

EMOTIONAL DISTRESS FOLLOWING AFDC CUTBACKS¹

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Several distressing aspects of cutbacks in AFDC benefits for poor working single mothers are distinguished in this paper, and their link to psychological well-being is identified. Variations in the severity of benefit losses predict the level of demoralization a year after the cutbacks, even controlling for intervening stressful life events, and for current income, employment, and AFDC status. Among the various mixes of work and welfare for these women, part-time work with or without supplementary AFDC benefits appears to have the least negative emotional outcomes.

In late 1981, poor working single mothers began to lose all or part of their Aid to Families with Dependent Children (AFDC) benefits when new welfare policies were implemented nationwide. These cutbacks occurred in the midst of an unresolved debate regarding the extent to which features of the AFDC program eliminate, alleviate, or perpetuate poverty and welfare dependence. Longitudinal research has identified demographic characteristics of short- and long-term welfare recipients and clarified the dynamics of entrances and exits from the welfare system (Bane and Ellwood, 1983). But we only dimly understand the personal motivations of those who enter or depart the system, and remain virtually ignorant of the emotional calculus that underlies or coincides with these movements.

The AFDC changes of 1981 provide a natural laboratory for investigations into the emotional benefits and liabilities that accompany movements in and out of the welfare system. Viewing these AFDC cutbacks as stressful life events (Dohrenwend and Dohrenwend, 1981), this paper examines the emotional well-being of single working mothers approximately one year after the cutbacks occurred, and poses three questions regarding the stress-inducing aspects of the AFDC cutbacks, each of which re-

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flects upon broader policy issues. First, how do those affected by the cutbacks subjectively view the level, duration, and effects of the strain that resulted from their AFDC losses? The cutbacks represented a historic reversal in U.S. welfare policy—the first general contraction rather than expansion of eligibility for income support programs. Did this attempt to forcibly promote self-sufficiency contribute, as some claimed, to improved self-esteem, or to emotional distress and declining well-being? Second, given variation in the magnitude of AFDC losses, are objective measures of the severity of the cutbacks related to emotional distress? If so, which of the changes brought about by the cutbacks is the source of distress? Specific sources of distress may indirectly highlight the aspects of income support programs that certain groups of recipients find especially reassuring emotionally, adding to our understanding of why single mothers turn to and remain in the welfare system. Third, does the relationship between the severity of the cutbacks and emotional distress differ for subgroups of those affected, such as those who are currently on versus off AFDC? Those affected by the cutbacks differed from one another in terms of the extent of their reliance on AFDC and their labor market involvement before and after the cutbacks; this allows us to identify combinations of work and welfare options that are associated with the least and the most emotional distress.

OBRA and the Working Poor

The new AFDC eligibility rules specified in the Omnibus Budget Reconciliation Act of 1981 (OBRA) caused about one in six recipients to lose some or all of their AFDC benefits (Joe and Rogers, 1985). Those with earned income were targeted for the most sweeping changes in eligibility, and bore a disproportionate share of the case closings and grant reductions. Although they constituted a small minority of the total AFDC caseload, most of those who lost AFDC benefits through OBRA were working mothers (General Accounting Office, 1984: 4).

The key proposals affecting the working poor imposed lower earnings limits and, for those who remained eligible, increased the rate at which AFDC benefits declined for every earned dollar. AFDC policies evolving over the previous two decades encouraged recipients to seek and maintain jobs by allowing them to retain supplementary AFDC benefits after they entered the work force. OBRA removed or capped these work incentives by limiting eligibility to families with gross income not exceeding 150 percent of their states' standards of need, and by eliminating after four months the disregard of the first \$30 of monthly earned income plus one-third of the remainder. In addition, these four-month disregards were now applied not to gross income (which maximized the value of the "one-

third" disregard), but to net income after the deduction of newly restricted work-related and child care expenses.

