported in: Nancy J. Felder, "The Work Incentive Program," Michigan Employment Security Commission. Monthly reports August, 1969 through June, 1970.

As shown in Table D-3, females comprised 76 of the total 112 placements. Although data on race were not available before October, 1969, non-white placements over the nine months beginning with that month were 68 percent of the total, a ratio similar to that found for all enrollees (compare Table D_L). Percentages of placements by age group are almost identical to percentages for all enrollees. Among placements, 21 percent were under age 22, 74 percent were between ages 22 and 44, and 4 percent age 45 or over. This compares with 23.6, 71.0 and 5.4 percent, respectively, for all enrollees.

The average monthly salary for all 112 placements was \$404.49, as shown in Table D-3. However, as in Lansing, average pay for males was higher than for female placements. Starting salary for males averaged \$463.35, while for females the figure was \$376.61, a difference of \$86.74. This however, is less than the \$146.09 difference noted in Lansing, where males averaged somewhat more (\$489.01) and females somewhat less (\$342.92).

Just over 60 percent of all female placements in Flint were in service, clerical and sales positions, as was the case in Lansing. However, fully one-third of Flint female placements were in bench work, structural work and similar industrial jobs (see Table D-4), while fewer than one-fourth of all Lansing placements were in these well-paying classifications (compare Table C-6). As a result more than one-in-four female placements in Flint received a starting salary which exceeded \$500 per month, while fewer than one-in-eight in Lansing could command such a salary.

Table D-3
All WIN Placements: Characteristics and Starting Pay, by Month
Flint, Michigan
(Program beginning through June, 1970)

Month	Total	Female	Nonwhite	Under 22	45 and over	Average Monthly Starting Pay
February through August, 1969	28 ^a	20	NA	4	1	\$485.55
September	15	7	NA	4	3	450.92
October	13	10	10	2	0	333.59
November	7	3	4	4	0	343.21
December	8	5	5	2	0	346.97
January, 1970	8	6	5	1	0	378.95
February	4	3	2	1	0	309.21
March	1	1	0	0	0	405.60
April	7	5	4	2	0	347.00
May	9	5	8	3	0	386.60
June	12	11	9	1	1	403.87
TOTALS	112	76	47 of 69 ^b	24	5	\$404.49

^a Of these 28, 8 placements were for August, 1969, and 20 were prior to August.

^b Race of placements prior to October, 1969 not available.

Source: Compiled from data reported in: Nancy J. Felder, "The Work Incentive Program," Michigan Employment Security Commission. Monthly reports August, 1969 through June, 1970.

Table D-4
 Female WIN Placements by Occupation, Race, Age Group and Starting Pay
 Flint, Michigan
 (Beginning of Program through June, 1970)

Occupation: Category and Title	Number Placed	Nonwhite ^a	Under 22	45 or over	Average Monthly Starting Pay
Professional, Managerial, Technical:					
RN	2	2	0	0	\$662.40
Clerical and Sales:					
Clerk, General Office	8	1 of 5	0	0	406.90
Clerk-Typist	1	1	0	0	320.00
Account Clerk	1	0	0	0	384.00
Distribution Clerk	1	1	0	0	280.00
Sales Clerk	13	10 of 12	6	1	280.26
Cashier	2	1	1	0	192.00
Telephone Operator	2	1	0	0	384.00
Services:					
Counter Girl	1	NA	1	0	120.00
Waitress	2	2	2	0	306.25
Wool Presser	2	1 of 1	0	0	310.50
Cosmetologist	1	1	0	0	340.00
Kitchen Helper	1	1	NA	0	272.42
Kitchen Helper-PT	1	0	0	0	130.00 PT
Baby Sitter	1	1	0	0	120.00 PT
Maid, General	1	1	0	0	200.00
Janitor	1	0	0	0	270.00
Nursery School Attendant	2	1	0	0	270.00
Nursery School Teacher	1	1	0	0	320.00
Teacher's Aide	1	1	0	0	280.00
Nurse Aide	2	2	0	0	125.00 PT
Nurse Aide	1	NA	0	0	419.35 ^c
Eligibility Examiner	1	1	0	0	460.00
Processing:					
Boner, Meat	1	0	0	0	505.00
Bench Work:					
Assembler, Sm. Parts	7	NA	0	0	526.90 ^d
Assembler, Production	2	NA	0	NA ^e	542.00 ^f
Polisher	1	NA	0	NA ^e	325.00
Seamstress	1	NA	0	NA ^e	303.00
Structural Work:					
Assembler, Auto	8	1 of 1	NA	0	544.74 ^g
Miscellaneous:					
Printer	1	NA	NA	NA	500.00
Laborer, General	1	NA	NA	NA	472.00
Laborer, Bottling	1	NA	NA	NA	360.00
Material Handler	2	1 of 1	0	0	546.38 ^h
Bus Driver	1	1	0	0	360.00
Auto Washer	1	1	0	0	260.00
TOTALS	76	32 of 47 (NA = 29)	9 of 64 (NA = 12)	2 of 72 (NA = 4)	\$376.61

^a Race status was reported only for placements made after September, 1969.

^b Average for two placements, a male and a female, one under age 22.

^c Average for two placements, a male and a female, one of which was nonwhite.

^d Average for eight placements, seven of which were female.

^e One or two of these four were aged 45 or over.

^f Average for three placements, two of which were female.

^g Average for fourteen placements, eight of which were female.

^h Average for three placements, two of which were female.

Source: Compiled from data reported in: Nancy J. Felder, "The Work Incentive Program," Michigan Employment Security Commission. Monthly reports August, 1969 through June, 1970.

Analysis of Genesee County WIN Activity: Methodology

An attempt was made to duplicate for the Flint WIN program the analysis in the preceding Appendix for the Lansing WIN program. Such an approach proved to be not possible in the case of the Flint program. In part, this was the result of the larger size of the program, the somewhat broader spectrum of training and educational opportunities available, and the more individualized approach utilized by the two MESC-WIN teams in Flint. For example, from May 12, 1969, when training was begun under contract number one, through August, 1970 a total of 56 contracts were negotiated with 25 different providers in which 395 training positions were established. These included 32 individual contracts, under which specific training was arranged for one enrollee each, and 24 group contracts for 363 enrollees.⁴

The large number of enrollees, contracts and providers made impractical a simple contract analysis for each area of training as was presented earlier for the Lansing program. Instead, complete program data were obtained for each individual enrollee. This procedure involved recording all available information concerning WIN activity from the master card file maintained in the Flint MESC-WIN office. While this procedure required a great deal more time and effort, it allowed a more comprehensive analysis of WIN activity.

Data were recorded for the following items for each observation:

- priority number.
- dates of enrollment in and termination from WIN.
- reason for termination from WIN.
- dates of enrollment in and termination from each component.
- type of training enrolled in.
- date of each job placement.
- beginning and ending dates of each follow-up period.
- beginning and ending dates of each period of holding status.

Data were gathered in July, 1971 for all enrollees whose WIN participation had begun since the implementation of WIN in Flint in February, 1969, through August, 1970. Those who enrolled in the September, 1970, through June, 1971, period were not included. This eliminated from consideration those enrolled fewer than ten months, and also made this analysis more relevant to the analysis of AFDC employment during fiscal 1969-70 in the earlier-presented text. In interpreting the results, it should be kept in mind that this analysis includes only participants who enrolled prior to September, 1970, and that WIN activity was traced through July 1, 1971, unless termination from WIN occurred prior to that date.

The data gathered in this fashion were used to answer the following questions:

1. When did participants enroll in WIN?
2. How many enrollees were men, youth, women with or without preschool children?
3. How many enrollees participated in training programs; how many did not?

4. What type of training did enrollees receive?
5. How did the type of training and time in training differ between successful and unsuccessful WIN terminees?
6. For what reasons did enrollees terminate from WIN?
7. How long was a typical enrollment, and how was enrollment time spent?
8. For each WIN training component, how did WIN activity differ between successful and unsuccessful terminees?

WIN Enrollment and Priority Classification

WIN enrollees in this study include only those who actually participated in WIN. Individuals who enrolled, but who were not assigned to a training component or for whom a job placement was not attempted, were not included. This distinction eliminated from the study those who refused to participate before training began, or whose referral was withdrawn by DSS after enrollment, or whose WIN status never progressed beyond holding for initial assessment. Also excluded were those who for some other reason such as transportation or health problems were unable to participate in WIN in any capacity. As shown in Table D-5, the number in these categories totalled about one-third of all those enrolled over this period (280 of 807). Data were obtained for the remaining 527.

The 527 WIN participants in this study enrolled in WIN over the study period as shown in Table D-6. About 40 percent enrolled in the first three months of program operation, with the remaining enrollees fairly evenly distributed over the following five quarters. Early emphasis seemed to be upon the enrollment of youth and mothers without preschool children. With the third quarter of program operation, the emphasis shifted somewhat to mothers with preschoolers, and the relative number of AFDC-U fathers enrolled also increased. Overall, AFDC-U

Table D-5

Flint WIN Enrollees by Date of Initial Enrollment

Quarter of Initial Enrollment	New Enrollees- Program Participants		All New Enrollees ^a
(1) March - May, 1969	221	} 288	} 378
(2) June - August, 1969	67		
(3) September - November, 1969	61		115
(4) December, 1969 - February, 1970	54		85
(5) March - May, 1970	72		127
(6) June - August, 1970	52		102
TOTAL	527		807

^aSource for this column is Nancy Felder, "The Work Incentive Program," MESC, appropriate monthly issues.

Table D-6

Date of WIN Enrollment by Priority Classification of Enrollees
(Genesee County WIN Program: March, 1969 - August, 1970)

Quarter of Enrollment ^a	Priority Classification				
	Total	AFDC-U Fathers	Youths	Mothers without Preschoolers	Mothers with Preschoolers
Spring, 1969	221	18	15	99	89
Summer	67	7	21	29	13
Fall	61	2	1	9	49
Winter, 1970	54	5	0	14	35
Spring	72	8	3	12	49
Summer	52	12	9	11	20
Total	527	49	49	174	255
Percent of Total	100.0	9.3	9.3	33.0	48.4

371

^aQuarterly enrollment periods are defined as follows:

Spring: March, April, May

Summer: June, July, August

Fall: September, October, November

Winter: December, January, February

fathers comprised 10 percent of enrollees: youths, 10 percent; mothers without preschoolers, 33 percent; and mothers with preschoolers, 48 percent.

Distribution of Training Components

All except 42 of the 527 had at least one training component during their WIN enrollment. The frequency with which available training was utilized is shown in Table 4-G. This table shows that for the initial 221 enrollees, over half participated in orientation, nearly one-fifth enrolled in a high school equivalency course, while 12 percent enrolled at Flint Junior College and 14 percent at Baker Business University. Other training programs, such as work experience, a computer institute, MDTA, or non-WIN funded training, were utilized by 24.9 percent of Spring, 1969 enrollees. Altogether, the sum of the percent who enrolled in each training program is 140.7, which indicates that participants who enrolled during this Spring, 1969 quarter averaged about 1.4 training programs each (through their WIN enrollment, or if still enrolled, through July 1, 1971).

Examination of the remaining columns in Table D-7 indicates that after the initial enrollment period, the relative number utilizing orientation declined, while the relative number utilizing basic education and junior college level training increased. For those enrolled during the entire six quarter period, orientation was utilized by 36 percent of all enrollees, high school equivalency by 22 percent; basic education, 17 percent; junior college, 18 percent; business college, 19 percent; beauty or cosmetology school, 6 percent; and all other training, 17 percent. The average participant enrolled in 1.35 training components.

Table D-7

Percent of WIN Enrollees Ever Enrolled in Each Training Component, by Quarter of Enrollment
 (Genesee County WIN Participants Enrolled March, 1969 - August, 1970,
 WIN Activity Through July 1, 1971)

Training Component	Percent Ever Enrolled in Each Training Component Through July 1, 1971						
	Quarter of Enrollment in WIN						Weighted Average
	Spring 1969 (N=221)	Summer 1969 (N=67)	Fall 1969 (N=61)	Winter 1970 (N=54)	Spring 1970 (N=72)	Summer 1970 (N=52)	
Orientation	53.8	23.9	16.4	27.8	40.3	1.9	36.1
Basic Education	16.3	11.9	23.0	11.1	19.4	25.0	17.0
High School Equivalency (GED)	19.9	9.0	24.6	27.8	38.9	13.5	21.8
Flint Junior College	11.8	31.3	16.4	20.4	20.8	26.9	18.4
Baker Business University	14.0	28.4	31.1	29.6	6.9	19.2	19.0
Cosmetology, Beauty School	4.5	9.0	4.9	5.6	5.6	5.8	5.5
Weight Watchers	5.9	3.0	4.9	1.9	1.4	0	3.8
Work Experience and On-the- Job Training	4.5	3.0	8.2	9.3	4.2	0	4.7
All Others	10.0	10.4	13.1	9.3	4.2	3.8	8.9
Total	140.7	129.9	142.6	142.6	141.7	96.2	135.3

Reasons for Termination from WIN

Terminations from WIN as a result of employment were about 20 percent of all terminations, as shown in Table D-8. Indirect placements (i.e., enrollees who had participated in training) were half of this total. The other half were direct placements (i.e., placed without benefit of any WIN training, except perhaps orientation).

Family and health reasons accounted for about one-third of all terminations. In this group, the lack of suitable child care arrangements is shown to be a relatively minor reason. However, health problems, including pregnancy, account for nearly one-fourth of all terminations, making health the most important single reason for WIN termination.

Among other reasons for termination, about one-in-six were for failure to participate (drop-outs), while five percent were for transportation reasons.

Termination by Priority Classification

Table D-9 shows the percentage who were AFDC-U fathers, youths, or mothers with or without preschool children, for employment and non-employment reasons for termination. This table shows that although AFDC-U fathers comprised 9.5 percent of terminations for all reasons, they accounted for 14.8 percent of terminations to employment. Furthermore, an AFDC-U father was more likely to be placed directly without WIN training, while other employment terminees were about as likely to be direct as indirect placements.

Youths and mothers without preschoolers also comprised a greater proportion of terminations to employment relative to terminations to

Table D-8

Distribution of Reasons for Termination from WIN
(Genesee County WIN Participants Enrolled March, 1969-
August, 1970 and Terminated by July 1, 1971)

Reason for Termination	Number	Percent ^a
Employment:		
Direct Placements	40	10.0
Indirect Placements	41	10.2
Subtotal	81	20.1
Family, Health:		
Child Care	9	2.2
Family Care	36	9.0
Pregnancy	23	5.7
Health	69	17.2
Subtotal	137	34.1
Dropped Out, Failed:		
Dropped Out	64	15.9
Failed Training	9	2.2
Subtotal	73	18.2
Other:		
AFDC Closed	28	7.0
Transportation	22	5.5
Marriage	10	2.5
Other	51	12.7
Subtotal	111	27.6
Total	402	100.0

^aTotal and Subtotals may not add due to rounding.

Table D-9

Priority Classification of WIN Terminees, by Employment
and Non-Employment Reasons for Termination from WIN
(Genesee County WIN Participants Enrolled March, 1969-
August, 1970 and Terminated by July 1, 1971)^a

Priority Classifica- tion	Terminations to Employment			Terminations To All Other Reasons	All Termina- tions
	Direct Placements	Indirect Placements	Placements Combined		
<u>Percent Down:</u>					
AFDC-U Father	25.0	4.9	14.8	8.1	9.5
Youths	10.0	12.2	11.1	8.1	8.7
Mothers w/o preschoolers	37.5	48.8	43.2	33.0	35.1
Mothers with preschoolers	27.5	34.1	30.9	50.8	46.8
Total	100.0 (N=40)	100.0 (N=41)	100.0 (N=81)	100.0 (N=321)	100.0 (N=402)
<u>Percent Across:</u>					
AFDC-U Fathers	26.3	5.3	31.6	68.4	100.0 (N=38)
Youths	11.4	14.3	25.7	74.3	100.0 (N=35)
Mothers w/o preschoolers	10.6	14.2	24.8	75.2	100.0 (N=141)
Mothers with preschoolers	5.9	7.4	13.3	86.7	100.0 (N=188)
Total	10.0	10.2	20.1	79.9	100.0 (N=402)

^aTotals may not add due to rounding.

employment relative to terminations to all reasons. However, the opposite result held for mothers of preschool children. Whereas this latter group comprise 46.8 percent of all terminations, they accounted for only 30.9 percent of terminations to employment. Apparently the presence of preschool children served to reduce the probability of successful job placement through WIN.

Distribution of Time in Training by Reason for Termination

The two columns on the left in Table D-10 show a percentage distribution of trainee-months by reason for termination. Direct placements are of course omitted since, by definition, these enrollees did not engage in any WIN training. However, comparison of the time distribution for indirect placements with the time distribution for non-employment terminations provides an indication of differences between the training programs of successful relative to unsuccessful terminees.

The table shows clearly that relative to non-employment terminees, successful terminees spent significantly less time in basic education (4.4 versus 14.7 percent) and in high school equivalency courses (2.8 versus 19.5 percent). Instead, successful terminees spent relatively more time in junior college (31.9 versus 19.8 percent) and business college level courses (36.2 versus 23.0 percent). In addition, successful terminees spent relatively more time in computer training, Goodwill Industries work experience program, and MDTA Sales course, and in other (usually non-WIN funded) training. Successful terminees spent relatively less time in orientation, weight watchers, cosmetology and beauty school training. None of the cosmetology-beauty school enrollees terminated

from WIN to employment

Data in this table suggest that enrollees who terminated to employment were relatively better educated at the time of WIN enrollment, and were, therefore, able to spend their time in training activities for which high school level skills were prerequisite. For other enrollees, WIN apparently served as a vehicle to obtain remedial basic education or high school equivalency instruction. This conclusion is reinforced by data developed in preparation of Table D-18 which indicate that 174 enrollees received either or both basic education and GED training. Of the 35 with both, all except two enrolled in basic education following failure in the GED component. These two were able to move from basic education on to GED (but both ultimately terminated for health reasons). Altogether, only four percent (5 of 129) terminated to employment after participation in basic education and/or GED.

