

CHANGES IN FAMILY STRUCTURE AND WELFARE PARTICIPATION SINCE THE 1960s: THE ROLE OF LEGAL SERVICES*

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Introduction

The 1960s ushered in dramatic changes in the structure of American families. Marriage rates fell and divorce rates and non-marital childbearing increased (Lundberg and Pollak 2007; Bailey, Guldi, and Hershbein 2014). Between 1960 and 1980, the share of mothers who were unmarried household heads more than doubled from 5.7 percent to 14.4 percent, while the share of children living with unmarried mothers almost tripled. By the early 1990s, more than 20 percent of all children and 50 percent of black children were living with unmarried mothers (McLanahan and Jencks, 2015). These trends are central to understanding the stagnancy of U.S. poverty rates since the mid-1970s and perhaps its intergenerational persistence. All else equal, the 1980 poverty rate for mothers would have been almost 25 percent lower (11.5 versus 15 percent) if single-motherhood remained at its 1960 rate (Ruggles et al., 2010). Yet scholars have a limited understanding of the causal factors driving these changes.

Perhaps the most infamous hypothesis is the Moynihan Report, which asserts that the problem lay in part with the matriarchal structure of black families—a product of centuries of mistreatment of African Americans (Moynihan, 1965).¹ Scholars at least as far back as DuBois suggested that the heart of the issue lay with a combination of the physical supply of men or their economic desirability as partners (Du Bois & Eaton, 1899).² Akerlof, Yellen, and Katz (1996) note the importance of changes in contraceptive technology, arguing these changes benefited women at the top of the education distribution but left less educated women behind. Finally, Charles Murray indicts Johnson's War on Poverty, fingering the dramatic rise in the social safety net and public assistance (Murray, 1984). Of course, this large shift in family structure coincided with all of these changes, making it challenging to pin down the role of any one factor.

This paper quantifies the role of a largely overlooked catalyst of these shifts in family structure: a shift in poor communities' access to the legal system brought about by the Neighborhood Legal Services Program. This understudied component of the War on Poverty began in 1965 under the Economic Opportunity Act and provided free legal consultation in low-income areas relating to civil issues like housing, contracts, public benefits, and family matters. Originally conceived as a source of community empowerment (Cahn

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¹ Moynihan argued, "the Negro community has been forced into a matriarchal structure which, because it is so out of line with the rest of the American society, seriously retards the progress of the group as a whole, and imposes a crushing burden on the Negro male and, in consequence, on a great many Negro women as well."

² "The first thing that strikes on is the unusual excess of females...the disproportion still indicates an unhealthy condition, and its effects are seen in a large percent of illegitimate births" (pp 53-55).

& Cahn, 1964), legal service formed the basis of the War on Poverty’s Community Action Programs. Its originators believed that legal services “would possibly be the single most important thing that [they] would do in the poverty program” (Pollak quoting Sargent Shriver in Gillette, 1996).

Data & Methodology

This paper quantifies the effects of the LSP on U.S. family structure using county-level variation in *when* and *where* these programs began (Cunningham, 2016). The research design compares changes in county-level outcomes before and after the LSP was established (temporal comparison) relative to similar places that did not receive a LSP (cross-sectional comparison). Because the roll-out of the LSP was concentrated within 5 years, we use two methods to refine our cross-sectional comparisons: an inverse propensity score reweighted estimator (Abadie, 2005) and a fixed effects model that restricts comparisons to counties in the same state and with similar shares of the population in urban areas in 1960 (Bailey & Goodman-Bacon, 2015; Cunningham, 2016). Supporting the validity of this research design, we find that counties with LSPs did not experience differential pre-trends in infant and child mortality, male-female sex ratios, or median family income. We also use semi-parametric event-study model that characterizes both pre-trends and post-treatment effect dynamics (Jacobson, LaLonde, & Sullivan, 1993), and show directly that LSP counties did not experience differential pre-trends in divorce or non-marital childbearing.

The LSP rollout generates a difference-in-differences research design, and we use a two-way fixed effects event-study specification to trace out effects in *each year* before and after LSP establishment:

$$y_{ct} = \alpha_c + \alpha_t + \beta'X_{ct} + \sum_{j \in PRE} \pi_j 1\{t - t_c^* = j\} + \sum_{j \in POST} \phi_j 1\{t - t_c^* = j\} + v_{ct} \quad (1)$$

In equation (1), α_c and α_t are county and year fixed effects, and the $1\{t - t_c^* = j\}$ are event-study dummies that equal one if a county-time observation is exactly j years away from county c ’s LSP treatment date.³ The first sum includes pre-LSP event-years, and the π_j directly estimate pre-treatment trends in outcome y_{ct} . Small and stable estimates of π_j help rule out the concern that ongoing changes in family structure or welfare participation confound our estimates of LSP’s effects. The second sum includes post-LSP event-years, and the ϕ_j are intention-to-treat (ITT) estimates. A flexible treatment effect estimator is especially important in this context (see Cunningham, 2016) because LSP activities may take time to ramp up, family structure may respond with a lag (eg. changing conception does not affect births for 9 months), and changes in hazard rates and at risk populations move in the opposite direction of LSP’s direct effects.

