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Origins and Destinations – Social Security Claimant Dynamics

MICHAEL NOBLE* SIN YI CHEUNG** GEORGE SMITH†

ABSTRACT

This article briefly reviews American and British literature on welfare dynamics and examines the concepts of welfare dependency and ‘dependency culture’ with particular reference to lone parents. Using UK benefit data sets, the welfare dynamics of lone mothers are examined to explore the extent to which they inform the debates. Evidence from Housing Benefits data show that even over a relatively short time period, there is significant turnover in the benefits-dependent lone parent population with movement in and out of income support as well as movement into other family structures. Younger lone parents and owner-occupiers tend to leave the data set while older lone parents and council tenants are most likely to stay. Some owner-occupier lone parents may be relatively well off and on income support for a relatively short time between separation and a financial settlement being reached. They may also represent a more highly educated and highly skilled group with easier access to the labour market than renters. Any policy moves paralleling those in the United States to time limit benefit will disproportionately affect older lone parents.

As Walker and Ashworth (1994) forcefully argue, the ‘time dimension’ has often been neglected in the analysis of poverty. Cross-sectional data (even repeated cross-sectional studies) may easily give the impression of a static position, where those in poverty at any one time remain in that position long-term. This, in turn, may help to feed the belief in the inevitability of long-term ‘welfare dependency’. With the increasing availability of income panel data, longitudinal cohort studies and the growing use of administrative data during the 1980s, a research response (mainly in the

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United States) has been to focus on the question of 'welfare dynamics', that is the extent to which those on 'welfare' (here used in its American sense as a synonym for the social assistance benefit AFDC – Aid for Families with Dependent Children) stay put or move on over time (Bane and Ellwood, 1983, 1994; Ellwood, 1988; Pavetti, 1993).

Two sets of questions underpin this debate: first the apparently straightforward descriptive account of length of time on, and movement into and out of welfare; and second, the main reasons for any such movements. The critical policy backdrop to this debate in the United States has been changing social norms, with the growing expectation that lone parents should do paid work and that the role of welfare should no longer be (if it ever was) simply to offer income maintenance but to actively encourage a return to paid work (Waldfoegel, 1996; Bane, 1997). This 'encouragement' has taken an increasingly aggressive stance, seen for example in the imposition of fixed time limits to welfare receipt, first on a state by state basis between 1992 and 1996 and later nationally through the *Personal Responsibility and Work Opportunity Reconciliation Act 1996*. The latter reinforces the now time limited nature of 'welfare' by replacing AFDC with TANF – 'Temporary Aid for Needy Families' – from July 1997.

US WELFARE DYNAMICS

There is no question that the US 'welfare dynamics' research and debate has significantly influenced, or at least interacted with, policy developments in the US. While the move to temporary or fixed term 'safety net' benefits does not necessarily follow from the research findings on welfare dynamics, there is no doubt that they have been used to argue that those who stay on welfare beyond a certain point in time (for example, two or five years) are likely to become long-term dependants, where welfare becomes 'a way of life'. Welfare in the US has indeed been changed fundamentally, and research has in part helped to ease open this Pandora's box, even if the research argument for time limited protection formed only part of a package of much wider reforms (Bane and Ellwood, 1994).

The debate on welfare and 'welfare dependency' in Britain has been heavily influenced by American debate and terminology, as if both the benefit structures and the underlying social and economic conditions were effectively the same. Rather obviously they are not, though there are enough similarities to make it possible to slide from one set of policy arrangements to the other, without always seeing the join. But we need to be very sure of the findings and more importantly the implications drawn from 'welfare dynamics' research, as emphasis on 'welfare-to-work' and the possible time limiting of benefit moves rapidly up the policy agenda in Britain.

What do the US studies show? Bane and Ellwood (1994) used data from the Panel Study of Income Dynamics (PSID), a sample of 5,000 families followed from 1968 to 1988. The very long-time frame of this study reduces the problems of measuring incomplete spells (either at start – ‘left censored’, or at conclusion – ‘right censored’), a problem for shorter-range studies. On the other hand, the study uses annual sampling points and this has the effect of ‘smoothing out’ the dynamics – underestimating the level of exits from and entries to ‘welfare’ (i.e., AFDC).

Their findings are at first sight paradoxical – while more than half of all spells on welfare last less than 2 years and only 14 per cent last 10 years or more, 48 per cent of welfare recipients at any particular point in time will be on for 10 years or more (Bane and Ellwood, 1994). The analogy is with short and long-stay patients in a hospital, where the former may be much more numerous over time but at any one point in time occupy a small number of beds, while the latter occupy more beds but with little turnover.