Length of Each Training Component by Reason for Termination

The two columns on the right in Table D-10 show the average duration of each training component for employment and non-employment terminees. This table shows that successful terminees spent nearly two months more in each training component (5.4 versus 3.5 months). Successful trainees spent more time in business college, junior college and Goodwill components, but less time in basic education, MDTA sales, and cosmetology-beauty school course.

Table D-10

Percentage Distribution of Trainee-Months, and Average Length of Training for Each Training Component, for Employment and Non-Employment Terminees who Enrolled in Training (Genesee County WIN Participants Enrolled March, 1969-August, 1970 and Terminated by July 1, 1971)

Training Component	Percent of All Trainee-Months by Reason for Termination for Enrollees		Average Length of Training per Trainee-Component by Reason for Termination (in months)	
	To Employment: Indirect Placements (N=307.8 tr.mo.)	Non-Employment (N=1503.7 tr.mo.)	To Employment: Indirect Placements (N=57 components)	Non-Employment (N=427 components)
1. Orientation	2.3	6.2	.7	.7
2. Basic Education	4.4	14.7	3.4	4.1
3. High School (GED)	2.8	19.5	2.8	3.4
4. Flint Jr. College/ U of M	31.9	19.8	8.9	7.6
5. Baker Business University	36.2	23.0	8.6	6.6
6. Cosmetology/ Beauty School	0.0	9.2	--	5.5
7. Computer Training	4.7	1.0	7.2	3.9
8. Goodwill Industries	7.9	1.4	4.8	2.2
9. Weight Watchers	1.8	4.4	5.5	4.4
10. MDTA-Sales	3.6	.1	2.2	2.0
11. Other	4.4	.7	3.7	1.7
Total	100.0	100.0	--	--
Average	--	--	5.4	3.5

Distribution of Total Time in WIN, by Reason for Termination

Table D-11 indicates that, for all terminees, the time in WIN averaged 11 months, including 4.5 months in training, 5.6 in holding, and one in follow-up. However, total time in WIN for successfully-placed trainees differed from unsuccessful trainees in both length and distribution. Both total time in WIN and total time in training were, for non-employment terminees, about two-thirds that of successful trainees. However, the shorter time in training was entirely the result of shorter rather than fewer training components. Specifically, successful trainees averaged 7.5 months in training (5.4 months per 1.4 components) while non-employment terminees averaged 4.7 months in training (3.5 months per 1.4 components).

In addition, non-employment terminees exhibited a greater tendency to re-enroll in the same component. The 307 non-employment terminees enrolled in 427 components in 449 segments. That is, 22 re-enrollments occurred, or 5.2 percent of all such component enrollments. However, among the 41 successful trainees, only one re-enrollment occurred among 58 component segments, or 1.8 percent of component enrollments.

Aside from the difference in time spent in follow-up, which simply reflects the fact that, by definition, successful terminees held their jobs through the three-plus month follow-up period, a significant difference is evident in time spent in holding. Even though unsuccessful terminees spent less time in WIN, nearly one-fourth more time was spent in holding status. Time in holding was 55 percent of total time for non-employment terminees, but only 31 percent for successful trainees. These data suggest that WIN inactivity while in holding status may contribute to an unsuccessful termination.

Direct placements terminating to employment averaged nearly eight

Table D-11
 Total Time Enrolled in WIN, by WIN Activity,
 by Employed and Non-Employed Terminees
 (Genesee County WIN Participants Enrolled March, 1969-
 August, 1970 and Terminated by July 1, 1971)

WIN Activity	Average Time in WIN Activity, in Months ^a			
	Terminations to Employment		All Other (Non-Employ- ment) Terminees (N=321)	All Terminees (N=402)
	Direct Placement (N=40)	Indirect Placement (N=41)		
Training (including orientation)	.2 (.4)	7.5 (4.9)	4.7 (4.2)	4.5 (4.4)
Holding	3.9 (2.3)	4.8 (2.7)	5.9 (4.2)	5.6 (4.0)
Follow-Up (post placement)	3.8 (2.1)	3.0 (1.1)	.2 (1.0)	.9 (1.7)
Total Months	7.9 (2.5)	15.3 (5.0)	10.8 (5.3)	11.0 (5.3)

^aStandard deviations shown in parentheses.

months in WIN, about evenly split between holding prior to job placement and follow-up after placement. By definition the only training perhaps received by these placements was orientation, which was used by 30 percent of the successful direct placements.

All Job Placements: Priority Classification and Time in WIN Activities

Table D-12 summarizes available data for all job placements among the 527 enrollees in the Genesee WIN study. This table shows that 134 individuals were placed in employment, including nine who were placed twice. Of the 134, 81 terminated to employment, 32 terminated for non-employment reasons, and 21 were still enrolled at the time these data were drawn (July 1, 1971).

AFDC-U fathers (priority number one) had the least success in maintaining employment after placement. Just under half of placements for this group led to employment terminations, while the success rate for the other three groups was about three-fourths.

Average time in training for successful indirect placements was 7.3 months, compared to just 4.7 for unsuccessful placements. However, total time enrolled in WIN was similar (11.6 months for successful, 10.8 months for unsuccessful placements). Those who had been placed, but who were still enrolled in July 1, 1971 averaged 12.4 months in training out of 22 months in WIN by that date. Unsuccessful placements spent nearly 60 percent of enrollment time in holding status, while successful placements, and those still enrolled, spent less than 40 percent of enrollment time in holding. Similarly, among all placements, enrollment in Orientation did not seem to increase the chances of success: one-third of the non-employment terminations had enrolled in

Table D-12

WIN Job Placements: Distribution of Time in WIN Among WIN Components, by Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)^a

Reason for Termination From WIN	Total	Orientation	Training (Orientation Excluded)		Average Time for All Placements (Months)					Number Placed Twice
		Number With	Number With	Average Time ^b	In WIN	In Orientation	In Training	In Follow-Up	In Holding	
Employment										
Direct	40	12	0	0	7.9(2.5)	.2	.0	3.8(2.1)	3.9(2.3)	1
Indirect	41	10	41	7.3(5.1)	15.3(5.0)	.2	7.3(5.1)	3.0(1.1)	4.8(2.7)	2
Subtotal	81	22	41	7.3(5.1)	11.6(5.4)	.2	3.7	3.4(1.7)	4.4(2.5)	3
Non-Employment										
Family, Health	12	2	6	5.1(1.8)	10.6(5.9)	.1	2.6	2.6(1.7)	5.3(4.0)	1
Dropped Out	5	3	5	5.0(5.2)	17.7(4.4)	.5	5.0(5.2)	3.7(1.4)	8.4(4.7)	2
Other	15	6	2	2.7(1.1)	8.8(5.1)	.3	.4	1.9(1.7)	6.0(4.0)	1
Subtotal	32 ^b	11	13	4.7(3.6)	10.8(6.2)	.3	1.9	2.4(1.8)	6.2(4.3)	4
Still Enrolled	21	5	17	12.4(5.3)	22.0(5.3)	.2	10.0	2.3(1.8)	9.5(4.6)	2
Total	134	38	71	8.1(5.6)	13.1(6.8)	.2	4.3	3.0(1.8)	5.6(3.8)	9

^aStandard deviations are shown in parentheses.

^bIncludes 14 with neither orientation nor training, and 5 with only orientation.

orientation, while about one-fourth of the successful placements had.

Information summarized in Table D-12 is shown by date of placement in Tables D-13, D-14 and D-15. Table D-13 shows the priority classification of individuals placed in employment by the date of placement. Examination of data in this table does not suggest a pattern of placements over this period: changes in emphasis among AFDC-U fathers, youths and mothers appear to have occurred randomly. However, the percentage of placements terminating to employment did generally increase over the nine-quarter period, from 63 percent in the first three quarters to 71 percent in the middle three quarters, to 85 percent for the final three quarters.

Table D-14 shows the average time spent in each WIN component for successful placements by date of placement. This table shows that total enrollment time for successful placements generally increased over the period, the result of more training among later placements. Although time in holding was relatively unchanged over the period, the percentage of time spent in training declined markedly, from an average of 47 percent of total time for enrollees placed in the first three quarters to 25 percent for those placed in the last three.

Table D-15 shows average time spent in each WIN component for unsuccessful placements by date of placement. The usefulness of this table is somewhat limited due to the number of observations and by the fact that over two-fifths of the observations occur in one quarter. Nevertheless, the table illustrates the interesting point that failure to maintain employment after placement does not necessarily mean the end of WIN enrollment. For example, the six who were placed in the Summer of 1969 averaged 12 months total time in WIN. This time

Table D-13
Status of WIN Enrollees Placed Prior to July 1, 1971 by Priority Classification and Quarter of Placement
(Genesee County WIN Participants Enrolled March, 1969-August, 1970: Status on 7-1-71)

Priority Classification by Date of Placement ^a	Total	WIN Status on July 1, 1971					
		Reason for Termination					Still Enrolled 7-1-71
		To Employment		Family Health	Dropout	Other	
		Direct	Indirect				
Spring, 1969:							
AFDC-U Father	1	1	0	0	0	0	0
Youth	0	0	0	0	0	0	0
Mother, no preschoolers	0	0	0	0	0	0	0
Mother, with preschoolers	4	3	0	0	0	0	1
Total	5	4	0	0	0	0	1
Summer, 1969:							
AFDC-U Father	2	1	0	1	0	0	0
Youth	3	2	0	0	0	1	0
Mother, no preschoolers	8	5	1	2	0	0	0
Mother, with preschoolers	9	5	1	2	0	0	1
Total	22	13	2	5	0	1	1
Fall, 1969:							
AFDC-U Father	9	3	0	1	2	3	0
Youth	4	1	1	0	0	2	0
Mother, no preschoolers	11	8	0	2	0	1	0
Mother, with preschoolers	5	1	2	1	0	1	0
Total	31	13	3	4	12	7	0
Winter, 1970:							
AFDC-U Father	2	0	0	1	0	1	0
Youth	2	1	0	0	0	0	1
Mother, no preschoolers	4	2	1	1	0	0	0
Mother, with preschoolers	3	2	0	1	0	1	1
Total	11	5	1	3	0	1	1
Spring, 1970:							
AFDC-U Father	5	2	0	0	0	2	1
Youth	2	0	2	0	0	0	0
Mother, no preschoolers	6	0	4	0	0	0	1
Mother, with preschoolers	2	0	3	0	0	0	0
Total	15	2	9	0	0	2	2
Summer, 1970:							
AFDC-U Father	3	2	0	0	0	1	0
Youth	0	0	0	0	0	0	0
Mother, no preschoolers	7	0	5	0	1	1	0
Mother, with preschoolers	8	0	4	0	1	1	2
Total	18	2	9	0	2	3	2

Table D-1X(continued)

Fall, 1970:							
AFDC-U Father	0	0	0	0	0	0	0
Youth	0	0	0	0	0	0	0
Mother, no preschoolers	1	0	0	0	0	0	1
Mother, with preschoolers	3	0	1	0	1	0	1
Total	4	0	1	0	1	0	2
Winter, 1971:							
AFDC-U Father	1	0	1	0	0	0	0
Youth	0	0	0	0	0	0	0
Mother, no preschoolers	7	0	6	0	0	1	0
Mother, with preschoolers	2	0	2	0	0	0	0
Total	10	0	9	0	0	1	0
Spring, 1971:							
AFDC-U Father	5	1	1	0	0	0	3
Youth	6	0	3	0	0	0	3
Mother, no preschoolers	1	0	1	0	0	0	0
Mother, with preschoolers ^b	8	0	2	0	0	0	6
Total	20	1	7	0	0	0	12
Program Beginning through July 1, 1971:							
AFDC-U Father	28	10	2	3	2	7	4
Youth	17	4	6	0	0	3	4
Mother, no preschoolers	44	15	18	5	1	3	2
Mother, with preschoolers	45	11	15	4	2	2	11
Total	134	40	41	12	5	15	21

^aQuarters of Placement include:

Spring: March, April, May

Summer: June, July, August

Fall: September, October, November

Winter: December, January, February

The nine enrollees placed twice are included in the quarter of second placement.

^bIncludes 3 placements in June, 1971.

Table D-14

WIN Job Placements Terminating to Employment: Average
Time in WIN and in each WIN Component, by Date of Placement
(Genesee County WIN Participants Enrolled March, 1969-
August, 1970 and Terminated by July 1, 1971)

Date of Placement	Number Placed	Average Time by WIN Component (in months)				
		Total in WIN ^a	Orientation	Training	Follow-Up	Holding
Spring, 1969	4	9.2	.1	0	8.2	0.9
Summer	15	7.1	.4	.1	3.5	3.2
Fall	16	8.2	.2	.5	2.6	4.8
Winter, 1970	6	10.2	.2	.4	3.2	6.4
Spring	11	12.8	.3	4.4	3.1	5.0
Summer	11	13.5	.3	5.2	3.3	4.7
Fall	1	19.6	0	11.6	3.5	4.5
Winter, 1971	9	17.6	0	9.1	3.4	5.1
Spring ^b	8	17.7	.2	11.0	2.9	3.6
Total ^c	81	11.6(5.4)	.2(0.3)	3.7(5.2)	3.4(1.7)	4.4(2.5)

^aComponents may not add to Totals due to rounding.

^bIncludes month of June, 1971 (one observation)

^cStandard deviations shown in parentheses.

Table D-15

WIN Job Placements Terminating for Reasons Other Than Employment
 Average Time in Each WIN Component, by Date of Placement
 (Genesee County WIN Participants Enrolled March, 1969-
 August, 1970 and Terminated by July 1, 1971)

Date of Placement	Number Placed	Average Time by WIN Component (in months) ^a				
		Total in WIN	Orientation	Training	Follow-Up	Holding
Spring, 1969	0	0	0	0	0	0
Summer	6	12.0	.2	3.0	1.7	7.1
Fall	13	10.0	.3	.9	2.3	6.4
Winter, 1970	4	6.8	0	1.1	1.7	4.0
Spring	2	7.3	0	0	3.4	3.9
Summer	5	16.3	.1	2.3	4.4	9.5
Fall	1	18.3	.7	15.0	1.1	1.5
Winter, 1971	1	3.2	.7	0	1.1	1.4
Spring	0	0	0	0	0	0
Total	32	10.8(6.2)	.3(0.3)	1.9(3.2)	2.4(1.8)	6.2(4.3)

^aStandard deviations are shown in parentheses.

included, on the average, three months prior to placement and nine months after placement. Three of the six enrolled in training following their unsuccessful job placement.

WIN Training by Component

The analysis of training activities involved an examination of fourteen areas of training and education opportunities available through the Genesee County WIN program. Actually, training was available in several more training and education programs and institutions, but for purposes of this analysis, the following fourteen components or groups of components were specifically identified:

- Orientation
- Basic education
- Adult high school and GED preparation
- Flint Junior College: Nursing
- Flint Junior College: Non-Nursing
- University of Michigan
- Baker Business University: Secretarial
- Baker Business University: Non-Secretarial
- Goodwill Industries
- Electronic Computer Programming Institute
- Cosmetology and Beauty Schools
- Weight Watchers
- MDTA Sales and other Non-WIN Funded Training
- On-the-Job Training and Work Experience.

The experience of each enrollee was examined to determine the dates of enrollment in the termination from WIN, each training component, holding and follow-up status. This information is summarized for the above 14 component areas in Table D-16 through D-29. These tables show by component the priority classification of enrollees, number with training other than that component, number who were placed, and average time in that component, other components, orientation, follow-up status and holding, all by date of enrollment in that component and by reason

for termination from WIN. Summary data for all fourteen component areas is presented in Table D-30. The following sections describe briefly the training activity which occurred in each component area. To place average time in training, holding, etc. for each component area into perspective, it may be useful to refer back to Table D-11.

Orientation

More Genesee County WIN participants enrolled in orientation than any other single component. Altogether 190, or about 36 percent of the 527 WIN participants included in this study, had enrolled in this component. (Compare Table D-7). In every case except one, orientation was the first Phase II WIN activity. Typically, enrollment in orientation occurred after an average of 4.2 weeks (1.0 months) in holding status, during which time the initial assessment process took place. Enrollment in orientation was somewhat more likely for mothers without preschool children (priority 4), relative to other priority classification groups. Forty-four percent of this group enrolled in orientation, compared to 34 percent of mothers with preschoolers (priority 5), 27 percent of AFDC-U fathers (priority 1), and 26 percent of youths (priority 3). However, as shown in Table D-16 , the trend was toward enrollment of mothers with preschool children. In the first three quarterly periods (Spring through Fall, 1969), mothers without preschoolers comprised 48 percent of orientation enrollees, while mothers with preschoolers were 35 percent of the total. However, over the following three quarters (Winter through Summer, 1970), the situation reversed: mothers without preschoolers were 23 percent of enrollees, while mothers with preschoolers comprised 70 percent.

