The purpose of this panel study is to see whether enrolling in a public assistance program is related to changes in self-esteem in later life. A theoretical framework is developed that specifies that older men will be more likely to experience a decline in self-esteem following enrollment in a welfare program. Data from a nationwide longitudinal survey reveal that while receiving welfare benefits is unrelated to self-esteem for all elders taken together, older men experience a substantial decline in their sense of self-worth. In contrast, significant effects fail to emerge among elderly women.

Key Words: Welfare, Self-esteem, Gender differences

Welfare Participation and Self-Esteem in Later Life

Neal Krause, PhD

The economic situation of older adults in the United States has improved steadily over the past several decades (Quinn & Smeeding, 1993). However, despite these impressive gains, a significant number of elderly people still live below the poverty level. As recent evidence provided by Chen (1991) indicates, 12.2% of all persons aged 65 and over were living in poverty in 1990. Both the federal and state governments have developed a range of public assistance programs to help these needy elders. For example, the Food Stamp Program was established in 1964 to help poor people buy the food necessary to maintain a minimally adequate diet. Recent estimates suggest that approximately 1.6 million older adults participate in this program (AARP, Public Policy Institute, 1993). Similarly, beginning in 1974, the federal government initiated the Supplemental Security Income (SSI) Program to provide cash-assistance to older adults with incomes below a certain minimum level. Approximately 1.5 million elderly people now receive this form of assistance (Schulz, 1992). Although these welfare programs have helped to improve the economic situation of our aging population, there is extensive evidence that the public tends to have very negative views of welfare recipients (see Rank, 1994, for a recent discussion of this issue). As a result, there may be significant psychological costs associated with participation in public assistance programs because welfare clients may find they are the object of criticism, rejection, and resentment. Although researchers have paid considerable attention to the psychological effects of welfare stigma on younger people (Schneiderman, Furman, & Weber, 1989), relatively little is known about the psychosocial impact of participation in welfare programs on older adults.

The purpose of this study is to see whether going on welfare in later life has an adverse effect on a key psychological resource — self-esteem. It seems unlikely, however, that every elderly person who enrolls in a welfare program will subsequently experience a decline in feelings of self-worth. This premise is consistent with research on stressful life events, which shows that the same event frequently has different effects on different individuals (see Wethington, Brown, & Kessler, 1995, for a recent discussion of this issue). Instead, contextual effects are likely to come into play that buffer or mediate the deleterious effects of difficult situations. Although many different buffering mechanisms may function in this manner, the research presented below is concerned with the mediating effects of gender. This study takes, as a point of departure, the notion that sex role expectations and experiences create fundamental differences in the way that older men and women relate to financial matters. Building on these basic structural differences, the main hypothesis specifies that elderly men are more likely than older women to experience a decline in self-esteem following enrollment in public assistance programs.

The discussion that follows is divided into three main segments. The theoretical rationale is presented first. Following this, the study measures and data analytic techniques that will be used are reviewed briefly. Finally, the results are presented and discussed.

Welfare and Self-Esteem in Later Life

A number of social theorists argue that the desire to defend and enhance feelings of self-worth repre-
sents one of the primary motivating factors in social life (Kaplan, 1975). For nearly a century, sociologists have demonstrated convincingly that the opinions, feedback, and support of significant others play a substantial role in this endeavor (Cooley, 1902). It is important to point out that this reference group can consist of either specific individuals who are part of an informal social network or “generalized others” who constitute the views of the larger social collective (Mead, 1934). While feedback from informal network members is typically transmitted in face-to-face interaction, the opinions and assessments of the larger public (the generalized other) are more likely to be found in books, television shows, and other types of mass media. This latter source is important because the mass media may play an important role in shaping the goals and values of those living in poverty (Merton, 1968).

