Welfare Work Requirements and Future Earnings

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Introduction:

In 1996, the Personal Responsibility and Work Reconciliation Act (PRWORA), commonly known as welfare reform, was passed. This policy instituted work requirements for those using welfare programs. For example, those who rely on TANF, or Temporary Assistance for Needy Families are required to work at least thirty-five hours per week for individuals in a couple and twenty hours per week for single parents ("Policy Basics: Temporary Assistance for Needy Families"). Similarly, Americans who rely on SNAP, or food stamps, must work thirty hours per week to maintain benefits ("SNAP Work Requirements"). There is some variation between states on the exact number of hours needed to retain benefits and the strictness of enforcement. Despite these variations, the passage of welfare reform on a national level changed the way in which welfare is designated in the United States.

Understanding the impact of such policy changes is imperative in checking the effectiveness of social welfare programs, and making sure that such programs are working to stop the cycle of intergenerational poverty. My research seeks to identify how welfare work requirements affect the development and future income of children who grow up under welfare. There are several schools of thought on this matter. It can be argued that work requirements improve parental income, and thus improve child development through access to better technologies, nutrition, and education. However, there is also literature to support the idea that the time parents spend with their children, particularly in the early years, directly impacts their development and cognitive abilities later on, leading to higher educational attainment and income(Belsky and Eggebeen 1991; Francesconi and Heckman 2016). Understanding the long term impacts of work requirements for families using related social welfare programs is vital to assess the effectiveness of policies like PRWORA. If the latter theory is correct, and work

requirements hinder cognitive development, then the requirements of many social welfare programs may be perpetuating intergenerational poverty, rather than working to stop it.

I seek to answer this question using an ordinary least squares regressions that examines the impact of childhood welfare recipiency on adult income. I hypothesize that welfare recipiency as a child will have a negative and statistically significant impact on future income and educational attainment as an adult, all other factors equal. My results show that parental time investment and financial struggle during childhood both have major impacts on adult income.

Literature Review:

In the years directly following the passage of the Personal Responsibility and Work Reconciliation Act, several studies were conducted on the impact of work requirements and their effect on parents- particularly mothers- and the development of their children.

Haider, Jacknowitz, and Schoeni (2003) examined the impacts of additional work requirements after the passage of PRWORA on breastfeeding rates. Authors chose breastfeeding to study the policies impact on short term wellbeing, rather than indicators like educational attainment and cognitive development that could only be properly studied in the long run. Breastfeeding also allowed the authors to isolate the effects of work requirements. They used a differences-in-differences model to compare rates of breastfeeding in the hospital and six months after birth for women receiving WIC benefits. States with high work requirements and strict sanctions were compared against states with low work requirements and little to no sanctions. The dependent variable was the proportion of mothers who breastfed in the different states. The independent variable was the stringency of work requirements. Control variables were the maximum benefits for a family of three in a state and an indicator code describing whether a

state had a lifetime termination time limit in effect. Fixed effects for the state and year were also included in calculations. The study found a large and significant reduction in breastfeeding for mothers in stringent states. Relative to imposing no work requirements, the most stringent laws reduced breastfeeding rates by twenty-two percent. This study shows the importance of maternal time investment on childhood development, supporting my hypothesis.

Herbst (2016) estimates the impact of welfare reform work requirements on low-income children's cognitive and social-emotional development. He does this by comparing the time mother's can remain home with newborns under variations in the age-of-youngest-child exemption (AYCE) across states. The author uses cognitive ability tests conducted on children nine months after birth through the Birth Cohort of the Early Childhood Longitudinal Study (ECLS-B) for children born in 2001. An OLS regression is conducted with cognitive development as the dependent variable; this is measured by using the natural logarithm of the child's BSF-R score as a proxy. The independent variable is a measure of early maternal employment. Control variables include a set of observable family and child determinants of cognitive ability and a set of characteristics of the child's region of birth. The study found that for every one-month reduction in AYCE, maternal work increases by 0.5 months. Also, each month of maternal employment in the child's first year reduced cognitive test scores by 0.08 standard deviations. However, these effects fade by kindergarten. The results of this study provide further evidence for the importance of maternal time investment.

