

Do Connections Matter? Social Capital and the Likelihood of Welfare Use and Exit in the Post-Welfare Reform Era

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Received: December 20, 2013 Accepted: February 6, 2014 Published: March 4, 2014

doi:10.5296/jsss.v1i2.4799 URL: <http://dx.doi.org/10.5296/jsss.v1i2.4799>

Abstract

The 1996 welfare reform act has refocused our attention on the factors that could help or hinder exit from welfare. Researchers have examined a number of factors but have placed little attention on social capital. This study examines the effects of social capital on the likelihood of welfare use and exit among single women. The study is based on single women using data from the Making Connections database. Results indicate that social capital is related to welfare use and exit. Policy implications of these findings are discussed.

Keywords: Welfare exit, Social capital, Single women, Poverty

1. Introduction

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) dramatically transformed the United States' welfare system. It did so by replacing the old cash system, Aid to Families with Dependent Children (AFDC), with Temporary Assistance for Needy Families (TANF). TANF imposes a five-year lifetime limit on the receipt of cash assistance and requires individuals to work or participate in work-related activities in exchange for cash assistance (Blank, 2002). Since this paradigm shift, TANF caseload has plunged by more than 50% as the new restrictive policy, coupled with the robust economy of the 1990s, hastened exit from TANF.

However, these movements did not occur evenly across the population, as individuals with more barriers were less likely to exit, and therefore, were at greater risk for long-term dependence (Seefeldt & Orzol, 2005). This highlights the need to examine the factors that underlie the process by which individuals rely on or exit from welfare. More than fifteen years after the passage of welfare reform, and in the midst of the 21st century Great Recession, there is refocused attention on welfare exit and the factors that predict changes in status. In response to this refocused attention, this study examines the role of social capital in welfare use and exit.

Research has primarily emphasized human capital characteristics such as education and skills in welfare receipt and exit (Acs & Loprest, 2004; Hamil-Luker, 2005; Heflin, 2003). Although these studies are useful in helping us understand welfare exit, they largely overlook the role of social capital –the advantages embedded within social networks. Despite the current welfare policy that stresses individual responsibility, the social reality is that all individuals, including those on welfare, are embedded within larger networks on which they rely (Ward & Turner, 2007). The extent of their social capital from these networks is an important predictor of individual differences in people's economic experiences (Granovetter, 1973). Coleman (1988) in his seminal essay *Social Capital in the Creation of Human Capital* surmised that social capital, like human capital, "is productive, making possible the achievement of certain ends that in its absence would not be possible" (p. S98). Despite its importance, social capital is seldom used to further our understanding of welfare use and exit. This study aims to fill this gap.

2. Literature Review

2.1 Factors Affecting Welfare Exit

There is a large body of literature documenting the factors that affect welfare receipt and exit. Most of these studies, however, have focused on human capital variables (Acs & Loprest, 2004; Boisjoly et al., 1998; Cancian et al., 2005; Hamil-Luker, 2005; Nam, 2005). These studies have found that individuals with greater levels of human capital are less likely to rely on welfare and are more likely to get jobs and exit welfare (Hamil-Luker, 2005). For example, using 28 years of data from the PSID, Boisjoly et al. (1998) found that high school dropouts were nearly three times more likely to receive and remain on welfare longer than those who complete high school. Using event history analyses, Nam (2005) found that human capital

was a significant predictor in how quickly individuals exited welfare and their likelihood of cycling back.

Background characteristics have been shown to influence welfare use and exit. The size of the family is one such characteristic. Harris (1993) found that having large families increased reliance on welfare, hindered exit through work, and limited welfare recipients from obtaining self-sustaining jobs. Similarly, Stellmack and Wanberg (2000) found that women with fewer children stayed off of welfare longer. Not only is the number of children important in examining welfare use, but the age of the children is also critical. Having younger children in the household will increase the likelihood of a mother using welfare and will constrain her ability to leave welfare through work or marriage (Edin & Lein, 1997).