Pavetti (1993) in her work on welfare dynamics made use of the National Longitudinal Survey of Youth, 1979–89 (NLSY). This contains monthly rather than annual sampling points. The analysis suggests that the effect of using monthly data is to increase substantially the ‘exit probabilities’ in the first years. Conversely the returns to welfare are significantly higher. Similarly, as would be expected, *total* time on welfare is slightly less for the monthly NSLY data. While 70 per cent of those beginning a spell of welfare will be on welfare for a total of 2 years or less, 38 per cent of lone mothers on welfare *at any point in time* will spend over 8 years or more on welfare. These data lead Pavetti to conclude that one group makes short-term use of welfare and then moves on, another group makes quite frequent exits and entrances (the ‘cyclers’), while a third remains more or less settled on welfare for the period studied.

One of the criticisms made of analysis based on monthly data sweeps is that the short time frame could overestimate dynamics because of ‘administrative churning’ – that is interruptions in receipt of benefit caused by the administrative system itself, e.g., when there is a delay in processing reports of changed circumstances (Pavetti, 1993). However, Blank and Ruggles (1992) using the Survey of Income and Program Participation (SIPP) for 1986 and 1987, which also has monthly sampling points, found that factors such as increased earnings lifting the claimant above the benefit level rather than ‘administrative churning’ explained the ‘exits’.

Greenberg (1993) made use of four state based AFDC administrative sets from Washington, California, Vermont and Minnesota. These data

tend to suggest a similar pattern to the national data with more than 50 per cent exiting within 12 months. However where they contain information about total time on welfare, this tends to show a smaller proportion of the total group being on welfare for very long periods than is shown in the national studies. Part of the difference may be the result of statistical techniques used to deal with uncompleted spells. Both Greenberg (1993) and Pavetti (1993) draw attention to the effect of introducing welfare time limits, pointing out that the research on dynamics does not suggest any obvious threshold point beyond which staying on welfare becomes 'a way of life'.

AFDC is a benefit for parents, primarily, though not exclusively, lone parents. Bane and Ellwood's (1994) estimate of the main reasons for ceasing to receive this benefit suggests that nearly a third left because they married – only 25 per cent left to go into employment. However, other estimates based on monthly rather than annual data show much higher exits for work related reasons. Pavetti's (1993) estimates for young women in the NLSY sample give a figure of 46 per cent exiting to work, and just 11 per cent because of changes in family status. Results from other studies suggest that reasons for exits from welfare differ sharply according to the sample, the time period and the age group studied. The methods used to identify reasons may also be important.¹ Contrary to the 'New Right' view of AFDC recipients being 'career claimants', most want to enter the labour market and stay there (Pavetti, 1993). What stops them is inadequate educational attainment and basic skills, the presence of very young children and where they live (Pavetti, 1993); and critically, as Blank (1997) argues, access to secure employment paying well enough to lift them permanently clear of the welfare 'envelope'.

WELFARE DYNAMICS IN BRITAIN

Most studies in the US have tended to rely on self-report data obtained from long-term panel surveys. Until the advent of the British Household Panel Survey (BHPS) such data has been scarce in the UK.

Since the first wave of the BHPS in 1991, two types of dynamics study have emerged. The first, usually referred to as 'poverty dynamics' looks at the movement in and out of low income and is exemplified by a series of studies emerging from the ESRC Research Centre on Micro-social Change at Essex (Jarvis and Jenkins, 1995, 1996). These studies do not specifically look at receipt of benefit but focus on low income in general. Other studies have used BHPS data specifically to look at the dynamics of benefit receipt (Ashworth and Walker, 1994). There are problems with panel

data for this kind of analysis, in particular in respect of response and attrition bias which may disproportionately affect the marginal groups on low incomes (see e.g., Taylor, 1994 in respect of the BHPS Survey).

Researchers at the Centre for Research in Social Policy (CRSP) at Loughborough have begun to look at samples of administrative data as a basis for exploring income support dynamics (Ashworth *et al.*, 1995; Shaw *et al.*, 1996). Unlike AFDC, income support is available to a wider range of people than parents. However, the initial findings broadly reflect the US literature. Among most groups there is a significant degree of movement but with some claimants being recipients for much longer periods. For lone parents, they find that those in possession of a driving licence, those living in an area of low unemployment and those aged over 40 are significantly more likely to leave income support while those with a child under 5 are less likely to leave.

THE DYNAMICS OF HOUSING BENEFIT AND COUNCIL TAX BENEFIT CLAIMANTS

In this article we present preliminary evidence on British 'welfare dynamics' using longitudinal administrative data for the entire claimant population in a particular district. It is *not* sample data and is not therefore prone to sampling error. There are no issues of response or attrition bias, though there may be problems of claimants leaving the area – an issue to which we return later. Though the data contains all types of household we concentrate on lone parents. The data allows us to distinguish female-headed and male-headed lone parent households. At any time point 94.5 per cent of lone parents are lone mothers. In this article we focus on the origins and destinations of lone mothers.

