COHABITATION AND THE MEASUREMENT OF CHILD POVERTY

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We use 1990 U.S. Census of Population data to calculate what poverty rates would have been if cohabitors were treated in the same manner as married couples. We find that the official treatment of cohabiting partners as separate family units overstated the extent of poverty in 1989 among all children by about three percent. Only about 11 percent of the observed rise in child poverty between 1969 and 1989 would be eliminated if the Census Bureau made this change in its definition of the family. We estimate a logistic regression model of the likelihood that poor, cohabiting families with children would be reclassified as non-poor if the cohabitor's income were included in family income. We find that many of these families would remain poor despite this change in measurement procedure because many cohabitors have low annual earnings or no earnings at all.

Cohabitation has become increasingly common in the United States. By 1995, 49 percent of women ages 30 to 34 had cohabited at some time in their lives, and the proportion of persons entering first marriages who had previously cohabited was 53 percent (Bumpass and Lu, 1998). Premarital cohabitation has blurred the boundaries of "marriage," with 41 percent of nonmarital births (12 percent of all births) occurring to cohabiting couples in the early 1990s (*ibid.*). Children are present in 50 percent of cohabiting unions, and 47 percent of all children will live in a cohabiting household by age 16 (*ibid.*).

In the U.S. (unlike in some European countries), an unmarried parent with children who lives in a consensual union is counted by the Census Bureau as a single-parent family, and the cohabitor is treated as a separate unrelated unit. As a result, the trend towards increased cohabitation will overstate the growth in single-parent families if cohabiting couples are more similar to two-parent families in their economic and social relationships than they are to single-parent families. The treatment of cohabiting couples as separate economic and demographic units thus affects the measurement of poverty.

The unit of analysis for the official poverty rate is the family, defined as: "a group of two or more persons related by birth, marriage, or adoption who reside together; all such persons are considered as members of one family" (Baugher and Lamison-White, 1996). A family is counted as poor if the total annual money income of all family members is less than the poverty threshold for a family of its size. Since the cohabitor is not classified as a family member, his or her income is not included, and poverty status is computed separately for each of the cohabitors. To the extent that "family-like" resource-sharing occurs between

cohabitors, poverty will be overstated. Since increasing numbers of children in "single-parent families" (as officially classified) actually live with two cohabiting adults (and potentially benefit from their income-sharing), the official poverty data mis-measure children's true economic well-being.

The Panel on Poverty and Family Assistance of the National Academy of Sciences (NAS) (Citro and Michael, eds., 1995) recommended broadening the family definition to include cohabiting unions because many last at least one year and eventually lead to marriage. Such sharing of income and expenditures (and the resulting economies of scale) is consistent with the assumptions made about married-couple families under the official poverty measure.

In this paper, we use 1990 Census data to calculate what poverty rates would have been if cohabitors were treated as married couples. We find that treating cohabiting partners as separate units overstates the extent of poverty among all persons by about four percent, and among all children by about three percent. We analyze the change in children's measured poverty status as the income of cohabitors is first considered separately and then combined. We then estimate a logistic regression model to determine the characteristics associated with being reclassified as non-poor for poor, cohabiting families with children.

PREVIOUS RESEARCH

Whereas numerous studies have examined the causes and consequences of cohabitation (e.g. Bumpass and Sweet, 1989a and 1989b; Graefe and Lichter, 1998; Manning, 1993; Loomis and Landale, 1994; Schoen and Weinick, 1993), few have focused on its effects on measured poverty (exceptions are Manning and Lichter, 1996, and Bauman, 1997). Given the recent increase in both child poverty and cohabitation, it is important to consider how much of the poverty increase might have been accounted for by increased cohabitation.