In many cases, the feedback provided by others is positive and, as a result, the individual is able to develop and maintain a sense of self-worth. However, this is not always the case. As noted above, there is considerable stigma associated with enrolling in welfare programs (Waxman, 1977). In particular, a person who accepts welfare is often viewed as being a failure, lazy, untrustworthy, and lacking in ability. It is especially important to point out that those in the present cohort of older adults are especially likely to hold these negative perceptions (Wilson, 1993). As Rank (1994) points out, negative opinions of those on welfare may be traced to the fact that receiving public assistance violates the sense of individualism and independence that is endorsed by most Americans (Gans, 1988). This may be an especially important consideration when studying the effects of welfare in later life, because there is evidence that older adults adhere strongly to the notion of independence and they actively strive to avoid becoming overly dependent upon others (Lee, 1985).

There is considerable evidence that elderly people living in poverty are aware of the negative views of them held by others. In fact, fear of social stigma has been shown to have significant effects on the decision to enroll in welfare programs. For example, even though a large number of elders receive SSI, approximately 40% of those eligible for this program are not enrolled (Schulz, 1992). While part of this nonparticipation may be traced to insufficient knowledge about the program, there is some evidence that stigma may play a role as well (Drazaga, Upp, & Reno, 1982). Similar findings have emerged in studies of other welfare programs. Hollenbeck and Ohls (1984) studied enrollment patterns in food stamp programs in three states. Their data revealed that approximately one-half of those eligible for food stamps were not in the program. Once again, part of the reason for the lack of participation had to do with the stigma associated with being on welfare.

While the impact of stigma on the decision to enter welfare programs is important, less is known about how it affects the self-assessments of those who enroll despite the negative views held by the general public. Although some research has been conducted with younger adults (Schneiderman et al., 1989), it does not appear as though anyone has assessed the relationship between welfare participation and self-esteem in later life. Consistent with the theoretical perspective developed above, the first hypothesis tested in the present study states that elders enrolling in welfare programs will experience a decline in their feelings of self-worth.

Over the past several decades, there has been extensive research on the interface between various types of social stigma (e.g., racism, sexism) and self-esteem (see Crocker & Major, 1989, for an extensive review of this literature). However, as investigators began to learn more about this process, it quickly became evident that there is no one-to-one correspondence between exposure to stigma and a subsequent decline in feelings of self-worth. In fact, many have endured considerable negative feedback from others without experiencing a loss of self-esteem. Cast within the context of the present study, this suggests that other factors may come into play that buffer or reduce the negative sequels associated with enrolling in welfare programs. Although a number of constructs are undoubtedly involved (Crocker & Major, 1989), the analyses presented below focus on a frequently overlooked, yet especially pertinent, factor in later life — gender.

As noted earlier, the central premise in this study is that welfare tends to reduce feelings of self-worth in later life and that the effects are greater for older men than for older women. Support for this rationale may be found in two bodies of literature. The first has to do with differences in the attributions made by elderly men and women about why they need public assistance, while the second involves gender differences in the psychological centrality (i.e., importance) of financial matters.

**Contributions of Attribution Theory**

At the broadest level, research on social stigma suggests that people are treated better, encounter less anger, and receive more pity if they are judged by others as not being responsible for their circumstances (see Crocker & Major, 1989, for an extensive review of this literature). Similarly, individuals are more likely to internalize negative feedback from others if they feel that their problem has arisen through some action (or inaction) on their own part.

Applying these insights to the study of participation in welfare programs suggests that the causal attributions made by elders and their significant others may play a significant role in determining whether stigma associated with receiving public assistance subsequently erodes feelings of self-worth. Research by Brickman et al. (1982) helps to further refine this perspective. These investigators argue that it is important to make a distinction between causing a stigmatizing situation to arise in the first place, and being responsible for its continuation regardless of how it emerged. This means, for example, that a person may not be blamed for being born
into poverty, but they may be held accountable for not being able to rise above it. As the literature reviewed below will reveal, it would appear that older men are more likely than older women to be blamed for being on welfare and for being unable to get off welfare rolls once they have begun to receive benefits.