TABLE B-16

WIN Orientation Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70- Status as of 1-1-71)
Time in Months

Date Entered Orientation and Reason for Termination from WIN	Total	Priority Classification				Training		Placement		Average Time				
		1	3	4	5	Number With	Average Time	Number Placed	Average Time in F-U	Total in WIN	Orienta- tion	Training	Follow- Up	Holding
Spring, 1969														
Employment	12	2	0	6	4	3	11.7	12	3.3	11.4	.7	2.8	3.4	4.5
Non-Employment	41	4	6	17	14	24	5.3	3	1.5	11.5	.7	3.1	.1	7.6
Still Enrolled	4	0	0	2	2	4	7.2	0	0	27.4	.7	7.2	0	19.5
Total	57	6	6	25	20	31	6.2	15	3.0	12.6	.7	3.3	.8	7.8
Summer, 1969														
Employment	8	1	0	2	5	5	4.8	8	2.9	13.9	.7	3.1	2.8	7.3
Non-Employment	39	3	3	19	18	19	6.1	7	3.2	12.5	.7	3.0	.6	8.2
Still Enrolled	8	0	0	7	1	8	13.5	0	0	25.6	.7	13.5	0	11.4
Total	55	4	3	28	20	32	7.7	15	3.0	14.6	.7	4.6	.9	8.5
Fall, 1969														
Employment	1	0	0	1	0	1	5.4	1	3.0	14.7	.7	5.4	3.0	5.6
Non-Employment	14	1	2	6	5	9	3.5	0	0	12.5	.7	2.3	0	9.5
Still Enrolled	4	0	0	3	1	4	12.7	3	1.1	25.6	.7	12.7	.8	11.4
Total	19	1	2	10	6	14	6.3	4	1.6	15.4	.7	4.7	.3	9.7
Winter, 1970														
Employment	1	0	0	0	1	1	11.9	1	3.1	18.7	.7	11.9	3.1	3.0
Non-Employment	14	0	0	4	10	5	6.3	0	0	11.7	.7	2.3	0	8.7
Still Enrolled	7	0	1	1	5	7	9.5	1	4.0	18.3	.7	9.5	.6	7.5
Total	22	0	1	5	16	13	8.5	2	3.6	14.1	.7	5.0	.3	8.1
Spring, 1970														
Employment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Employment	22	1	0	5	16	13	5.7	0	0	9.4	.7	3.5	0	5.3
Still Enrolled	5	1	0	1	3	5	8.9	1	2.9	18.8	.7	8.7	.6	8.6
Total	27	2	0	6	19	18	6.6	1	.1	11.1	.7	4.5	.1	5.8
Summer, 1970														
Employment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Employment	4	0	1	0	3	2	3.9	0	0	11.3	.7	2.0	0	8.6
Still Enrolled	4	0	0	2	2	3	8.5	1	1.9	14.2	.7	6.4	.5	6.6
Total	8	0	1	2	5	5	6.7	1	1.9	12.8	.7	4.2	.3	7.6
Summer, 1971														
Still Enrolled - Total	2	1	0	0	1	1	3.7	2	.3	19.6	.7	1.9	.3	16.7
Program Beginning through Summer, 1971														
Employment	22	3	0	9	10	10	7.7(5.1)	22	3.2(1.5)	12.9(4.8)	.7	3.2	3.2	5.5(2.4)
Non-Employment	134	9	12	51	62	72	5.4(4.1)	10	2.7(2.3)	11.6(5.6)	.7	2.9	.2	8.0(4.9)
Still Enrolled	34	2	1	16	15	32	10.2(4.4)	8	1.6(1.1)	21.6(5.2)	.7	9.6	.4	10.9(6.3)
GRAND TOTAL	190	14	13	76	87	114	6.9(4.7)	40	2.7(1.6)	13.5(6.6)	.7	4.1	.6	8.2(5.2)

For 76 of the 190 enrollees (40 percent), orientation was the only Phase II training received. Twelve of this group terminated from WIN due to employment, while 62 terminated for non-employment reasons. Two were still enrolled on July 1, 1971. Those who enrolled in other training components following orientation numbered 114 of the 190 (60 percent). Ten of this group terminated from WIN due to employment, 72 terminated for non-employment reasons, while 32 continued their WIN enrollment on July 1, 1971. An obvious conclusion might be that participation in additional training contributed little toward increasing the chances of successful termination from WIN, since 12 of 74 terminees (16 percent) with orientation alone terminated to employment, whereas only 10 of 82 (12 percent) with additional training did so. However, the reverse might well be the case. Those who enrolled in further training did so specifically because they were not considered "job ready" after participation in orientation. For this reason the group which received additional training was likely less employable and more in need of training than the group which was deemed ready for employment immediately following participation in the three-week orientation. Therefore, even though the employment rate among orientation enrollees with further training was one-fourth less than that for those without further training, the difference in capability and employability between these two groups precludes the conclusion that the probability of successful termination declined with additional training.

Average time spent in WIN for all 190 enrollees in this component was 13.6 months (with a standard deviation around this mean of 6.6 months), including seven-tenths of a month in orientation, 4.1 months in training,

six-tenths of a month in post-placement follow-up, and 8.2 months in holding status. For the 22 orientation enrollees who terminated to employment, total time in WIN averaged 12.9 months (standard deviation of 4.9 months), including (in addition to orientation) 3.5 months in training, 3.2 months in post-placement follow-up, and 5.5 months in holding status. Ten of the 22 enrolled in other training. For these ten total time in WIN averaged 17.3 months, including 7.7 months in training, 2.6 months in follow-up, and 6.3 months in holding status.

Non-employment terminees who enrolled in orientation totalled 134. This group spent somewhat less total time in WIN (11.6 versus 12.9 months), but more time in holding status (8.0 versus 5.5 months) relative to those who terminated due to employment. Orientation enrollees still enrolled in WIN on July 1, 1971 numbered 34. On that date this group had averaged 21.6 months in WIN, including 9.6 months in training and 10.9 months in holding status. Only two of the 34 were enrolled in orientation after Summer, 1970. Both were unusual cases in that enrollment in orientation did not occur immediately after enrollment in WIN. In one case, WIN enrollment occurred in July, 1970, and the initial component was four months of GED instruction, followed by five months in holding, prior to enrollment in orientation in June, 1971. This was the only case in this study in which orientation was not the initial component. In the second case, enrollment in WIN occurred in the Spring of 1969. After 25 months in holding status, this individual was enrolled in orientation in June, 1971. However, both of these enrollees were placed into employment in the last week of June, 1971, and are included in the eight placements among those still enrolled. Altogether,

six of the eight placements who were still enrolled were in follow-up status. The remaining two had failed to maintain employment and had returned to Phase II training activities.

Basic Education

Basic education instruction through the Genesee County WIN program was offered primarily through the Mott Adult Education program of the Flint Board of Education. Many of the 90 basic education enrollees in this study were enrolled after failure to pass the General Educational Development (GED) high school equivalency exam. In many cases the individual enrolled in GED preparation classes through WIN, and then after taking the exam was placed in basic education. In other cases the GED exam was attempted without any WIN training, and then the individual was enrolled in basic education through WIN. The following narrative, taken from the MESC-WIN case record for a basic education enrollee, illustrates the typical situation:

Mrs. H is twenty-nine years old, an ADC recipient who has three school age children. She is in good health and is motivated to acquire a skill that will enable her to be gainfully employed, and able to maintain her family without public assistance. She attended school in Mississippi where she was raised. Her husband is now in the service. She took the GED Prep. classes but failed the test. Mr. Hughes the Hazelton Principal thinks she could prepare herself better through Mott Basic Education courses.

Altogether, 35 of the 90 basic education enrollees also participated in the GED preparation classes through WIN. Only two of the 35 moved from basic education to GED; i.e., 33 of the 35 who enrolled in both basic education and GED preparation classes first failed the GED exam, and

TABLE D-17

WIN Basic Education Enrollees: Priority Classification and Average Time in Each WIN Component, by Date of Enrollment and Reason for Termination from WIN (Genesee County WIN Participants Enrolled Prior to 9-1-70; Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orientation Number With	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	Orien- tation	This Co- mponent	Other Com- ponent	Follow Up	Holding
Spring, 1969																
Non-Employment Total	5	1	1	1	2	3	0	0	0	0	6.0	.3	2.2	0	.8	2.7
Fall, 1969																
Non-Employment	10	2	3	4	1	7	2	4.5	2	3.3	11.3	.5	2.1	.9	.6	7.2
Still Enrolled	2	0	0	2	0	2	2	2.2	0	0	26.5	.7	8.8	2.2	0	14.9
Total	12	2	3	6	1	9	4	3.3	2	3.3	13.9	.5	3.2	1.1	.5	8.5
Winter, 1970																
Employment	1	0	0	0	1	1	0	0	1	3.4	17.7	3.9	.7	4.1	3.4	5.6
Non-Employment	5	0	0	2	3	2	5	6.0	1	.9	15.6	4.9	.5	6.0	.2	4.2
Still Enrolled	3	0	0	1	2	0	2	8.5	0	0	22.8	7.2	0	5.7	0	9.9
Total	9	0	0	3	6	3	7	6.7	2	2.2	18.2	5.6	.2	5.7	.5	6.5
Spring, 1970																
Non-Employment	6	0	0	1	5	3	3	3.2	0	0	11.7	4.5	.3	1.6	0	5.3
Still Enrolled	1	0	0	1	0	1	1	9.9	0	0	22.4	8.2	.7	9.9	0	4.3
Total	7	0	0	2	5	4	4	4.9	0	0	13.2	5.0	.4	2.8	0	5.1
Summer, 1970																
Non-Employment	5	2	0	1	2	1	3	5.1	0	0	11.0	3.1	.1	3.1	0	4.7
Still Enrolled	1	0	0	0	1	0	1	2.4	0	0	15.2	10.9	0	2.4	0	1.9
Total	7	2	0	2	3	1	5	3.7	0	0	13.8	6.2	.2	2.7	0	4.7
Fall, 1970																
Employment	3	0	0	2	1	0	2	6.5	3	3.4	17.7	3.2	0	4.3	3.4	6.7
Non-Employment	23	0	0	4	19	10	14	3.4	3	2.7	13.2	5.7	.3	2.1	.1	5.0
Still Enrolled	18	0	1	7	8	8	15	3.6	3	1.7	18.0	6.6	.3	3.0	0	8.0
Total	44	0	1	13	28	18	31	4.4	9	2.6	15.3	6.0	.3	2.5	.3	6.2
Winter, 1971																
Still Enrolled=Total	5	1	0	0	4	2	2	7.1	2	1.4	15.2	3.7	.3	2.8	.6	7.9
Spring, 1971																
Non-Employment	1	0	0	0	1	1	1	8.7	0	0	14.6	2.0	.7	8.7	0	3.2
Still Enrolled ^a	2	0	0	0	2	1	2	6.6	0	0	21.8	1.4	.4	6.6	0	13.5
Total	3	0	0	0	3	2	3	7.2	0	0	19.4	1.6	.5	7.2	0	10.0
Program Beginning through July 1, 1971																
Employment	4	0	0	2	2	1	3	5.7(2.5)	4	3.4(0.4)	17.7(5.3)	3.5(1.3)	.2	4.3	3.4	6.4(3.3)
Non-Employment	54	5	4	13	32	27	27	4.4(2.2)	7	2.9(2.1)	12.6(4.8)	4.1(2.5)	.3	2.2	0.4	5.6(3.5)
Still Enrolled	32	1	3	11	17	14	25	4.6(3.2)	5	1.6(0.6)	18.9(5.4)	6.3(3.7)	.3	3.6	.3	8.4(4.9)
GRAND TOTAL	90	6	7	26	51	42	55	4.6(2.7)	16	2.6(1.6)	15.1(5.9)	4.9(3.3)	.3	2.8	.5	6.7(4.2)

^aIncludes one individual enrolled in June, 1971.

then were placed in basic education for remedial instruction. Four basic education enrollees terminated from WIN due to employment, including two enrollees with both basic education and GED instruction, and two with basic education instruction alone. A total of 54 others terminated from WIN for non-employment reasons, and 32 were still enrolled on July 1, 1971.

As shown in Table D-17., the four who terminated from WIN due to employment averaged 17.7 months in WIN, including 3.4 months in basic education, 4.3 months in other training components (5.7 months for the three with other training), 3.4 months in post-placement follow-up, and 6.4 months in holding status.

The 54 non-employment terminees averaged 12.6 months in WIN, including 4.1 months in basic education, 2.2 months in other training, and 5.6 months in holding status. The 27 who had other training (mainly GED) averaged 4.4 months in such activity, while the 7 who were placed, but failed to maintain employment, averaged 2.9 months in follow-up.

Enrollees in basic education tended to be mothers with preschool children, as this group comprised 51 of the 90 total enrollees (57 percent). Most of the remainder (26, or 29 percent) were mothers whose children were of school age.

GED/High School Equivalency

WIN enrollees who did not complete high school but who appeared to be capable of achieving high school graduate status were candidates for referral to the GED program. Upon referral, a preliminary test was given to determine whether additional instruction was necessary prior to taking the General Educational Development (GED) exam. Enrollees for

TABLE D-18

WIN GED Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation Number With	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponent	Follow Up	Holding
Summer, 1969																
Employment	1	0	0	0	1	1	1	4.0	1	3.4	17.8	4.1	0.7	4.0	3.4	5.6
Non-Employment	28	0	1	15	12	8	7	5.4	0	0	10.2	3.7	0.2	1.4	0	4.9
Still Enrolled	1	0	0	0	1	0	1	7.8	0	0	27.0	4.0	0	7.8	0	15.2
Total	30	0	1	15	14	9	9	5.5	1	3.4	11.0	3.7	0.2	1.7	0.1	5.3
Fall, 1969																
Non-Employment	6	0	0	3	3	2	3	4.3	0	0	11.8	4.0	0.2	2.2	0	5.4
Still Enrolled	3	0	0	2	1	0	3	11.3	0	0	23.5	4.0	0	11.3	0	8.2
Total	9	0	0	5	4	2	6	7.8	0	0	15.7	4.0	0.2	5.2	0	6.3
Winter, 1970																
Employment	1	0	0	0	1	0	1	3.8	1	3.0	20.8	4.0	0	3.8	3.0	10.0
Non-Employment	20	0	0	7	13	2	9	6.3	0	0	12.4	3.6	0.1	2.9	0	5.9
Still Enrolled	5	0	0	4	1	2	5	8.7	1	1.7	23.8	4.2	0.3	8.7	0.3	10.2
Total	26	0	0	11	15	4	15	7.0	2	2.4	14.9	3.7	0.1	4.0	0.2	6.9
Spring, 1970																
Non-Employment	22	0	0	5	17	7	8	5.1	1	6.6	8.4	2.8	0.2	1.9	0.3	3.2
Still Enrolled	7	0	0	4	3	3	6	6.9	0	0	17.4	3.4	0.3	5.9	0	7.8
Total	29	0	0	9	20	10	14	5.9	1	6.6	10.6	3.0	0.2	2.8	0.2	4.3
Summer, 1970																
Non-Employment = Total	3	0	0	0	3	0	1	4.0	0	0	5.9	1.5	0	1.3	0	3.1
Fall, 1970																
Non-Employment	8	4	1	0	3	2	1	2.6	0	0	11.6	3.6	0.2	0.3	0	7.5
Still Enrolled	7	1	0	0	6	3	5	2.6	0	0	14.9	3.3	0.3	1.8	0	9.5
Total	15	5	1	0	9	5	6	2.6	0	0	13.2	3.5	0.2	1.0	0	8.4
Winter, 1971																
Employment	1	1	0	0	0	0	0	0	1	2.9	11.1	1.5	0	0	2.9	6.7
Still Enrolled	2	0	0	2	0	2	2	2.9	0	0	26.2	3.6	0.7	2.9	0	19.0
Total	3	1	0	2	0	2	2	2.9	1	2.9	21.2	2.9	0.5	1.9	1.0	14.9
Program Beginning through July 1, 1971																
Employment	3	1	0	0	2	1	2	3.9(0.1)	3	3.1(0.2)	16.6(4.1)	3.2(1.2)	0.2	2.6	3.1	7.4(1.9)
Non-Employment	87	4	2	30	51	21	29	5.3(3.3)	1	6.6	10.3(4.8)	3.3(1.4)	0.2	1.8	0.1	4.9(3.4)
Still Enrolled	25	1	0	12	12	10	22	6.6(3.9)	1	1.7	19.8(5.1)	3.7(1.0)	0.3	5.8	0.1	10.0(4.8)
GRAND TOTAL	115	6	2	42	65	32	53	5.8(3.6)	5	3.5(1.6)	12.6(6.3)	3.4(1.3)	0.2	2.7	0.2	6.1(4.3)

whom additional preparation was necessary were enrolled in GED preparation classes for a maximum of about three-and-a-half months, during which time courses were offered in English, math, history, science and social studies. Those who passed the GED exam received a high school equivalency certificate.⁶ Typically, instruction was provided at the Mott Adult High School, although a few enrolled through adult education courses offered in local high schools.

Enrollment in GED preparation courses was second only to orientation in number of WIN participants. As shown in Table D-18, a total of 115 individuals enrolled in this instruction through WIN. As with basic education, GED has largely been instruction for mothers: 57 percent of enrollees were mothers with preschool age children, and 37 percent were mothers with school age children.

As indicated in the previous section, 35 enrollees participated in basic education following unsuccessful preparation for the GED test. Two of these 35 terminated from WIN due to employment. One who received only GED preparation also terminated due to employment, for a total of three successful terminations, from a total of 90 terminations for all reasons. These three spent 17.8, 20.8 and 11.1 months each in WIN, the last being the individual with only GED preparation prior to placement. Average time in GED classes was 3.2 months; in follow-up, 3.1 months; and in holding, 7.4 months. The two who also enrolled in basic education averaged 3.9 months in that component.

Non-employment terminees who participated in GED preparation numbered 87. These enrollees averaged 10.3 months in WIN, including 3.3 months in GED classes and 4.9 months in holding. Twenty-nine

participated in other training components, 19 of which included basic education as one area of other training. Six enrolled in basic education as well as another training component. Ten of the 29 participated in business or junior college training following GED enrollment.

A total of 25 GED enrollees were still enrolled on July 1, 1971. Total time in WIN to that date averaged 19.8 months for this group, over half of which (10.0 months) was spent in holding status. Most of this group (22 of the 25) had enrolled in other training components after GED enrollment, including nine who participated in basic education as well as another training component, and ten who advanced to business or junior college level training.