According to Bumpass and Sweet (1989b), the propensity to cohabit is highest "among those who did not complete high school, those whose family received welfare while they were growing up, and those who did not grow up in an intact family." Bumpass and Lu (1998) confirm that cohabitation is most frequent among the least-educated—with 59 percent of those without a high school degree having ever cohabited, compared to 37 percent among college graduates. This inverse relationship between cohabitation and education suggests that cohabitation may substitute for marriage when partners face economic constraints. Graefe and Lichter (1998) find that cohabitation and economic uncertainty are "mutually reinforcing" and that low parental human capital and income level are significantly associated with transitions to and from cohabiting unions (compared to marital unions). Thus, if some children living in single-mother families who are officially counted as poor benefit from the income of a mother's cohabiting partner, they might be better off than the Census data indicate.

Macunovich and Easterlin (1990) find that the formation of cohabiting unions by single parents improves the well-being of children, primarily because of the presence of an additional earner. Manning and Lichter (1996) analyze the impact on the economic well-being of children of treating cohabiting couples as two-parent families. Using the five-percent Public Use Microdata Sample

(PUMS) of the 1990 Census, they find that 2.2 million children (3.5 percent of all children) live in cohabiting unions. When they pool the income of cohabitors and use the poverty line that reflects all persons living with both cohabitors, the poverty rate of children in unmarried-couple households falls from 43.7 percent to 31.1 percent—a 29-percent reduction. After including cohabitors' income, these children still have almost one-third less income than do children in married-couple families. They conclude that "the sociodemographic circumstances of children in cohabiting-couple families more closely resemble those of children in single-mother families (without an unmarried partner) than the circumstances of children in married-couple families."

Bauman (1997) uses monthly data from the Survey of Income and Program Participation (SIPP) to analyze the duration of cohabiting unions over the course of a year and finds that three-fourths of cohabitors were in unions which lasted six months or longer. He also assesses the extent to which resource-sharing actually occurs between cohabitors and determines the effect of changing the definition of the unit on poverty rates. The poverty rate for all persons declines by 0.6 percentage points (or six percent) when the income of the cohabitor is included, and by 0.9 percentage points (or five percent) for all children. When incomes are pooled, those who cohabit for at least six months are far more likely to be reclassified as non-poor (two-thirds) compared to those who cohabit for one to five months (less than 10 percent). Bauman's analysis of the extent of resource-sharing within households, based on an examination of the income contributions of various household members, leads him to cautiously suggest the inclusion of cohabitors in the definition of family.

Our analysis extends the work of Manning and Lichter, and Bauman. Like them, we consider how measured poverty rates change when the partner's income in a cohabiting unit is counted. In addition, we estimate a logistic regression model to analyze the factors that distinguish those poor cohabiting families who are categorized as non-poor when the unit is redefined from those who remain poor.

RESULTS

We utilize data from the one-percent Public Use Microdata Sample of the 1990 Census and measure the poverty status of persons before and after the income of cohabitors is combined.[1] Conceptually, several outcomes are possible when unmarried couples are treated as if they were married. Since poverty is a function of both family income and family size, one or both of the cohabitors may move into or out of poverty when the family unit is redefined.

In 1989, the poverty threshold for a single person was $6,452. For a family of two, it was $8,343; for a family of three, $9,885. Consider a woman and her child who receive $3,000 in cash welfare: they comprise a poor two-person family.

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[1]One reviewer raised the possibility that cohabitation could be under-reported by low-income individuals who fear losing eligibility for welfare benefits. In a recent study, Moffitt, Reville and Winkler (1998) find that under the Aid to Families with Dependent Children program (which existed prior to welfare reform enacted in 1996) cohabitation with an unrelated male was actually treated quite leniently by most states. Other demographers have used the same data in their analyses without correcting for under-reporting (Manning and Lichter, 1996).

If the mother is cohabiting with a man who earns more than $6,885, then she and her child will be reclassified as non-poor when we pool their incomes and treat them as a three-person family. If the man earns less than $6,452, he will be counted as a poor unrelated individual by the Census, and all three persons will remain poor when we combine their incomes. If the man earns between $6,453 and $6,884, he will not have been counted as poor by the Census, but he will fall into poverty due to our income-pooling exercise. Similarly, a single woman and her child might be above the poverty line on their own, but be brought below the poverty line if her partner were jobless. All of these possible transitions are documented below. As we show, however, most persons living with unmarried partners are neither poor before nor poor after their incomes and units are pooled.