Age is another notable background characteristic. For example, Boisjoly, Harris, and Duncan (1998) found that individuals who were older (at least age 22), relied less on welfare. This could be that older women are more likely than younger women to exit welfare because they can better adapt to their situation, have greater networks, as well as have more life skills that might facilitate employment (Harris, 1993).

The significance of race in determining welfare receipt and exit has been validated in a number of studies (Hamil-Luker, 2005; Loprest, 2002; Seefeldt & Orzol, 2004). Results from these studies have shown that racial minorities, especially African Americans, are more likely to use TANF and stay longer. Further, they are less likely to exit. For example, Seefeldt and Orzol (2004) examining a sample of 549 women from the Women Employment Study (WES), found that African Americans constituted the largest share (65%) of persistent users (those with more than 5 years on welfare).

In addition to these background characteristics, researchers have examined the role of structural characteristics such as state TANF policy (Hetling, 2011; Irving, 2008). Overall, these studies suggest that TANF policies have hastened exit from welfare. For example, Hetling (2011) used data from the Survey of Income and Program Participation (SIPP) and the Urban Institute's Welfare Rules Database and found that women living in states with less flexible welfare rules were more likely to be disconnected from either work or welfare.

Transportation as a type of asset has also been linked to welfare receipt and exit. Huang, Nam, and Wikoff (2010) surmised that assets such as automobiles could expand employment opportunities for low-income families. This is consistent with the literature on the spatial mismatch hypothesis (SMH) which suggests that the separation of low-skilled minorities in U.S. inner cities from suburban job opportunities is problematized by the lack of transportation (Kain, 1968). For example, not owning an automobile can limit job search activities among welfare recipients, thereby impeding welfare exit.

2.2 Social Capital

Social capital is most commonly defined as the advantages that are embedded in social relationships and networks (Coleman, 1988). It is the actual or potential resources that are linked to relationships and therefore, it is a vehicle through which people can gain access to economic and cultural resources. Social capital is conceptualized in various ways, by a

number of researchers. However, the approaches of Putnam (1993) and Coleman (1988) are the most common forms used in research.

According to Putnam (1993) social capital is an attribute of communities. He defines the concept as features of social organization or community such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit. This view suggests that there is a structural component (describing the form of social networks) as well as a cognitive component (which describes the quality of social interaction inside the network) (Tsai, 1998). The forms of networks that one is embedded in, could be further broken into bonding social capital (networks with people similar to one's self) and bridging (which comprises of people across social groups) (Putnam, 2000).

Contrary to Putnam, Coleman (1988) presents social capital as an individual attribute. Coleman assumes that individuals are embedded in a system of normative obligation and that this system is drawn upon by family and friends to benefit the members. His focus is on the linkages among individuals. Accordingly, Coleman defines the concept of social capital as a neutral resource that facilitates any manner of action, but whether society is better off as a result depends entirely on the individual uses to which it is put (Coleman, 1988). This view highlights the importance of social capital in the flow of goods, services, and information to individuals or groups within a network. As Coleman suggests, it is an important resource that makes otherwise impossible goals possible.

2.3 Previous Research on Social Capital and Welfare Use

Empirical studies have validated the usefulness of social capital theory to understanding welfare (Gezinski, 2011; Hawkins, 2002; Henderson & Tickamyer, 2008; Juon et al., 2009; Schneider, 2005; Ward & Turner, 2007) and economic well-being (Weaver & Habibov, 2012). For example, Hawkins (2002) using data on 529 single mothers from the National Survey of Families and Households (NSFH) found that social capital (measured as help from friends and families, and organizational membership) was associated with a decreased reliance on welfare.