The rationale for these changes was to narrow AFDC eligibility, target benefits on those "truly" in need, and reduce welfare expenditures. OBRA also signaled shifts in policy regarding the purpose of AFDC, the definition of need, the extent and persistence of poverty, and the effectiveness of work incentives in promoting self-sufficiency. Critics contended that OBRA arbitrarily identified the nonneedy, disproportionately targeted the working poor (Ginsberg, Mesnikoff, and Kulis, 1984), and exaggerated the success of anti-poverty efforts, while underplaying the contribution of social welfare programs (Sarri, 1983). OBRA appeared to invert prevailing views of work incentives, charging that they prolonged welfare dependency. Critics contended that without these incentives adult recipients would curtail work efforts and rely more heavily on AFDC (Wiseman, 1983), thereby nullifying any expected fiscal savings.

Studies of OBRA's effects on the working poor consistently reported that those experiencing the AFDC cutbacks did not quit their jobs or markedly reduce work hours (see Hutchens [1984] for a review). Nor did most replace lost AFDC benefits with additional earnings. The resulting decline in income pushed many below the poverty line, and an array of hardships ensued, ranging from an increase in borrowing to running out of food to being evicted (Center for the Study of Social Policy, 1984; Ginsberg, Mesnikoff, and Kulis, 1984, Sarri et al., 1984). Many families also lost eligibility for Medicaid, which automatically accompanies AFDC, and were left without any form of health coverage for their children (General Accounting Office, 1984; Moscovice and Craig, 1983; Zinn and Sarri, 1984).

AFDC Cutbacks as Stressful Life Events

The AFDC case closings and grant reductions were major environmental changes, or life events, of a type closely linked to negative physical and emotional health (Dohrenwend and Dohrenwend, 1981). The financial losses were "objective experiences that disrupt or threaten to disrupt an individual's usual activities, causing a substantial readjustment in that individual's behavior" (Thoits, 1983:34), one widely employed definition of life events. Moreover, the AFDC cutbacks fall into a class of life events that are the most psychologically distressing: events that are undesirable, unexpected, and uncontrollable (Thoits, 1983). The cutbacks withdrew a substantial level of financial support without providing compensating benefits. Recipients had little advance notice and could have prevented the cutbacks only by immediately ceasing their work efforts, which would entail possibly more serious costs.

The losses due to OBRA were quite varied. OBRA rules finely differenti-

ated among working AFDC recipients, imposing changes in eligibility that differed both in magnitude and in kind. The 150 percent rule identified those with the highest earnings, controlling for family size, and withdrew their AFDC benefits entirely. This group lost the most, when measured in absolute dollars, but they also had the highest living standard and demonstrated earning power on the eve of OBRA. The next economic stratum—families with earnings 100 to 150 percent of the state need standards—were no longer eligible for AFDC when their "\$30 plus one-third" earned income disregards expired. The remaining AFDC recipients had the least amounts of earned income and the highest AFDC grants. Although, unlike the other two groups, they had AFDC grant reductions rather than terminations, their standard of living was also more marginal prior to OBRA.

The AFDC changes might, then, operate as stressors in several ways. Most directly, by decreasing income they could impair the ability to meet essential family needs, and those with the largest dollar losses (standardized for family size) might face the most severe stress. Alternately, the stressfulness of cutbacks might relate to the relative rather than absolute contribution of AFDC to the family's income. Those less reliant on AFDC prior to OBRA, i.e., drawing a smaller portion of their total income from welfare, might be less distressed than those more dependent on AFDC, even if they lost more in absolute dollars. Another difference in stressfulness could lie in whether a family's AFDC grant was reduced or terminated. The total loss of a relatively reliable source of income (and perhaps Medicaid) might increase the general sense of vulnerability of those whose AFDC cases closed. These three sources of distress in the context of a welfare cutback point indirectly to the specific features of the AFDC program that recipients find the most emotionally reassuring: the magnitude of the improved standard of living that their supplementary income makes possible; the sense that a large proportion of family income is assured through AFDC eligibility; or a more generalized reliance on guarantees of some AFDC income, regardless of size, rather than alternatives, to address the family's various needs.