Table 1 shows how combining the incomes of unmarried partners affects the number and percent of persons in poverty.[2] When cohabitors are treated as two separate units, 13.0 percent of the total population (240.7 million) is poor, compared to 12.5 percent when cohabitors' income is combined. Treating cohabitors as couples reduces the number of poor persons by 1.3 million, or by 4.2 percent. Thus, the extent of total poverty is not seriously overstated by the current treatment of cohabitation, and the trend in the official poverty rate over the past several decades is not challenged.

The size of the poverty-reducing effect of pooling income grows as we narrow the scope of the population group analyzed. There were 62.9 million children in 1990.[3] Combining the income of cohabitors reduces the child poverty rate from 18.7 percent to 18.1 percent. Poverty rates for children living in single-parent families are, of course, affected even more. For the 15.4 million children in these families, the poverty rate falls from 46.6 to 44.3 percent. Thus, similar to Manning and Lichter, we find that five percent of "officially poor" children in single-parent families would be reclassified as non-poor if cohabitors were treated as married couples.

The smallest group shown in Table 1 includes only the two million children who live in cohabiting families. When the incomes of cohabitors are combined, their poverty rate falls from 44.4 to 26.9 percent—a 39-percent decline.[4] Treating unmarried partners as married yields a large reduction in the poverty rate for children living with cohabitors; it has only a marginal effect on the overall child

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[2]The 1990 Census was the first to include "unmarried partner" as a category of relationship to the householder. An unmarried partner is defined as "A person who is not related to the householder, who shares living quarters, and who has a close personal relationship with the householder." Unmarried partners of the same or opposite gender can be classified as cohabitors, and both are included in this paper. Same-gender couples represent only one percent of cohabiting couples in the sample.

[3]In this analysis, the number of children is determined by multiplying the number of children in the household (ages 18 and under) by the Census household weight. By this method, all children in the household are included, even if they are not related to the household head. Since the Census only reports the relationship of the child to the household head, we cannot determine whether the cohabitor is a biological parent of the child.

[4]These results are not sensitive to the choice of using the official poverty line. An anonymous reviewer suggested that we estimate this calculation using poverty defined as 1.5 times the poverty threshold. We did, but the results were essentially identical—at 1.5 times the poverty line, poverty among children in cohabiting-parent families is reduced by 40.4 percent, compared to 39.4 percent in Table 2.

TABLE 1

NUMBER AND PERCENT OF PERSONS IN POVERTY, BY DEMOGRAPHIC GROUP WITH SEPARATE AND COMBINED INCOME OF COHABITING COUPLES

| | Number of Persons (millions) | Census Procedure, Separate Units | | Income of Cohabitors Combined | | Change: | | |
| | | | | | | | Poverty Rate | |
		Number Poor	Poverty Rate	Number Poor	Poverty Rate	Number Poor	Percentage Points	Percent
All persons	240.7	31.3	13.0	30.0	12.5	−1.3	−0.5	−4.2
All children	62.9	11.7	18.7	11.4	18.1	−0.4	−0.6	−3.0
Children in single-parent families	15.4	7.2	46.6	6.8	44.3	−0.4	−2.3	−5.0
Children in cohabiting-parent families	2.0	0.9	44.4	0.5	26.9	−0.4	−17.5	−39.4

Source: Computations by the authors from Census Bureau microdata; data are weighted.

Note: Cohabitors are those where the head of the household reported living with an unmarried partner. Living arrangements are reported for April 1990; income, for calendar year 1989.

poverty rate because less than three percent of all children lived with cohabitors in 1990.

Table 2 shows the number, the percent poor, and the mean income-to-needs ratio, of the two million children living with cohabiting parents. They are categorized into one of four mutually-exclusive groups defined by their poverty status when the partners are treated as separate units and then as a couple. About one-fourth are poor regardless of whether the unmarried partner's income is pooled or not; pooling raises their mean income-to-needs ratio from 39 to 55 percent of the poverty line (row 1). About 19 percent are reclassified as non-poor by income-pooling; their mean income-to-needs ratio triples, rising from 0.57 to 1.75 (row 2). Only 1.4 percent of children in cohabiting unions are reclassified as poor; their standard of living falls from just above to just below the poverty line (row 3). About half of children are not poor either when the adults' income is considered separately or together, but pooling raises their standard of living as well (row 4).