Coley et al. (2007) assessed the balance of maternal welfare and employment experiences on short term child development. The authors used a representative sample of two thousand low-income urban families over a two-year period. The central independent variables were whether the mother was on welfare and whether she was employed across the two waves of

interviews. There were three sets of dependent variables covering economic well-being, maternal functioning, and parenting practices. An OLS regression with robust standard errors was used to estimate how mothers' welfare and employment experiences over the two-year period impacted economic well-being, maternal functioning, and parenting. Results indicated that mothers who moved from unemployment to employment of thirty or more hours a week saw an increase in $800 of household income per month. As well, they experienced decreased depression and increased self-esteem. Almost no significant results emerged in relation to the quality of parenting and the home environment. These results work against the school of thought favoring increased work to better the home environment and resources for children, as increased work did not impact these factors.

Gayle, Golan, and Soytas (2015-2019) seek to identify the source of intergenerational persistence in income and examine several possible factors, including assortative mating and parental time investment. They use a dynastic model to estimate the strongest factors. The researchers found that parental time with children significantly impacts the transmission of human capital from parent to child, and that maternal time with children had a greater impact than paternal time with children. Specifically, they found that parental time investment increased the likelihood of higher education, which increased lifetime labor market earnings. Maternal time investment increased the likelihood of a child graduating from college while paternal time investment increased the likelihood of a child graduating from high school. The importance of parental time investment on children's future earnings in these results further supports my hypothesis and suggests that this should be emphasized within welfare programs.

Kim (2018) examines the effects of exemptions from work requirements during pregnancy across different states on stable employment, labor force participation, and welfare

dependency of mothers. The author used a differences-in-differences approach to compare states with exemptions during pregnancy versus states without exemptions during pregnancy, and states with strict enforcement of work requirements versus states with lenient enforcement of work requirements. The study found that mothers who had to work during pregnancy had stable employment, while mothers who were exempt during pregnancy relied on welfare for longer after the birth of their child. Moreover, enforcement of work requirements shortly after birth led to labor force participation, but not stable employment. Work required shortly after birth also led to longer dependency on welfare. Overall, this study suggests that work during pregnancy leads to stable employment and lower reliance on welfare, but that mothers should be exempt for some time after birth.

My study differs from the ones discussed above because I assess the long term impacts of work requirements. Rather than examining the effects of this policy change on mothers and their young children, I examine how it affects the earnings and educational attainment of adults who grew up under such requirements. This gives a more full-circle picture of the impact of PRWORA policy changes and shows their long-term impact on individual's ability to leave the economic circumstances of their childhood as they enter adolescence and adulthood. As well, I use data collected within the last five years, rather than the studies above, which all used data collected approximately twenty years ago. This makes my study more up to date and relevant to current economic context.

Hypothesis and Model:

$$Y=\beta_0+\beta_1 Welfare+\beta_2 EducationalAttainment+\beta_3 Age+\beta_4 FinancialStruggle+\beta_5 HappySchool+\beta_6 ParentsMarried+\beta_7 FatherWork+\beta_8 MotherWork+u$$

For this model, an OLS regression is run of welfare recipiency as a child on adult income. The dependent variable is income in 2015 and the independent variable is whether or not the individual was on welfare between the ages of 0-5, 6-12, and/or 13-16, measured on a 0-3 scale. The dependent variable will serve as a strong indicator for whether and by how much an individual who grew up on welfare has been able to earn a higher income as an adult. Control variables of educational attainment, an index of the family's financial struggle, the happiness of the child in school, whether the parents were married, and indexes of how much the father and mother worked will also be included. I include these control variables to isolate the impacts of welfare policies and account for other influences on one's income.