We use data on federal legal service grants funded by the OEO from the National Archives Community Action Program (NACAP) files originally compiled in Cunningham (2016) to identify the location and timing of treatment. We digitized tables from the 1959-1988 volumes of the Vital Statistics of the United States (DHEW various years) detailing the number of marriages and divorces that *occurred* in each county. We digitized Vital Statistics tables detailing the number of births to unmarried *residents* of a subset of large counties. Lastly, we digitized county-level caseloads and spending on AFDC from a series of federal reports published in 1960, 1964, 1966, and annually from 1968-1988. The dependent variable of interests, y_{ct} , are divorce per 1,000 women ages 10-49, marriages per 1,000 women ages 10-49, non-marital births per 1,000 women ages 10-49, and the number of AFDC cases per 1,000 women ages 10-49.

Preliminary Results

Our estimates show that the introduction of the LSP had large, measurable effects on divorces, welfare caseloads, and non-marital childbearing in the 1960s, 1970s, and 1980s. First, the LSP is associated with hump-shaped changes in divorce rates: they rise by almost 7 percent over 5 years and then fall as pent-up demand for divorces fades. Second, the LSP is associated with a 20 to 25 percent increase in the rate of

³ We omit the event-study dummy for the year before LSP treatment ($j = -1$).

AFDC receipt by 1980—an effect that persists until at least 1988. Importantly, these “direct” effects are consistent with the reported scale of LSP operations. Our results imply that LSPs led to at most 22,000-25,000 divorces per year, while historical accounts show that LSP handled over 56,000 divorce cases in 1968 alone. Similarly, AFDC applications requests for “fair hearings” skyrocketed, consistent with our finding the LSP increased AFDC participation by 209,000 to 383,000 cases.⁴ Third, we find evidence that legal services programs decreased marriage rates. Our estimates imply that, between 1965 and 1980, the legal services program reduced marriages by as much as 1.8 percent (570,000 marriages relative to 31 million that occurred). These estimates also explain the hump-shaped pattern in the LSP’s divorce effects. As marriage rates fell, the pool at risk of divorce and the treatment effects on divorces per woman also fell.

Conclusion

The combination of these forces implies that the LSP by 1980 had increased non-marital births by 16 percent, accounting for about 30 percent of the rise in non-marital childbearing between 1960 and 1980. A variety of robustness and heterogeneity checks allow us to rule out alternative explanations. Taking a cue from research on the demographic and economic determinants of family structure, we test for differential changes in male/female sex ratios, employment rates, and earnings. All show indistinguishable trends between LSP and non-LSP counties *before* LSPs began, and no evidence of sharp divergence occurring in the 1960s. Similar to Cunningham and Gillezeau (2018), we also find similar effects in samples of counties experienced riots and those that did not—another noted catalyst for urban decay and white flight (Collins and Margo 2007; Collins et al 2004). Our local-level variation also helps rule out the concern that changes in programs such as AFDC or Medicaid explain the results. Our inclusion of state-year fixed effects controls for trends in our outcomes at exactly the level at which these programs were administered.

While evidence on the social safety net and family structure have generated mixed results (Moffitt 1994, Hoynes 1997), the *introduction* of the LSP represents a much larger shift in constraints for women. Within the context of the perfect storm of the 1960s (Lundberg and Pollak 2007), the LSP made divorce both legal and financially feasible; women could for the first time support their families using public programs (a reason why the Moynihan Report cautioned against the expansion in access to the welfare program). In short, the LSP unleashed a variety of forces that have contributed to the dramatic rise in single parenthood among poor women in the U.S.

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⁴ Fair hearings are formal challenges to administrative decisions about eligibility and benefits. LSP lawyers frequently represented recipients at these hearings and encouraged them to file the appeals. The number of fair hearings rose from about 29,300 in the last six months of 1970 (the earliest data available) to over 86,000 in the first six months of 1975 (DHEW 1976). Applications grew from 230,000 in the first quarter of 1965 (DHEW) to 665,000 in the first quarter of 1975 (DHEW).

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