The study is based on data from the local authority housing benefit/council tax benefit (HB/CTB) system of a large town in the north west of England. We have been extracting HB data from this authority at intervals since 1988. However, there have been some changes in the data set in the past which make comparisons over time difficult. Thus from April 1988 to 31 March 1990 the data represented those in receipt of housing benefit for rent and/or housing benefit for general rates. In April 1990 the replacement of general rates by the community charge (a local tax) meant that the data set became a housing benefit/community charge benefit data set. In April 1993, the community charge was replaced by council tax. Since the introduction of council tax we have been taking regular extracts of the data to build up a time series. For administrative reasons the extracts are taken in February and July each year. This means that we have consistent extracts from July 1993 to July 1996 (seven cuts).

The HB/CTB data set is very comprehensive.² It contains full details of lone parents who claim means-tested income support and housing benefit – this will include most renters whether in local authority or in other tenures. It will include those in ‘bed and breakfast’ accommodation or in hostels. It also includes owner-occupiers as they have an obligation to pay council tax, and, if on income support, will be entitled to council tax benefit to cover their obligation. Similarly, it will contain details of lone parents who, while not entitled to income support, are in low-paid work or otherwise on a low income and therefore claim either HB or CTB or both. It will *not* include lone parents claiming income support who live in other people’s households – for example, with their parents, though from a parallel study in another area we have very strong evidence that this group is very small. There may also be some claimants who have a number of ‘non-dependants’ living with them whose deemed contribution to housing costs may extinguish their entitlement to HB/CTB. However, comparisons with census data again show that such groups are not likely to be large.

One of the assumptions about lone parents being part of a ‘dependency culture’ is that they obtained, by virtue of their status, a ‘fast track’ route into council housing (under the Housing Act 1985 Part III) (Young, 1993).³ Any lone parents on income support who have obtained accommodation in this way will appear on the HB/CTB data, as they will have become renters.

The data set contains considerable information about claimants. For example, it holds the date of birth of claimant, any partner, dependent children and non-dependants. It also contains information on income sources and amounts for those claimants not on income support. There is information on tenure, rent payable, HB received and similar information on council tax liability.

An important feature is that we are able to distinguish lone parents receiving income support (denoted ‘IS’) from those also present on the data set with incomes above income support levels but still low enough to qualify for some housing or council tax benefit (denoted ‘non-IS’ for ‘non-income-support’ cases). This distinction introduces a further refinement into the notion of ‘welfare dependency’. The original formulation appears to have its origins in the US where the term ‘welfare dependency’ is used to characterise ‘habitual’ receipt of AFDC (Murray, 1984; Jencks, 1992). In the British context, welfare or benefit dependency could be translated as dependence on IS – the nearest equivalent to AFDC. However, state financial assistance and therefore ‘dependence’ can be played out in more subtle ways in Britain. Lone parents on IS may be receiving a small

amount of benefit as a 'top up' to other income, perhaps from part-time earnings. Such people will not be 'dependent' on IS for most of their income. Further, there are those not on income support, who still receive most of their income from the state through other benefits such as incapacity and/or disability benefits. Other lone parents in low-paid work will be receiving state assistance through Family Credit along with Housing Benefit/Council Tax Benefit. In our data, 82 per cent of the 'non-IS' group of low-income lone parents are in fact in low-paid work, while the rest are in receipt of some kind of disability or incapacity benefit.

When commentators and politicians in Britain talk of moving lone parents from 'welfare' to 'work' as a solution to 'welfare dependency', they are usually equating 'welfare' with income support, and treating 'in work benefits' (the combination of Family Credit, HB and CTB) as part of a machinery to ease the transition into work – even though for many claimants this clutch of means-tested benefits may still represent the majority of their income. The administrative data allow us to explore whether this latter 'dependent' group differs from those who leave the data set altogether.

The technique we use is 'tracking forwards and backwards' to test the stability of the groups on the data sets between two time points. In order to control for possible seasonal variations, for example in the local labour market, we have selected two equivalent time points – July 1993 and July 1996. If we consider claimants' characteristics such as age, numbers of children and housing tenure, we can begin to construct hypotheses about the likelihood of their escape from benefit or, alternatively, entry into or length of time spent on benefit.

Table 1 shows the numbers of lone mothers on the HB/CTB data set at July 1993 and three years later. The picture that emerges is of an increase in overall numbers of just under 10 per cent over the three-year period. However, as noted elsewhere (Noble and Smith, 1996), the apparently gradual increase obscures the true position. The overall numbers disguise the turnover of claimants even over this short period. The analysis we have used hitherto made use of the fact that claims had unique reference numbers and, at least in the short term, a comparison of claim reference numbers tells us something about this turnover.⁴ However, the HB/CTB data are in fact much more powerful for tracking claimant careers; each person on the data set is given a unique 'person number' whether s/he be child or adult, claimant or partner. This is held in a 'dictionary' and, according to the local authority, is retained 'for life'. A person leaving the data set and re-entering at some time in the future is said to be allocated the same reference number. Whether this is, in fact, the case remains to

TABLE 1. *Lone mothers on the HB/CTB data set*

	On income support and HB/CTB (IS)	On HB/CTB only (non-IS)	Total
July 1993	2,937	984	3,921
July 1996	3,123	1,159	4,283

be seen. What is clear is that it is possible, over relatively short time scales, to track individuals when their status changes as well as observing them enter or leave the data set.