Educational attainment is included because an individual's level of education is likely to have an important influence on their income. As well, cognitive development throughout childhood- which I hypothesize is an outcome of parental time investment- is likely to translate into higher levels of education. Therefore, this variable acts as both an outcome and a cause for my hypothesis. I include the control variable of childhood financial struggle to separate the impacts of welfare recipiency from the impacts of growing up in a low-income household. This allows the study to more specifically look at the requirements of social welfare programs, including work requirements, and differentiate them from impacts of general poverty. I include the happy in school variable as a proxy measure of school quality during childhood and the individual's experience with early education, which may impact later education, and therefore earnings. The parents married variable is included as a proxy for home stability, which may

impact cognitive development, educational performance, and emotional stability, all possibly impacting adult income. Finally, father work and mother work are important control variables as they account for parental workforce participation, and give insight into how much time parents spend away from their children. These control variables provide a stronger idea of an individual's full circumstances and insights into the many factors that contribute to future earnings.

I hypothesize that the presence of welfare in childhood will lead to decreased income in adulthood, all other factors equal. I predict that welfare work requirements will lead to decreased parental time investment, thereby leading to lower cognitive and social-emotional development of children. Lower development during childhood will then result in lower educational attainment and lower earnings in adulthood. This hypothesis is based on the research presented in the literature review, specifically the 2017 study by Herbst which concluded that strict enforcement of work requirements led to lower cognitive development and the 2003 study by Haider, Jacknowitz, and Schoeni which concluded that work requirements decreased developmental inputs through decreased maternal time. I also base my hypothesis on research by Francesconi and Heckman (2016) which shows the impact of early development on future earnings, and research by Belsky and Eggebeen (2017) that shows the negative effect of maternal work on early childhood development. Based on this research, I predict that work requirements will lead to less parental time investment, and thereby lower cognitive development and future adult incomes, all other factors equal.

As discussed above, there is thought that work requirements could be beneficial to future incomes, as they increase family incomes, and thus provide children with more resources and opportunities. However, based on the 2007 research by Coley et al., who found that increased work and income did not improve the home environment, I choose not to align my hypothesis

with this school of thought, and instead focus on the importance of parental time investment to a child's future income.

Data:

I use data collected by the University of Michigan's Panel Study on Income Dynamics(Johnson et al. 2019). All data is publicly available. I use data from the childhood retrospective circumstances study and PSID individual level data to examine individuals' childhood conditions and their current situation as adults. It should be noted that the survey had a high level of non-response bias. The original dataset contained 27,596 observations. After removing all observations missing the independent and dependent variables, as well as observations missing the parents married and education control variables, there were only 43 responses left. This high level of nonresponse bias may skew the regression results.

My dependent variable is income in 2015. Within the original dataset from the PSID study, I remove all observations in which income is missing. The 2015 income variable is represented by Y in the estimation equation and is measured in dollars earned per year.

The independent variable is whether or not an individual was on welfare during their childhood. The PSID measures this through their childhood retrospective circumstances study, collected in 2014, which asks individuals if they were on welfare for 3 or more months between the ages of 0-5, 6-12, and/or 13-16. These are collected as three separate variables and recorded as dummy variables with 0 indicating 0-3 months of welfare during the ages specified and 1 indicating 3 or more months of welfare during the ages specified. For simplicity I summed these variables. Therefore, a value of 3 now indicates the individual was on welfare for at least three months during all three ages ranges, a value of 2 indicates the individual was on welfare for at

least three months during two of the three ages ranges, a 1 indicates that the individual was on welfare for three or more months during one of the three age ranges, and a 0 indicates that they were never on welfare for more than three months before the age of sixteen. This summed welfare variable allows measurement of persistent reliance on welfare and examination of high reliance, mid-low reliance, and no reliance on future income.

The control variable of educational attainment is taken from the PSID individual level data for 2015. Participants were asked to indicate the highest level of education they received within a 1-17 range at the time of questioning. Therefore, a 1 indicates that the respondent only completed the first grade and a 17 indicates that they graduated from college and received some level of graduate education.