TABLE 2

TRANSITIONS INTO AND OUT OF POVERTY FOR CHILDREN IN COHABITING UNIONS

| | Children Living with Cohabiting Parents | | Mean Income-to-Needs Ratio | |
	Number (millions)	Percent	Separate	Combined
(1) Poor as separate, poor as combined	0.519	25.5	0.39	0.55
(2) Poor as separate, not poor as combined	0.385	18.9	0.57	1.75
(3) Not poor as separate, poor as combined	0.029	1.4	1.08	0.91
(4) Not poor as separate, not poor as combined	1.104	54.2	2.46	3.17
All children in cohabiting unions	2.037	100.0	1.55	2.20
Net reduction in poor children	0.357			

Source: Computations by the authors from Census Bureau microdata; data are weighted.

Note: The net reduction in the number of poor children is the difference between rows (2) and (3). The income-to-needs ratio is defined as family income divided by the poverty line.

While 42.6 percent (0.385/0.904) of all poor children who are cohabiting are reclassified as non-poor by income pooling, there are some race and ethnic differences (detailed data not shown). Whites (49.8 percent) are more likely to be reclassified than are blacks (36.9 percent), Mexicans (36.9 percent), other Hispanics (43.0 percent), or other non-Hispanics (30.3 percent).

One reason why pooling income has relatively modest effects on child poverty, even for the subset of children living with cohabitors, is that the economic status of many cohabitors is marginal. Table 3 classifies all cohabiting families according to the four categories of before- and after-poverty status. For those families who were poor both before and after pooling, nearly 60 percent of both parents and cohabitors were unemployed or otherwise not in the labour force during the survey week, and almost half of both parents and cohabitors had no earnings in the previous year (column 1). Of those who were reclassified as non-poor through income-pooling, 36 percent of parents and six percent of cohabitors had no earnings (column 2). In contrast, only four percent of parents and 17 percent of cohabitors who were non-poor in both states (column 4) had zero earnings in the prior year.

Much attention has been given to the welfare system's disincentives to marry. The latest research consensus is that welfare has small negative effects on family structure (Moffitt, 1998). Welfare programs have historically had at least two sources of disincentives for two-parent families:[5] First, eligibility rules for two-parent families were more stringent than those for single-parent families. Second, two-parent families faced disparate rules within the tax and transfer system—different "filing units" in the AFDC and food stamp programs (and which household members are included in the unit), as well as a family's tax filing status, could significantly affect net income. For example, a non-working welfare mother could lose her welfare and Medicaid benefits if she were to marry a childless man with modest earnings. On the other hand, his tax bill might go down, due to the Earned Income Tax Credit for families with children, if he married her and adopted her child.

With few exceptions (such as Edin, 1991; Gabe, 1992; and Winkler, 1995), most studies of welfare and family structure ignore cohabitation, implicitly assuming that welfare pays benefits only to mothers living alone (never-married, divorced or separated). According to Moffitt, Reville and Winkler (1995 and 1998), however, cohabitation is treated leniently by most states, provided the cohabitor is *not* the father of the child. They observed that some women on AFDC are cohabiting, and contrary to the general opinion, some are even married.

Table 4 shows the total number of children living in single-parent families and the subset residing in cohabiting-parent families, classified by their poverty status as separate vs. cohabiting units, and the number in each group who received any welfare income (AFDC, SSI or General Assistance) in 1989.[6] Welfare receipt is somewhat less common among children living in cohabiting unions

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[5]The 1996 welfare reform gave states flexibility in defining eligibility. In 1990 (the year for which we have data), the Federal system was still in effect.