We therefore work with a data set which is 'person' based rather than 'claim' based. This enables us to chart individual claiming careers. This section of the article reports initial findings from the analysis. We begin by profiling the lone mothers at each time point. We then look at lone mother claimants in July 1996 and track them back to July 1993. Second, we look at lone mother claimants in July 1993 and look at their whereabouts on the data set in July 1996. In both cases we can examine the intermediate time points but these are not reported in this article.

PROFILE OF LONE MOTHERS, JULY 1993 AND JULY 1996

Table 2 shows the age profiles of the lone mothers at each of the time points. In both years the mean age of the IS claimants is lower than that of their non-IS counterparts. Moreover only 9 per cent of non-IS lone mothers were under 25 whereas between 16 and 21 per cent of IS claimants were under 25. However the number of teenage claimants in both groups is very small indeed (and declining for IS claimants).

At both time points IS claimants had 1.9 children on average – slightly more than the non-IS group (1.7 at both time points). Table 3 shows the distributions of children:

At both time points a smaller percentage of non-IS lone mothers had children under 5 than those on IS. Thus in 1996, whereas 38 per cent of those on IS had at least one child under five only 28 per cent of the non-IS claimants were in a similar position. This difference is maintained when we control for age of the mother.

Because of incomplete data we know little about the economic activity of the non-IS lone mothers in 1993. However, by 1996 much more comprehensive data was available both on hours worked and earnings; 80 per cent of the 1996 non-IS lone mothers were in work. The remainder was either receiving widows' benefits or incapacity benefit which took them above the IS threshold. Those in paid work were earning £93 a week on average and working 24 hours a week. Of earner lone mothers,

TABLE 2. *Age profile of lone mothers on HB/CTB and income support*

	Number		Mean age of claimant		Claimants under 25 %		Number of teenage claimants	
	IS	non-IS	IS	non-IS	IS	non-IS	IS	non-IS
July 1993	2,937	984	31.7	34.4	21.1	8.9	62	2
July 1996	3,123	1,159	32.5	33.8	16.3	9.0	48	7

TABLE 3. *Distribution of children in lone mother families July 1993/July 1996*

	IS lone mothers %		non-IS lone mothers %	
	1993	1996	1993	1996
One child families	46.5	43.4	54.8	51.3
Two children families	32.0	34.0	32.4	35.4
Families with three or more children	21.5	22.6	12.8	13.3
n	2,937	3,123	984	1,159

90 per cent were receiving family credit and this amounted, on average, to £59.60 per week in July 1996.

ORIGINS AND DESTINATIONS

Figure 1 shows the origins of the 1996 lone mothers and the destinations of the 1993 lone mothers. The figure tells a number of stories.

If we take those on IS in 1993, we find that only 1,433 of the lone mothers are still present on the data set as IS claimants – just under 50 per cent of the original stock. A further 26 per cent have left the data set altogether, 9 per cent have become non-IS lone mothers, while a further 16 per cent remain on the data set, but not in lone parent households. The ‘optimistic’ hypothesis is that 9 per cent have moved into low-paid work while 26 per cent have moved into higher paid jobs/more prosperous relationships. It is possible, however, that some of the latter will have left the study area.

What of the 16 per cent who remain on the data set in another capacity? Table 4 shows their destinations in 1996, and illustrates the complexity of their ‘dynamics’. The majority (268 – 57 per cent) continue to claim as single non-pensioners. Most of these remain on IS – their dependent children have simply ‘grown up’ or gone away; 35 five per cent have acquired

TABLE 4. *Where are they now? Destinations of 1993 IS lone mothers who remain in receipt of benefit in 1996, but not as lone parents*

Status			Income Support?		Total
			No	Yes	
Claimant	Household type	Single pensioner		25	25
		Couple pensioner	1	2	3
		Single non-pensioner	34	234	268
		Couple non-pensioner	2	1	3
		Couple parent	26	12	38
Total			63	274	337
Partner	Household type	Couple pensioner		4	4
		Couple non-pensioner	1	11	12
		Couple parent	26	77	103
Total			27	92	119
Non-dependant	Household type	Single pensioner		2	2
		Single non-pensioner	2	4	6
		Couple non-pensioner		2	2
		Lone parent	2	1	3
Total			4	9	13

Note: household type classified by benefit category: only 'parent' categories contain dependent children.

partners. Some have then continued to be the 'claimant' while others have become partners (of claimants). In 89 cases (55 per cent of those who have acquired partners) there is a continued claim for IS as a couple with children.