Although the evidence is not entirely consistent, research with the current cohort of older adults indicates that men are more likely than women to be responsible for household money management and financial planning (Morgan, 1986). There are two reasons why this may influence the attributions made about the reasons for going on welfare. First, if women are not involved in day-to-day money matters, it seems that they will be less likely to either blame themselves or to be blamed by others if household finances go awry. The second reason has to do with more long-term financial planning matters. Research by Holden and her colleagues (Holden, Burkhauser, & Myers, 1986) reveals that older women are more likely to be poor than elderly men, and that widows comprise a substantial number of those women living below the poverty level.

More specifically, estimates provided by these investigators suggest that, at any one time, approximately 26% of widowed elderly women live below the poverty level. Although there are a number of reasons for this, at least part of the problem may be traced to inadequate financial planning on the part of husbands. More specifically, many pension programs substantially curtail benefits upon the death of the husband. Although this gap could be covered by purchasing adequate life insurance or making additional investments, it does not appear that most husbands have done so. For example, research indicates that many older men are severely underinsured, thereby making their wives more vulnerable to the economic consequences of being widowed (Holden & Smock, 1991).

While many women in the current cohort of older adults may not be directly responsible for having to go on welfare, there is some evidence that they may also be less able than men to exit the welfare rolls once they have begun to receive public assistance. Part of the reason for this has to do with labor force participation. The wide majority of older adults are no longer working outside the home for pay. More specifically, research reviewed by Myers (1991) indicates that in 1988, only 11.7% of both men and women aged 65 and older were in the labor force. If financial difficulties are encountered, one obvious way to reenter the labor force is to reenter the labor force. In fact, there is evidence that an increasing number of older adults are doing so. More specifically, research by Myers (1991) indicates that over 25% of retired workers eventually return to paid employment. However, the probability of reentry into the labor force is determined in part by work patterns established earlier in life. Many women in the current cohort of elderly people were either full-time homemakers for most of their adult years or their work careers were interrupted for fairly long periods by family duties (e.g., childrearing or caregiving). There is some evidence that these women are not in a good position to either remain in or reenter the work force (Pienta, Burr, & Muchler, 1994). The net effect is that the ability of many older women to improve their financial circumstances through employment outside the home is more limited than that of elderly men. As a result, receiving public assistance is more likely to be the only viable option for dealing with severe economic problems.

Taken together, the findings reviewed above indicate that older women are less likely than elderly men to be responsible for either slipping below the poverty level or for climbing back out of these difficult economic circumstances. Consistent with the basic tenets of attribution theory, this would appear to suggest that women should be less likely than men to be ostracized for receiving welfare benefits. Moreover, they should also be less likely than their male counterparts to internalize negative views about welfare recipients. To the extent that this is true, welfare participation should lower the self-esteem of elderly men, but not elderly women.

The Issue of Psychological Centrality

In his classic work on self-concept, Rosenberg (1979) argues that global feelings of self-worth arise from many specific self-evaluations that are associated with the multiple roles people play, and the social status positions they occupy. However, it is important to point out that each domain-specific assessment does not contribute equally to the overall sense of self-esteem. Instead, some areas of life are valued more highly than others, and the self-assessments associated with these domains consequently weigh more heavily in determining global feelings of self-worth. For example, Rosenberg’s (1979) empirical work on racial stigma reveals that whether or not negative views of one’s race are internalized depends upon the psychological centrality of the racial identity in question. In particular, his research suggests that some members of ethnic groups are able to cope successfully with negative racial stereotypes by staking their sense of self-worth on other attributes. This means, for example, that a successful black businessman may preserve a positive self-image by focusing on his entrepreneurial skills rather than his race.

Support for the principle of psychological centrality is provided in the gerontological literature by Krause (1994). This study indicates that the impact of stressors arising within different social roles depends upon how highly each role is valued by elderly people. More specifically, events emerging in highly valued roles are more likely to evoke feelings of well-being than stress associated with less important roles (Krause & Borawski-Clark, 1994).