[6]By definition, the number of children in rows 2 and 3 must be the same in both parts of the table— a child's poverty status can be reclassifed only if s/he lives in a cohabiting family.

TABLE 3
DESCRIPTIVE STATISTICS FOR COHABITING FAMILIES WITH CHILDREN

	Poor Separate, Poor Combined (N = 228,103) (1)	Poor Separate, Not Poor Combined (N = 201,239) (2)	Not Poor Separate, Poor Combined (N ≈ 14,009) (3)	Not Poor Separate, Not Poor Combined (N = 697,027) (4)
Parent:				
Received welfare income in previous year	38.9	31.3	13.8	6.4
Was unemployed or not in labour force in survey week	59.9	53.2	24.6	11.7
Had no earnings in previous year	47.5	35.8	13.4	3.9
Mean earnings[1]	$2,279	$3,465	$8,915	$21,818
Education				
Less than H.S.	55.1	42.5	47.2	24.3
High school	29.5	32.9	29.2	36.2
More than H.S.	15.4	24.5	23.7	39.5
Percent ever-married	43.6	50.2	47.7	64.9
Percent female	60.3	75.5	29.9	45.8
Race/ethnic origin				
White, non-Hispanic	42.5	54.8	34.6	62.3
Black, non-Hispanic	30.3	23.7	24.7	19.2
Mexican	13.4	10.4	21.6	8.8
Other Hispanic	8.1	7.9	11.6	6.4
Other non-Hispanic	5.6	3.1	7.5	3.3
Cohabitor:				
Was unemployed or not in labour force in survey week	59.1	19.7	83.4	29.0
Had no earnings in previous year	46.3	5.7	77.0	17.3
Mean earnings[1]	$2,294	$15,615	$268	$13,380
Education				
Less than H.S.	58.4	39.5	59.5	28.9
High school	28.7	36.0	26.9	38.7
More than H.S.	12.9	24.5	13.6	32.4
Race/ethnic origin				
White, non-Hispanic	40.8	53.2	38.4	62.2
Black, non-Hispanic	31.8	24.2	24.6	19.3
Mexican	13.8	10.7	22.0	8.7
Other Hispanic	8.4	8.4	8.6	6.3
Other non-Hispanic	5.2	3.4	6.4	3.5

Source: Computations by the authors from Census Bureau microdata; data are weighted.
[1] Examination of mean earnings by race shows that blacks and whites have similar earnings in each of the four categories; this is true for earnings of the parent and the cohabitor.

than among all children living with single parents. Among the 15.4 million children living in single-parent families, 31.7 percent received welfare; among the 2.0 million children living with cohabitors, 22.1 percent received welfare.

As expected, welfare receipt is highest among those who remain poor regardless of how we measure poverty (row 1)—52.8 percent of children in single-parent

TABLE 4

NUMBER AND PERCENT OF CHILDREN LIVING WITH SINGLE PARENTS AND COHABITING
PARENTS WHO RECEIVE WELFARE INCOME, CLASSIFIED BY THEIR POVERTY STATUS
WHEN SEPARATE AND COMBINED

	Children Living with Single Parents			Children Living with Cohabiting Parents		
	Total (millions)	Number with Welfare Income (millions)	Percent (or row)	Total (millions)	Number with Welfare Income (millions)	Percent (of row)
(1) Poor as separate, poor as combined	6.77	3.58	52.8	0.52	0.22	43.0
(2) Poor as separate, not poor as combined	0.39	0.13	34.6	0.39	0.13	34.6
(3) Not poor as separate, poor as combined	0.03	0.01	18.9	0.03	0.01	18.9
(4) Not poor as separate, not poor as combined	8.16	1.15	14.0	1.10	0.09	8.0
Total	15.35	4.86	31.7	2.04	0.45	22.1

Source: Computations by the authors from Census Bureau microdata; data are weighted.