Flint Junior College: Nursing

A total of 97 enrollees were supported in some fashion in programs of study at Flint Junior College (FJC). For purposes of this analysis, those enrolled in a nursing program at FJC were considered separately from those engaged in other areas of study. "Nursing" programs offered by FJC included a one-year program to become a Licensed Practical Nurse and a two-year program for certification as a Registered Nurse.⁷

Thirty-four of the 97 FJC enrollees had been involved in the nursing program. All 34 were female, including 26 who were mothers with preschool age children. As shown in Table D-19, 13 enrollees had terminated from WIN, all for non-employment reasons (5 had failed training or dropped out, 5 had family or health problems, 3 had other reasons). On the average, these 13 spent 12.8 months in WIN, including 6.4 months in FJC nursing training and 4.9 months in holding. None of this group was

TABLE D-19

WIN Flint Junior College Nursing Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation Number With	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponents	Follow Up	Holding
Summer, 1969																
Still Enrolled - Total	2	0	0	0	2	0	0	0	0	0	25.7	20.1	0.0	0	0	5.6
Fall, 1969																
Still Enrolled - Total	1	0	0	1	0	1	0	0	0	0	26.6	19.0	0.7	0	0	6.9
Winter, 1970																
Non-Employment	2	0	0	1	1	0	1	2.5	0	0	12.2	6.3	0	1.3	0	4.6
Still Enrolled	2	0	0	2	1	1	1	0.7	0	0	21.4	15.2	0.2	0.2	0	5.7
Total	5	0	0	3	2	1	2	1.6	0	0	17.7	11.6	0.1	0.6	0	5.3
Spring, 1970																
Still Enrolled - Total	2	0	0	0	2	1	0	0	0	0	16.1	14.4	0.4	0	0	1.4
Summer, 1970																
Non-Employment	6	0	1	1	6	3	1	2.3	0	0	12.6	7.5	0.3	0.3	0	4.6
Still Enrolled	7	0	0	0	7	3	1	4.2	0	0	15.9	9.0	0.3	0.6	0	6.0
Total	15	0	1	1	13	6	2	3.3	0	0	14.1	8.2	0.3	0.4	0	5.2
Winter, 1971																
Non-Employment	5	0	0	0	3	1	1	11.4	0	0	13.8	3.7	0.2	3.8	0	6.1
Still Enrolled	4	0	0	2	2	2	2	5.3	0	0	18.0	5.2	0.4	2.7	0	9.8
Total	7	0	0	2	5	3	3	7.3	0	0	16.2	4.5	0.3	3.1	0	8.2
Spring, 1971																
Still Enrolled - Total	1	0	0	0	1	0	1	9.7	1	2.1	21.6	3.0	0	9.7	2.1	6.8
Summer, 1971																
Still Enrolled - Total	1	0	0	0	1	0	1	3.6	0	0	14.4	0.3	0	3.6	0	10.5
Program Beginning through July 1, 1971																
Non-Employment	15	0	1	2	10	4	3	5.4(4.2)	0	0	12.8(4.7)	6.4(3.2)	0.2	1.3	0	4.9(3.1)
Still Enrolled	21	0	0	5	16	8	5	5.6(2.1)	1	2.1	18.7(4.8)	10.5(5.8)	0.3	1.3	0.1	6.5(3.7)
GRAND TOTAL	34	0	1	8	26	12	8	5.5(3.1)	1	2.1	16.5(5.6)	8.9(5.3)	0.2	1.3	0.1	5.9(3.6)

placed while enrolled in WIN.

Twenty-one nursing enrollees were still enrolled on July 1, 1971. Time in WIN to that date averaged 18.7 months, including 10.5 months in nursing training and 6.5 months in holding status. Five nursing enrollees received training in other components. Four of the Five enrolled in nursing following preparatory training in other components. The other one returned for four months of basic education instruction after a four month enrollment in a nursing program.

Flint Junior College: Non-Nursing

A wide range of one-and-two-year vocational programs were available through FJC in addition to the nursing curriculum. These included the following:⁸

One-year occupational programs:

- Automotive Service
- Machine Tool
- Culinary Arts
- Electronic Data Processing
- General Clerical
- Secretarial Skills
- Dental Assistant

Two-year occupation programs:

- Accounting
- Electronic Data Processing
- Food Management Technology
- General Business
- General Secretarial
- Medical Secretarial
- Insurance
- Retailing
- Labor Standards
- Dental Hygiene
- Learning Resources Technology
- Community School Director and Recreation Leader

TABLE B-28

WIN Flint Junior College Non-Nursing Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation Number With	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponents	Follow Up	Holding
Summer, 1969																
Employment	8	0	1	3	4	1	0	0	8	3.5	16.6	7.7	0.1	0	305	5.2
Non-Employment	10	0	2	5	3	1	1	2.9	1	6.0	14.5	10.0	0.1	0.3	0.6	3.5
Still Enrolled	7	0	0	2	5	1	5	12.1	2	1.2	25.6	9.8	0.1	8.6	0.3	6.7
Total	25	0	3	10	12	3	6	9.4	11	3.6	18.2	9.2	0.1	2.6	1.4	4.9
Fall, 1969																
Non-Employment - Total	2	0	1	0	1	0	0	0	0	0	14.8	11.0	0	0	0	3.8
Winter, 1970																
Employment	2	0	0	1	1	0	0	0	2	4.0	18.9	7.9	0	0	4.8	7.0
Non-Employment	5	0	0	0	8	0	1	2.2	0	0	13.2	6.3	0	0.4	0	6.4
Still Enrolled	3	0	1	2	0	0	1	0.4	1	1.2	22.2	16.2	0	0.1	0.4	5.5
Total	10	0	1	3	6	0	2	1.3	3	3.1	17.0	9.6	0	0.3	0.9	6.3
Spring, 1970																
Non-Employment - Total	1	0	0	1	0	0	1	8.1	0	0	12.6	3.9	0	8.1	0	0.6
Summer, 1970																
Employment	1	0	1	0	0	0	0	0	1	0.1	9.9	9.3	0	0	0.1	0.5
Non-Employment	9	0	1	2	6	0	3	4.6	0	0	11.1	5.2	0	1.5	0	4.4
Still Enrolled	4	0	1	2	1	0	1	3.8	0	0	16.5	10.7	0	1.0	0	5.1
Total	14	0	3	4	7	0	4	4.4	1	0.1	12.6	7.1	0	1.3	0	4.3
Fall, 1970																
Still Enrolled - Total	1	0	1	0	0	0	0	0	0	0	10.6	9.5	0	0	0	1.1
Winter, 1971																
Non-Employment	2	0	1	1	0	1	1	7.4	0	0	15.6	3.9	0.4	3.7	0	7.6
Still Enrolled	8	1	3	2	2	2	4	5.1	1	2.9	14.1	5.5	0.2	2.6	0.4	5.3
Total	10	1	4	3	2	3	5	5.6	1	2.9	14.4	5.2	0.2	2.8	0.3	5.9
Summer, 1971																
Still Enrolled - Total	1	0	1	0	0	0	1	7.4	0	0	12.7	8.5	0	7.4	0	4.8
Program Beginning through July 1, 1971																
Employment	11	0	2	4	5	1	0	0	11	3.6(1.2)	17.0(4.4)	8.5(3.3)	0.1	0	3.3	5.1(4.4)
Non-Employment	29	0	5	9	15	2	7	4.6(2.5)	1	6.0	13.2(5.2)	7.2(4.9)	0	1.3	0.2	4.5(3.0)
Still Enrolled	24	1	7	8	8	3	12	7.7(4.9)	4	1.6(0.9)	18.6(5.8)	8.9(4.6)	0.1	3.9	0.3	5.5(3.0)
GRAND TOTAL	64	1	14	21	28	6	20	6.5(4.3)	16	3.2(1.5)	15.9(6.1)	8.0(4.6)	0.1	2.1	0.7	5.0(3.3)

Chemical Lab Technology
Police Administration
Fire and Safety
College Parallel Curriculum

Among these choices, about half were enrolled in two-year programs, such as mechanical drafting, data processing, police administration, and college parallel curriculum in such areas as elementary education, social work, history and philosophy.

As shown in Table D-20 , a total of 64 individuals enrolled in a non-nursing program of study at FJC. Enrollment was somewhat cyclical in that most were enrolled in the Summer (40) or Winter (20) terms, rather than Fall (3) or Spring terms (1). Again, a large proportion of enrollees were mothers with preschool age children. However, enrollment in this training area was notable for the relatively large number of youths (14 of 64, or 22 percent).

Forty enrollees terminated from WIN following training in this area. Eleven, or 28 percent, terminated due to employment. For all eleven this was the only area of training. Average time in WIN for these successful terminees was 17.0 months, exactly half of which was spent in this component. The remaining 8.5 months were spent in holding (5.1 months), follow-up (3.3 months) and orientation (one of the eleven participated in orientation).

Twenty-nine terminees left WIN for non-employment reasons after an enrollment which averaged 13.2 months. FJC training was 7.2 months of this total, and time in holding status averaged 4.5 months. Eight of the 29 participated in other training components, including four who entered FJC after successfully completing GED training. One of these

eight was placed after one term at FJC, but returned to enter another component.

Twenty-four individuals were still enrolled on July 1, 1971, after an average enrollment of 18.6 months. An average of 8.9 months of this time was spent in this component, with 5.5 months spent in holding status. Twelve of the 24 had enrolled in other training components for an average of 7.7 months. These included six who advanced from basic education or GED training to FJC, and six who left FJC to enter other vocational training components.

University of Michigan

Five individuals enrolled at the University of Michigan (U of M) through WIN. Areas of study included elementary education, social work, and social science. As of July 1, 1971, one of the five had terminated from WIN (due to remarriage) after 12.6 months in WIN and 8.1 months at U of M (see Table D-21). This individual, and two of the four still enrolled, transferred to U of M after enrollment in the college parallel curriculum at FJC. The four who were still enrolled had included 23.4 months in WIN, including 13.7 months at the U of M, 4.4 months in holding status, and 5.3 months at FJC.

Baker Business University: Secretarial

Baker Business University (BBU) offered the WIN enrollee a number of three-to-six term business-related vocational training programs. Available programs included the following:⁹

TABLE D-21

WIN U of M Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation Number With	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponents	Follow Up	Holding
Fall, 1969																
Still Enrolled = Total	1	0	3	0	1	0	0	0	0	0	25.8	21.5	0	0	0	4.3
Summer, 1970																
Still Enrolled = Total	2	0	3	0	2	0	2	10.7	0	0	26.0	11.7	0	10.7	0	3.7
Fall, 1970																
Non-Employment	1	0	3	1	0	0	1	3.9	0	0	12.6	8.1	0	3.9	0	0.6
Still Enrolled	1	0	3	1	0	0	0	0	0	0	15.9	9.9	0	0	0	6.0
Total	2	0	3	2	0	0	1	3.9	0	0	14.3	9.0	0	2.0	0	3.3
Program Beginning through July 1, 1971																
Non-Employment	1	0	3	1	0	0	1	3.9	0	0	12.6	8.1	0	3.9	0	0.6
Still Enrolled	4	0	3	1	3	0	2	10.7	0	0	23.4	13.7	0	5.3	0	4.4
GRAND TOTAL	5	0	3	2	3	0	3	8.4(3.3)	0	0	21.3(5.8)	12.6(4.7)	0	5.0	0	3.6(1.8)

TABLE D-22

WIN Baker Business University Secretarial Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation Number With	Other Training		Follow-Up		Average Time in WIN by Component						
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponent	Follow Up	Holding	
Summer, 1969:																	
Employment	1	0	0	0	1	0	0	0	1	5.3	8.1	.5	0	0	5.3	2.3	
Non-Employment	1	0	0	0	1	0	1	2.4	0	0	8.1	.4	0	2.4	0	5.3	
Fall, 1969																	
Non-Employment	7	0	3	3	1	3	1	2.9	0	0	17.4	10.4	0.3	0.4	0	6.3	
Still Enrolled	2	0	2	0	0	0	2	1.7	1	2.1	24.4	18.6	0	1.7	1.1	3.1	
Total	9	0	5	3	1	3	3	2.1	1	2.1	19.0	12.2	0.2	0.7	0.2	5.6	
Winter, 1970																	
Employment	1	0	0	1	0	1	0	0	1	2.9	14.7	3.1	0.7	0	2.9	8.0	
Non-Employment	12	0	0	2	10	4	2	5.3	0	0	12.0	6.1	0.2	0.9	0	5.0	
Still Enrolled	5	0	0	1	4	0	3	3.5	1	1.2	21.3	13.0	0	2.1	0.2	6.1	
Total	18	0	0	4	14	5	5	4.2	2	2.1	14.8	7.9	0.2	1.2	0.2	5.5	
Spring, 1970																	
Employment	1	0	0	0	1	1	0	0	1	3.0	18.6	11.9	0.7	0	3.0	3.0	
Non-Employment	12	0	0	3	9	0	5	2.8	3	3.0	10.8	5.6	0	1.2	0.8	3.3	
Still Enrolled	5	0	0	1	4	1	1	0.5	1	1.4	21.2	11.2	0.1	0.1	0.3	9.4	
Total	18	0	0	4	14	2	6	2.4	5	2.7	14.1	7.5	0.1	0.8	0.7	5.0	
Summer, 1970																	
Non-Employment	4	0	0	1	3	1	1	1.9	0	0	8.8	4.9	0.2	0.5	0	3.2	
Still Enrolled	5	0	0	3	2	1	3	6.5	1	1.9	21.2	9.7	0.1	3.9	0.4	7.1	
Total	9	0	0	4	5	2	4	5.3	1	1.9	15.7	7.6	0.2	2.4	0.2	5.3	
Fall, 1970																	
Still Enrolled = Total	5	0	1	0	4	0	0	0	0	0	14.0	9.3	0	0	0	4.7	
Program Beginning through July 1, 1971																	
Employment	3	0	0	1	2	2	0	0	3	3.7(1.1)	13.8(4.3)	5.3(4.9)	0.5	0	3.4	4.4(2.5)	
Non-Employment	36	0	3	9	24	8	10	3.3(1.2)	3	3.0(2.1)	12.3(5.2)	6.7(4.1)	0.2	0.8	0.3	4.4(2.8)	
Still Enrolled	22	0	3	5	14	2	9	3.7(2.8)	4	1.7(.4)	19.9(4.8)	11.5(4.3)	0.1	1.5	0.3	6.5(4.2)	
GRAND TOTAL	61	0	6	15	40	12	19	3.5(2.2)	10	2.7(1.6)	15.1(6.2)	8.3(4.9)	0.1	1.0	0.5	5.2(3.5)	

Three-Term Programs:

Clerk-Typist-Receptionist
Airlines Reservations Clerk

Four Term Programs:

Stenography
Junior Accounting

Five-Term Programs:

General Secretarial
Secretarial-Data Processing

Six-Term Programs:

Business Administration
Accounting
Data Processing
Fashion Merchandising
IBM Key punch and Verifier

For purposes of this analysis, enrollees in BBU were divided between those engaged in some form of secretarial training and those in non-secretarial training. The following section will examine the experience of non-secretarial enrollees.

Altogether, 100 individuals were enrolled in BBU, including 61 who enrolled in secretarial training. All 61 were female, including 40 (66 percent) who were mothers of preschool children. As shown in Table D-22, 39 of the 61 had terminated from WIN by July 1, 1971, including three who terminated to employment. These three averaged 13.8 months in WIN, including 5.3 months in BBU, 4.4 months in holding status and 3.0 months in follow-up. None enrolled in any other training except orientation.

The 36 who terminated for non-employment reasons averaged 12.3 months in WIN, including 6.7 months in this component and 4.4 months in holding. Altogether, there were ten who enrolled in other training programs,

including three who advanced from GED training to BBU and two who entered a work experience component prior to enrollment at BBU. One other enrolled first in a secretarial program at Flint Junior College, while another enrolled in these two components in the reverse order. For one, enrollment in BBU was followed by basic education instruction. Three of the 36 were placed but failed to maintain employment.

The 22 still enrolled had averaged 19.9 months in WIN by July 1, 1971, including 11.5 months in secretarial training at BBU, and 6.5 months in holding status. Nine of this group also had enrolled in other training: five left BBU for work experience (4) or basic education (1), while four enrolled at BBU following training in GED (2), FJC (1), or in non-WIN funded vocational training (1). Four of the 22 had been placed, including three still in follow-up status on July 1, 1971 and one who had not maintained employment

Baker Business University: Non-Secretarial

Of the 100 BBU enrollees, 39 were enrolled in non-secretarial courses of study, including business administration, accounting, data processing and keypunch training. This group included four males: three AFDC-U fathers and one youth. As shown in Table D-23, the remaining 35 included 17 mothers without, and 15 mothers with, preschool age children.

