

# Welfare and Marriage in Fishtown

by W. Bradford Wilcox, Alysse ElHage, and David Lapp | July 27, 2016 8:30 am

“When you get married, I’m pretty sure that you lose your insurance,” Katie, a 26-year-old cohabiting mother of two who receives Medicaid benefits, said in a recent interview with Institute for Family Studies (IFS) research fellows David and Amber Lapp. The Lapps interviewed a dozen poor and lower-middle-class individuals about how social-welfare programs affect their marriage decisions. Katie is planning on marrying her boyfriend, but she’s also worried about the impact marriage would have on her access to healthcare.

“I’d have to really think about it,” the Ohio resident said in reflecting upon how marriage might affect her Medicaid-eligibility. “Because if it was just me, I’d get married anyway. But I’d have to think about my son. I’d have to weigh it and find out if I’d still have good health insurance for him. Because if I wouldn’t, I might not consider getting married.”

Katie’s outlook is emblematic of the way in which many conservatives view social-welfare programs as affecting family formation in America, especially among the poor and lower middle class. In conservative circles, the general consensus seems to be that welfare is a primary driver of nonmarital childbearing, single parenthood, and family instability in America. Congressman Glenn Grothman (R-Wis.), for instance, has said[1] the federal and Wisconsin governments are “working to encourage single motherhood and discouraging children in two-parent families” by giving generous benefits worth thousands of dollars to single parents. From this perspective, lower-income Americans weigh the simple financial benefits and penalties of marriage and childbearing vis-à-vis social welfare programs, and maximize their short-term financial welfare, even if that means foregoing marriage or having a child out-of-wedlock.

But conservatives who take this view of welfare and family formation might have difficulty making sense of Zoe, a cohabiting mother who is getting married soon. This 28-year-old Ohio woman told the Lapps that the possibility of losing her Medicaid benefits when she marries her fiancé has had no impact on her decision to wed. “We’ve never really thought about it as like, ‘Oh, we’re not going to get married because [my daughter] and I lose our insurance...’” Zoe said. “We can’t base the fact that we want to live the rest of our lives together [on] just because the government’s stupid.”

Zoe’s response suggests that some lower-middle-class adults don’t give much consideration to the benefits and penalties of social-welfare programs when making marriage and childbearing decisions. This was also the view articulated[2] by sociologist Kathryn Edin at a public event held Tuesday to launch *Marriage, Penalized: Does Social-Welfare Policy Affect Family Formation?*[3] a new report from the Institute for Family Studies and American Enterprise Institute (AEI).

“People are not rational actors,” performing some kind of simple calculus about how marriage would affect their benefits, Edin pointed out. When it comes to marriage, “they want to make a long-term bet [on a relationship] that they have some level of confidence will pan out,” she said, adding, “They’re not like renters; they’re like buyers.” In Edin’s view, marriage decisions among the poor and lower middle class are driven more by the quality of their relationship and their employment status, than by any potential benefits or penalties associated with Medicaid, food stamps, and cash welfare.

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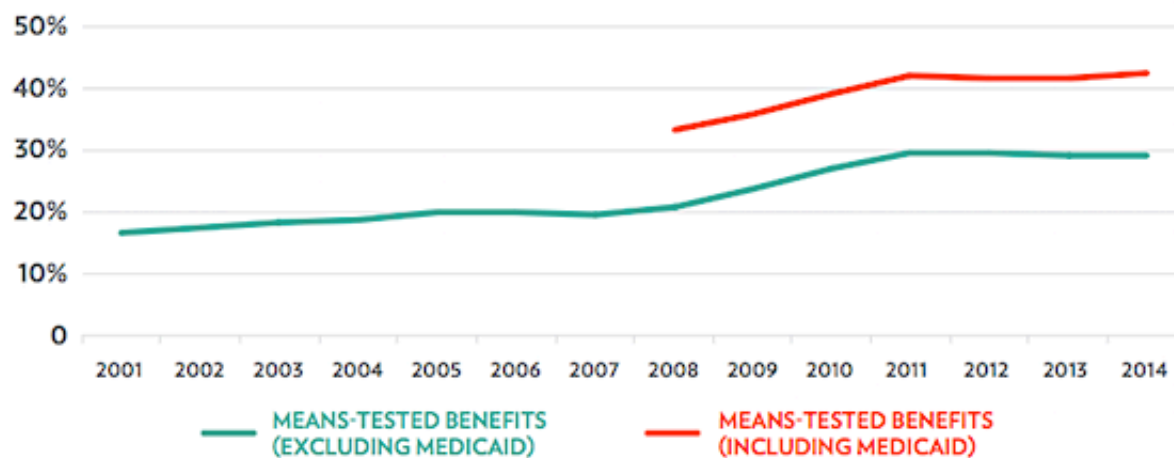
Edin's perspective is one we have often encountered among progressives, who tend to discount[4] the possibility that ordinary couple's decisions about marriage and childbearing are much affected by the benefits and penalties associated with means-tested programs like Medicaid, Supplemental Nutrition Assistance Program (SNAP, or food stamps), and Temporary Assistance for Needy Families (TANF). This view was well articulated by California State Senator Holly Mitchell (D-Calif.), who said[5], "I don't know a woman—and I don't think she exists—who would have a baby for the sole purpose of having another \$130 a month."

So, do means-tested programs in America affect family formation? Is Katie's or Zoe's experience more emblematic of the way in which contemporary social-welfare policy is affecting marriage and childbearing decisions among families in America today?