A number of factors might mitigate the stressful effects of the cutbacks. The stressor might be transient, causing only short-term financial difficulties, as those affected adjusted living standards, augmented earnings, or found other sources of support. For others the economic insecurity of the cutbacks might represent an unremarkable incident in a life of chronic financial marginality. Past and subsequent financial crises, perhaps more severe than the cutbacks, might be common, and primary appraisal (Lazarus and Folkman, 1984) could relegate OBRA losses to perceived unimportance. Zinn and Sarri (1984) reported that a majority of OBRA-affected women in Michigan reacted immediately to the cutbacks by becoming upset, depressed, or ill, but the long-term emotional conse-

quences of OBRA have not been examined using more precise measures of well-being.

The emotionally distressing aspects of the OBRA cutbacks might also vary with the level of family needs and resources for coping. Women with preschool children face the problems of child care constraints and employer discrimination. Single women on AFDC also have varying preparation for and experience within the labor market. Opportunities to adequately support a family through earnings alone may be poorer for those with little education. In addition, the very young, and those who began to receive AFDC at very young ages, may have insufficient experience in the labor market to find adequate employment.

These arguments assume that maximum labor market involvement, income self-sufficiency, and welfare independence are desirable in the aftermath of AFDC losses. For maintaining psychological well-being, however, there is scant evidence that they are preferable to some degree of dependence on welfare. The intrinsic rewards and costs of employment full-time, part-time, or not at all, are likely determinants of psychological well-being for single mothers, but it is unclear which combination of work and welfare options are least emotionally stressful for the poor. Studies reporting that work is beneficial for women in general may not apply to the women affected by OBRA, who face extraordinary financial constraints (Nathanson, 1980; Rubin, 1976; Verbrugge, 1983). In the only study to address this question with a sample of women subjected to OBRA cutbacks in AFDC, Danziger (1984) found that those off the AFDC rolls were more satisfied with their lives than those who continued to combine work and welfare. However, there were no significant differences between AFDC recipients who worked and those who did not. This paper pursues this question further by investigating the joint effects of work and welfare specifically on emotional distress, and by distinguishing the effects of varying levels of work effort and varying degrees of reliance on welfare.

Method

This study combines data from two sources of information about working AFDC recipients before and after their AFDC eligibility was altered by OBRA. The data come principally from personal interviews with affected recipients. Supplemental information was extracted from their administrative AFDC records and matched to the interview data. Each respondent was part of a stratified random sample of single working mothers whose AFDC eligibility was altered in early 1982 by one of two specific OBRA policy changes. Half of the cases in the sample were selected because they became ineligible for AFDC due to the "150 percent" limitation on gross income, and the other half had either benefit reductions or benefit eliminations due to the withdrawal after four months of "\$30 plus one-

third" earned income disregards. Results have been weighted to correct for the intentional stratification of the sample, and reflect the experiences of the New York City population of approximately 13,000 single working mothers² who were affected by the initial implementation of OBRA.

Of the eligible cases drawn for the sample, 58 percent were interviewed in early 1983, 15 percent could not be found at the addresses given in their case records, 14 percent were never available at their verified addresses, and 13 percent refused to be interviewed. Among those who were verified as living at the given addresses, 69 percent responded. Interviews were conducted about one year after the OBRA case closings or reductions. Virtually all of the respondents remembered the cutback and placed it within a few months of the officially indicated time. A sizable majority (87 percent) correctly identified their earnings as the reason for their AFDC losses, but few knew the details of the eligibility changes. Because the respondents' understanding of the timing and reasons for the cutbacks was at times imperfect, official AFDC case record data were matched to those from the personal interviews. The case record data were used to determine the timing of AFDC eligibility and grant levels before and after OBRA. All other data used in this study came from the interviews with respondents.

Results

The employment histories, family composition, and welfare experiences of the respondents are important contexts for their perceptions of the OBRA cutbacks (Table 1). Nearly three-quarters of the respondents had AFDC case closings, and the remainder had grant reductions averaging \$86 per month. About one-quarter of those whose cases were closed regained eligibility for AFDC by the time of the interview, but the majority of the women were working full-time when interviewed, and fewer than one-fifth were unemployed. Over three-fifths (63 percent) had been working full-time or part-time without interruption for the previous two years.

