

### III

## HOW LONG DO NON-POVERTY AND SUBSEQUENT POVERTY SPELLS LAST, AND WHY DO SINGLE MOTHERS REENTER POVERTY?

This brief chapter begins our analysis of the income experiences during a two-year follow-up period of single mothers who exit poverty. The analysis examines how long their non-poverty spells last, reasons for their poverty reentries, and how long their subsequent poverty spells last. Thus, the focus of the analysis is on non-poverty and subsequent poverty spells. These spells are aggregated in later chapters to examine overall poverty experiences for this population.

This chapter addresses three key research questions:

- ***What is the duration of spells out of poverty for single mothers who exit poverty?*** What is the median spell duration? How many women reenter poverty within three months, one year, and two years? Do spell durations tend to differ by the trigger event that is associated with the poverty exit?
- ***What are key events associated with poverty reentries?*** To what extent are earnings and family composition changes associated with the rate at which single mothers return to poverty? Is there a correlation between “trigger” events associated with poverty exits and those associated with subsequent poverty reentries?
- ***What is the duration of subsequent poverty spells (for those who return to poverty)?*** Are poverty spells typically longer or shorter than non-poverty spells?

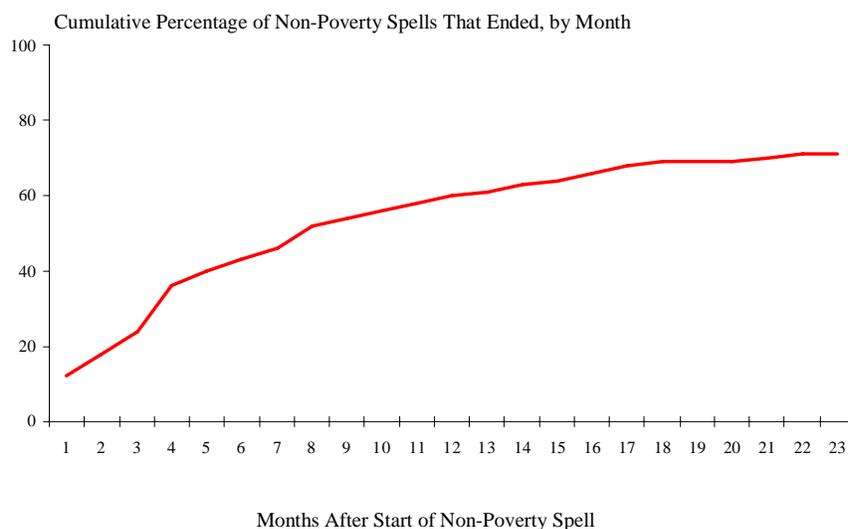
The analysis was conducted using the sample of single mothers who exited poverty during the first panel year (roughly 2001). The spell analysis was conducted using simple life-table methods that account for right-censored spells—that is, spells that were ongoing at the end of the follow-up period. These life-table methods are discussed in detail in the Appendix.

- ***The majority of single mothers who exit poverty return to poverty within one year.***

Many single mothers who exit poverty soon return to poverty. The median duration of the first observed non-poverty spell for our sample was eight months (Figure III.1). Furthermore, about one-quarter of non-poverty spells ended within three months, 60 percent of spells ended within one year, and 72 percent ended within two years.

FIGURE III.1

CUMULATIVE EXIT RATES FOR NON-POVERTY SPELLS OF SINGLE MOTHERS WHO EXITED POVERTY IN 2001



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

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

At the same time, a substantial percentage (40 percent) of non-poverty spells lasted more than a year, and more than one-quarter lasted for more than two years. Thus, there is considerable variation in the poverty experiences of single mothers.

- *Spell durations out of poverty tend to be short for each type of trigger event associated with the initial poverty exit. However, spells tend to be slightly longer for those who experience family composition changes than for those who experience other types of trigger events.*

For each type of trigger event, nearly three-quarters of single mothers who exited poverty in 2001 reentered poverty within two years (Table III.1). However, non-poverty spells tended to be slightly longer for those who exited poverty due to family composition changes than for other reasons. The median non-poverty spell duration was about 11 months for those who exited poverty because of a family composition change, compared to about 8 months for those who exited poverty due to their own earnings increases, increases in the earnings of other adult relatives in the family, and other types of exits. However, these differences were not statistically significant.

TABLE III.1

CUMULATIVE EXIT RATES FOR NON-POVERTY SPELLS OF SINGLE MOTHERS  
WHO EXITED POVERTY IN 2001, BY TYPE OF POVERTY EXIT  
(Percentages)

Month After Start of Spell	Cumulative Exit Rates, by Primary Type of Poverty Exit			
	Employment or Own Earnings Increase	Earnings Increase of Another Adult Relative	Family Composition Change	Other Type of Exit
1	12	11	11	9
2	19	16	21	15
3	25	18	24	16
4	37	29	26	34
5	40	37	26	39
6	44	37	29	42
7	47	45	36	43
8	51	52	42	52
9	54	55	44	55
10	56	58	47	55
11	57	58	58	57
12	59	63	62	60
13-16	64	73	75	67
17-20	67	76	75	71
21-23	69	76	75	75
<b>Sample Size</b>	<b>379</b>	<b>41</b>	<b>30</b>	<b>121</b>

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

Note: The sample includes poor single mothers who ever exited poverty during the first year of the panel period. All figures are weighted.

These findings suggest that, although increases in employment and earnings are the most common trigger events associated with poverty exits of single mothers, those who experience these events do not have shorter spells than those who experience other, less common trigger events.