Twenty-six enrollees terminated from WIN by July 1, 1971, including ten who left WIN due to employment. These ten averaged 17.4 months in WIN, including 9.6 months in BBU, 4.2 months in holding status, and 3.0 months in follow-up. Two of these ten participated in other training:

TABLE D-23

WIN Baker Business University Non-Secretarial Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5	Number With	Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponent	Follow Up	Holding
Summer, 1969																
Non-Employment	1	0	0	1	0	1	0	0	0	0	11.9	8.6	0.7	0	0	2.6
Still Enrolled	1	0	0	1	0	0	1	3.3	0	0	26.1	9.7	0	3.3	0	13.1
Total	2	0	0	2	0	1	1	3.3	0	0	19.0	9.2	0.4	1.7	0	7.9
Fall, 1969																
Employment	7	0	2	4	1	1	1	3.2	7	2.8	17.7	10.4	0.1	0.5	2.8	3.9
Non-Employment	8	0	1	3	4	1	0	0	0	0	14.9	8.5	0.1	0	0	6.4
Still Enrolled	2	1	0	0	1	1	0	0	1	0.7	27.6	16.1	0.4	0	0.4	10.9
Total	17	1	3	7	6	3	1	0	8	2.5	17.6	10.2	0.1	0.2	1.2	5.9
Winter, 1970																
Employment	1	0	0	1	0	0	1	1.3	1	4.0	23.3	8.9	0	1.3	4.0	9.1
Non-Employment	2	0	0	1	1	0	0	0	0	0	7.2	3.7	0	0	0	3.5
Still Enrolled	2	0	0	0	2	0	1	1.8	0	0	20.2	9.6	0	0.9	0	9.7
Total	5	0	0	2	3	0	2	1.6	1	4.0	15.6	7.1	0	0.6	0.8	7.1
Spring, 1970																
Non-Employment	2	0	0	1	1	0	0	0	0	0	13.7	6.7	0	0	0	7.0
Still Enrolled	2	0	0	0	2	0	2	3.1	0	0	18.9	10.4	0	3.1	0	5.4
Total	4	0	0	1	3	0	2	3.1	0	0	16.3	8.5	0	1.6	0	6.2
Summer, 1970																
Employment = Total	2	0	1	0	1	0	0	0	2	3.2	13.3	7.3	0	0	3.2	2.8
Fall, 1970																
Non-Employment	3	1	0	2	0	1	1	3.8	0	0	9.9	2.8	0.1	1.3	0	5.7
Still Enrolled	3	1	0	2	0	0	1	9.7	0	0	16.1	9.4	0	3.2	0	3.5
Total	6	2	0	4	0	1	2	6.8	0	0	13.0	6.1	0.1	2.3	0	4.6
Winter, 1971																
Still Enrolled = Total	3	0	0	1	2	0	2	7.8	0	0	15.2	5.4	0	5.2	0	4.6
Program Beginning through July 1, 1971																
Employment	10	0	3	5	2	1	2	2.3	10	3.0	17.4	9.6(5.4)	0.1	0.5	3.0	4.2(1.9)
Non-Employment	16	1	1	8	6	3	1	3.8	0	0	12.7	7.0(3.9)	0.1	0.2	0.1	5.4(4.1)
Still Enrolled	13	2	0	4	7	1	7	5.2	1	0.7	19.5	9.7(4.4)	0.1	2.8	0.1	6.8(4.6)
GRAND TOTAL	39	3	4	17	15	5	10	4.6(2.7)	11	2.8(1.0)	16.1(6.3)	8.4(4.8)	0.1	1.3	0.8	5.6(4.0)

one in basic education and the other on-the-job training, both after enrollment in BBU.

The 16 who terminated for non-employment reasons averaged 7.0 months in BBU and 5.4 months in holding. Average total time in WIN was 12.7 months. One of this group participated in other training (and this one left BBU to attend GED preparation classes).

Thirteen were still enrolled on July 1, 1971. By that date time in WIN averaged 19.5 months, which included 9.7 months in BBU, 6.8 months in holding and 2.8 months in other components. The seven who enrolled in other training averaged 5.2 months in that training. Four of these left BBU to enroll in GED, FJC, work experience or on-the-job training. Three enrolled in GED, basic education or FJC prior to enrollment at BBU.

Computer Programming

Computer programming instruction was available for qualified enrollees through the Electronic Computer Programming Institute (ECPI) in Flint. This school offered a wide variety of courses in such areas as basic assembler language, common business-oriented language, operation of the keypunch, sorter and disc systems, and the application of acquired skills in a work environment.¹⁰

As shown in Table D-24, a total of eight individuals enrolled at ECPI through WIN. Four were male (two youths) and four were female. By July 1, 1971 six had terminated, including two (both males) who left due to employment. The two successful terminees average 14.1 months in WIN, about twice the 7.6 months averaged by non-employment terminees. Time

TABLE D-24

WIN ECPI Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5	Number With	Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponents	Follow Up	Holding
Fall, 1969																
Employment	1	0	1	0	0	0	0	0	1	.9	12.9	7.7	0	0	.9	4.3
Non-Employment	2	0	1	1	0	0	0	0	0	0	4.0	2.2	0	0	0	1.8
Still Enrolled	1	0	0	0	1	0	1	.3	0	0	21.5	10.8	0	.3	0	10.4
Total	4	0	2	1	1	0	1	.3	1	.9	10.6	5.7	0	.1	.2	4.6
Winter, 1970																
Non-Employment - Total	1	0	0	0	1	0	0	0	0	0	5.7	5.6	0	0	0	.1
Spring, 1970																
Employment	1	1	0	0	0	0	1	6.0	1	1.5	15.2	5.5	0	6.0	1.5	2.2
Still Enrolled	1	1	0	0	0	0	1	.1	0	0	17.2	8.5	0	.1	0	8.6
Total	2	2	0	0	0	0	2	3.1	1	1.5	16.2	7.0	0	3.1	.8	5.4
Summer, 1970																
Non-Employment - Total	1	0	0	0	1	0	0	0	0	0	16.9	5.7	0	0	0	11.2
Program Beginning through July 1, 1971																
Employment	2	1	1	0	0	0	1	6.0	2	1.2	14.1	6.6	0	3.0	1.2	3.3
Non-Employment	4	0	1	1	2	0	0	0	0	0	7.6	3.9	0	0	0	3.7
Still Enrolled	2	1	0	0	1	0	2	.2	0	0	19.4	9.7	0	.2	0	9.5
GRAND TOTAL	8	2	2	1	3	0	3	2.1(2.7)	2	1.2(0.3)	12.2(6.4)	6.0(2.9)	0	.8	.3	5.0(4.1)

in ECPI training averaged 6.6 months for successful terminees, compared to 3.9 months for unsuccessful terminees. The two still enrolled on July 1, 1971 had averaged 19.4 months in WIN, including 9.7 months enrolled at ECPI, and 9.5 months in holding status.

Cosmetology and Beauty School

A total of 29 WIN enrollees received training at one of a half-dozen beauty, barbering or cosmetology schools in the Flint area.¹¹ All except two of these enrollees were female, and a majority (16 of 28) were mothers with preschool children. (See Table D-25.)

Twenty-five of the 29 had terminated by July 1, 1971. None had terminated because of employment, although one was placed, but failed to retain employment through the follow-up period. The lack of terminations due to employment may be explained in part by the fact that entrance standards for training in this component were relatively low: specifically, a ninth grade education and an age of 16 years.¹² As a result less qualified enrollees may have elected to enroll in this component.

Of the four still enrolled on July 1, 1971, one was still enrolled in beauty school, one had been placed two months earlier and continued in follow-up, and two had been judged "job ready" and were awaiting placement.

The 25 unsuccessful terminees had averaged 10.8 months in WIN, including 5.6 months in beauty, barbering or cosmetology school. The four still enrolled had spent an average 21.8 months in WIN and 13.6 months in this component (through July 1, 1971). None in either group had enrolled in any training component except this one.

TABLE D-25

WIN Cosmetology and Beauty School Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orientation	Follow-Up		Average Time in WIN by Component						
		1	3	4	5	Number With	Number With	Average Time	Total in WIN	In this Component	In Orien- tation	In Other Component	In Follow-Up	In Holding	
Summer, 1969															
Non-Employment = Total	4	0	0	2	2	2	0	0	18.7	11.4	.4	0	0	6.9	
Fall, 1969															
Non-Employment	8	0	3	0	5	3	0	0	8.4	3.8	.3	0	0	4.3	
Still Enrolled	2	0	2	0	0	0	1	2.2	23.7	14.5	0	0	1.1	8.1	
Total	10	0	5	0	5	3	1	2.2	11.4	5.9	.2	0	.2	5.1	
Winter, 1970															
Non-Employment = Total	5	0	0	4	1	1	1	3.0	10.3	4.7	.1	0	.6	4.9	
Spring, 1970															
Non-Employment	2	0	0	0	2	0	0	0	8.2	6.5	0	0	0	1.7	
Still Enrolled	1	0	0	0	1	0	1	5.2	27.4	13.6	0	0	5.2	8.6	
Total	3	0	0	0	3	0	1	5.2	14.6	8.9	0	0	1.7	4.0	
Summer, 1970															
Non-Employment	5	2	0	0	3	1	0	0	10.8	4.7	.1	0	0	6.0	
Still Enrolled	1	0	0	0	1	0	0	0	12.3	11.9	0	0	0	.4	
Total	6	2	0	0	4	1	0	0	11.1	5.9	.1	0	0	5.1	
Fall, 1970															
Non-Employment = Total	1	0	0	0	1	0	0	0	5.5	3.1	0	0	0	2.4	
Program Beginning through July 1, 1971															
Non-Employment	25	2	3	6	14	7	1	3.0	10.8(6.3)	5.6(4.2)	.2	0	.1	4.9(3.5)	
Still Enrolled	4	0	2	0	2	0	2	3.7(1.5)	21.8(5.7)	13.6(1.6)	0	0	1.9	6.3(3.7)	
GRAND TOTAL	29	2	5	6	16	7	3	3.5(1.3)	12.3(7.3)	6.7(4.8)	.2	0	.4	5.1(3.6)	

Weight Watchers

Recognizing the employment problems sometimes associated with being overweight, the Flint WIN program established a Weight Watchers component in January, 1970. Justification for this program is suggested in the following quote from a form letter sent to prospective participants in the Fall of 1969:

One of the common reasons for failing employment physical examinations is being overweight, with the high blood pressure which it can cause. From the information you have given us we believe this could be one of your problems. Since there are several WIN enrollees with a similar problem in a greater or lesser degree we are attempting to set up a weight reduction program through Weight Watchers Incorporated.

Weight Watchers would require weekly attendance at a two-hour meeting, a great deal of self-discipline, and a slight increase in your food budget. WIN would pay for the course and pay you the incentive payment. You would also learn new ideas in nutrition for the feeding of your family.

As shown in Table D-26 , a total of 20 AFDC mothers enrolled in the Weight Watchers program through WIN. Nine of these enrollees, including the single enrollee who terminated due to employment, participated only in the Weight Watchers component while enrolled in WIN. The remaining eleven enrolled in other training (in addition to orientation). Seven of the eleven combined Weight Watchers with basic education or GED training, while two enrolled at FJC, one at BBU, and another participated in a work experience program.

Average time in WIN for all 20 enrollees was 17.3 months. The one employment terminnee was enrolled for 16.2 months, non-employment terminees averaged 15.5 months, and those still enrolled in WIN (in other components)

TABLE D-26

WIN Weight Matchers Enrollees: Priority Classification and Average Time in Each WIN Component, by Date of Enrollment and Reason for Termination from WIN (Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation	Other Training		Follow-Up		Average Time in WIN by Component						
		1	3	4	5	Number With	Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponent	Follow Up	Holding	
Winter, 1970																	
Employment	1	0	0	0	1	1	0	0	0	0	16.2	5.5	0.7	0	0	10.0	
Non-Employment	10	0	0	4	6	7	4	4.1	0	0	15.0	4.8	0.5	1.6	0	8.1	
Still Enrolled	3	0	0	3	0	3	3	5.4	0	0	25.7	5.6	0.7	5.4	0	14.0	
Total	14	0	0	7	7	11	7	4.6	0	0	17.4	5.0	0.5	2.3	0	9.5	
Spring, 1970																	
Non-Employment	4	0	0	2	2	3	2	9.0	1	1.6	17.1	3.6	0.5	4.5	0.4	8.1	
Still Enrolled	1	0	0	0	1	0	1	3.6	0	0	20.6	5.9	0	3.6	0	11.1	
Total	5	0	0	2	3	3	3	7.2	1	1.6	17.8	4.0	0.4	4.3	0.3	8.7	
Fall, 1970																	
Non-Employment = Total	1	0	0	0	1	1	1	7.7	0	0	14.1	2.1	0.7	7.7	0	3.6	
Program Beginning through July 1, 1971																	
Employment	1	0	0	0	1	1	0	0	0	0	16.2	5.5	0.7	0	0	10.0	
Non-Employment	15	0	0	6	9	11	7	6.0	1	1.6	15.5	4.3	0.5	2.8	0.1	7.8	
Still Enrolled	4	0	0	3	1	3	4	5.0	0	0	24.4	5.7	0.5	5.0	0	13.3	
GRAND TOTAL	20	0	0	9	11	15	11	5.6(3.5)	1	1.6(0)	17.3(5.5)	4.6(1.6)	0.5	3.1	0.1	9.0(3.7)	

had averaged 24.4 months through July 1, 1971. Average time in Weight Watchers for all groups was about five months.

Goodwill

Through Goodwill Industries, a hybrid training program was offered in which enrollees participated in a combination of testing, on-the-job training, and work experience. Training in this component was the first offered through the Flint program (under Contract number one, which authorized training beginning May 12, 1969). The first week of this component was devoted to pre-vocational tests to determine dexterity, tolerance for frustration and distractions, and aptitudes for various vocational skills. Based upon test results, the enrollee was assigned to work one week each in three or four departments of Goodwill. Typical assignments were in the departments of textile steam pressing, maintenance, furniture repair and refinishing, or small electrical appliance repair. During this time the enrollee was further evaluated to determine work attitudes, physical tolerance, quality of work, etc. Finally, a work station was selected in accord with the aptitudes and limitations of the enrollee. The purpose of this work adjustment period was to provide work experience which would make the individual more employable, either with Goodwill or in the community.¹⁴

Of the fifteen enrolled in training through Goodwill, seven were placed into a job, and five successfully maintained employment through the follow-up period. Successfully employed terminees found jobs in such areas as clothing alterations, upholstery repair, or as a seamstress.

As shown in Table D-27, the five successful terminees averaged more total time in WIN compared to non-employment terminees (13.3 versus

TABLE D-27

WIN Goodwill Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation Number With	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponent	Follow Up	Holding
Summer, 1969																
Employment	2	0	0	2	0	1	1	4.8	2	3.1	11.5	2.2	0.4	2.4	3.1	3.5
Non-Employment	8	2	0	5	1	4	2	5.0	2	1.0	8.2	2.5	0.4	1.2	0.3	3.8
Total	10	2	0	7	1	5	3	4.9	4	2.1	8.9	2.4	0.4	1.5	0.8	3.8
Fall, 1969																
Non Employment = Total	1	0	0	1	0	0	0	0	0	0	6.9	0.2	0	0	0	6.7
Winter, 1970																
Employment = Total	1	0	0	1	0	1	0	0	1	3.0	14.8	3.1	0.7	0	3.0	8.0
Spring, 1970																
Employment = Total	1	0	0	1	0	0	0	0	1	3.1	18.3	9.5	0	0	3.1	5.7
Summer, 1970																
Employment	1	0	0	1	0	0	0	0	1	2.9	10.6	6.1	0	0	2.9	1.6
Non-Employment	1	0	0	0	1	0	1	7.2	0	0	9.5	0.9	0	7.2	0	1.4
Total	2	0	0	1	1	0	1	7.2	1	2.9	10.1	3.5	0	3.6	1.5	1.5
Program Beginning through July 1, 1971																
Employment	5	0	0	5	0	2	1	4.8	5	3.0	13.3	4.6	0.3	1.0	3.0	4.5
Non-Employment	10	2	0	6	2	4	3	5.7	2	1.0	8.2	2.1	0.3	1.7	0.2	3.9
GRAND TOTAL	15	2	0	11	2	6	4	5.5(3.2)	7	2.5(.9)	9.9(4.6)	2.9(2.6)	0.3	1.5	1.2	4.1(1.9)

8.2 months), more time in this component (4.6 versus 2.1 months) and more time in holding (4.5 versus 3.9 months). One of the five successful trainees had enrolled in a second WIN component, on-the-job training. The three non-employment trainees who enrolled in another component had participated in basic education instruction.

MDTA-Sales and Other Non-WIN Funded Training

WIN enrollees were able to participate in non-WIN funded training programs when such training was appropriate. Such training might involve training programs funded through, for example, the Manpower Development Training Act (MDTA), the Job Corps, or National Alliance of Businessmen.

In Flint, several trainees were involved in a retail sales course offered through MDTA and administered through the Flint Branch Office of MESCC. Enrollees in this program were trained specifically for the retail sales positions which became available with the opening of the Genesee Valley Shopping Mall in late Spring of 1970. Special classes were established especially for AFDC recipients, and several WIN enrollees were among those participating.¹⁵ Among the enrollees included in this study, nine were identified who took part in these classes (including all eight enrolled Winter, 1970). Of these nine, three were still enrolled, one had dropped out, and five had terminated because of employment. That is, of the six who had terminated from WIN, five had done so because of employment.