A study by Ward and Turner (2007), however, contradicted Hawkins' findings. After controlling for human capital the study found that organizational membership was not important for reducing welfare dependence or promoting work. This inconsistency could perhaps be explained by the fact that Ward and Turner conducted their study on a rural population. Their findings appear consistent with literature that cites the relative paucity of services and organizations in rural areas (Colker & Dewees, 2000; Friedman, 2003). However, Ward and Turner (2007) found that greater involvement and strong attachment to community were associated with reduced welfare dependence.

Gezinski (2011) using data from the *Making Connections* study also examined the impact of social capital on employment outcomes among a sample of women who indicated they had used a welfare office. The study found a positive relationship between higher levels of giving support to family and friends and better employment outcomes.

Based on the existing studies in this area of inquiry, I hypothesize that social capital is negatively related to welfare receipt and positively related to welfare exit. In addition to the hypothesis about social capital, I also hypothesize that human capital variables, race, presence of children under age six in the home, state TANF policy, and assets will also affect welfare reliance and exit. These variables are included as control variables in the analysis.

3. Methods

3.1 Data

Data for this study came from single women who were interviewed in both wave 1 (2002-2004) and wave 2 (2005-2007) of the Making Connections survey. The Making Connections survey is part of a larger, comprehensive effort by the Annie E. Casey Foundation (AECF) to bring about community change in low-income neighborhoods in 10 metropolitan regions across the U.S. AECF targets neighborhoods that have a large portion of people facing barriers to connecting with social and economic opportunities. The cities include Des Moines, IA; Denver, CO; San Antonio, TX; Seattle, WA; Oakland, CA; Milwaukee, WI; Hartford, CT; Indianapolis, IN; Providence, RI and Louisville, KY. The data were collected jointly by the National Opinion Research Corporation (NORC) at the University of Chicago and the Urban Institute.

The survey samples were designed to ensure that each household in the selected area had an equal probability of being selected. To accomplish this, NORC utilized a list-assisted probability sampling of households. NORC developed the sampling frame using the United States Postal Service (UPS) master list of delivery addresses (Coulton, Chan, & Mikelbank, 2011). The addresses were mapped using geocoding software, and field checks were done to confirm the accuracy of the list. Households were selected using probability sampling. Once a household was selected for the survey, a household roster was generated. In households with children, a focus child was selected at random, and the parent/guardian with the most knowledge about the child became the survey respondent. If there were no children in the household, one adult was randomly selected to respond for the household. This sample design generated a representative sample of households in the area.

The sample for this study consisted of participants in the MC Dataset who met three criteria. First, the respondent must be a female since the vast majority of TANF recipients are women. Second, she must be single; single mothers were identified as women with no spouse/partner present in the household. Third, the single woman must be between age 18 and 64, which is the working age population. Excluded from the sample were individuals receiving Supplemental Security Insurance (SSI) since SSI has different eligibility criteria from TANF. After accounting for these restrictions, the size of the study sample was 1,067 women. To answer the research question about TANF exit, the study used a sub-sample of 308 TANF recipients at wave 1.

3.2 Measures

3.2.1 Dependent Variables

Two related dependent variables were used in this study: welfare receipt and welfare exit. Welfare receipt was measured at wave 1, while welfare exit was captured by a change in welfare status from wave 1 to wave 2. Welfare status was measured by the question “*Did you (or anyone in your household) receive any income in the last 12 months from public assistance or welfare payments from the state or local welfare office?*” Responses were ‘yes’ or ‘no’. Accordingly, single mothers who were on welfare at wave 1 may either still be on welfare or have exited welfare at wave 2.

3.2.2 Independent Variable

The main independent variable - social capital- was measured at time 1 to predict outcomes at time 2. This study embraced Putnam’s operationalization (1993) of social capital which focused on networks and associated norms and values. It also embraced Coleman’s idea (1988) of benefits from friends and family. The MC survey does not have a constructed scale to measure social capital, but captures several variables that are consistent with the social capital literature, and can serve as proxies to measure the concept.