As Figure 1 shows, non-IS lone mothers in 1993 have even less stability, with only 28 per cent remaining in the same capacity 3 years on. Though there is a small downward shift to IS – 12 per cent, the majority – 50 per cent, leave the data set altogether, perhaps as a result of obtaining better jobs/higher wages or perhaps by partnering someone not on HB/CTB.

If we look at the 'inflow' picture, we find only 46 per cent of the 1996 IS lone mothers were in the same position 3 years earlier; 29 per cent were not on the data set at all. Twenty per cent of the inflow, however, comes from people on the data set in 1993 in other capacities than lone mothers; 298 (46 per cent) were single claimants, mostly on income support. A further 254 (39 per cent) were claiming as couples – 78 per cent of whom were on income support. The rest were either dependent children (30) or non-dependants (70) in other people's households (most likely to be their family of origin).

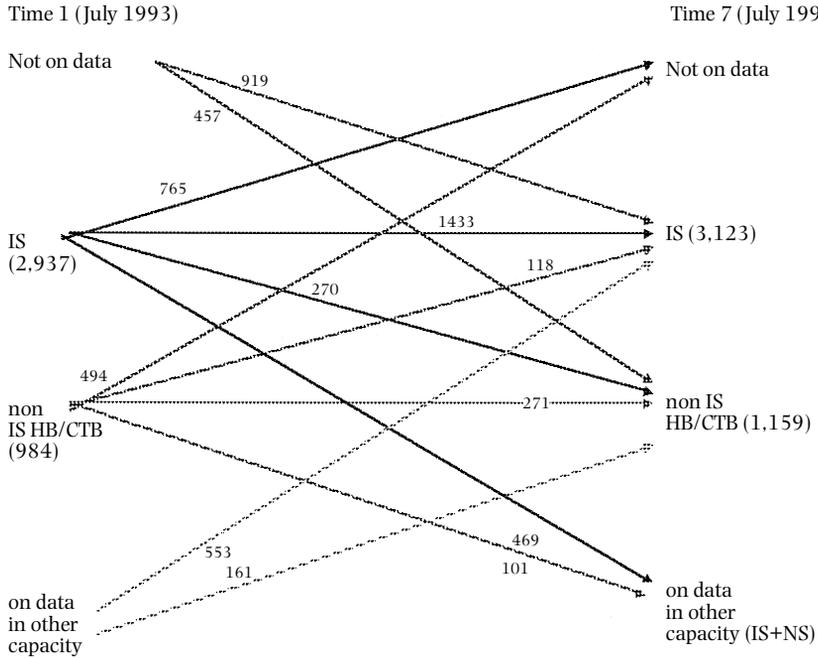


Figure 1. Lone mother dynamics: July 1993 – July 1996

‘JOINERS’ AND ‘LEAVERS’

The overall picture is one of significant movement over the 3 year period. Over this relatively short time period, there is significant turnover even in the most ‘dependent’ lone mother population – that is, lone mothers on income support.

The administrative data allows us to examine these movements on and off welfare in more detail. Thus we can distinguish two types of joiner and leaver – ‘internal’ and ‘external’. Claimants who change their benefit status but remain *within* the data set are typically moving into or out of low-paid work. If a lone mother on IS in 1993 is still on the data set in 1996, but not in receipt of IS, she will typically have left IS eligibility by moving into work. But she will still be on the data set because her earnings are low enough to enable her to remain eligible for help with her rent and/or council tax. Some lone parents change their benefit status *and* their household status. Often the one may be the result of the other. Thus a lone parent on IS in 1993 may appear on the data set as a partner of a claimant of non-IS housing benefit in 1996, as a result of forming a relationship with someone who is in low-paid work. Those we have

termed 'internal' leavers or joiners in this article have, however, simply changed their benefit status. They merit further study for the handle they may give on the transitions into or out of benefit.

Those lone parents on IS in 1993 who have left the data set entirely by 1996 also repay further study. Provided they have not left the area, they may represent lone parents who have obtained better paid jobs and who cannot sustain a claim even to non-IS housing benefit/council tax benefit. Alternatively, they may have entered into relationships where their new partner is in employment with earnings taking them out of the housing benefit/council tax benefit envelope. We have termed such claimants 'external' leavers and their counterparts 'external' joiners.