- *The reasons for reentering poverty are analogous to the reasons for exiting poverty.*

Employment and earnings decreases were the most common trigger event for the 73 percent of sample members who reentered poverty within the two-year follow-up period; decreases in the earnings of other adult family members and family composition changes were much less common (Table III.2). The distribution of trigger events for poverty reentries is very similar to the distribution of trigger events for poverty exits. Furthermore, there is a strong association

TABLE III.2  
EVENTS ASSOCIATED WITH POVERTY REENTRIES FOR SINGLE MOTHERS,  
WITHIN A TWO-MONTH WINDOW  
(Percentages)

Event <sup>a</sup>	Experienced Event <sup>a</sup>
Either Own Employment or Earnings Decrease	73
Earnings Decrease of Another Adult Relative in Family	16
Family Composition Changes	
Became single	0
Number of adults in family decreased	8
Number of children in family increased	3
Number of children under age 6 increased	4
Any family composition change	10
Other Changes	14
<b>Sample Size</b>	<b>443</b>

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

Note: The sample includes poor single mothers who ever exited poverty during the first year of the panel period. Trigger events were identified using a two-month window prior to the poverty exit. The two-month window requires that we limit our sample to those who left poverty by the third month of the analysis period. All figures are weighted.

<sup>a</sup>Events are *not* mutually exclusive, because a single mother may have experienced more than one event.

between the two sets of trigger events (Table III.3). For instance, about 84 percent of those with an earnings-related trigger event for the initial poverty exit also experienced an earnings-related trigger event when they reentered poverty (although the associations are not as strong for the less common types of trigger events).

These findings suggest that earnings gains and losses are the primary factors associated with movements in and out of poverty for single mothers. Thus, policies aimed at stabilizing employment and earnings for this population could help reduce these movements.

- *Subsequent poverty spells tend to be shorter than initial non-poverty spells.*

Among single mothers in our sample who reentered poverty, the median poverty spell duration was only about five months, compared to eight months for the initial non-poverty spell (not shown). Furthermore, nearly three-quarters of poverty spells ended within a year. These results suggest that, although many single mothers cycle in and out of poverty, they tend to spend more time out of poverty than in poverty (as discussed further in Chapter V).

TABLE III.3

ASSOCIATION BETWEEN TRIGGER EVENTS FOR INITIAL POVERTY EXITS  
AND POVERTY REENTRIES FOR SINGLE MOTHERS  
(Percentages)

Main Trigger Event Associated with the Poverty Reentry	Main Trigger Event Associated with the Initial Poverty Exit				
	Own Employment or Earnings Change	Earnings Change of Another Adult Relative in Family	Family Composition Change	Both Family Composition and Earnings Changes	Other Reason
Own Employment or Earnings Change	<b>84</b>	13	9	50	29
Earnings Change of Another Adult Relative in Family	2	<b>44</b>	19	11	9
Family Composition Change	2	21	<b>23</b>	7	7
Both Family Composition and Earnings Changes	4	6	15	<b>28</b>	6
Other Reason	9	17	34	5	<b>48</b>
<b>Sum</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Sample Size</b>	<b>286</b>	<b>36</b>	<b>24</b>	<b>19</b>	<b>78</b>

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

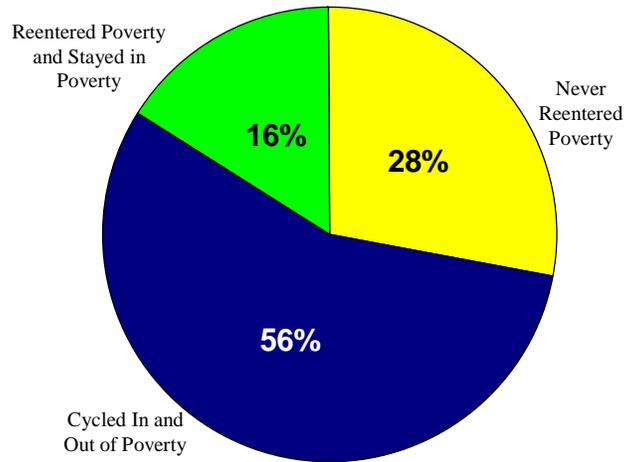
Note: The sample includes poor single mothers who ever exited poverty in the first year of the panel period and subsequently reentered poverty within the two-year follow-up period. The trigger events are identified using a two-month window prior to the poverty exit or reentry. All figures are weighted.

- *The majority of single mothers who exit poverty cycle in and out of poverty during a two-year follow-up period. However, nearly thirty percent remain out of poverty.*

Figure III.2 summarizes sample members' experiences based on their poverty and non-poverty spells during the two-year follow-up period. The sample can be divided into one of three groups: (1) 28 percent who never reentered poverty, (2) 56 percent who cycled in and out of poverty, and (3) 16 percent who reentered poverty and stayed in poverty. The finding that more than half the sample is in the cycler group suggests that there is substantial poverty volatility among this population. In the next two chapters, we provide more information on the characteristics and experiences of these three groups of single mothers, including identifying factors that may be associated with their successful economic outcomes.

FIGURE III.2

CATEGORIZING SAMPLE MEMBERS BASED ON THEIR POVERTY AND NON-POVERTY SPELLS DURING THE TWO YEAR FOLLOW-UP PERIOD



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

Note: The sample includes single mothers who were poor for at least one month during the first year of the panel period. The figures pertain to their poverty reentry status during the subsequent 24 months. All figures are weighted.