This study used seven social capital measures that were employed in previous studies (Brisson et al., 2009; Gezinski, 2011) based on the MC dataset. The first 3 questions address the quality of the neighborhood network: (1) “I live in a close-knit neighborhood;” (2) “People in my neighborhood are willing to help their neighbors;” (3) “People in my neighborhood can be trusted.” Responses are based on a five-point Likert scale, ranging from strongly disagree to strongly agree. The remaining questions addressing social support networks -or social relationships- are indicators of the stock of community social capital among single women. The four questions are: (4) “Sometimes families give financial help, either to other people they live with or to friends and family outside. Did you give any financial help like this in the last 12 months?” (5) “Sometimes families get financial help, either from other people they live with or from friends and family outside. Did you get any help like this in the last 12 months?” (6) “In an emergency do you borrow money from a family member?” and (7) “In an emergency do you borrow money from a friend?” Respondents answered “yes” or “no” to these questions. For the purpose of analysis, this dissertation relied on Putnam’s (2000) method in creating a single social capital index. Specifically, standardized scores or z-scores were computed for each of the variables.

3.2.3 Control Variables

The empirical models used in this study control for demographic factors (race, age, presence of children under age 6), human capital, vehicle ownership, and TANF policy. Each of the control variables has been shown by previous researchers to influence the risk of receiving TANF and the likelihood of exiting TANF. These variables were measured at time 1 to predict outcomes at time 2.

The background factors included age, race, and presence of children under age six. Age,

which was measured as a continuous variable, ranged from 18 to 64 years. The racial categories were Non-Hispanic Whites, Non-Hispanic Blacks, Hispanics, and Non-Hispanic mixed race. However, for the purpose of the regression analysis, race was categorized as White and minority with the minority group being comprised of Non-Hispanic Blacks, Non-Hispanics, and Non-Hispanic mixed race. Transportation, as a form of asset, was also included as a control variable. It was measured by the question “does anyone in your household own a car?”

Education and job training are the most common measures of an individual’s human capital investment in welfare studies. In this study, educational level was captured from respondents’ choice of 9 educational categories: 8th grade or less, beyond 8th grade, but not high school graduation, GED, high school graduation, trade or vocational school, 1 to 3 years of college, graduate 4 year college, some graduate education, or graduate degree. These categories were grouped into three smaller categories: less than high school; high school graduate/GED; and beyond high school. For the logistic regression analysis, dummy variables were created for each category, with the less than high school category, serving as the reference. Employment or job training was captured by answers to the question “in the last 12 months have you completed any job training classes or education programs?”

State TANF policy is another important control variable. TANF policies vary across states in light of the increased responsibility given to them through the TANF block grants. This study used Blank’s and Schmidt’s (2001) categorization of state TANF policies. States are characterized as having a strong, weak, or mixed work incentive strategy based on their benefit levels, earnings disregards, time limits and sanctions (Blank & Schmidt, 2001; Gais, et al., 2001).

4. Analyses

Bivariate analysis and logistic regressions were used in this inquiry. First, bivariate statistics were used to answer the first research question: “*Are human capital and social capital associated with TANF receipt?*” This inquiry was made at time one. Logistic regression was used to answer the second question: “*To what extent, if any, does social capital predict TANF exit?*” Logistic regression is appropriate for this inquiry as the outcome variable - received welfare or did not receive welfare - is dichotomous. All data were analyzed using SPSS statistical software. The regression models (detailed below) were based on the following framework; Welfare outcome (W) = $\beta_0 + \beta_1S + \beta_2C + \mu$, where S is social capital, C is the various control variables used in the study and μ represents any unobserved factors.