Of the 19 enrollees described in Table D-28, nine had enrolled in the MDTA sales course. The remaining ten had enrolled in other training programs while enrolled in WIN. All ten such trainees were still enrolled

TABLE D-28

WIN MDTA-Sales and Other Non-WIN Funded Training Enrollees: Priority Classification and Average Time in Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orientation Number With	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	This Component	Orientation	Other Component	Follow Up	Holding
Spring, 1969																
Still Enrolled - Total	1	0	0	0	1	0	1	8.0	0	0	27.0	6.3	0	8.0	0	12.7
Summer, 1969																
Still Enrolled - Total	1	0	1	0	0	0	1	18.4	1	2.0	24.4	1.8	0	18.4	2.0	2.2
Fall, 1969																
Still Enrolled - Total	1	0	0	0	1	0	1	2.7	0	0	24.8	19.2	0	2.7	0	2.9
Winter, 1970																
Employment	5	0	0	2	3	2	0	0	5	3.3	12.5	2.2	0.3	0	3.3	6.6
Non-Employment	1	0	0	0	1	0	1	2.3	0	0	8.6	2.0	0	2.3	0	4.3
Still Enrolled	2	0	0	1	1	1	2	3.8	1	2.1	24.7	4.6	0.4	3.8	1.1	14.9
Total	8	0	0	3	5	3	3	3.3	6	3.1	15.0	2.8	0.3	1.2	2.4	8.4
Summer, 1970																
Still Enrolled - Total	2	2	0	0	0	1	0	0	0	0	18.8	11.1	0.4	0	0	7.4
Winter, 1971																
Still Enrolled - Total	3	0	1	0	2	2	2	1.7	3	4.0	25.8	5.0	0.5	1.1	4.0	15.2
Summer 1971																
Still Enrolled - Total	3	0	0	0	3	1	2	10.0	0	0	23.2	0.3	0.2	6.7	0	16.0
Program Beginning through July 1, 1971																
Employment	5	0	0	2	3	2	0	0	5	3.3(0.2)	12.5(2.8)	2.2(1.5)	0.3	0	3.3	6.6(2.8)
Non-Employment	1	0	0	0	1	0	1	2.3	0	0	8.6	2.0	0	2.3	0	4.3
Still Enrolled	13	2	2	1	8	5	9	6.7(5.5)	5	3.2(2.0)	23.8(3.3)	5.7(5.3)	0.3	4.6	1.2	12.0(7.3)
GRAND TOTAL	19	2	2	3	12	7	10	6.2(5.4)	10	3.3(1.4)	20.0(6.4)	4.6(4.6)	0.3	3.3	1.7	10.2(6.8)

on July 1, 1971. Together with the three MDTA enrollees, average enrollment time in WIN to that date was nearly two years--23.8 months--including 5.7 months in non-WIN training, an average 4.6 months in WIN training, and 12.0 months in holding.

On-the-Job and Work Experience

On-the-job training (OJT) involved structured skill training provided by an employer who had indicated that he would retain the trainee as permanent employee upon successful completion of training.¹⁶ Among enrollees included in this study, four had participated in OJT. Two had been employed in dry cleaning establishments, one as a wool presser and another performed alterations. A third was trained as a computer programmer with an accounting firm, and a fourth as a secretary with a private welfare agency. Of the four, three completed training, and retained a job with their employer to successfully terminate from WIN (all except the alterations lady).¹⁷

The remaining 21 enrollees described in Table D-29 participated in a work experience program (WEP) of some type. This training involved placement in an actual work situation (without pay, except for the WIN incentive and expense allowance) to gain experience and develop basic work habits, usually for a period of 13 or 26 weeks. With the exception of one enrollee assigned as a switchboard operator, all were involved in clerical training. Employers cooperating in WEP training included the Flint MESC Branch Office, the MESC-WIN office, Vocational Rehabilitation and the local military recruiting offices.¹⁸

Of the 21 who enrolled in WEP, five had terminated from WIN, all for

TABLE D-29

WIN On the Job Training and Work Experience Enrollees: Priority Classification and Average Time in
Each WIN Component, by Date of Enrollment and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled Prior to 9-1-70: Status on 7-1-71)
Time in Months

Date Entered Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation Number With	Other Training		Follow-Up		Average Time in WIN by Component					
		1	3	4	5		Number With	Average Time	Number With	Average Time	Total in WIN	This Com- ponent	Orien- tation	Other Com- ponent	Follow Up	Holding
Spring, 1969																
Non-Employment	4	1	0	2	1	1	3	1.8	2	1.8	10.4	1.7	0.2	1.3	0.9	6.3
Still Enrolled	1	0	0	0	1	0	1	4.7	1	6.7	27.3	0.4	0	4.7	6.7	15.5
Total	5	1	0	2	2	1	4	2.5	3	3.4	13.8	1.5	0.1	2.0	2.0	8.1
Fall, 1969																
Employment - Total	1	0	0	1	0	1	1	3.1	1	3.3	16.3	4.7	0.7	3.1	3.3	4.5
Winter, 1970																
Non-Employment - Total	1	0	0	0	1	0	1	1.9	1	0.7	6.8	2.8	0	1.9	0.7	1.4
Spring, 1970																
Non-Employment	1	0	0	1	0	1	0	0	0	0	6.5	0.7	0.7	0	0	5.1
Still Enrolled	1	0	0	0	1	0	1	7.2	0	0	27.0	3.1	0	7.2	0	16.7
Total	2	0	0	1	1	1	1	7.2	0	0	16.8	1.9	0.4	3.6	0	10.9
Summer, 1970																
Still Enrolled - Total	1	0	1	0	0	0	1	18.9	0	0	24.4	1.6	0	18.9	0	3.9
Fall, 1970																
Employment	1	1	0	0	0	0	1	5.6	1	1.6	15.1	6.0	0	5.6	1.6	1.9
Still Enrolled	1	0	0	0	1	0	1	12.9	1	2.1	21.5	1.6	0	12.9	2.1	4.9
Total	2	1	0	0	1	0	2	9.3	2	1.9	18.3	3.8	0	9.3	1.9	3.4
Winter, 1971																
Employment - Total	1	0	0	1	0	1	1	16.7	1	1.0	26.7	3.2	0.7	16.7	1.0	5.1
Spring 1971																
Still Enrolled - Total	2	0	0	0	2	0	2	11.6	0	0	17.3	1.9	0	11.6	0	3.9
Summer 1971																
Still Enrolled - Total	10	1	0	6	3	3	10	9.3	0	0	20.6	0.4	0.2	9.3	0	10.7
Program Beginning through July 1, 1971																
Employment	3	1	0	2	0	2	3	8.5	3	2.0(1.0)	19.4(5.2)	4.6(1.1)	0.5	8.5	2.0	3.8(1.4)
Non-Employment	6	1	0	3	2	2	4	1.8	3	1.4(0.9)	9.2(3.0)	1.7(1.0)	0.2	1.2	0.7	5.3(2.4)
Still Enrolled	16	1	1	6	8	3	16	10.0	2	4.4(2.3)	21.8(3.9)	0.9(0.8)	0.1	10.0	0.5	10.1(5.2)
GRAND TOTAL	25	3	1	11	10	7	23	8.5(5.4)	8	2.4(1.8)	18.5(6.6)	1.5(1.5)	0.2	7.8	0.7	8. (5.0)

non-employment reasons. Sixteen were still enrolled in WIN, including nine who on July 1, 1971 continued their work experience assignment. All sixteen had participated in at least one other WIN training component. Seven had received basic education instruction, six had enrolled at BBU, and two enrolled at FJC, while others enrolled in ECPI, GED, MDTA-Sales or non-WIN funded training.

Table D-29 summarizes the WIN experience of both OJT and WEP. The three who terminated due to employment (all OJT trainees) averaged 19.4 months in WIN, including 4.6 months in OJT, 8.5 months in other training, 2.0 months in follow-up, and 3.8 months in holding status. The six who terminated for non-employment reasons did so after an average 9.2 months in WIN, of which 5.3 months were spent in holding status. Three of these six were placed, but failed to maintain employment.

Training Components: A Summary

The subsections above have described WIN activity in fourteen areas of training available through the Flint WIN program. Data presented in these subsections and in Tables D-16 through D-29 are summarized in Table D-30, which shows component activity for all enrollees in this study who participated in some type of training.

Among the 13 non-orientation training areas identified, six may be listed as having a relatively high rate of employment relative to non-employment terminations. MDTA/non-WIN training obtained while enrolled in WIN had the highest rate of employment terminations, 83 percent (5 of 6). Employment terminations were 38 percent of all termination for BBU non-secretarial trainees, and 33 percent for Goodwill, ECPI and OJT-WEP. Next

TABLE D-30

WIN Training Enrollees: Priority Classification and Average Time in
Each WIN Component, by Training Component and Reason for Termination from WIN
(Genesee County WIN Participants Enrolled March, 1969-August, 1970: Status on 7-1-71)
Time in Months

Training Component and Reason for Termination from WIN	Total	Priority Classification				Orien- tation	Other Training		Follow-Up		Average Time in WIN by Component						
		1	3	4	5	Number With	Number With	Average Time	Number With	Average Time	Total in Win	This Compo- nent	Orien- tation	Other Compo- nents	Follow Up	Holding	
Orientation																	
Employment	23	3	0	9	10	22	10	7.7(5.1)	22	3.2(1.3)	12.9(4.8)		0.7	3.5	3.2	5.5(2.4)	
Non-Employment	134	9	12	51	62	134	72	5.4(4.1)	10	2.7(2.3)	11.6(5.6)		0.7	2.9	0.2	8.0(4.9)	
Still Enrolled	34	2	1	16	15	34	32	10.2(4.4)	8	1.6(1.1)	21.6(5.2)		0.7	9.6	0.4	10.9(6.3)	
Total	190	14	13	76	87	190	114	6.9(4.7)	40	2.7(1.6)	13.6(6.6)		0.7	4.1	0.6	8.2(5.2)	
Basic Education																	
Employment	4	0	0	2	2	1	3	5.7(2.3)	4	3.4(0.4)	17.7(5.3)	3.5(1.3)	0.2	4.3	3.4	6.4(3.3)	
Non-Employment	54	5	4	13	32	27	27	4.4(2.2)	7	2.9(2.1)	12.6(4.8)	4.1(2.7)	0.3	2.2	0.4	5.6(3.5)	
Still Enrolled	32	1	3	11	17	14	25	4.6(3.2)	5	1.6(0.6)	18.9(5.4)	6.3(3.7)	0.3	3.6	0.3	8.4(4.9)	
Total	90	6	7	26	51	42	55	4.6(2.7)	16	2.6(1.6)	15.1(5.9)	4.9(3.3)	0.3	2.8	0.5	6.7(4.2)	
GED																	
Employment	3	1	0	0	2	1	2	3.9(0.1)	3	3.1(0.2)	16.6(4.1)	3.2(1.2)	0.2	2.6	3.1	7.4(1.9)	
Non-Employment	87	4	2	30	51	21	29	5.3(3.3)	1	6.6	10.3(4.8)	3.3(1.4)	0.2	1.8	0.1	4.9(3.4)	
Still Enrolled	25	1	0	12	12	10	22	6.6(3.9)	1	1.7	19.8(5.1)	3.7(1.0)	0.3	5.8	0.1	10.0(4.8)	
Total	115	6	2	42	65	32	53	5.8(3.6)	5	3.5(1.6)	12.6(6.3)	3.4(1.3)	0.2	2.7	0.2	6.1(4.3)	
Flint Junior College Nursing																	
Non-Employment	13	0	1	2	10	4	3	5.4(4.2)	0	0	12.8(4.7)	6.4(3.2)	0.2	1.3	0	4.9(3.1)	
Still Enrolled	21	0	0	5	16	8	5	5.6(2.1)	1	2.1	18.7(4.8)	10.5(5.8)	0.3	1.3	0.1	6.5(3.7)	
Total	34	0	1	7	26	12	8	5.5(3.1)	1	2.1	16.5(5.6)	8.9(5.3)	0.2	1.3	0.1	5.9(3.6)	
Flint Junior College Non-Nursing																	
Employment	11	0	2	4	5	1	0	0	11	3.3(1.1)	16.4(4.6)	7.9(3.4)	0.1	0	3.3	4.9(4.3)	
Non-Employment	28	0	5	9	14	2	7	4.9(2.5)	1	6.0	13.5(5.6)	7.6(5.0)	0	1.3	0.2	4.5(3.0)	
Still Enrolled	24	1	7	8	8	3	12	7.7(4.9)	4	1.6(0.9)	18.6(5.8)	8.9(4.6)	0.1	3.9	0.3	5.5(3.0)	
Total	63	1	14	21	27	6	30	6.7(4.4)	16	3.0(1.5)	16.0(6.0)	8.1(4.7)	0.1	2.0	0.8	5.0(3.3)	
U of M																	
Non-Employment	1	0	0	1	0	0	1	3.9	0	0	12.6	8.1	0	3.9	0	0.6	
Still Enrolled	4	0	0	1	3	0	2	10.7(1.2)	0	0	23.4(4.3)	13.7(4.6)	0	5.3	0	4.4(1.0)	
Total	5	0	0	2	3	0	3	8.4(3.3)	0	0	21.3(5.8)	12.6(4.7)	0	5.0	0	3.6(1.8)	

TABLE D-30 (Continued)

Baker Business
University Secretarial

Employment	3	0	0	1	2	2	0	0	3	3.7(1.1)	13.8(4.3)	5.3(4.9)	0.7	0	3.0	4.4(2.5)
Non-Employment	36	0	3	9	24	8	10	3.2(1.2)	3	3.0(2.1)	12.2(5.2)	6.5(4.1)	0.2	0.8	0.3	4.4(2.7)
Still Enrolled	22	0	3	5	14	2	9	3.7(2.8)	4	1.7(4)	19.9(4.8)	11.5(4.3)	0.1	1.5	0.3	6.5(4.2)
Total	61	0	6	15	40	12	19	3.5(2.1)	10	2.7(1.6)	15.1(6.2)	8.3(4.9)	0.1	1.0	0.4	5.2(3.5)

Baker Business Uni-
versity Non-Secretarial

Employment	10	0	3	5	2	1	2	2.3(1.0)	10	3.0(6.3)	17.4(6.3)	9.6(5.4)	0.1	0.5	3.0	4.2(1.9)
Non-Employment	16	1	1	8	6	3	1	3.8(0.0)	0	0	12.7(4.6)	7.0(3.9)	0.1	0.6	0.1	5.4(4.1)
Still Enrolled	13	2	0	4	7	1	7	5.2(3.9)	1	0.7	19.5(5.9)	9.7(4.4)	0.1	2.8	0.1	6.8(4.6)
Total	39	3	4	17	15	5	10	4.5(3.5)	11	2.8(6.3)	16.1(6.3)	8.6(4.7)	0.1	1.1	0.8	5.6(4.0)

Goodwill

Employment	5	0	0	5	0	2	1	4.8	5	3.0(1.0)	13.3(4.2)	4.6(2.9)	0.3	1.0	3.0	4.5(2.3)
Non-Employment	10	2	0	6	2	4	3	5.7(3.6)	2	1.0(0.1)	8.2(3.7)	2.1(2.0)	0.3	1.7	0.2	3.9(1.6)
Total	15	2	0	11	2	6	4	5.5(3.2)	7	2.5(1.9)	9.9(4.6)	2.9(2.6)	0.3	1.5	1.2	4.1(1.9)

ECPI

Employment	2	1	1	0	0	0	1	6.0	2	1.2(0.3)	14.1(1.2)	6.6(1.1)	0	3.0	1.2	3.3(1.1)
Non-Employment	4	0	1	1	2	0	0	0	0	0	7.6(5.5)	3.9(2.0)	0	0	0	3.7(4.4)
Still Enrolled	2	1	0	0	1	0	2	0.2(0.1)	0	0	19.4(2.2)	9.7(1.2)	0	0.2	0	9.5(0.9)
Total	8	2	2	1	3	0	3	2.1(2.7)	2	1.2(0.3)	12.2(6.4)	6.0(2.9)	0	0.8	0.3	5.0(4.1)

Cosmetology and Beauty
School

Non-Employment	25	2	3	6	14	7	0	0	1	3.0	10.8(6.3)	5.6(4.2)	0.2	0	0.1	4.9(3.5)
Still Enrolled	4	0	2	0	2	0	0	0	2	3.7(1.5)	21.8(5.7)	13.6(1.6)	0	0	1.9	6.3(3.7)
Total	29	2	5	6	16	7	0	0	3	3.5(1.3)	12.3(7.3)	6.8(4.9)	0.2	0	0.3	5.1(3.5)

Weight Watchers

Employment	1	0	0	0	1	1	0	0	0	0	16.2	5.5	0.7	0	0	10.0
Non-Employment	15	0	0	6	9	11	7	6.0(4.0)	1	1.6	15.2(4.7)	4.3(1.7)	0.5	2.8	0.1	7.8(3.3)
Still Enrolled	4	0	0	3	1	3	4	5.0(2.3)	0	0	24.4(2.2)	5.7(0.2)	0.5	5.0	0	13.3(2.5)
Total	20	0	0	9	11	15	11	5.6(3.5)	1	1.6(0)	17.3(5.5)	4.6(1.6)	0.5	3.1	0.1	9.0(3.7)

MUTA-Sales and Other
Non-WIN Funded Training

Employment	5	0	0	2	3	2	0	0	5	3.3(0.2)	12.5(2.8)	2.2(1.5)	0.3	0	3.3	6.6(2.8)
Non-Employment	1	0	0	0	1	0	1	2.3	0	0	8.6	2.0	0	2.3	0	4.3
Still Enrolled	13	2	2	1	8	5	9	6.7(5.5)	5	3.2(2.0)	23.8(3.3)	5.7(5.3)	0.3	4.6	1.2	12.0(7.3)
Total	19	2	2	3	12	7	10	6.2(5.4)	10	3.3(1.4)	20.0(6.4)	4.6(4.6)	0.3	3.3	1.7	10.2(6.8)

On the Job Training
and Work Experience

Employment	3	1	0	2	0	2	3	8.5(5.9)	3	2.0(1.0)	19.4(5.2)	4.6(1.1)	0.5	8.5	2.0	3.8(1.4)
Non-Employment	6	1	0	3	2	2	4	1.8(0.9)	3	1.4(0.9)	9.2(3.0)	1.7(1.0)	0.2	1.2	0.7	5.3(2.4)
Still Enrolled	16	1	1	6	8	3	16	10.1(4.7)	2	4.4(2.3)	21.8(3.9)	0.9(0.8)	0.1	10.0	0.5	10.1(5.2)
Total	25	3	1	11	10	7	23	8.5(5.4)	8	2.4(1.8)	18.5(6.6)	1.6(1.5)	0.2	7.8	0.7	8.2(5.0)

was FJC non-nursing enrollees with a 26 percent employment rate. These components accounted for about three-fourths of employment terminations. The remaining seven components all had rates of employment terminations which were ten percent or less, including three components with no successful terminees.