The age variable is included as general economic knowledge often assumes that income will rise with age. As well, the age variable allows a better understanding of the demographics of respondents. Participants were asked to give their age in years and the data was collected in 2015. The highest age given was 67 and the lowest was 20.

Financial struggle is used as a control variable as it allows comparison between low income families on welfare versus all low income families. By including this variable I can separate the impacts of growing up in a low income household compared to the impacts of growing up in a household that relied on welfare. The variable was collected in 2014 as part of the childhood retrospective circumstances study and asked participants whether their family struggled to make ends meet between the ages of 0-5, 6-12, and 13-16. If the respondent gave a 0 for the time period, it means that the family did not struggle to make ends meet; if the respondent gave a 1, it means that the family did struggle to make ends meet. Similar to the welfare variable, I combine the dummy variables from these three age ranges to create a 0-3 index.

Happy school is also included as a control variable. I use the variables “Happy at school age 6-12” and “Happy at school age 13-16” to proxy for an individual’s enjoyment and participation in schooling, which gives insight into school quality. The PSID data measures this on a scale of 1-4 with 1 indicating “A lot” and 4 indicating “Never.” I reversed these measures so that higher numbers indicated higher enjoyment and summed the two variables together. This created a 2-8 range of school enjoyment in ages 6-16. I included school quality as a control variable to account for whether a child’s school fostered an interest in learning. This will act as a proxy for the impact of a child’s involvement in education on future economic outcomes.

The next control variable is parents married, which is recorded as a dummy variable within the childhood retrospective circumstances study. A value of 1 indicates that they were married and a value of 0 indicates that they were not. I included this control variable to proxy for the home and family environment in a child’s development of social-emotional intelligence. Previous research has indicated that family stability, particularly a strong two-parent household, leads to positive future earnings(Chetty et al., 2019).

The final two control variables are father work and mother work. Each of these represents that amount of time parents spent working over the respondents' childhood. This data was collected in 2014 as part of the childhood retrospective circumstances study. Participants were asked to answer this question on a scale from 0-7 across time periods where 0 indicates that the participant did not have a father/mother or was not raised by this parent, a 1 indicates that the parents was deceased or not living with the family, a 2 indicates that the parent did not work at all, a 3 indicates that they worked seldom, a 4 indicates that they worked a little, a 5 indicates that they worked some, a 6 indicates that they worked most of the time, and a 7 indicates that

they worked all of the time. I combine the answers for each of the three time periods to create a 0-21 index of work for each parent.

Table 1: Descriptive Statistics

	Mean	Minimum	Maximum
Income (per year)	$29,901.41	$922	$139,000
Welfare	.55	0	1
Education (1-17)	12.98	7	17
Age	41.59	20	67
Financial Struggle	1.13	0	3
Happy in School	6.38	2	8
Parents Married	.5	0	1
Father Work	16.06	0	21
Mother Work	13.96	0	21

The descriptive statistics helps us to understand the average respondent to the PSID survey, and the childhood retrospective circumstances study and 2015 individual level study in particular. The average respondent had an income of $29,901.41 per year, significantly lower than the 2015 median income of $55,775, according to the U.S. Census Bureau (2016). As well, the average respondent was on welfare for about half of one of the three time periods recorded, and their family struggled to make ends meet for at least one of the three time periods. Finally, the average respondent had at least one year of college, but not a degree or any graduate school. The descriptive statistics also show that the average respondent enjoyed school ‘sometimes’ and that their father worked ‘some,’ while the average mother worked ‘a little’ to ‘some.’ The income, welfare, and financial struggle indicators show that the average respondent experienced a worse financial situation than the average American. Therefore, we can estimate the PSID

survey suffered nonresponse bias by higher earning, highly educated individuals. This lack of balance may skew results by more strongly representing the experiences of lower earning adults, rather than those who were able to attain higher levels of education and income.