Note: Welfare income includes any cash assistance from AFDC, Supplemental Security Income or General Assistance. The numbers in rows (2) and (3) are identical for children living with single parents and cohabiting parents, because only children with cohabiting parents can change poverty status when income is combined.

families and 43.0 percent in cohabiting-parent families receive welfare. A significant percentage of those children who are reclassified as non-poor (row 2) also received welfare at some point during the year (34.6 percent). Mothers in these families may face a disincentive to marry because of welfare's differential treatment of marriage and cohabitation. These children represent, however, only about three percent of the almost five million children receiving welfare.

In order to examine which families are most likely to be reclassified as non-poor when incomes are combined, we estimate two logistic regression models.[7] Our sample includes cohabiting families with at least one child who are poor according to the official Census definition. (A description of the unweighted sample is presented in the Appendix.) For the entire (unweighted) sample, 47.1 percent are reclassified as non-poor when incomes are pooled. The first model includes demographic characteristics of the person whom the Census defines as the family head (here denoted as "parent"), as well as demographic characteristics of the cohabiting partner.[8] The second model adds three dummy variables for whether the parent received welfare and had any earnings in the previous year, and whether the cohabitor had any earnings in the previous year.

[7]Since Census data are cross-sectional, our results should be interpreted as *descriptive* estimates of the characteristics associated with being reclassified from poor to non-poor if cohabitors were treated the same as married couples for purposes of poverty measurement.

[8]Since the race of the parent and the cohabitor are highly correlated (0.75), we have included race/ethnicity of both the parent and the cohabitor in a single variable, and included a dummy for the approximately 10 percent of cases where their race/ethnicity differs.

The results in Table 5 indicate that families where both the parent and the cohabitor are black (non-Hispanic), Hispanic, or other race (non-Hispanic), the odds of being reclassified as non-poor when incomes are combined are lower than for families with a parent and cohabitor who are white (non-Hispanic). Families headed by women have higher odds of being reclassified as non-poor due to income-pooling than are those headed by males. Cohabitor's age and education are positively and significantly related to being re-classified as non-poor, as are metropolitan residence and living in the Northeast region. The total number of children of the parent and cohabitor is significantly negatively related to being reclassified as non-poor.

The second model shows that when the parent receives welfare, the odds of being reclassified as non-poor are 21 percent lower than for a non-welfare family. If the parent has earnings, the family's odds of being reclassified as non-poor increase by 59 percent, compared to a family where the parent has no earnings. Cohabitor's earnings have the largest effect on whether a family is reclassified as non-poor, increasing the odds by more than ten-fold. About one-quarter of cohabitors had no earnings in the previous year.

Table 6 uses the regression coefficients from Table 5 and presents predicted probabilities of being re-classified as non-poor due to including cohabitors and their income for some hypothetical single-mother families. All predictions assume the mother has two children, lives in a metropolitan area in the Northeast region, and cohabits with a man who is aged 35. Panel A shows that for a previously-married mother, if both she and her partner do not have a high school degree, their likelihood of being re-classified as non-poor ranges from 44 to 58 percent. If both the mother and cohabitor have a high school degree (and are white), their chance of being reclassified is 75 percent. Panel B shows that being never-married slightly reduces the probability of attaining non-poor status through cohabitation—from 44 to 42 percent for black high school dropouts.

Panels C and D add information from the regression that includes variables on welfare receipt and earnings (model 2). For a white mother receiving welfare and a white cohabitor, both with no high school degree, the likelihood of being re-classified as non-poor if the cohabitor has no earnings is only 12 percent. If the cohabitor has positive earnings, the likelihood rises by more than 50 percentage points to 65 percent. For a similar white couple, but where the mother did not receive any welfare during the year, if the mother has no earnings but the cohabitor does, the chance of being classified as non-poor is 70 percent. If the mother also has earnings, this probability rises to 79 percent.

Thus, regardless of a poor, cohabiting mother's personal characteristics, the probability that she will be recategorized as non-poor by treating cohabitors as if they were married is strongly affected by the labour force attachment of her partner. Even if a woman has low educational attainment and receives welfare, her probability of being reclassified is still about two-thirds if her cohabitor has earnings. In contrast, if this same mother lives with a partner who has no earnings, her prospects for "exiting" poverty via co-residence are minimal.