5. Results

5.1 Descriptive Statistics for Variables

Table 1 provides descriptive statistics for the entire sample and separately for welfare and non-welfare recipients at time 1. The overall sample contained 1,067 single women. Twenty nine percent of the women were on welfare at wave 1. They had an average age of 35.6 years. Thirty six percent of the sample reported having a child under the age of 6 living in the home. About two-thirds (66%) of the women owned a vehicle. The majority self-identified as racial

minorities (85%) while 15% were Whites; nearly half (48%) of the sample self-identified as Black/African American, 8% as Hispanics, and 29% as mixed race. The majority (80%) of the women lived in states that had mixed TANF policies. A slight majority (36%) of the single women had a high school diploma or GED, while 33% had less than a high school diploma and 31% were educated beyond a high school diploma. Less than a third of the sample received job training.

In terms of social capital characteristics, the mean score for single women who lived in a close knit neighborhood was 3.28, while the mean score for women who felt that people in their neighborhood help each other was 3.34. The women generally did not feel they could trust people in their neighborhood ($\bar{x} = 2.28$). Over 50% of all single women borrowed money from family in an emergency, while fewer (28%) reported borrowing from a friend in an emergency. More women gave help (40%) than received help (33%).

Comparing the descriptive statistics for TANF recipients and non-TANF recipients (Table 1) provides an interesting picture of the characteristics associated with TANF receipt. There were statistically significant differences on several variables. TANF recipients were younger than non-TANF recipients ($\bar{x} = 31$ versus $\bar{x} = 37$), more likely to have children under the age of 6 living in the household (48.4% versus 31.5%). TANF recipients were less likely to own a car (51.0%) than non-TANF recipients (72.5%).

Table 1. Descriptive statistics for full sample, welfare recipients and non-welfare recipients at wave 1

Variable	Entire Sample	TANF Recipients N = 308	Non-TANF Recipients N = 759	Statistics for TANF & Non-TANF recipients
Average age	35.6	31.4	37.4	t=7.93***
Children under age 6	36.4%	48.4%	31.5%	$\chi^2=27.00$ ***
Asset (vehicle)	66.3%	51%	72.5%)	$\chi^2=45.68$ ***
Racial Breakdown				ns
NH White	15.0%	15.6%	14.8%	
Minorities	85.0%	84.4%	85.2%	
NH	48.3%	46.8%	48.9%	
Black/African American				
Hispanic	7.6%	6.5%	8.0%	
NH mixed race	29.1%	31.2%	28.3%	
TANF policy				ns
Weak	13.7%	16.6%	12.5%	
Mixed	80.0%	77.9%	80.9%	
Strong	6.3%	5.5%	6.6%	
Education				$\chi^2=27.08$ ***
Less than High School	32.6%	43.8%	28.1%	
High School Graduate/GED	36.1%	33.6%	37.1%	
Beyond High School	31.3%	22.7%	34.8%	
Job Training	29.1%	35.7%	25.4%	$\chi^2=10.34$ ***
Social Capital Variables				
Live in close knit neighborhood ¹	3.28	3.31	3.27	ns
People in neighborhood help ¹	3.34	3.24	3.38	t=1.83*
People in neighborhood can be trusted ¹	2.82	2.85	2.81	ns
Borrow from family in emergency ²	599 (58.2%)	65.3%)	52.4%	$\chi^2=16.92$ ***
Borrow from friend in emergency ²	283 (27.5%)	34.6%	24.6%)	$\chi^2=10.46$ ***
Give help ²	420 (39.5%)	33.1%	41.9%	$\chi^2=7.13$ **
Get help ²	349 (32.9%)	44.2%	28.1%	$\chi^2=25.99$ ***
Social capital index	.04	0.05	0.02	T=-2.65**

Note. Data from Making Connections survey.

There were several differences between TANF and non-TANF recipients for the social capital variables. TANF recipients were statistically significantly less likely to agree that people were willing to help each other ($\bar{x}=3.24$ versus $\bar{x}=3.38$). In addition, TANF recipients were more likely than non-recipients to borrow from family (65% versus 52%), borrow from friends in an emergency (35% versus 25%) and to get help (44% versus 28%), while non-TANF

recipients were more likely to give help (42% versus 33%).