Are external leavers/ joiners likely to have left the area covered by the housing benefit/council tax data – that is, have they moved from the borough? The housing benefit/council tax benefit data comprise householders; migration data for the area in question from the 1991 census indicates that the migration rate for households with dependent children is 6.87 per cent per annum. We further know that 77 per cent of annual household migration for the study area is *within* borough. The migration rate out of borough (and thus off the data set) is, therefore, likely to be around 1.6 per cent per annum. Moreover, although we can only speculate, it is possible that, for lone parents on means-tested benefits, the migration rate out of borough is even smaller. It is, for example, known that migration rates for council tenants are lower than for other tenures, and distances moved are less (Coleman and Salt, 1992). For those owner-occupiers with mortgages, a move out of borough while retaining IS status is almost impossible as Building Societies will be reluctant to grant new mortgages to claimants. Put another way, it is highly likely that the majority of external 'leavers' (and indeed 'joiners') are true exits from and entrants to benefit rather than people simply moving into or out of the area, without changing their benefit status.

INTERNAL JOINERS/LEAVERS

Returning to those who move within the data set at the two time points, we can offer a detailed profile and begin to construct some hypotheses. The data show differences between the groups in terms of age and numbers of children, and, particularly important, housing tenure.

The mean age of the 'internal joiners' is just over 34 years, whereas the mean age of the 'internal leavers' is 33 years. There are marked tenure differences between the two groups summarised in Table 5. Owner-occupiers account for 20 per cent of the 'leavers', but for only 8.5 per cent of the 'joiners'.

EXTERNAL JOINERS/LEAVERS

If we consider the 'external' leavers and joiners, we find that the mean age of both leavers and joiners is around 31 years (leavers 30.2, joiners 30.6).

Both external leavers and joiners have 1.8 children, with 17.6 per cent of leavers as compared to 18.5 per cent of joiners having three or more children. Both groups have around 50 per cent of their children under 5. The most surprising characteristic of the external joiners is their tenure pattern. Nearly 42 per cent are private tenants compared with 27 per cent of external leavers. This may well be due to the increasing tendency in the study area (as in many other areas) for the local authority to use nomination rights over housing association property (which features as 'private tenancy' in the data) for new allocations of social housing.

WHO STAYS – WHO GOES?

Having described some of the movement patterns, we next examine which factors in the data best explain these dynamics. We look at the 1993 IS claimants to identify the factors which appear to promote or restrict movement to non-IS status (i.e., predominantly into low-paid work); and also the factors which explain escape from the benefit data set entirely (either into higher paid work or new non-claiming relationships or both).

Using logistic regression we model which lone mothers remain on IS and which leave. If we look at the lone mothers on the data set as IS claimants in July 1993, examine their characteristics at that time and look at their position in July 1996 we can create a series of models which incorporate the following factors: the benefit status of lone mothers in July 1996, their age in July 1993, total number of dependent children, having children under the age of 5, tenure and age when they had their first child.

Information on the claimants' age and the age of their eldest dependent child was available in our data. Whilst there may be older children who might have left home, for the younger lone mothers at least, this

TABLE 5. *Tenure of 'internal leavers' and 'internal joiners'*

	'Internal joiners' %	'Internal leavers' %
Owner-occupier	8.5	20.4
Private tenant	28.8	20.4
Council tenant	62.7	59.2
Total (n)	100 (118)	100 (270)

would allow us to derive the age of the mother when the first child was born. As Figure 2 shows, the average age when they had their first child is 22.9 years; 31 per cent had their first child below the age of 20; and only 8.4 per cent below 18; though we cannot, from these data, distinguish teenagers who were married when they had their first child from those who were lone mothers at that time. To test the hypothesis that 'once' teenage mothers were less likely to escape IS than those who had their first child at an older age, we created a binary variable of 'once teenage mothers' (i.e., teenagers when they had their first child) and examined their chances of leaving IS compared with lone mothers who were older when they had their first child.

In the following logistic regression analysis, both claimants' present age and the number of dependent children are treated as continuous variables. 'Once' teenage mothers and 'currently having children under five' are represented by binary variables. 'Housing tenure' consists of three categories: owner-occupiers, private tenants and council tenants. The logistic regression findings are presented in two sections: first we look at the odds of exiting the data *entirely* as compared to remaining on IS (that is, external leavers); second, we examine the odds of exiting IS to non-IS lone mother status as against remaining on IS (that is, internal leavers). Those lone parents remaining on the data set in some other capacity, e.g. as partners in couples, were excluded from these analyses.