The recent welfare reform debate has emphasized marriage as a means by which single mothers can escape poverty. The economic benefits of marriage, however, are obviously contingent on the economic status of potential husbands.

TABLE 5

ESTIMATED COEFFICIENTS OF LOGISTIC REGRESSION MODELS: LIKELIHOOD THAT
POOR FAMILIES WITH CHILDREN WILL BE RECLASSIFIED AS NON-POOR
WHEN A COHABITOR'S INCOME IS COUNTED

	Model 1			Model 2		
	B	SE	Odds ratio	B	SE	Odds ratio
Race/ethnic origin of parent and cohabitor						
Both white, non-Hispanic		(excluded)			(excluded)	
Both black, non-Hispanic	−0.5318^c	0.0975	0.59	−0.3385^c	0.1084	0.71
Both Hispanic	−0.1959^a	0.1091	0.82	−0.1680	0.1222	0.85
Both other non-Hispanic	−1.0748^c	0.2218	0.34	−1.1447^c	0.2392	0.32
Mixed race	−0.1450	0.1162	0.87	−0.1245	0.1287	0.88
Marital status of parent						
Never-married		(excluded)			(excluded)	
Ever-married	0.1054	0.0747	1.11	0.1069	0.0830	1.11
Age of cohabitor	0.0738^c	0.0187	1.08	0.0590^c	0.0216	1.06
Age of cohabitor (squared)	−0.0008^c	0.0002	1.00	−0.0003	0.0003	1.00
Education of parent						
Less than H.S.		(excluded)			(excluded)	
High school	0.1132	0.0805	1.12	0.0616	0.0898	1.06
More than H.S.	0.2904^c	0.0971	1.34	0.2303^b	0.1080	1.26
Education of cohabitor						
Less than H.S.		(excluded)			(excluded)	
High school	0.6990^c	0.0796	2.01	0.5673^c	0.0886	1.76
More than H.S.	0.9290^c	0.1008	2.53	0.6651^c	0.1105	1.94
Sex of parent						
Male		(excluded)			(excluded)	
Female	0.8152^c	0.0750	2.26	0.5381^c	0.0913	1.71
SMSA						
Non-metro area		(excluded)			(excluded)	
Metro area	0.3417^c	0.0776	1.41	0.3896^c	0.0856	1.48
Region						
Northeast		(excluded)			(excluded)	
Midwest	−0.1906^a	0.1070	0.83	−0.2373^a	0.1215	0.79
South	−0.2237^b	0.1020	0.80	−0.5438^c	0.1163	0.58
West	0.0908	0.1073	1.10	−0.0659	0.1209	0.94
Combined number of children less than age 18	−0.2993^c	0.0314	0.74	−0.2773^c	0.0347	0.76
Parent received welfare income						
None					(excluded)	
Some				−0.2352^c	0.0912	0.79
Earnings of parent						
Negative/none					(excluded)	
Positive				0.4611^c	0.0845	1.59
Earnings of cohabitor						
Negative/none					(excluded)	
Positive				2.5770^c	0.1184	13.16
Constant	−1.9590^c	0.3371		−3.8952^c	0.3998	

Note: "Parent" refers to the partner with child(ren) when the cohabiting partners are treated as two separate units "Cohabitor" refers to the partner whose income is combined when the couple is counted as a single household unit. Only families that are counted as poor by the Census are included in the regressions; each family is counted once.
$^a p < .1$ $^b p < .05$ $^c p < 0.1$

TABLE 6

PREDICTED PROBABILITIES THAT A POOR SINGLE-MOTHER FAMILY WILL BE RECLASSIFIED AS
NON-POOR WHEN A COHABITOR'S INCOME IS COUNTED