Several characteristics distinguish the respondents from the vast majority of AFDC recipients who do not work, pointing to their relative advantages in entering and persisting in the labor force. Over half had a high school degree, and the majority had been married at one time. More than three-fourths were over 21 when they first received AFDC. A sizable majority of the women also had only one or two dependent children, and a minority had preschool-age children.

²The small minority of AFDC cases led by someone other than a single mother were all eliminated from the sampling frame because their expected sample sizes would be too small to analyze separately. This excluded male heads of households, two-parent families receiving ADC-U, AFDC cases with no adult recipients (e.g., children eligible but not their guardians), and mutual cases (i.e., more than one open AFDC case in the household).

TABLE 1
Selected Characteristics of Respondents ($n = 254$)

Category	Percentage of Respondents
OBRA outcomes	
AFDC case closed and remained closed	55%
AFDC case closed then reopened before interview	19%
AFDC grant reduced but remained eligible	26%
Employment status at interview	
Working 35 or more hours weekly	57%
Working less than 35 hours weekly	24%
Unemployed	19%
Education	
Completed less than high school	41%
High school degree (or GED)	54%
College or graduate degree	5%
Marriage	
Never married	43%
Currently married	5%
Separated	29%
Divorced	19%
Widowed	3%
Race	
Black	70%
Hispanic	21%
White	9%
Composition of the AFDC case	
Respondent and one child	37%
Respondent and two children	40%
Respondent and three children	15%
Respondent and four or more children	8%
Presence of preschool children	
Children under 6 in the AFDC case	29%
No children under 6 in the AFDC case	71%

Throughout the interview the women described the seriousness of their AFDC losses, the effects of the cutbacks on their families, and how their losses compared to those of other families and to other stressful events the women had experienced. They portrayed the cutbacks as sudden financial crises, which posed serious difficulties for the families, many still unremedied. Almost two-thirds (65 percent) of the women reported that the task of "keeping their family going" became more difficult immediately after OBRA, and the majority of these saw no subsequent improvement up to the time of the interview. Only 11 percent felt that their circumstances improved after OBRA, with 24 percent reporting no change.

When next asked what made their "most difficult times so especially

hard," 45 percent of the women described general financial problems after the cutbacks, and another 31 percent described specific problems in paying for rent, food, utilities, clothing, or schooling (Table 2). These problems were often more dramatic than tight budgets, deferred purchases, or delinquent bills. Some described evictions, living in abandoned apartments, utility shut-offs, running completely out of food, and suspending their own or their children's education. Later in the interview they assessed the direct effects of the AFDC cutbacks (Table 2). Once again the majority stressed the financial hardships, but 12 percent singled out the emotional strain that followed the cutbacks.

In order to gauge the dimensions and correlates of this emotional distress, I employed a measure of psychological demoralization from the Psychiatric Epidemiology Research Interview or PERI (Dohrenwend et al., 1980). The items in this scale indicate "nonspecific" psychological distress; they gauge the magnitude of affective distress, but do not indicate a specific psychiatric disorder. Respondents report how often in the last six months they experienced a variety of disturbing feelings, including poor self-esteem, psychophysiologic symptoms, confused thinking, and feelings of dread, anxiety, sadness, and hopelessness. This scale was developed with a New York City population, including representative numbers of minority groups and a wide array of socioeconomic strata. It is particularly suitable for assessing our sample of poor New York City single mothers, most of whom were black or Hispanic.