The WIN Program in Ingham and Genesee Counties: Conclusions

The purpose of examining in detail the local WIN programs in Lansing and Flint has been to determine the extent to which WIN influenced the rate of employment among AFDC recipients over the study period (i.e., through June, 1970). It was found that between the two counties, a total of 186 job placements were made among WIN enrollees. About half of such placements were able to maintain employment through the post-placement follow-up period. Of the 186, 131 had left WIN, including 73 who terminated successfully, and 58 who held their jobs less than three months.¹⁹

For a program which had enrolled 1,062 recipients from a much larger group of potential participants and from which 578 enrollees had terminated for all reasons, the record of 73 successful terminations from WIN may appear to indicate something less than complete program success over this period. Indeed, the argument might well be made that WIN failed to significantly affect employment among welfare recipients. For an expenditure of about \$600,000 (\$100,000 for trainee incentive allowances; \$500,000 for contractual training services),²⁰ the program produced 186 placements. But even this figure overstates program impact, since some who were placed into employment through WIN probably would have located jobs anyway. The extent to which this would have occurred was

not possible to ascertain, but an indication is suggested by two items: First, about 40 percent of all placements were "direct," meaning that individuals were judged to be "job ready" upon enrollment and were placed without benefit of any of the training or education services available through WIN. These 40 percent required only the usual assessment and placement services offered by MESC prior to the WIN program, and which continue to be utilized in counties in which WIN is not operational. Second, many jobs located by WIN enrollees were found by the enrollee himself. In Lansing 21 (28 percent) of 74 placements, and in Flint 65 (58 percent) of 112 placements were in jobs obtained by the enrollee on his own. In addition, the analysis of the Flint program indicated that about 6 percent of all placements were second placements for enrollees who had failed to maintain employment in their preceding job. For these reasons, little question exists that the 186 placements, taken without further qualification, overstates the impact of WIN.

Of course, a job placement by itself did not represent full success in any case. Some who were placed failed to maintain employment for at least three months (about one-third in Lansing, one-half in Flint), and even among those who kept their jobs, many did not earn enough to leave AFDC assistance. Data on the number of WIN enrollees who left AFDC due to employment (note: not necessarily because of a high level of earnings) were unavailable except for the six-month period ending in January, 1970.²¹ During this period 40 percent (45 of 116) of placements in Ingham and Genesee Counties left welfare. The remaining 60 percent continued to receive AFDC assistance, albeit at a monthly grant reduced by the amount of earnings (net of exempted earnings and work expenses). Perhaps not

coincidentally, about 40 percent of all placements were males, most of whom were heads of families receiving AFDC-U assistance. For these families, eligibility for assistance was dependent upon the unemployment status of the male-head, not on the level of earnings. Full-time employment (defined as 64 hours worked in any two week period) at any wage, regardless of level of earnings, automatically disqualified the family from assistance and was recorded as a termination due to employment. On the other hand, a female-head-of-family could continue to receive assistance until financially ineligible. Most AFDC mothers, particularly those with several children, would not normally be expected to be capable of attaining the relatively high levels of earnings necessary to financially disqualify them from assistance. A comparison of starting salary levels listed in Tables C-6 and D-4 with the boundary earning levels defined in Table 3-B lends support to this contention. It may be concluded that AFDC mothers who left AFDC to work usually did so voluntarily rather than because of their loss of AFDC eligibility.

To estimate the impact of WIN upon the change in employment among all AFDC recipients from July, 1969 to July, 1970, the following assumptions were made:

- (1) that of the WIN enrollees who were employed and receiving AFDC in July, 1970, none were employed and receiving AFDC in July, 1969;
- (2) that all "successful" WIN terminees who continued to receive AFDC assistance after placement were employed in July, 1970;
- (3) that 60 percent of "successful" WIN terminees continued to receive AFDC in July, 1970; and,
- (4) that all enrollees who had been placed, but who had not terminated from WIN, were employed and receiving AFDC in July, 1970.

The nature of these assumptions ensures that the derived impact of WIN upon employment over this period will most likely overstate the actual impact. Specifically, it is possible and probable that some enrollees employed in July, 1970 were also employed in July, 1969; that some successful terminees were receiving AFDC and were unemployed in July, 1970; and that some of those placed, but not terminated from WIN by July, 1970, were either not employed or not receiving AFDC in that month (e.g., AFDC-U fathers placed in full-time positions).

Based on these assumptions, the estimated impact of WIN upon employment over this period was an increase of 99 employed recipients (including youths, AFDC-U fathers and AFDC mothers) in Ingham and Genesee Counties. The estimate was derived in the following manner. Of the 186 total placements, 55 were still enrolled in WIN. All 55 were assumed employed in July, 1970 but not in July, 1969, and therefore this group represents an increase of 55 employed recipients.²² The remaining 131 placements included 73 who terminated from WIN due to employment and 48 who did not. It was assumed that none of the 48 were considered employed in 1970. Of the 73 who terminated due to employment, 60 percent, or 44, were assumed to be among employed recipients of AFDC in July, 1970. The 44 and the 55 sum to the derived increase of 99.

Over the period from July 1, 1969 through July 1, 1970, employment among all AFDC recipients in Ingham and Genesee Counties increased from 431 to 1,008 individuals, an increase of 577. If WIN were responsible for 99 of this increase, then about 17 percent of the increase in employment over this period among all AFDC recipients might be attributable to WIN.

For AFDC mothers, the increase in the number employed over the same period was from 358 to 822, or an increase of 464. It is estimated that approximately two thirds of the above-indicated 99 were AFDC mothers.

Therefore, based on the above assumptions, approximately 14 percent of the increase in employment among AFDC mothers was attributable to those who had participated in WIN.

Appendix D Footnotes

- ¹Data presented in Table D-1 are based upon characteristics of all new enrollees, not just those who actually participated in WIN. The fact that about one-third of all new enrollees did not participate in the program indicates the degree of caution with which this table must be interpreted. For further discussion of this point see the description of data presented in Table D-5.
- ²This section based upon data presented in: Nancy J. Felder, "The Work Incentive Program, June, 1970," Michigan Employment Security Commission, Management Release #38, August 7, 1970, Table IIB, p. 8.
- ³Data summarized in the monthly WIN reports indicate "number of placements" rather than unduplicated persons placed. As a result persons placed a second time are not distinguished from those placed for the first time. Data generated in the compilation of Table 4-M indicate that in Flint for every seven first placements which failed to result in an employment termination from WIN, one was placed a second time through WIN. Chances of success did not appear to change with the second placement: Of the eight in the sample who were re-placed, four were successful the second time, four not. In each group of four were three who received training and one who had none.
- ⁴This paragraph based upon conversations with Robert Yoder, WIN Project Director, and subsequent examination of WIN contracts, in Flint, July, 1971.
- ⁵Selected from several narratives on file at the Flint MESC-WIN, July, 1971.
- ⁶Flint MESC-WIN Sub-Agreement #2, Clause No. 1, Statement of Services to be Provided.
- ⁷Flint MESC-WIN Sub-Agreement #5, Clause No. 1.
- ⁸Ibid.
- ⁹Flint MESC-WIN Sub-Agreement #4, Clause No. 1.
- ¹⁰Flint MESC-WIN Sub-Agreement #12, Clause No. 1.
- ¹¹Included were: Mr. David School of Cosmetology, Michigan College of Beauty Culture, Flint Institute of Barbering, Edward's School of Cosmetology, Pointe Beauty Academy, Joan Claire Beauty School and Michigan Beauty School.

- ¹²Flint MESC-WIN Sub-Agreement #6, Clause No. 4: Enrollee Standards.
- ¹³Memo from: Patricia Underwood, Project Director, Genesee WIN #563; to Mrs. Powell Cozart, Supervisor, Review and Evaluation Unit; on the subject: Justification for Other-Than-Skills, dated October 3, 1969.
- ¹⁴Flint MESC-WIN Sub-Agreement #1, Clause No. 1.
- ¹⁵Based on conversations with Robert Yoder, Flint WIN Project Director, July, 1971.
- ¹⁶Glossary of Key Terms and Definitions, p. 5, included in Nancy Felder, "The Work Incentive Program, June, 1970," Op.Cit.
- ¹⁷Based on telephone conversations with Robert Yoder, Flint WIN Project Director, February, 1972.
- ¹⁸Based on examination of sub-agreements for each individual and data recorded for each individual in the enrollee card files, July, 1971.
- ¹⁹Until late in 1970 no attempt was made to examine the employment retention of successful WIN terminees. In October, 1970, MESC-WIN initiated "follow-through" contacts, in which successfully placed terminees were contacted to determine their employment status 90 and 180 days following termination from WIN. Contact was first attempted utilizing pre-addressed stamped post cards, with telephone or personal contacts sometimes used when a mail response was not received. Based on (sometimes incomplete) data obtained in this fashion for all WIN projects in Michigan, the experience from October, 1970 through June, 1971 was that 66 percent (296 of 452 contacts) were employed after 90 days, and 75 percent (216 of 289 contacts) were employed after 180 days. In Flint the corresponding figures were 67 percent (6 of 9) and 83 percent (5 of 6). In Lansing, they were 74 percent (32 of 43) and 71 percent (5 of 7). The percentage employed at the 180 day contact may be greater than at the 90 day contact since the contact determines whether the former enrollee is employed or not, rather than whether he is enrolled at the same job; and, terminees included in the 90 day contact may or may not be included in the 180 day contact, and vice-versa.
- ²⁰Nancy Felder, "The Work Incentive Program, June, 1970," op.cit., Table IV, p. 22.
- ²¹Michigan Department of Social Services, Data Reporting Division.
- ²²The inclusion of all 55 (per the fourth assumption) almost certainly overstates the number of enrollees who continued to receive AFDC while employed on July 1, 1970, since full-time employment of male family heads in AFDC-U cases resulted in termination from assistance while WIN enrollment might continue. Of the 54 placements in both counties in the months of April, May and June, 1970, 25 were for male enrollees (7 of 28 in Flint, 18 of 26 in Lansing). To the extent that these 25 placements resulted in terminations from AFDC, the derived increase overstates the actual case.

APPENDIX E

A NOTE ON AFDC RECIPIENTS' PERCEPTION OF THE EARNINGS EXEMPTION AND OTHER EMPLOYMENT POLICIES

The degree to which AFDC mothers were aware of and understood the earnings exemption must be considered an important factor when evaluating the employment response to that policy. One of the few sources of data on this subject is a survey administered in October, 1970 by the Michigan Department of Social Services to a group of AFDC recipients who were participants in a three-year "Concerted Services" project in Berrien County, Michigan. The purpose of this project, which began in September, 1969, was to test the impact upon family functioning and employment behavior of a broad range of social services, some of which were not normally available to AFDC recipients. These services included, for example, more intensive attention from the caseworker and special health, transportation, and job placement services. The original sample for this project included 160 female-headed AFDC families in the target group, and 80 similar families in a control group. Families in both target and control groups were randomly selected from cases receiving assistance in August, 1969 who were residing within the city limits of the city of Benton Harbor. The October, 1970 survey was a lengthy (66 page) questionnaire which required trained interviewers about two hours to administer. About a dozen questions, which were asked about mid-way in the interview, related to the recipients' understanding of welfare regulations and policies regarding employment and the treatment of earned income. A summary of the responses to these questions is

presented below, followed by the actual questions and recorded responses for both target and control groups.

Summary of Survey Results

Even though, at the time of the survey, the earnings exemption had been operative for about fifteen months, and all respondents had been receiving AFDC for more than one year, very few were familiar either with the earnings exemption or, for that matter, with employment policies which had been in effect for years. It is true that all but about 15 percent were aware that it was possible to work and receive AFDC at the same time. However, of those who knew they could work while receiving assistance, most could not accurately indicate how much they could earn while receiving assistance, how their AFDC payment would be affected by earning \$30 or \$100, or how their eligibility for food stamps, Medicaid or child care would be affected by their earnings. When the provisions of the earnings exemption were explained to them, only 22 percent of the target group, and 12 percent of the control group, reported that they had even heard of this plan. However, of those who had heard of it, over half indicated that it had caused them to work more or to seek more training. And, after the plan was described, seven-tenths believed that it would cause more AFDC recipients to go to work.

The indicated low level of awareness of employment policies begs the question of what attempts had been made to inform recipients of old and new policies alike. It turns out that the Michigan Department of Social Services made no organized effort to inform recipients of the new policy. Caseworkers were informed via policy letters, the normal procedure for such changes, and in the case of the earnings

exemption, the subject was covered in seminars held throughout Michigan for first-line supervisors four or five weeks prior to the July 1, 1969 policy implementation. However, no attempt was made to directly inform recipients. It was simply assumed that news of the exemption would get around, primarily through recipient groups such as the Welfare Rights Organization; through explanation of eligibility criteria to applicants for assistance; through caseworkers explanations to employment recipients who inquired why their AFDC payments inexplicably went up on July 1, 1969; through recipients' interaction with other programs, such as WIN, Medicaid, OEO Legal Services or MDTA training programs, in which welfare policies might be discussed; through newspaper articles; and by word-of-mouth, especially in communities where large numbers of recipients and potential recipients were located. There apparently was no reluctance to explain and discuss the implications of the policy with those who wished information. The impression is given, however, that the Department of Social Services was reluctant to advertise this new policy broadly, since it apparently was believed such information might have contributed to further increases in the caseload or that such publicity would evoke an adverse public reaction owing to the high levels of earnings permitted recipients due to the exemption. Regardless of the reason, it is clear that the Michigan Department of Social Services did not try to inform all recipients of the exemption, and those recipients who did learn of it often did so only by happenstance.

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Table E-1

Questions and Responses from the October, 1970 Berrien County Survey Relating to Knowledge of AFDC Employment Policies^a

1. Can a person work and receive an ADC check at the same time?

Response	Target (N=156)	Control (N=78)	Total (N=234)
Yes	86.5	83.3	85.5
No	3.8	2.6	3.4
Don't Know	9.6	14.1	11.1
Total	100.0	100.0	100.0

2. How much do you think someone with the same number of children and the same situation as you have could earn before she would no longer get an ADC check?

Response	Target (N=149)	Control (N=75)	Total (N=224)
\$1- 99	12.1	5.3	9.8
100-199	13.4	6.7	11.2
200-299	4.7	8.0	5.8
300-399	10.7	10.7	10.7
400-499	12.1	6.7	10.3
500-599	0	6.7	2.2
600-699	2.0	2.7	2.2
700-799	0.7	0	0.4
800+	0.7	1.3	0.9
Don't Know	48.3	52.0	49.6
Total	100.0	100.0	100.0

^a Responses are shown in percentages. Column totals may not add to 100.0 due to rounding.

Table E-1 (Continued)

3. If someone earned just enough money by working so that her ADC check was cancelled, could she continue to get a) food stamps, b) help paying for child care, c) a Medicaid card?

Item and Response	Target (N=149)	Control (N=75)	Total (N=224)
a) Food Stamps			
Yes	41.6	33.3	38.8
No	10.1	9.3	9.8
Don't Know	48.3	57.3	51.3
Total	100.0	100.0	100.0
b) Help Paying for Child Care?			
Yes	48.3	38.7	45.1
No	18.1	9.3	15.2
Don't Know	33.6	52.0	39.7
Total	100.0	100.0	100.0
C.1) A Medicaid Card?			
Yes	44.3	40.0	42.9
No	21.5	22.7	21.9
Don't Know	34.2	37.3	35.2
Total	100.0	100.0	100.0
If "Yes" to C.1 then ask C.2:			
C.2) Could she Use the Medicaid card for the same things as she could when she was receiving ADC?			
Yes	28.9	22.7	26.8
No	7.4	5.3	6.7
Don't Know	8.0	12.0	9.4
Total	44.3	40.0	42.9

Table E-1 (Continued)

4. Let's suppose a friend of yours, who is receiving ADC, begins to work. How would the first \$30 she earned change the size of her ADC check?

Response	Target (N=149)	Control (N=75)	Total (N=224)
No Change	38.9	37.0	38.3
Larger	2.7	0	1.8
Smaller	29.5	21.9	27.0
Cancel ADC	0.7	0	0.5
Don't Know	28.2	41.1	32.4
Total	100.0	100.0	100.0

5. If she earned \$100 by working, would she have more money to spend after the required reduction in her ADC check, than she had before she started working?

Response	Target (N=149)	Control (N=75)	Total (N=224)
Yes	41.6	29.3	37.5
No	44.3	45.3	44.6
Don't Know	14.1	25.3	17.9
Total	100.0	100.0	100.0

If response to Question 5 was "yes," ask Question 5.a.:
About how much more would she have to spend?

Response	Target (N=62)	Control (N=22)	Total (N=84)
\$1-19	0	13.6	3.6
20-39	19.3	13.6	17.9
40-59	19.3	13.6	17.9
60-79	6.5	4.5	6.0
80-99	3.2	9.1	4.8
100	11.3	9.1	10.7
Don't Know	40.3	36.4	39.3
Total	100.0	100.0	100.0

Table E-1 (Continued)

6. While she worked, would the welfare department pay for:

Item and Response	Target (N=149)	Control (N=75)	Total (N=224)
a) the care of her children?			
Yes	78.5	76.0	77.7
No	5.4	5.3	5.4
Don't Know	16.1	18.7	16.9
Total	100.0	100.0	100.0
b) any expenses she had in getting to work and back home?			
Yes	46.3	41.3	44.6
No	28.2	32.0	29.5
Don't Know	25.5	26.7	25.9
Total	100.0	100.0	100.0
c) her taxes?			
Yes	9.4	9.3	9.4
No	45.0	33.3	41.1
Don't Know	45.6	57.3	49.5
Total	100.0	100.0	100.0
d) any union dues she had to pay?			
Yes	12.1	6.7	10.3
No	63.1	57.3	61.2
Don't Know	24.8	36.0	28.5
Total	100.0	100.0	100.0
e) Any other expenses that were connected with her working?			
Yes	23.5	9.3	18.8
No	47.6	44.0	46.4
Don't Know	28.9	46.7	34.8
Total	100.0	100.0	100.0

Table E-1 (Continued)

7. I would now like to tell you about a plan which was designed to give the working ADC client more money. The plan, which has been in effect for the past year, calls for allowing the client to keep the first \$30 per month of earnings plus enough more to cover her work expenses. Of every dollar she earns above this, she loses about 66 cents in her ADC check.