It seems that the insights provided by Rosenberg (1979) and Krause (1994) may be fruitfully applied to the study of welfare participation and self-esteem in later life. More specifically, it would appear that whether or not negative views of those on welfare...
subsequently erode feelings of self-worth depends upon how highly they value the financial domain. As the literature reviewed below suggests, financial matters are more likely to be a core element in the sense of self among older men than elderly women. Research reviewed by Gore and Colten (1991) consistently shows that men are socialized to be more achievement-oriented, while women are raised to place a greater value on interpersonal relationships. Given this orientation, it is not surprising to find that responsibility for the provider role is frequently delegated to men (Hood, 1986). When viewed in conjunction with Rosenberg’s (1979) principle of psychological centrality, it would appear that older men should be more vulnerable than elderly women to negative views associated with welfare, because the provider role and financial matters are especially likely to represent a core element in their self-concept. Consistent with this view, a recent qualitative study of older women living in poverty reveals that they tend to evaluate their self-worth largely in terms of their ability to maintain good relationships with others (Barusch, 1994).

Taken as a whole, the theoretical rationale developed in this section leads to the following hypotheses:

1. Participating in public assistance programs will be associated with diminished feelings of self-worth in later life.
2. Older men will be more likely than older women to experience a loss of self-esteem following enrollment in a welfare program.

**Methods**

**Sample**

The data used in this study come from the Americans’ Changing Lives Survey. A multistage, stratified area probability sampling design was used to interview persons 25 years of age and older who were living in the contiguous United States. African Americans and individuals over 60 years of age were oversampled. Face-to-face interviews were conducted at two points in time (1986 and 1989). The response rate for the Wave 1 interviews was 67%. Interviews were completed with 3,617 individuals in 1986. Of this group, 2,867 were successfully reinterviewed in 1989 (79.2%). All estimates provided below are based on data that have been weighted to adjust for variations in selection probabilities and nonresponse.

The analyses presented in this study are based on those respondents who were at least 60 years of age at the time of the first interview (N = 1,669). Of this group, 1,279 were reinterviewed successfully at Wave 2 (76.6%). After taking item nonresponse into account with listwise deletion of cases containing missing values, complete data were available for the 1,214 older adults in this panel sample. The average age of the individuals in this group was 69.45 years (SD = 6.90 years). Approximately 40% were men, 90% were white, and 57.5% indicated that they were married at the follow-up interview. Only 19.8% reportedly that they were working for pay when the Wave 2 survey was conducted. Finally, the participants in this group reported that they had successfully completed an average of 10.97 years of schooling (SD = 3.41 years).

As the data on reinterview rates reveal, some of the respondents in this survey were lost to follow-up (N = 390). This may create problems if sample attrition occurs nonrandomly. Although it is difficult to determine the extent of this problem precisely, some preliminary insight can be obtained by seeing whether select data gathered at the baseline interviews are related significantly to the participation status of the respondents at the follow-up survey (see Norris, 1987, for a discussion of this approach). The following procedures were used to implement this strategy. First, a binary outcome measure was computed whereby a score of 1 was assigned to all subjects who were lost to follow-up, and a score of 0 was given to all those who participated in the Wave 2 survey. Then, using a logistic regression framework, this binary measure was regressed on the following Wave 1 measures: age, sex, marital status (1 = married; 0 = otherwise), employment status (1 = presently working; 0 = otherwise), race (1 = white; 0 = otherwise) years of education, welfare status (1 = presently receiving public assistance; 0 = otherwise), and self-esteem (a detailed description of these measures is provided later in this report). The findings derived from estimating this logistic regression equation reveal that those who were lost to follow-up were more likely to be men, older, less educated, and less likely to be working at the baseline survey. However, significant findings failed to emerge with respect to the key measures of welfare participation and self-esteem, as well as race and marital status (tables containing the results of the logistic regression analysis are available from the author upon request).