Demoralization scores were higher (indicating greater emotional distress) among the women in the AFDC sample than among those in a general community sample with similar demographic characteristics. In the

TABLE 2
Sources of Difficulties and Direct Effects of OBRA (n=254)

	What Made Difficult Times So Hard?	Direct Effects of the OBRA Cuts
General financial problems	45%	52%
Money for rent or utilities	15%	5%
Money for clothes or schooling	8%	5%
Money for food	8%	8%
Money for health care	8%	11%
Employment problems	6%	—
Child care problems	3%	—
"Hassles" with welfare department	3%	—
Emotional stress	3%	12%
Other	1%	6%
Total	100%	100%

TABLE 3

Regression Analysis of the PERI Demoralization Score ($n = 254$)

Variable	Unstandardized Regression Coefficients	Standardized Regression Coefficients
Severity of OBRA cutbacks		
Proportion of income derived from AFDC prior to OBRA	1.531***	(.288)
Income loss attributable to OBRA, as a proportion of poverty threshold	0.327*	(.129)
AFDC case closed and stayed closed	-0.137	(-.087)
AFDC case was closed due to OBRA, but reopened prior to interview	-0.152	(-.076)
Current financial position		
Current monthly AFDC payment	-0.192	(-.056)
Current total monthly family income	-0.0001	(-.060)
Perceived stress		
Perceived stressfulness of OBRA relative to others: less, same, more	0.279***	(.220)
Other stresses		
Count of stressful life events (not related to OBRA)	0.101*	(.128)
Employment factors		
Currently works full-time	0.440**	(.277)
Currently unemployed	0.311	(.156)
Has children under 6 year old	0.120	(.070)
Education in years	0.057**	(.179)
AFDC dependence factors		
Currently or previously married	0.079	(.050)
Age at first receipt of AFDC	-0.010	(-.088)
Current age	0.009	(.093)
Current family size	-0.058	(-.074)
Black	-0.309**	(-.182)
Constant	0.716	
R^2	0.215	

* $p < .05$.** $p < .01$.*** $p < .001$.

community sample, which was obtained in the development and testing of the PERI,³ unmarried women with at least one child and with family incomes under \$15,000 reported a mean demoralization score of 1.54, compared to a mean of 1.65 in our AFDC sample. Higher mean demor-

³Patrick Shrout of Columbia University provided these means at the author's request.

alization scores in the AFDC sample than in the community sample were found for subgroups of blacks (1.58 to 1.36), Hispanics (1.80 to 1.73), and whites (1.88 to 1.51). The extent to which the elevated demoralization scores of the AFDC sample are attributable to experiences before or after OBRA cannot be precisely determined with the cross-sectional data in this study. Variations in demoralization within the sample, however, can be analyzed and explained with an array of predictors, including those that gauge the varying severity of the OBRA cutbacks in AFDC. Table 3 presents a regression analysis of the PERI demoralization scores. The independent variables are measures of the nature and severity of the cutbacks, intervening stressful life events, subjective appraisals of the seriousness of the cutbacks, current income, work and welfare status, and other demographics.

Three measures of the potentially distressing aspects of the OBRA case actions appear as four independent variables. The first variable is the fraction of total income (from respondent earnings, AFDC, and food stamps) derived from AFDC in the month before AFDC eligibility changed. This represents the extent of the respondent's reliance on AFDC to provide family income immediately before these AFDC dollars were completely or partially withdrawn. The second variable expresses a family's absolute dollar losses in AFDC as a fraction of the 1982 poverty threshold for a family of the same size. This indicates the relative seriousness of lost AFDC income in reducing the family's standard of living. The third and fourth predictors are dummy variables which distinguish cases according to AFDC outcomes after OBRA. Both the AFDC cases that were closed and remained closed until the interview and those that closed and then reopened are contrasted with the absent reference category, those with grant reductions only.

The extent of reliance on AFDC prior to OBRA is a substantial predictor of demoralization. Although most families had drawn only a small portion of their income from AFDC (on average only 24 percent), the women who relied the most on AFDC were the most distressed after its withdrawal. Could this be the lingering result of overdependence on AFDC, rather than the loss of AFDC? Lacking a measure of demoralization prior to the imposition of the cutbacks, we cannot dismiss this possibility. But note two contradictory pieces of evidence. The regression equation controls for the extent of current reliance on AFDC, the proportion of total income derived from AFDC at the time of the interview. Those currently drawing a proportionally larger share of their income from AFDC were not significantly more demoralized. Moreover, there were no significant differences in demoralization between those whose AFDC grants were cut off completely and those experiencing grant reductions. Greater reliance on AFDC appears to be distressing, not in itself, but only when the benefits are reduced or withdrawn.