Empirical Results:

Table 2: Regression Results

	coefficient	t-statistic	p-value
Welfare	-6571.77	-1.13	0.267
Education	2623.88	1.26	0.218
Age	244.83	0.61	0.544
Financial Struggle	**10008.82**	**2.84**	**0.008**
Happy in School	5370.58	1.64	0.110
Parents Married	324.87	0.03	0.979
Father Work	-620.00	-0.78	0.438
Mother Work	**-2647.87**	**-3.11**	**0.004**
R^2			0.4138

$$Y = -9609.87 - 6571.77Welfare + 2623.88EducationalAttainment + 244.83Age + 10008.82FinancialStruggle + 5370.58HappySchool + 324.87ParentsMarried - 620FatherWork - 2647.87MotherWork + u$$

The regression results show that the independent variable of welfare was not statistically significant, as it had a low t-statistic of -1.13 and a high p-value of 0.267. As shown in bold, the financial struggle variable and the mother work variable both had a statistically significant impact on adult income. The financial struggle variable had a high t-statistic of 2.84 and a low p-value of 0.008. Meanwhile, the mother work variable had a high t-statistic of -3.11 and a low

p-value of 0.004. The financial struggle variable had a positive impact on adult income, while increased work by the individual's mother had a negative impact on their adult income. This means that children whose parents struggled to make ends meet as a child, but whose mothers worked less should have higher adult incomes. It is also noteworthy that the happy in school variable is close to statistically significant at the .10 level and has a large and positive coefficient, which means that the happier a child is in school, the more likely they are to have higher adult incomes. Although this variable is not statistically significant, it is still a good idea for policymakers to consider how much children enjoy school and encourage positive schooling experiences for higher future incomes. All of the other control variables, including education, age, parents married, and father work had low t-statistics and high p-values, making them statistically insignificant.

The R^2 was 0.4138. While this is not extremely low, it leaves much room for growth and suggests that there are variables missing from the equation which may be important indicators for future income. Factors that are missing from the calculations, but that could be influential are an individual's race, gender, and level of opportunity in their state/region.

It is particularly interesting that neither education nor age had a statistically significant effect, which goes against general economic thought that one's income will increase with age and education. This may indicate an issue with the data, likely stemming from the nonresponse bias of higher earning, highly educated respondents. It appears that those who completed the survey were of lower income and education level, indicating that their career trajectories may have flatlined from lack of higher education after a certain period, rather than continuing to improve over multiple decades. This may have caused lower incomes at higher ages.

Discussion:

The main purpose of this research project was to see whether welfare work requirements hinder future adult income by limiting parental time investment, or whether they improve future adult income by providing more resources for families. The independent variable of welfare was not statistically significant, leading to a rejection of my hypothesis and a conclusion that welfare work requirements do not impact future adult incomes, whether through loss in parental time investment or increases in family resources. However, the control variables of financial struggle and mother work were both statistically significant and support my hypothesis.

The statistical significance of the mother work variable and its negative coefficient support the idea that parental time investment is an important factor in increasing child incomes. The negative coefficient shows that for every additional degree a mother works on the 0-21 scale, their child's adult income will decrease by $2,647.87 per year, all other factors equal. Meanwhile, the statistical significance of the financial struggle variable and its positive coefficient show that a child who grew up under financial strain is more likely to make a higher adult income. For every additional time period that a child's family struggled to make ends meet, their adult income increases by $10,008.82 per year, all other factors equal. The statistical significance of these two variables work in tandem to support my hypothesis that parental time investment is an important factor in future incomes, and refute the opposing school of thought that extra income through work requirements will improve a child's future income. Therefore, despite the independent variable in my regression being statistically insignificant, the results still support my hypothesis.