Although the findings from the logistic regression are helpful for identifying where nonrandom attrition has taken place, they do not provide a clear sense of the strength of the observed relationships. This is an important consideration because small (but statistically significant) differences are likely to emerge when large samples are used in an analysis. Although there are several ways to address this problem, a discriminant analysis was performed to examine this issue. A discriminant analysis is helpful because it provides an intuitively pleasing way of gauging the overall utility of the findings. More specifically, the discriminant function created from the baseline data is used to predict the status of the subjects at the Wave 2 survey. These predictions may then be compared with their actual follow-up status, and the proportion of successful predictions can be computed. The analysis revealed that the discriminant function formed from the variables identified above classified (i.e., predicted) only 63.76% of the cases correctly. Since 50% of the cases could be classified successfully on the basis of chance alone, it would appear as though the overall predictive power of the discriminant function is not substantial.
Taken together, the preliminary analyses described above suggest that there are some nonrandom patterns of attrition in this panel survey. Although the extent of the problem does not appear to be great, one caveat associated with these analyses should be mentioned explicitly. The procedure described above looks at the relationship between data gathered at Wave 1 and participation in the study at Wave 2. However, it is not possible to tell whether changes took place after Wave 1 (but before Wave 2) that further contributed to the differences between those who remained in the study and those who were lost to follow-up. Consequently, the potential bias created by nonrandom sample attrition through time should be kept in mind as the findings from the main analyses are reviewed.

Measures

Table 1 contains a listing of the welfare participation and self-esteem measures used in this study. Additional demographic control measures used in the analyses (but not contained in Table 1) are also identified below.

Welfare Participation. — As shown in Table 1, three items are used to determine if study participants are receiving public assistance. It should be emphasized that identical measures were contained in the baseline and follow-up interviews. Separate binary measures for the Wave 1 and Wave 2 data were created with these data. More specifically, a score of 1 was assigned to study participants who were either receiving SSI, food stamps, or were enrolled in any other welfare program. Those respondents who did not participate in any type of public assistance program were given a score of 0.

Preliminary data analyses (not shown here) suggest that 8.4% of the respondents participated in a welfare program at Wave 1 while 8.9% reported that they were receiving public assistance at Wave 2. Although this may initially appear to indicate that there was little change in welfare status through time, further analyses reveal that 5.2% either went on or off the welfare rolls between the baseline and follow-up interviews.

Self-Esteem. — Three measures designed to assess global feelings of self-worth were contained in the Wave 1 and Wave 2 interviews. These indicators were taken from the well-known scale developed by Rosenberg (1965). It should be emphasized that, once again, identical items were used in the baseline and follow-up surveys. Two of the self-esteem questions are keyed in a negative direction (e.g., "At times I think I am no good at all." — see Table 1), and one is phrased in a positive manner ("I take a positive view toward myself." — not shown in Table 1). An exploratory factor analysis (not shown here) revealed that the negative and positively-keyed items loaded on different factors, indicating they are not correlated highly.

Similar findings have been observed by many other investigators (e.g., Carmines & Zener, 1979).

In order to avoid constructing measures with poor psychometric properties, only the negatively-keyed items are used in the present study. Perhaps more importantly, there are sound theoretical reasons for taking this approach, as well. The references in these items to being "a failure" and being "no good at all" are remarkably similar to the opinions expressed by the public about those who receive welfare benefits (Rank, 1994). Consequently, it would appear that these measures are well suited for assessing whether elders on welfare have internalized the stigma associated with receiving public assistance. It should be emphasized that a high score on either self-esteem measure denotes greater feelings of self-worth. Preliminary analyses reveal that the correlation between the two self-esteem items at Wave 1 is .466, while the corresponding estimate for these measures at Wave 2 is .477.

Demographic Control Measures. — Many factors are obviously taken into consideration when individuals take stock of their self-worth (Bengtson, Reedy, & Gordon, 1985). Six demographic variables were included in the analyses presented below in an effort to rule out some of these competing explanations. Age is scored continuously, while sex (2 = women; 1 = men), marital status (1 = married; 0 = otherwise), race (2 = white; 1 = otherwise), and labor force participation (1 = currently employed; 0 = otherwise) were coded in a binary format. Education is scored continuously and reflects the number of years of schooling that were completed successfully. Finally, all but the marital status and labor force participation measures come from the Wave 1 survey. The measures of age, sex, race, and education were taken from the baseline survey because they either don’t change or change at a constant rate for all respondents. In contrast, changes in marital status and labor force participation are likely to have taken place through time. Consequently, the Wave 2 measures of these constructs were selected. This decision is based on the premise that assessments of self-worth at the follow-up interview are more likely to be influenced by one’s immediate (as opposed to former) marital and labor force status.