The second variable, the standardized size of the AFDC loss, is also a significant predictor of distress. We would expect those with the largest losses to suffer the sharpest decline in living standards, and possibly the most severe hardships. OBRA moved more than a quarter of the families in the sample below the poverty line and cut family income by an average amount corresponding to 26 percent of the poverty threshold. But those experiencing the most sharply reduced standards of living were more emotionally distressed after these losses not simply because family income fell to a low absolute level and remained there. Current family income is controlled in the equation, but has an insignificant impact on distress. Once again a measure of the magnitude of the OBRA losses predicts emotional distress, independently of the respondents' current financial situation. Where one winds up financially apparently is not as distressing as the magnitude of the downward slide.

The remaining variables in the equation were added as controls. As expected, the respondent's appraisal of the seriousness of the AFDC cutbacks,⁴ the number of other recent stressful life events,⁵ education, and current employment status were all significant predictors of demoralization, as was employment. However, the effect of employment is curvilinear. Emotional well-being is highest among those currently working part-time, less than 35 hours per week. Compared to them, full-time workers and the unemployed are both more demoralized, especially the former. The combined strains of full-time work and single motherhood appear to weigh heavily on the poor, as does unemployment. Child care constraints are not the apparent cause, however, because women with preschool children are not more demoralized. In addition, emotional distress is higher among the highly educated women, perhaps a reflection of obstacles to the attainment of higher career and salary aspirations.

Some demographic characteristics that are related to longer spells of dependence on AFDC are not strongly related to distress. The never married, those beginning welfare receipt as teenagers, those with many children, nonwhites, and the less educated, all have been found to have more extended welfare stays (Bane and Ellwood, 1983), but are not significantly more distressed in the aftermath of OBRA. Race is a factor, but black women are less demoralized, perhaps because they had better fringe benefits than whites and Hispanics, and more often had secure employment (during the 1982 recession) in the government sector, factors which may have been peculiar to New York City.

⁴ Respondents were asked whether these cutbacks were a more, less, or equally serious problem for them as for the other single mothers who were affected. Their responses were scored as follows: "less serious" = -1 (27 percent of respondents); "same" = 0 (60 percent); and "more serious" = +1 (13 percent).

⁵ This variable is a count of the number of life events over the last six months reported by respondents on the basis of a list adapted from that of Holmes and Rahe (1967), excluding events related to financial losses.

Over 20 percent of the variation in demoralization scores is explained by the predictors. This is comparable with other predictive models of well-being that, like the current model, lack measures of psychological attributes, coping styles, and available social support which would account for some of the unexplained variance (Rabkin and Struening, 1976). Even without these additional predictors, the regression analysis demonstrates that, controlling for an array of factors that are theoretically relevant to demoralization, two objective measures of the severity of the OBRA cut-backs directly affect the level of distress: extent of prior reliance on AFDC and the standardized magnitude of absolute dollar losses.

TABLE 4
Regression Analysis of the PERI Demoralization Score
for Current Recipients and Nonrecipients of AFDC

Predictor Variables	Currently off AFDC		Currently on AFDC	
	Unstan- dardized Regression Coefficient	Stan- dardized Regression Coefficient	Unstan- dardized Regression Coefficient	Stan- dardized Regression Coefficient
Proportion of income derived from AFDC prior to OBRA	0.975 ⁺	(.121)	1.682*	(.301)
Income loss due to OBRA, as a propor- tion of poverty threshold	0.437*	(.185)	0.109	(.038)
Perceived stressful- ness of OBRA rela- tive to others: less, same, more	0.249*	(.213)	0.377 ⁺	(.251)
Count of stressful life events (not related to OBRA)	0.093 ⁺	(.132)	0.048	(.049)
Currently employed full-time	0.339*	(.202)	0.735*	(.347)
Currently unemployed	0.312	(.146)	0.188	(.099)
Black	-0.247*	(-.161)	-0.585*	(-.275)
Education in years	0.060**	(.189)	0.074 ⁺	(.238)
Constant	0.428		0.565	
<i>R</i> ²	0.183		0.291	
<i>N</i>	171		83	

⁺ $p < .10$.