There were statistically significant differences in education between TANF and non-TANF recipients. Individuals on TANF had lower levels of education than individuals who were not receiving TANF benefits. Specifically, individuals with less than a high school diploma accounted for 43.8% of the TANF sample, while they made up less than a third (28.1%) of the non-TANF group. Thirty-four percent of the TANF group had a high school diploma or GED compared to 37% of the non-TANF group. A higher share (34.8%) of the non-TANF group had beyond a high school level education compared to those on TANF (22.7%). The two samples also differed in the amount of job training individuals had received. The findings show that TANF recipients (35.7%) were statistically significantly more likely than their non-TANF counterparts (25.4%) to have completed job training.

5.2 Logistic Analysis of Welfare Use

To estimate the probability of TANF receipt, wave 1 (baseline) data were used. Table 2 shows the estimates from the four logistic models. In model 1, individual background factors of race, age, the presence of children under age 6, and vehicle ownership were entered. A test of this model against a constant only model was statistically significant which indicated that together the background variables reliably distinguished between TANF and non-TANF recipients ($\chi^2 = 59.03$, $p < .001$, with $df = 5$). Nagelkerke's R^2 (not equivalent to the variance explained in multiple regression model) of .10 indicated a weak relationship between prediction and grouping. With a cutoff of .5 the classification table indicated that the model correctly predicted 71.7% of the overall cases.

The Wald criterion demonstrated that age ($p = .000$) and vehicle ownership ($p = .000$) made a significant contribution to prediction in this model. EXP (B) value indicates that for every one year increase in age above 18 years, the odds of being on TANF decreased by about 4% (odds ratio = .962). Having a vehicle decreased the odds of TANF reciprocity. This means that single women with vehicles were 56.7% less likely to be on welfare than their counterparts who did not own a vehicle (odds ratio = 0.433, $p = .000$). Race, and having children under the age of 6 in the household did not predict TANF receipt in this model as well as in any of the other three models.

The second model was expanded by the inclusion of state TANF policy. However, it failed to improve the predictive value of the previous model. Education level and job training were added as human capital variables in model 3. The predictors as a set reliably distinguished between TANF and non-TANF recipients ($\chi^2 = 70.61$, $p = .000$, $df = 6$). A closer look revealed that having a high school /GED education was not a significant predictor of TANF receipt compared to single mothers who had less than a high school diploma. However, having education beyond the high school level significantly decreased the odds of being on welfare. This indicated that single women who have education beyond a high school level were about 39% less likely to be on welfare than those with less than a high school diploma (odds ratio = 0.61, $p = .05$). Job training had a different and greater effect on TANF receipt than did education. The results showed that individuals who received job training were about 55% more likely to receive TANF than those who did not complete job training (odds ratio =

1.55, $p=.01$).

Social capital was added in the final model, it was significant in distinguishing between TANF and non-TANF recipients ($\chi^2 = 76.02$, $p < .001$, $df = 10$). The Nagelkerke R^2 was .09, and the overall prediction success of the model was 70.7%. I expected that social capital would decrease the odds of being a TANF recipient. However, the results revealed that social capital significantly increased the odds of TANF receipt. Specifically, for each one-point increase in social capital, the odds of being on welfare increased by about 50% (odds ratio = 1.50, $p=.02$).

