

Residential Mobility among Low-Income Women after Welfare Reform\*

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### *Elongated Abstract*

This paper investigates the determinants of residential housing patterns with emphasis on the role of various employment/job transitions, distinguishing between mobility versus unanticipated disruptions. Although patterns of residential mobility between poor and non-poor neighborhoods have been described for the general population, little is known about factors that are particularly salient for low-income single mothers that facilitate or constrain residential mobility from poor neighborhoods to more prosperous neighborhoods. Thus, we know little about the characteristics of mobile children's new neighborhoods and how these compare with their neighborhoods prior to the job change.

A primary motivation of why it is important to understand the nature and determinants of residential mobility patterns of low-income single mothers following welfare reform are its potential consequences on child well-being. Previous research has documented that children in single-parent families are nearly twice as likely to experience a childhood move as children with married parents (Astone and McLanahan, 1994), and that these higher rates of residential location changes and childhood living arrangement transitions are associated with worse child development outcomes (Johnson, Kalil, Dunifon, 2007; Hanushek et al., 1999; Haveman et al, 1991).

This paper examines the interactions between employment patterns, residential instability/mobility, housing tenure, and location choice. The extent to which residential location changes are the result of aspiration and opportunity (e.g., career advancement), rather than desperation and decline (e.g., family disruptions and job losses), are carefully

considered. Although prior research on residential mobility has often focused on the simple number of moves, we distinguish among the types of job transition and residential location changes. One potential consequence of maternal employment instability that has received scant research attention concerns the impact of involuntary job transition patterns on children's residential mobility/instability and, in particular, the types of neighborhoods the children inhabit.

In this paper, we use panel data to examine the relationship between the employment experiences and housing arrangements of low-income mothers after welfare reform. We use longitudinal data spanning a seven-year period from the Women's Employment Study (WES) in conjunction with census data describing economic status of children's neighborhoods to trace residential mobility experience, and among movers the changing neighborhood economic environment of children from low-income households whose mothers experienced job transition. We analyze the circumstances surrounding the move and the incidence and determinants of residential instability and mobility.

Our methodological approach involves the estimation of a model that integrates several related household choices in a unified framework to assess the influence of employment patterns and job accessibility on residential location. Treating mobility as a linked choice with tenure and residential location choices allows for greater insights into the interdependency of employment and residential outcomes. We estimate three-level nested multinomial logit models of household mobility, home ownership tenure choice, and residential location. The value of a particular residential location depends on household mobility and tenure choices. A household's tenure choice is made in the context of a move decision while simultaneously accounting for the relative values of the

locational options, and the initial intra-metropolitan locations of our sample of low-income women.

Few studies have analyzed the joint linkages of household mobility, homeownership, and residential location. From an empirical modeling perspective, our analysis is unique in its consideration of the joint interactions among the mobility, housing tenure, and intra-metropolitan location decisions of low-income families. We pay particular attention to the role of employment patterns in influencing both the incidence of residential instability as well as upward mobility in homeownership attainments, and the likelihood of escaping high poverty neighborhoods.

We also estimate separate fixed effect model specifications of housing instability, neighborhood poverty, and longer-run models of the determinants of transitions to home ownership. Our fixed effect model specifications explicitly account for unobservable factors or changes within the family that coincide with differences in maternal employment characteristics and impact residential mobility patterns; thereby minimizing potential bias. Our analysis provides new evidence in the post-welfare reform era on the incidence and determinants of residential instability, mobility, and escaping high poverty neighborhoods.

To preview our results, we find a significant minority of children in these low-income households experienced housing instability or involuntary residential location change that was directly related to maternal employment instability. On the other hand, women who continuously worked in good jobs experienced significant increases in the likelihood of becoming homeowners. However, most low-income mothers continued to live in high poverty neighborhoods. Our results demonstrate that job loss sharply

increases the annual probability that children will move out of their neighborhoods.

Furthermore, conditional on moving, children whose mothers experienced involuntary job loss moved to significantly poorer neighborhoods. The impact of job loss on these residential outcomes is especially pronounced for African-American children and for children whose parents did not own their homes prior to the job separation.

Future research should explore the consequences for children of living in different and changing neighborhood and housing environments that have accompanied increases in work hours and various patterns of maternal employment. Given the unique constellation of factors affecting low-income single mothers in the aftermath of welfare reform, the interrelationships between employment patterns, transitions in and out of different family and neighborhood environments, and resultant consequences for children warrant further empirical investigation.