* $p < .05$.

** $p < .01$.

TABLE 5
 Predicted PERI Demoralization Scores by
 Joint Current Employment and AFDC Status

Employment Status	AFDC Status	
	On AFDC	Off AFDC
Working full-time	1.997 ^a	1.542
Working part-time	1.222	1.155
Unemployed	1.463	1.482

NOTE: Predicted scores are for never married 38-year-old black women with two dependent children (none less than six years old) and 11 years of education, who began receiving their own AFDC benefits at age 26, having the mean current income, who experienced a mean number of stressful life events in the preceding six months, and having the mean values for the remaining variables.

^aAnalysis of variance of the predicted scores revealed that the mean demoralization score for women on AFDC who worked full-time was significantly higher ($p < .05$) than for the other five categories of women. Otherwise, there were no statistically significant differences among the subgroups.

An investigation of interaction effects in the equation revealed that the cutbacks were felt in different ways by women who departed the welfare system after OBRA compared to those who remained in or returned to it. Different measures of the severity of the OBRA cutbacks are strong predictors of distress for those on versus off the AFDC rolls at the time of the interview (Table 4). For those no longer receiving AFDC, the size of AFDC losses relative to the poverty threshold relates more strongly to emotional distress than the extent of their reliance on AFDC prior to OBRA. Among those now receiving AFDC, however, the importance of these two factors is reversed. In addition, the tendency for black women to be less distressed than their white and Hispanic counterparts is more pronounced among those currently receiving AFDC than among those off the welfare rolls. The effect of full-time employment on emotional well-being is also considerably stronger for those on than those off AFDC, suggesting interactive effects of work and welfare on emotional distress.

These effects are estimated in Table 5, which presents predicted demoralization scores for subgroups of women currently working full-time, part-time, or not at all, and either receiving or not receiving AFDC. Analysis of variance revealed that the only statistically significant differences are between the full-time workers on AFDC, with the highest mean demoralization scores, and each of the remaining five categories. Nevertheless, it should be noted that part-time workers, regardless of AFDC receipt, are shown to have the lowest predicted distress scores, and those working

full-time have the highest. Work status appears to influence distress more than AFDC status does.

Discussion

For working AFDC recipients, financial, material, and medical hardships were widely reported in the wake of OBRA grant reductions and terminations. The results reported here suggest these cutbacks were also experienced by some as stressful life events and that the financial severity of the cutbacks was associated with the recipients' level of emotional distress. The cutbacks were advanced with the rationale that those affected were not objectively in need of the assistance they would lose, and would be capable of (if not spurred into) greater self-reliance to meet family needs, ultimately improving self-esteem. The findings indicate that those forced off the AFDC rolls did not enjoy more positive emotional well-being than those who remained eligible for benefits. Moreover, it was found that objective measures of the severity of AFDC losses are predictors of emotional distress.

The emotional consequences of the OBRA cutbacks were not momentary and transitory, nor were they soon dissipated amid other stressful life events that befell the poor. Those affected most severely reported elevated levels of distress a year or more after their AFDC grants were reduced or terminated, a result valid after controlling for other stressful events that had recently occurred. Further, the effects of the cutbacks on emotional distress were not simply a matter of how recipients subjectively appraised them, but related also to objective measures of the severity of the cutbacks. These cutbacks appear to have affected emotional well-being many months later, even controlling for variation in the families' current financial position.