Table 2. Logistic regression estimates predicting the odds of TANF receipt

Variables	Model 1			Model 2			Model 3			Model 4		
	B	S.E	O.R	B	S.E	O.R	B	S.E	O.R	B	S.E	O.R
Intercept	1.231**	0.434	3.425	1.317*	0.688	3.731	1.327	0.713	3.772	1.365*	0.719	3.916
Minority (vs. White)	-0.453	0.267	0.636	-0.458	0.291	0.632	-0.469	0.295	0.625	-0.465	0.296	0.628
Age	-.039***	0.009	0.962	-.039***	0.009	0.962	-.035***	0.009	0.965	-.035***	0.009	0.966
Children<6	0.224	0.169	1.251	0.223	0.169	1.25	0.225	0.171	1.252	0.222	0.172	1.249
Vehicle ownership	-.837***	0.165	0.433	-.840***	0.166	0.432	-.776***	0.171	0.46	-.778***	0.172	0.459
TANF policy (strong is reference)												
Weak TANF				-0.079	0.429	0.924	-0.035	0.435	0.966	-0.026	0.437	0.974
Mixed TANF				-0.014	0.342	0.986	0	0.346	1	0.015	0.349	1.015
Education (< HS reference group)												
HS/GED							-0.285	0.193	0.752	-0.278	0.194	0.757
Beyond HS							-0.524	0.215	.592*	-0.494	0.216	.610*
Job training							0.457	0.176	1.579**	0.438	0.177	1.550**
Social Capital										0.411	0.177	1.508*
Sample size		761			761			761			761	
Model chi-square (likelihood ratio)												
Degrees of freedom												
Pseudo R^2												

Notes. Data from Making Connections survey

O.R=Odds ratio, S.E=standard error; * $p<.05$, ** $p<.01$, *** $p<.001$.

Table 3. Logistic regression estimates predicting the odds of moving off TANF

Variables	Model 1			Model 2			Model 3			Model 4		
	B	S.E	O.R	B	S.E	O.R	B	S.E	O.R	B	S.E	O.R
Intercept	0.476	0.666	1.609	-0.417	1.078	0.659	-0.751	1.156	0.472	-0.619	1.177	0.539
Minority(vs. White)	-0.205	0.426	0.815	0.037	0.487	1.038	-0.044	0.498	0.957	-0.165	0.51	0.848
Age	-0.001	0.014	0.999	-0.002	0.015	1.002	0.008	0.015	1.008	0.012	0.016	1.012
Children<6	0.11	0.268	1.116	0.115	0.27	1.122	0.181	0.277	1.198	0.201	0.281	1.222
Vehicle ownership	0.108	0.263	1.114	0.07	0.267	1.073	-0.14	0.29	0.869	-0.169	0.296	0.845
TANF policy (strong is reference)												
Weak TANF				-0.628	0.72	0.533	-0.628	0.741	0.534	-0.416	0.762	0.66
Mixed TANF				-0.331	0.599	0.718	-0.272	0.613	0.762	-0.125	0.628	0.883
Education (< HS reference group)												
HS/GED							0.067	0.309	1.069	-0.014	0.316	0.987
Beyond HS							0.778*	0.38	2.177	0.883*	0.3874	2.418
Job training							0.715**	0.286	2.045	0.720**	0.29	2.054
Social Capital										0.828**	0.312	2.288
Sample size		250			250			250			250	
Model chi-square (likelihood ratio)		1.43			4.3			16.87			24.10**	
Degrees of freedom		4			6			9			10	

Note. Data from Making Connections survey

O.R=Odds ratio, S.E=Standard error; *P<.05; **p<.01; ***p<.001

5.3 Logistic Regression of TANF Exit

The analysis for moving off TANF was conducted on single women who reported they received TANF in wave 1. The models estimated here are the same in structure as those estimated for TANF receipt. The results show (Table 3) that model 1, which included the background factors did not predict welfare exit. State TANF policy variable, added in model 2, was also not significant in predicting movements off TANF. Human capital variables were added in model 3. The addition of human capital variables together did not yield a significant model. However, closer examination of the individual coefficients showed that education was important in predicting welfare exit. Individuals who had education beyond a high school level were two times more likely than those with less than a high school diploma to move off welfare (odds ratio=2.177, $p=.02$). However, the study did not find that single mothers with a high school diploma or GED statistically were any more likely to move off of welfare than those who had less than a high school diploma.