Have you heard about this plan?

Response	Target (N=149)	Control (N=75)	Total (N=224)
Yes	21.5	12.0	18.3
No	78.5	88.0	81.7

If the response to Question 7 was "Yes," ask questions 8, 9, and 10. If response was "no," proceed to Question 11.

8. How did you hear about this plan?

Response	Target (N=31)	Control (N=7)	Total (N=38)
Social Worker	67.7	57.1	65.8
Friend	12.9	28.6	15.8
Other Gov't Program	6.5	14.3	7.9
Newspaper	9.7	0	7.9
Don't Know	3.2	0	2.6
Total	100.0	100.0	100.0

9. What changes would you like to see in this plan?
(Open ended question)

Response	Target (N=31)	Control (N=7)	Total (N=38)
None	58.1	28.6	52.6
Keep more outright	19.4	42.9	23.7
Other volunteered response	22.5	28.6	23.7
Total	100.0	100.0	100.0

Table E-1 (Continued)

10. Has this plan caused you to work more or to seek more training and/or jobs?

Response	Target (N=31)	Control (N=7)	Total (N=38)
Yes	51.6	57.1	52.6
No	38.7	42.9	39.5
No Response	9.7	0	7.9
Total	100.0	100.0	100.0

11. From what I've told you about this plan, and from what you may have already known about it, do you think it will cause more ADC clients to work?

Response	Target (N=149)	Control (N=75)	Total (N=224)
Yes	72.5	64.0	69.6
No	16.1	20.0	17.4
Don't Know	11.4	16.0	13.0
Total	100.0	100.0	100.0

12. Has it made the idea of work more appealing to you?

Response	Target (N=149)	Control (N=75)	Total (N=224)
Yes	61.1	62.7	61.6
No	17.4	8.0	14.3
Don't Know	21.5	29.3	24.1
Total	100.0	100.0	100.0

Table E-1 (Continued)

13. Why do you think it won't cause more clients to work?

Response	Target (N=32)	Control (N=16)	Total (N=48)
ADC checks cut too much	40.6	37.5	39.6
ADC mothers don't want to work	37.5	37.5	37.5
No Jobs available	6.3	6.3	6.3
Other	15.6	18.8	16.7
Total	100.0	100.0	100.0

APPENDIX F

SURVEY FORM AND CODING INSTRUCTIONS

The purpose of this appendix is to display the form on which data were coded, the form which the earnings data were derived, and the instructions for coding the data.

With the exception of data indicating the amount paid for child care, Medicaid, and the WIN training allowance, plus the amount of child support paid by court order to the Michigan Department of Social Services, all data used in this study were derived directly from the individual case record for each AFDC family included in the sample. Data from these records, which were located in the respective local office of the County Department of Social Services, were obtained, coded and prepared for key-punching over the six-month period from October, 1970 through March, 1971.

The form on which these data were recorded was pretested in September, 1970. On the basis of this pretest, certain items of data were found to be either unreasonably difficult to determine or simply not available from this data source. These included items of employment history and previous training participation for the AFDC mother, and items of education and occupation for the (absent) father. The form on which data were recorded was not modified after the pretest. As a result, certain parts of the code sheet were not utilized.

Both the coding instructions and code form (identified as DSS-1285) are shown in this appendix. In addition, a sample budget sheet (identified as DSS-2D) is displayed with hypothetical data filled in. The budget sheet was the source of data for earned income, unearned income by source, housing costs, and number of persons eligible and in the household.

Instructions for Coding Data

Information from the case record is to be recorded on the code sheet for each sample case according to the guidelines which follow. Items below correspond with similarly numbered items on the code sheet.

I. Household Characteristics

1. Home: Enter code which applies during the period July 1, 1969 to July 1, 1970. If a family moved during the year, record the code which applied for the greatest portion of this period.

	<u>Code</u>
Owned or being purchased:	
By AFDC group member	1
FHA 235	2
By other member of family	3
FHA 235	4
Home rented: Public Housing	5
Private Housing	6
Home occupied rent free	7
Other, including unknown	8

2. Neighborhood: Enter code for census tract of home as of July 1, 1969. These will be two digit codes ranging from 00 to 99.
3. Months on ADC: Enter the number of consecutive months case has received ADC, prior to July, 1970. Ignore temporary closings of 3 months or less. For cases opening in April, 1962 or before, enter code 99.
4. Prior assistance: Enter the last two digits of the year in which the case first received ADC. For example, if the first receipt was in 1955, enter 55.
5. Children: Enter the number of children of age groups 0-2, 3-5, 6-12, and 13 or over, according to the age of the eligible children as of December 1, 1969. This information is to be recorded from the DSS-5 form dated nearest July 1, 1970. A child born between December 1, 1969 and July 1, 1970 is to be counted in the 0-2 group.

II. The Mother

1. Education: Enter the code for the highest grade of school completed:

	<u>Code</u>
Elementary School:	
Less than 5th grade (including none)	1
5th to 7th grade	2
8th grade	3
High School:	
1st to 3rd year	4
High School Graduate	5

College:	Code
1st to 3rd year	6
College Graduate	7
Unknown	8

2. Occupation: Enter code for current or usual occupation classification:

	Code
Professional, semi-professional, proprietors, managers, officials, and farm owners	1
Clerical, sales, and kindred workers	2
Craftsmen, foremen, and kindred workers	3
Farm tenants, laborers, renters, and share croppers	4
Operatives and kindred semi-skilled and skilled workers	5
Service workers, except private household	6
Private household service workers	7
Unskilled workers	8
Never held full-time employment	9
Unknown	0

Examples of common occupations and their appropriate codes include the following classifications:

Typist, clerk, saleswoman, cashier	2
Waitress, nurses aide, teacher aide, cook beauty operator, charwoman	6
Babysitter, home cleaning woman	7
Factory worker	8

III. Data is not recorded for these items.

IV. Data is not recorded for these items.

V. DSS-5

Enter the appropriate code from the designated field on the DSS-5 form.

1. Program: Determine from the narrative and DSS-5 the program for which the case has established eligibility, according to the classification which follows. Where two codes might apply, use the code which applied on July 1, 1970.

One-parent regular ADC C

Two-parent cases:

Incapacitated father	I
Stepfather	S
Unemployed Parent	U

Other Cases:

Grandparent	G
Room and Board	R
Transfer out of county	T

7. Reason for Opening: Enter reason code for most recent case opening.
9. Reason for Closing: For cases not receiving AFDC on July 1, 1970, enter closing code.
53. Age of Grantee: Enter year of birth of the grantee. The grantee will normally be the mother except in two-parent cases.
55. Father Status: Enter code recorded for the children. Where more than one code is listed, enter code used most often. Where two codes are used the same number of times, enter code for the youngest child.

<u>Status</u>	<u>Code</u>
Dead	0
Incapacitated (in home or elsewhere)	1
Unemployed and in home	2
In home (neither incapacitated nor unemployed)	3
Divorced and not in home	4
Legally separated and not in home	5
Abandoned, deserted, or estranged separation and not in the home	6
No legal father	7
Imprisoned	8
Absent from home for other reason	9

56. Mother Status: Enter code in same manner as for Father Status. Codes are same as above, except that codes 2 and 7 are not used, and code 3 reads: In home (not incapacitated).
57. Race: Enter code recorded for grantee.

Caucasion (except Mexican and other Spanish-American)	1
Negro (of any degree if considered Negro in community)	2
American Indian (on a reservation or considered Indian in community)	3
Other (includes Oriental and Polynesian)	4
Unknown	5
Mexican, Puerto Rican, and other caucasion with Spanish surnames	6

58. Employment Code: Enter code for grantee. These codes (00 to 81) indicate client's status with respect to the work requirement.

VI. Financial Data

1. to 24. Budget Sheet Information Data for these six columns, lines 1 through 24 are to be recorded from budget sheets found in the case file. Data in each column refers to the budget sheet dated closest to but not before the first of the month indicated. Data in each column are to reflect the situation for the month prior to the months indicated on the code sheet.
25. Food Stamp Bonus: Enter the amount of food stamp bonus authorized for the month prior to the month indicated on the code sheet.
26. Emergency Assistance/County Supplementation: Enter total amount for all items of supplementation for the month prior to, following, and of each indicated month.

The following three items, plus support received by the Department on assignment, are being obtained separately from data stored on computer tapes.

27. Child Care: Data to be merged from child care claims payment report.
28. Medicaid: Data to be merged from Medicaid claims payment data tape.
29. Win Training Allowance: Data to be merged from WIN training payment report.
30. Other: This line is not used.
31. Gross Earnings, 1968-69: Record in the first four columns the amount of gross earnings for the month prior to July, October, January and April, during 1968-69. Use same guidelines for choosing budget sheets as for other financial data above.
32. Gross Earnings, 1967-68: Record gross earnings for July, October, January, April during 1967-68, per instructions for line 31.

Case Number	Name	Number and Street	Zip Code
I. Household Characteristics: 1. Home 2. Neighborhood 3. Months on ADC 4. Prior assistance 5. Children 0-5 6-12 13+ Total II. Mother: 1. Education 2. Occupation V. DSS-5: 7-69 Prog. 7 9 53 55 56 57 58 VI. Financial Data: 1. Persons eligible/at table (1-2) 2. Homestead total 3. Rent 4. Total needs 5. Personal needs 6. Household needs 7. Heating fuel 8. Utilities 9. Water 10. Laundry 11. Medical needs 12. Special diet 13. Telephone 14. Other 15. Total requirements 16. Net income 17. Deficit/grant Income: 18. OASDHI 19. Support assignment 20. Other 21. Gross earnings 22. \$30 plus 1/3 disregard 23. a. Employment exp.: Minimum 23. b. Business expense 23. c. Transportation 23. d. Social Security tax 23. e. Group insurance 23. f. Retirement contributions 23. g. Income tax 23. h. Union dues 23. i. Court-ordered payments 23. j. Other: 24. Net earnings 25. Food stamp bonus 26. Emergency assistance/Co.sup. 27. Child care 28. Medicaid 29. Training allowance 30. Other 31. Hours employed per week 32. Wage rate			

III. Father:

1. Education

2. Occupation

IV. Employment: (mother except ADC-U)

1. Data pertains to

2. Months employed

3. Months since last job

4. Length of prev.empl.

5. Work/ed./training

6. Training program

a

b

c

d

e

f

g

DSS-1285 (9-70) Temporary - Expires 7-71

Figure F-1
Code Sheet

BUDGET SHEET

State of Michigan - Department of Social Services

CASE NAME Jane DOE	CASE NUMBER C3300000A
CROSS INDEX	INDEX NUMBER

A. NUMBER OF PERSONS			C. INCOME		
1. Eligible	4	4	35. Person(s) Rec.	Mrs. D.	Mrs. D.
2. At Table	5	5	36. Source	Earn	Earn
B. ASSISTANCE BUDGET			37. Gross	195	228
1. Principal & Interest			38. Amount Disregarded	85	96
2. Taxes (+ 12)			39. Adj. Gross	110	132
3. Upkeep			40. Exp. of Emp. (DSS-5 Item 42)	52	58
4. Homestead Total			41. Net Income	58	74
5. Rent	110	120	42. Total Budgetable Income (DSS-5 Item 43)	58	74
6. Total Needs	161	173	43. Total needs of Legal Dependents (List name and age in Section D)	-	-
7. Personal Needs			44. Income to Assist. Budget (Enter amount on Line 28)	58	74
8. Board and Room			D. REMARKS AND COMPUTATION		
9. Congregate Care			Earnings for June, 1969 Reported by phone 7-9-69 Pay Day: 6-5 \$40.25 6-12 60.00 6-19 54.75 6-26 40.00 <u>\$195.00</u> Less \$30 30.00 <u>165.00</u> Less 1/3 55.00 <u>110</u> Expenses: Basic 20.00 Income tax w/h 19.50 Retirement 5.90 Transportation 6.60 <u>52.00</u>		
10. Adult Incidentals			Earn June, 1970 Work Date Paid saw 6-6 \$55.00 check 6-13 56.75 stub 6-20 48.00 7-5-70 6-27 68.25 <u>\$228.00</u> - 30.00 <u>198</u> - 1/3 66 <u>\$132</u> Expenses: Basic 20.00 Income tax 22.10 Ret. 6.90 Trans. 9.00 (18 days x .50/day) 58.00 <u>106.00</u> Mrs. D. now works for ABC Co. effective 5/1/70.		
11. Hospital Sundries					
12. Household Needs					
13. Heating Fuel					
14. Utilities					
15.					
16. Laundry	6.50				
17. Household operations (Adult)					
18. Medical Needs					
Per					
19. Special Diet					
Per					
20. Telephone					
Per					
21. Food					
22. Incidentals					
23. Clothing					
24.					
25.					
26.					
27. Total Requirements	277.50	293			
28. Income	58	74			
29. Deficit	219.50	219			
30. State Grant	220	220			
31. Supplemental					
32. Worker	AB	EF			
33. Approved by	CD	GH			
34. Date of Budget	7-10-69	7/1/70			

DSS-2D Rev. 6-70 (Previous edition of 8-69 may be used)

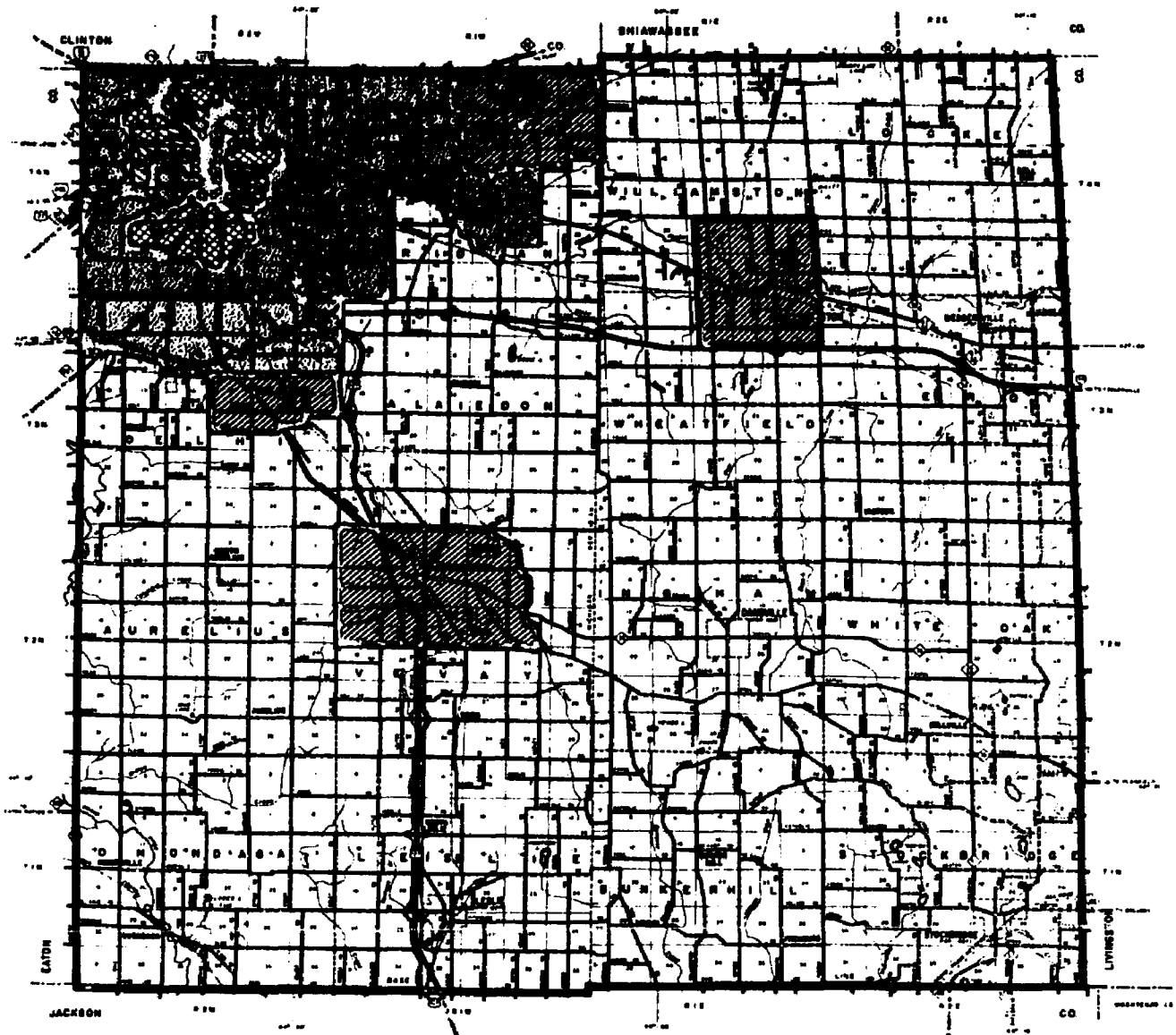
Figure F-2
Budget Sheet

APPENDIX G

MAPS

 AREA A : Model Cities
 AREA B : Other Central Flint
 AREA C : Flint Suburban
 AREA D : Small Town
 AREA E : Rural

FIGURE G - 1



LOCATION OF GEOGRAPHIC AREAS IN INGHAM COUNTY

- AREA A: Model Cities ■ AREA B: Other Central Lansing ■ AREA C: Lansing Suburban
 ■ AREA D: Small Towns □ AREA E: Rural

FIGURE G - 2

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