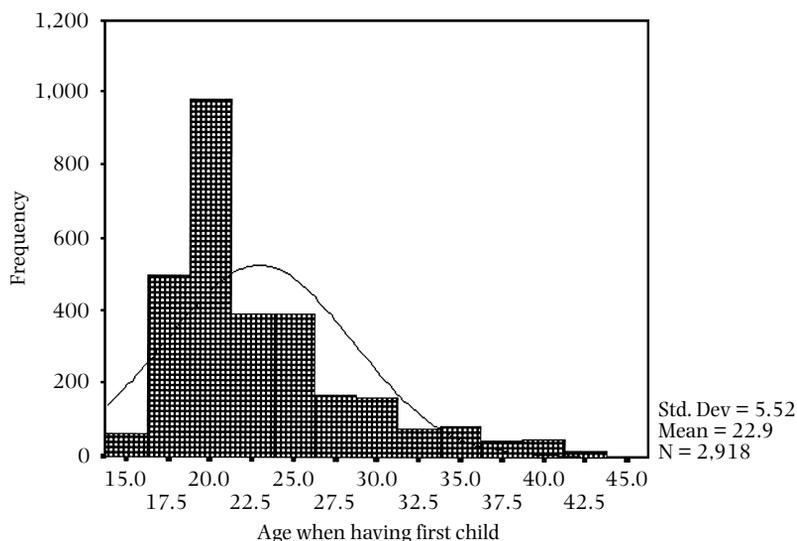


Figure 2. Age of parent when having first child

Table 6 summarises the results for 'external leavers'. In Model 1 we control for the number of dependent children and the number of children under 5. As expected, the number of dependent children has a negative effect on the chance of leaving income support. Having children under the age of 5, however, is shown to *increase* the chance of coming off income support. The addition of tenure in Model 2 suggests that both private tenants and council tenants are less likely to leave IS in 1996 compared with owner-occupiers. In Model 3, we also control for the age of lone parents in July 1993. Current age again is shown to be a significant factor; the *older* the lone parent, the less likely it is that she will come off income support.

It should be noted that the effect of having children under 5 was considerably reduced after controlling for claimants' age. This indicates that having children under 5 and claimant's age are highly correlated. In other words, younger lone parents have younger children, and they are more likely to have children under the age of 5. That lone parents with children under 5 are apparently more likely to leave IS may simply be a reflection of their age, which makes it more likely that they will form new relationships.

These results can be transformed into 'odds ratios'. With each year's increase in age, the odds of coming off benefit are 0.96:1, indicating a greater likelihood of older lone parents remaining on income support. Although the age effect may appear to be small, this accumulates over the years. For example, the odds of a 10-year increase in age are 0.66:1.

TABLE 6. *Logistic Regression on exiting data (external leavers) in July 96*

Variables	Model 1	Model 2	Model 3	Model 4
Constant	-0.69 (.09)	-.17 (.15)	.95 (.28)	1.17 (.26)
Number of dependent children	-.17 (.04)	-.17 (.04)	-.13 (.04)	-.11 (.04)
Having children under 5	.33 (.08)	.34 (.09)	.06 (.11)	
Tenure:				
owner-occupier (base)		1	1	1
private tenant		-.39 (.15)	-.50 (.15)	-.49 (.15)
council tenant		-.68 (.13)	-.79 (.14)	-.78 (.14)
Age			-.03 (.01)	-.04 (.01)
Teenage mothers				-.17 (.11)
Model Chi-Square (degrees of freedom)	29.89 (2)	58.77 (4)	81.24 (5)	80.99 (5)
N	2,573	2,573	2,573	2,556

Figures in parentheses after the parameter estimates give the standard errors. Significant parameter estimates are shown in bold.

For private tenants, the odds of moving off IS are 0.61:1 compared with owner-occupiers. These odds for council tenants are further reduced to 0.46:1, indicating that owner-occupiers are more than twice as likely to leave IS as council tenants.

In Model 4 we control for the binary variable 'once teenage mothers'. We can assume that any teenage mother who had a child shortly after she left school would have little or no labour market experience. It could be argued that 'once teenage mothers' have more difficulties in leaving benefit due to this lack of work experience and perhaps weaker labour market attachment, as some US studies have suggested (e.g., Bane and Ellwood, 1994). But the results from this model show that 'once teenage mothers' are not significantly different from their older counterparts in their chances of leaving income support. In short, there is no evidence from these data to suggest that 'once teenage mothers' are any more likely to be long-term dependent on IS than mothers who have children later.

In sum, the results suggest that the odds of any lone parent exiting IS (that is leaving benefit entirely) strongly relate to the current age and tenure of the individual lone parent, as well as the number of their dependent children. We now turn to the 'internal leavers'. Here we modelled the chance of moving from IS to become a non-IS claimant (i.e., HB/CTB only case). This group for the most part moves to low-paid work and is therefore still entitled to help towards rent and council tax. We anticipated that the number of children would have a negative effect on the chance of leaving income support, as it could be difficult for lone parents to take up even part-time employment if they have small children, especially if they are under the age of five. However, unlike the analysis of 'external leavers', neither tenure nor having children under 5 was significant. Nevertheless, as with external leavers, both claimant's age and the *number* of dependent children were significant in determining the chance of lone parents moving on to non-income support benefit – the older the lone parents, and the more children they had, the less likely they were to become non-IS claimants.