Furthermore, the importance of financial struggle within the equation, but lack of significance of the welfare variable suggests that welfare may not be targeting all families who could benefit from it. Many families within the dataset who struggled financially did not receive

welfare benefits, as the average financial struggle response was twice as large as the average welfare recipiency response. The significance of financial struggle mixed with the insignificance of welfare also indicates that social welfare programs are ineffective at targeting all families who struggle financially and alleviating poverty, as welfare recipiency does not appear to impact future income. We could conclude that welfare benefits were much more successful programs if they had a statistically significant impact on future incomes with a large and positive coefficient. If social welfare programs are to be successful in alleviating intergenerational poverty, they need to be adopted by more low-income families and target the main causes of poverty.

Conclusion:

The results of the study leave significant room for future research. To start, this study should be repeated with a more balanced dataset. The nonresponse bias in the current dataset leaves room to question the results of the regression, and a dataset without this bias would provide more conclusive results. This would give a stronger idea of the impact of welfare programs and their work requirements impact on low income families, allowing policymakers to form stronger and more effective legislation. More demographic variables should also be collected and included in the regression. This would provide a stronger idea of which groups welfare programs should target, and which policies are most effective at improving outcomes between different races, genders, ages, and regions.

Further research should also be conducted on the gender impacts of parental time investment. Researchers could look more closely into the impacts of maternal vs. paternal time investment on daughters vs. sons, as time investment by parents of the same gender may or may not have a stronger impact on future incomes. While this study showed that maternal time

investment had a greater impact than paternal time investment, this may not be the case if respondents are split by gender. Previous research by Chetty et al. (2019) shows the importance of paternal presence for improving the future income of boys. The importance of fatherhood presence for upward mobility of black boys in Chetty et al. (2019) suggests that paternal time investment is an important factor for the future incomes of boys, and should be further studied in relation to social welfare programs and work requirements.

Further research could be conducted on which age ranges are most important for parental time investment. There is significant literature to suggest that early childhood is the most important time for parents to spend with their children (Francesconi and Heckman 2016), which could lead to policies focused on parental time investment during the first few years of childhood, and then transitioning parents into work requirements and higher labor force participation as their children move into adolescence. More research into this topic could confirm whether this would be an effective route for policymakers to take, or whether paternal time investment is of equally great importance during all stages of childhood.

Finally, research could be done on incentive-based programs to motivate parental time investment for welfare recipiency. Previous research, such as the PROGRESA program in Mexico, has shown incentive-based programs to be successful in alleviating poverty through human capital investments (Gertler and Boyce, 2001). Similar approaches may be successful in increasing human capital through parental time investment in the context of US social welfare programs. Program designs similar to that of PROGRESA, with regular maternal check-ins, could be beneficial in assuring that parental time investment is being maximized for child cognitive development.

There are many policy implications from this research which should be considered in drafting future welfare programs. The importance of maternal time investment in the regression shows that parental time greatly impacts future earnings, which generally goes with the literature already published on this topic. Therefore, social welfare programs should maximize maternal time investment, rather than maternal workforce participation. It may be that some families are choosing not to take up welfare programs, since they feel that the work requirements hinder the time they can spend with their children, which they see as an important familial investment. Changing welfare requirements to focus on parental time investment, rather than workforce participation may increase their usage and improve these programs outcomes by alleviating intergenerational poverty and stifling welfare reliance cycles.