Job training had a significant positive relationship with welfare exit. Single women who completed job training were also two times more likely (odds ratio=2.05, $p=.013$) than those who did not complete job training, to move off TANF. Social capital was added in the final

model. The results revealed that social capital significantly predicted moving off welfare (odds ratio=2.28, $p=.008$). The predictors in this model as a set reliably distinguished between moving off TANF and always on TANF ($\chi^2=24.1$, $p=.019$, $df=10$).

6. Summary and Conclusion

In this study, I assessed the issue of welfare reciprocity by examining cross-sectional differences between TANF and non-TANF recipients in terms of their social capital at baseline. I also examined the role of social capital in predicting TANF exit (at wave 2). In this cross-sectional analysis, while I expected that social capital would be negatively associated with TANF receipt, the results showed that social capital was positively related to TANF receipt. This could be a reflection of the way social capital was measured. The social capital index largely captured an individual's relationship with family and friends. Such connections may not necessarily lead one to success, instead, it could be a sign that TANF recipients were still struggling and therefore needed higher stocks of social capital, such as support from family and friends to help them 'get by'.

The cross-sectional analysis also revealed that asset (transportation) and human capital were associated with TANF receipt. In the case of human capital, having higher levels of education decreased the odds that an individual received welfare. It could be that individuals with low levels of education have fewer job options and as a result may find it more difficult to obtain family supporting jobs with benefits. Therefore, these individuals have to rely on TANF to support their families.

In the exit model the main variable of interest-social capital- was found to be a significant predictor of exiting TANF. Despite, the fact that the *Making Connections* sites are in poor neighborhoods and might have a narrow range of social capital (Wilson, 1987), this finding still supports the notion that social capital is an important asset to individuals who are faced with an adverse situation and need to improve their economic conditions. The results imply that women may not be able to take the steps necessary to leave welfare (such as finding and keeping a job) without the support of family and friends to help them meet the demands of the jobs, caring for the children or connecting them to the right resources. Accordingly, the stock of social capital among women can either be used to leverage the meager welfare benefits, open new opportunities for employment, enable recipients to capitalize on opportunities, and build more social capital by facilitating inclusion and participation in welfare-to-work activities and programs. When low-income single women have access to social capital, they are more equipped to manage life's transitions (such as moving off TANF) and to move towards self-sufficiency. It could be that in this time-limited and sanction-intensive welfare era, single women must be more aggressive at relying on all the resources (especially, social capital) at their disposal in an effort to transition off of welfare.

This finding provides an opportunity for welfare programs to open more pathways to sustainable welfare exit for low-income women. The web of social services (such as child care and job training) available to assist welfare recipients are largely shaped by public policy as they can allow or restrict the funding of these programs.

Consistent with previous studies (Hawkins, 2002; Nam, 2005) this study emphasized the importance of human capital in facilitating TANF exit. Starting with education, women who had higher levels of education (specifically, beyond high school level) were more likely to exit welfare than those with less than a high school education. This result suggests that a welfare policy that encourages post-secondary education for welfare recipients can improve the chances of welfare recipients to exit welfare.

The study also supports previous findings on the role of job training in helping low-income individuals at risk for welfare use to improve their economic outcomes and boost human capital (Caputo, 2011). Individuals who had completed more years of job training were less likely to remain on welfare than those who had completed fewer years of training. This suggests that many women may not be equipped to leave welfare because of a lack of job training.

Although this study makes an important contribution to welfare research by examining an often neglected aspect of the lives of welfare recipients- social capital-it does have several limitations. First, the measurements used in this study may not fully capture social capital among welfare recipients. This is not unique to this study, however, as there is still no standardized measurement of the concept. The proxies here, however, reflect the two most common definitional approaches - Putnam's (1993) and Coleman's (1988) - in the social capital literature. A second limitation pertains to the nature of the dataset. The MC sample was drawn from families who live in low-income neighborhoods, most of which were in, or close to, the urban core. Given this, the MC dataset might not have reflected much diversity in social capital among the survey participants. Despite these limitations, this study makes an important contribution to the welfare literature by shedding light on the significance of social capital in the lives of low income women.

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