CONCLUSIONS: WELFARE DYNAMICS RESEARCH AND POLICY

In the United States the research focus on welfare dynamics powerfully interacted with the moves for the reform of welfare. As Bane and Ellwood (1994) note, such research initially underlined the extent of movement on and off welfare, and thus undercut any simple notion that the majority of claimants were necessarily permanent welfare dependants. But the evidence that a substantial number left welfare over even quite short periods provided a powerful boost to the idea of time limiting. If some can get off, why not all?

TABLE 7. Logistic regression on exiting IS to NS (internal leavers) July 1996

Variables	Model 1	Model 2	Model 3	Model 4
Constant	-1.32 (.12)	-1.13 (.20)	-.88 (.24)	-.02 (.51)
Number of dependent children	-.15 (.06)	-.15 (.06)	-.14 (.06)	-.14 (.06)
Having children under 5	.01 (.12)			
Tenure:				
owner-occupier (base)		1		
private tenant		-.30 (.21)		
council tenant		-.18 (.19)		
Age			-.01 (.01)*	-.01 (.01)
Teenage mothers				-.08 (.14)
Model Chi-Square (degrees of freedom)	7.78 (2)	9.74 (3)	12.24 (2)	11.16 (3)
N	2,172	2,172	2,172	2,157

Figures in parentheses after the parameter estimates give the standard errors. Significant parameter estimates are shown in bold.

* It is significant as the parameter estimate is $-.014$ with a standard error of $.007$.

The 1996 welfare reform legislation in the United States, as Bane (1997) notes, 'does indeed "end welfare as we know it". There is no politically feasible way of going back to the old structure, with its guarantees of assistance and the federal regulation of state programs.'

Before introducing such radical shifts in welfare policy in Britain, we need much more information on welfare dynamics, who stays and who goes, as well as the major reasons. And we may need to chart a difficult course between the simple belief in welfare dependency at one extreme, and at the other, that all can be easily lifted off benefit with the right mix of incentives and pressures.

Thus the preliminary data we have presented here show that the stereotype of the lone parent on IS as a young, perhaps teenage, mother is not supported – at least for this geographical area. Moreover, even over a relatively short time period, we find that there is significant turnover in the lone parent population with movement in and out of IS as well as movement into other family structures. By looking at lone parents who migrate from being IS claimants of HB/CTB to non-IS claimants and vice versa ('internal' leavers and joiners) we can derive a profile of the lone parent who obtains a low-paid job. By examining the 'external' leavers we can describe the lone parent who leaves benefit entirely.

By modelling the benefit statuses of the 1996 lone parents it seems that, over the time frame examined, *younger* lone parents and owner-occupiers will tend to leave the data set while older lone parents

and council tenants are most likely to stay. The data do not contain information to allow investigation into the reasons for this. We can, however, formulate hypotheses for testing by social survey.

It is possible that younger lone parents are less dislocated from the labour market and find it easier to obtain work than older lone parents. Younger lone parents may also be more likely to obtain partners in work and thus leave the data set altogether. Although migration 'out of borough' is very small for lone parents as a whole, it may be that any such migration is concentrated among these younger parents.

Some owner-occupier lone parents on IS may be relatively 'better off' and on IS for a short time between separation from their partner and a financial settlement being reached. They also may represent a more highly educated and highly skilled group with easier access to the labour market than renters. To some extent this reflects earlier research. Thus Ermisch, Jenkins and Wright (1990) used data from the 1980 British Women and Employment Survey to calculate that for women conceiving their first child before marriage and marrying young there was a higher probability of marital breakdown but also a higher probability of remarriage; the duration of lone parenthood was comparatively short. For women marrying later in life, the risk of marital breakdown was lower, but the duration of lone parenthood longer. However, that study focuses on 'entry' to and 'exit' from *lone parenthood*, in contrast to our focus on 'entry' and 'exit' in relation to *work and benefits*.

However, the parallel reminds us that the obverse of the younger, possibly better-off short stay IS lone parent could be the older less qualified lone mother living in rented property with limited recent contact with the job market and possibly a stronger orientation to family and children. It could be this group which would be most affected by any shifts in entitlement to benefit, time limiting or moves towards 'workfare'.

NOTES

- 1 Thus, Bane and Ellwood, and Pavetti use a 'hierarchy' of reasons that gives precedence to changes in marital status, if *both* work and relationship changes are recorded coincident with exit from welfare.
- 2 Approximately a quarter of the town's *total* population is accounted for by the HB/CTB system, and almost 100 per cent of some groups such as lone parents.
- 3 This belief led directly to a curtailment of the homelessness provisions in that part of the 1985 Act (Housing Act 1996).
- 4 In the long run analysis based on claim reference numbers can be misleading. When a couple separates but both remain on benefit, one of them is given a new claim reference number. Moreover, in time claim reference numbers may be reissued.

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