OBRA appears to have posed different threats to emotional well-being for two groups of single mothers. Among those who lost eligibility for AFDC entirely, emotional distress is strongly related to the extent to which the cutbacks lowered the family's standard of living. They may have reacted to the cutbacks by assessing how lost benefit dollars would damage their ability to meet family needs. For this group of women the motivation for receiving AFDC, and the emotional reassurance it provided, may have revolved around the degree to which AFDC improved the family's living standard. For those who remained on the AFDC case rolls after OBRA, however, the cutbacks represented a more diffuse threat. Their level of distress is more strongly related to the extent that they relied on AFDC to make up family income prior to OBRA. They may have assessed the benefit reductions not so much in terms of actual dollars lost, but as a threat to the certainty of future financial security. The size of this threat

(and perhaps the emotional reassurance provided before the cutbacks) varied with the fraction of total income derived from AFDC. At the same time, "dependence" on AFDC is not apparently the source of their distress, since the extent of current reliance on AFDC is unrelated to demoralization. Rather, it would appear that the OBRA cutbacks were experienced by these women as threatening and destabilizing situations, with the magnitude of their prior reliance on AFDC indicating their limitations in finding other sources of income. These women also differ from those who remained out of the welfare system in another important respect. Race is a stronger predictor of demoralization for the former than for the latter. This suggests that blacks (in New York City) have greater social and/or cultural resources to cope with life on welfare than those possessed by whites and Hispanics. The nature of these differences is a potentially fruitful area for further investigation.

Different emotional dynamics in the wake of the cutbacks are suggested for women who left the welfare system and those who remained a part of it. To the extent that emotional distress after the cutbacks is linked to emotional gratifications before the cutbacks occurred, these findings parallel research on short- and long-term AFDC recipients which shows that the two groups have very different reasons for entering the welfare rolls, and different obstacles in arranging an exit (Bane and Ellwood, 1983; Duncan, 1984). The women whose eligibility for AFDC was terminated by OBRA, like short-term recipients in general, appear to have used the welfare system to close gaps in their ability to meet family needs. The larger this gap prior to OBRA, the greater is their distress afterward. The women who remained on or returned to the AFDC rolls after OBRA, like long-term AFDC recipients, seem instead to have looked to welfare for income maintenance. The greater their reliance on AFDC to make up family income prior to OBRA, the greater is their distress afterward. We draw these parallels tentatively because of the uniqueness of our sample. At any time, AFDC recipients who work make up only a small portion of the total national AFDC caseload, and our sample came entirely from this small fraction. In addition, the sample reflects the motivational calculus of single working mothers in New York City, with its relatively more generous AFDC benefits and its employment and transportation opportunities. Nevertheless, the findings suggest that research into the specific emotional gratifications that recipients derive from AFDC can be useful in determining their reasons for seeking assistance, in addressing their needs, and in speeding their departure from welfare.

The findings also indicate that there may be negative emotional consequences to policies that rely on employment incentives alone, such as workfare, to resolve the many problems of poor single mothers. Those employed full-time reported higher levels of emotional distress than those

unemployed in the aftermath of OBRA, while those employed part-time had the most positive emotional outcomes. Low wages, sex and/or racial discrimination, and inadequate skills for better jobs may combine with the constraints and demands of single motherhood to make full-time employment a more burdensome and emotionally distressing course to follow. In a way it is curious that full-time employment is a stronger predictor of demoralization for women on AFDC than those off the welfare rolls at the time of the interview. Two sources of income would seem to be better than one. However, this difference may be a reflection of the severe constraints our welfare system places on choices between work and welfare options. After OBRA, poor single women found it far more difficult to work full-time and simultaneously remain eligible for welfare unless their jobs paid very poorly. Full-time work may now be more distressing for those on welfare simply because the work is less desirable and rewarding, in terms of both monetary and personal satisfactions. The elevated levels of distress reported by those with the most education also point in this direction, and could reflect the limited opportunities in the labor market for poor single mothers. Given these constraints, combining part-time work with supplementary AFDC may be more desirable for emotional well-being than full-time work alone, since, among this group of AFDC recipients, extent of current reliance on AFDC is unrelated to distress. **SSQ**

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