These are the questions that W. Bradford Wilcox, Joseph Price, and Angela Rachidi considered in *Marriage, Penalized*[6], their new report for IFS and AEI. It explored the impact of social-welfare policies on family formation, focusing on three of the nation's largest means-tested programs: Medicaid, food stamps, and TANF. These questions are particularly timely because recent increases in means-tested programs mean that today, more than four in 10 American families are receiving some type of government assistance. As the figure below shows, that's almost half of American families with young children.

**FIGURE 2**

### Percentage of families with children 18 and under receiving means-tested benefits, 2001-2014



American Enterprise Institute (AEI)

Institute for Family Studies (IFS)

Source: American Community Survey. Note: Means-tested benefits include TANF, SNAP, Supplemental Security Income, Social Security (pensions, survivor benefits, or disability insurance), and General Assistance, as well as Medicaid, where noted. Figure does not include all forms of government support; housing and child care assistance, for instance, are excluded, as is the EITC.

Because a growing share of American families now receive government aid, a large portion of not just the poorest families but also lower-middle-class families rely on some form of government assistance. The authors examined whether these families face marriage penalties, and if so, whether these penalties affect the odds of marriage among lower-income couples with new children. Two findings from the *Marriage, Penalized* report are particularly noteworthy:

**1. Marriage penalties in means-tested programs increasingly apply to families with young children in the lower middle class, but not to the poorest families.** As the authors explain, because the income thresholds for means-tested benefits like Medicaid and food stamps have increased, new families in the poorest quintile (with a family income less than \$24,000) are less likely to face marriage penalties of the kind described by Katie. But this means that lower-middle-class families like Katie's are also more likely to face penalties for getting married, such that getting married and reporting their joint marital income would make them ineligible for programs like Medicaid. According to the report, families whose "household incomes fall in the second and third quintiles of the family income distribution (or \$24,000 to \$79,000) are more likely to face marriage penalties" in programs like Medicaid, TANF and food stamps.

**2. Marriage penalties seem more likely to discourage marriage among lower-middle-class families who participate in means-tested programs such as Medicaid and food stamps than to discourage marriage among the poorest families.** The report found that lower-middle-class couples "whose oldest child is two or younger whose income falls closer to the upper threshold of the marriage penalty are about two to four percentage points less likely to be married if they face a marriage penalty in Medicaid or food stamps."

At the same time, the report found *no evidence* that marriage penalties impact marital decision-making among "unmarried couples in urban America who have just had a baby, or among couples with children two and under whose income is near the lower threshold of the marriage penalty" (i.e., the poorest families). Additionally, the report found "no evidence that TANF-related marriage penalties influence the marriage behavior of [lower-income] couples with a new child."

Taken together, these results suggest that marriage penalties associated with American social-welfare programs play only a modest role in shaping the marriage decisions of contemporary couples with new children, and a role that seems more salient for lower-middle-class families than for the poorest families. In other words, Zoe's approach to marriage appears more representative than Katie's approach to marriage. More generally, the Lapps' interviews with poor and lower-middle-class couples in Ohio echo Edin's conclusion that stable, decent-paying work and good relationships are far more important predictors of marriage and childbearing decisions for such couples than are calculations related to social-welfare benefits.

Even so, the report's finding that marriage penalties in means-tested programs may be influencing the marriage decisions of *some* lower-middle-class families is sobering. Government policy should not devalue marriage, or force struggling families into a choice between getting married or having continued access to food assistance and medical care for their children.

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Furthermore, these marriage penalties, and other policies that discriminate<sup>[7]</sup> against low-income, two-parent families, may unintentionally be sending a message that when it comes to government aid, unmarried parenthood is rewarded, while married parenthood is punished. Consider, for example, Miranda, a 28-year-old married mother, who told the Lapps that she once hid the fact that she was married to obtain food stamps. "Once I became a 'single mother,' I could get food stamps," the Ohio mom said, adding, "There's times I wish we hadn't gotten married, just because there would be better opportunities for me to take care of my kids when we get in these situations where [my husband] doesn't have a job..."

Because government policy should not make the receipt of healthcare or food assistance conditional on being unmarried, Wilcox, Price, and Rachidi suggest four strategies to help reduce or eliminate the marriage penalties facing lower-middle-class families in means-tested programs. These suggestions include:

- For Medicaid and food stamp eligibility, increasing the income threshold for married couples with children under five *to twice* what it is for single parents with children under five.
- Offering an annual, refundable tax credit (up to \$1,000) to married couples with children under five to compensate them for any loss in means-tested benefits associated with marrying.
- Working with states to launch local experiments designed to eliminate the marriage penalty associated with government assistance.
- Encouraging states and caseworkers working with lower-income families to treat two-parent families in much the same way as they treat single-parent families.

Such measures are not likely to be panaceas for the growing fragility of marriage and family life among lower-middle-class Americans. Still, it is counterproductive for the government to impose marriage penalties on lower-income couples with children when marriage is one of the more effective means[8] of lifting individuals and families out of poverty. If we want to help more families achieve the American Dream, including lower-middle-class families who are increasingly likely to rely on government assistance, we need to remove barriers in social-welfare policies that might be keeping some unmarried couples with children from embracing marriage.

### Endnotes:

1. said: <https://www.washingtonpost.com/news/fact-checker/wp/2014/12/05/grothman-single-parents-welfare/>
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