Model 1 Coefficients	
A. Mother is Ever-Married	
White mother and cohabitor, both with no H.S. degree	0.58
Black mother and cohabitor, both with no H.S. degree	0.44
Hispanic mother and cohabitor, both with no H.S. degree	0.53
White mother and cohabitor, both with a H.S. degree	0.75
B. Mother is Never-Married	
Black mother and cohabitor, both with no H.S. degree	0.42
Model 2 Coefficients	
C. White mother and cohabitor; both have no H.S. degree; mother is on welfare	
Cohabitor has no earnings	0.12
Cohabitor has some earnings	0.65
D. White mother and cohabitor; both have no H.S. degree; mother is not on welfare	
Mother has no earnings; cohabitor has some earnings	0.70
Both mother and cohabitor have some earnings	0.79

Note: All predictions assume the mother has two children, lives in a metropolitan area in the Northeast region, and cohabits with a man who is aged 35. The mother is assumed to have been previously married, except in Panel B.

Compared to married couples, cohabitors tend to be even more similar with respect to achieved characteristics, such as education (Schoen and Weinick, 1993). Thus, many single mothers who have low labour force prospects have potential partners who are likely to have similar prospects. In our sample, about one-quarter of poor single mothers lived with a cohabitor who had zero annual earnings in the previous year. In such cases, neither cohabitation nor marriage will reduce poverty. Reducing poverty among poor, single mothers requires that greater attention be paid to improving earnings and reducing joblessness among their cohabiting partners.

SUMMARY

Treating unmarried partners as if they were married couples reduces poverty rates for all persons and all children by small amounts. Between 1969 and 1989, the official child poverty rate rose by 5.6 percentage points (U.S. Bureau of the Census, 1991). Our results suggest that in 1989, the child poverty rate would have been 0.6 percentage points (three percent) lower if the incomes of cohabiting couples were pooled. Thus, only about 11 percent of the rise in child poverty over these two decades can be "accounted for" by the failure to treat cohabitors as couples.[9]

The impact on overall child poverty rates is minimal because children in cohabiting unions account for only 3.2 percent of all children. This effect will increase over time if the percentage of children living with cohabitors continues

[9]This calculation assumes that cohabitation was so infrequent in 1969 that it did not then affect the child poverty rate.

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to rise. Thus, the recommendation the NAS panel on Poverty and Family Assistance that the Census Bureau should treat cohabiting partners as couples seems quite reasonable.[10]

APPENDIX

TABLE

CHARACTERISTICS OF UNWEIGHTED SAMPLE OF COHABITING FAMILIES WITH CHILDREN WHO
ARE POOR WHEN INCOME IS COUNTED SEPARATELY

(in percents)

			($N = 4,001$)	
Race/ethnic origin of parent and cohabitor			Region	
Both white, non-Hispanic	46.2		Northeast	18.6
Both black, non-Hispanic	22.5		Midwest	22.9
Both Hispanic	17.3		South	33.6
Both other non-Hispanic	3.2		West	24.9
Mixed race	10.7		Total number of children (combined)	
Marital status of parent			One	36.2
Never-married	51.3		Two	32.6
Ever-married	48.7		Three	18.7
Sex of parent			Four or more	12.5
Male	33.9		Parent received welfare income	
Female	66.1		None	65.5
Age of parent (mean)	30.8		Some	34.5
Age of cohabitor (mean)	30.9		Earnings of parent	
Education of parent			Negative/none	41.5
Less than H.S.	49.3		Positive	58.5
High school	31.4		Earnings of cohabitor	
More than H.S.	19.2		Negative/none	26.9
Education of cohabitor			Positive	73.1
Less than H.S.	49.8			
High school	32.4			
More than H.S.	17.7			
SMSA				
Non-metro area	32.8			
Metro area	67.2			

Note: "Parent" refers to the partner with child(ren) when the cohabiting partners are treated as two separate households. "Cohabitor" refers to the partner whose income is combined when the couple is counted as a single household unit.

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[10]One caveat is in order: If the Census Bureau were to adopt this procedure, it would be important to gather information from unmarried partners about actual income-sharing. Preliminary research (Bauman, 1997) finds only modest support for the assumption of income-sharing. Thus, the poverty-reducing effect of combining cohabitors into a single family will be overstated if many unmarried partners do not pool their incomes, or if they pool only for certain expenses, such as food and rent.

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