Table 1. Main Study Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Description</th>
</tr>
</thead>
</table>
| Welfare Status | Does respondent receive income from Supplemental Security Income (SSI)?
|         | ADC or AFDC (Aid to Dependent Children) or other welfare or Public Assistance? |
|         | Food Stamps? |
| Self-Esteem | At times I think I am no good at all. |
|         | All in all, I am inclined to feel that I am a failure. |

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Data Analysis Issues

The theoretical rationale developed earlier suggests that there are gender differences in the impact of receiving public assistance on self-esteem among older adults. Stated in more technical terms, this conceptual framework specifies that there is a statistical interaction effect between gender and welfare participation on feelings of self-worth. There is considerable controversy on how to estimate statistical interactions (Busemeyer & Jones, 1983). However, no effort is made to resolve this debate here. Instead, the ordinary least squares (OLS) multiple regression approach described by Aiken and West (1991) is used in the analyses presented below. This strategy calls for the estimation of the following OLS equation:

\[ SE_2 = a + b_2SE_1 + b_3WP_1 + b_4WP_2 + b_5SEX + b_6WP_3 \times \text{SEX} + \Sigma C.Z \]  

(1)

In Equation 1, \( SE_2 \) and \( SE_1 \) represent self-esteem at Wave 2 and Wave 1, respectively. Similarly, WP and WP denote participation in welfare programs at the baseline and follow-up interviews. SEX stands for gender, and the \( Z \), represents the demographic control measures discussed above. The cross-product or multiplicative term \( (WP_3 \times \text{SEX}) \) in Equation 1 is designed to capture the interaction between welfare participation and gender on self-esteem at Wave 2.

Finally, the \( b \) as well as \( c \), are regression coefficients and a stands for the intercept. Following the recommendations of Aiken and West (1991), the independent variables in Equation 1 were converted to deviation score form (i.e., centered on their means).

Equation 1 is estimated in a hierarchical manner. The additive effects of welfare participation (WP and WP), gender, the baseline measure of self-esteem (\( SE_1 \)), and the demographic control measures (the Z) are entered in the first step. Following this, the multiplicative term \( (WP_3 \times \text{SEX}) \) is added at step two. If the coefficient associated with the cross-product term \( (b_6) \) is statistically significant, then additional calculations may be performed by hand to determine if the interaction is consistent with the hypothesis. This means that a separate regression coefficient can be computed for older men and women, respectively. If the hypothesis is valid, the slope representing the effect of welfare participation on self-esteem for elderly men should be larger than the corresponding estimate for older women. The formula provided by Aiken and West (1991) is used for this purpose. Moreover, additional formulas contained in their work are used to compute t-tests as well as standardized regression coefficients.

It is important to reflect carefully on the precise nature of the hypothesis being tested in Equation 1. Since the effects of the baseline measures of self-esteem (\( SE_1 \)) and welfare participation (WP) are partialled out in the first step of this hierarchical estimation strategy, the test of the multiplicative term asks whether there are gender differences in the impact of changes in welfare participation on changes in self-esteem.

Results

The findings from this study are presented in two sections. The results derived from estimating Equation 1 are reviewed first. The second section contains findings from a series of further analyses that have not been described up to this point. The analysis of panel data is fraught with many difficulties. Part of this problem arises from the fact that having measures available at more than one point in time makes it possible to specify Equation 1 in several different ways. Issues involved with these alternative specifications are described and evaluated in the second section.

Welfare Participation, Gender, and Self-Esteem

Table 2 contains the results that were derived from estimating Equation 1. The findings from the first step of this hierarchical analysis are presented in the left-hand column, while the results that emerged after the multiplicative terms were entered into the model are given in the right-hand column.