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Attachment 1: Database

	parentsmar~d	financompavg	age	education	income	happyschool	welfare	financialstruggle	fatherwork	motherwork
1	1	2	27	12	25000	2	0	0	21	16
2	1	3	27	12	5324	5	0	2	21	18
3	1	3	53	.	10000	8	0	0	16	6
4	1	2	29	.	10000	6	0	0	21	21
5	1	2	53	12	52000	6	0	3	21	17
6	0	4	38	17	92000	8	0	3	21	6
7	0	3	31	17	10000	6	0	0	3	3
8	1	3	62	12	62000	6	0	3	18	12
9	0	3	40	12	2000	8	3	0	0	6
10	1	3	47	17	10000	4	0	0	21	12
11	1	3	38	16	60000	8	0	0	21	14
12	1	2	41	16	22236	8	0	0	21	12
13	1	3	20	11	13000	7	0	0	21	15
14	0	4	33	10	12000	4	2	2	7	6
15	0	3	51	99	48000	8	0	1	9	21
16	1	3	38	14	75000	6	0	0	6	6
17	1	2	29	14	13236	7	0	1	21	12
18	0	3	42	.	10000	8	0	0	0	21
19	0	5	33	14	70000	6	2	3	0	14
20	0	3	41	13	70000	6	0	0	6	6
21	1	2	53	12	1728	4	0	0	21	10
22	0	5	42	12	27000	6	2	3	0	18
23	0	3	50	12	139000	8	0	0	21	0
24	1	3	64	12	10000	8	0	2	21	16
25	0	3	35	12	38000	8	0	0	13	14
26	1	3	31	.	75750	6	0	2	21	6
27	1	3	32	17	10000	6	0	1	21	21
28	1	3	46	16	37000	6	0	0	21	21
29	1	3	52	17	67000	6	0	3	21	18
30	0	3	25	12	10000	6	0	0	21	6
31	1	5	61	7	28000	6	2	3	21	15
32	1	2	48	16	20000	7	0	0	21	20
33	0	4	49	10	23000	5	0	3	17	13
34	1	2	48	13	10000	8	1	3	21	21
35	0	1	43	12	10000	8	0	0	15	21
36	0	.	26	12	10000	.	.	0	0	2
37	0	4	34	12	10000	6	1	2	21	21
38	1	3	33	12	50000	6	0	3	18	18
39	0	3	53	12	120000	8	3	3	0	9
40	1	2	25	12	10640	8	0	0	21	21
41	1	2	48	.	10000	8	1	0	21	21
42	0	3	30	11	8000	8	3	0	21	6
43	1	2	32	.	20000	8	0	1	21	21
44	0	3	20	14	10000	6	3	1	9	20
45	1	2	42	15	10000	7	0	3	21	21
46	0	.	58	.	922	4	0	0	19	21
47	1	4	36	15	46000	6	0	3	21	16
48	1	4	34	10	15080	4	1	3	21	13
49	1	3	35	14	45760	6	0	0	21	6
50	0	2	60	9	3000	6	1	0	18	9
51	1	1	67	.	10000	2	0	0	21	21
52	1	4	46	.	10000	6	3	3	21	21
53	0	4	59	10	45000	6	1	1	0	2
54	1	3	56	14	2000	8	0	0	21	21

Attachment 2: Computer Output

```
. reg income welfare parentsmarried age education happyschool financialstruggle fatherwork motherwork
```

Source	SS	df	MS	Number of obs	=	43
				F(8, 34)	=	3.00
Model	1.8091e+10	8	2.2614e+09	Prob > F	=	0.0117
Residual	2.5625e+10	34	753673520	R-squared	=	0.4138
				Adj R-squared	=	0.2759
Total	4.3716e+10	42	1.0409e+09	Root MSE	=	27453

income	Coefficient	Std. err.	t	P>|t|	[95% conf.	interval]
welfare	-6571.766	5824.038	-1.13	0.267	-18407.64	5264.103
parentsmarried	324.8688	12422.14	0.03	0.979	-24919.97	25569.7
age	244.8329	399.2155	0.61	0.544	-566.4706	1056.136
education	2623.88	2089.604	1.26	0.218	-1622.707	6870.467
happyschool	5370.576	3273.638	1.64	0.110	-1282.256	12023.41
financialstruggle	10008.82	3522.533	2.84	0.008	2850.173	17167.47
fatherwork	-620.0015	790.3516	-0.78	0.438	-2226.189	986.1861
motherwork	-2637.87	848.6411	-3.11	0.004	-4362.516	-913.2237
_cons	-9609.87	38678.97	-0.25	0.805	-88215	68995.26