The data in the left-hand side of Table 2 appear to indicate that participating in public assistance programs does not exert a significant effect on feelings of self-worth in later life. Evidence for this may be found by examining the impact of welfare participation at Wave 1 (\( \beta = -.008; \) not significant), as well as the effect of changes in welfare status that is captured by the Wave 2 measure of this construct (\( \beta = -.066; \) not significant). Similar findings have been observed in studies of younger adults (see Schneiderman et al., 1989). Taken at face value, these results seem to fly in the face of what we know about

Table 2. Changes in Welfare Status and Changes in Self-Esteem in Later Life (N = 1,214)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Additive Effects</th>
<th>Interactive Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>-.075***</td>
<td>-.075***</td>
</tr>
<tr>
<td></td>
<td>(-.077)</td>
<td>(-.075)**</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td>.004</td>
<td>.008</td>
</tr>
<tr>
<td></td>
<td>(.011)</td>
<td>(.025)</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>.110***</td>
<td>.108***</td>
</tr>
<tr>
<td></td>
<td>(.049)</td>
<td>(.048)</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td>-.016</td>
<td>-.017</td>
</tr>
<tr>
<td></td>
<td>(.048)</td>
<td>(.052)</td>
</tr>
<tr>
<td><strong>Race</strong></td>
<td>-.016</td>
<td>-.016</td>
</tr>
<tr>
<td></td>
<td>(.081)</td>
<td>(.079)</td>
</tr>
<tr>
<td><strong>Employment Status</strong></td>
<td>.023</td>
<td>.022</td>
</tr>
<tr>
<td></td>
<td>(.086)</td>
<td>(.081)</td>
</tr>
<tr>
<td><strong>Self-Esteem (Wave 1)</strong></td>
<td>.389***</td>
<td>.388***</td>
</tr>
<tr>
<td></td>
<td>(.384)</td>
<td>(.383)</td>
</tr>
<tr>
<td><strong>Welfare Status (Wave 1)</strong></td>
<td>-.008</td>
<td>-.024</td>
</tr>
<tr>
<td></td>
<td>(.042)</td>
<td>(.135)</td>
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<td><strong>Welfare Status (Wave 2)</strong></td>
<td>-.065</td>
<td>-.075*</td>
</tr>
<tr>
<td></td>
<td>(.351)</td>
<td>(.401)</td>
</tr>
<tr>
<td>(Welfare Status — Wave 2 \times Sex)</td>
<td>—</td>
<td>.079***</td>
</tr>
<tr>
<td></td>
<td>(9.10)</td>
<td></td>
</tr>
<tr>
<td><strong>Multiple R²</strong></td>
<td>.204</td>
<td>.210</td>
</tr>
</tbody>
</table>

*Standardized regression coefficient.

*Metric (unstandardized) regression coefficient.

*p < .05; **p < .01; ***p < .005.
Alternative Specifications

In order to have greater faith in the findings presented in Table 2, it is important to bring several model specification issues to the foreground. Two are addressed below: (1) assumptions have been made about the causal lag; and (2) there are potential problems with multicollinearity.

As it currently stands, the multiplicative term in Equation 1 tests for an interaction between welfare participation at Wave 2 and gender on self-esteem at the follow-up interview ($b = .079; p < .005$). When viewed at the broadest level, this finding reveals that receiving public assistance does not affect all elderly people in the same way, and that there are significant gender differences in the impact of welfare participation on feelings of self-worth. Stated in more technical terms, this means that part of the confusion in the literature arises because the models used in many studies are not specified accurately.

Although the data in Table 2 reveal that a statistically significant interaction is present, the precise nature of this effect is not entirely clear. However, as discussed earlier, it is possible to get a better insight by applying the formulas discussed by Aiken and West (1991). These additional computations reveal that, consistent with the rationale developed earlier, entering a welfare program is associated with a fairly substantial decline in feelings of self-worth among older men ($\beta = -.309; p < .001$; not shown in Table 2). In contrast, enrolling in public assistance programs has virtually no effect on the self-esteem of elderly women ($\beta = -.012$; not significant; not shown in Table 2).

Discussion

The American welfare system is presently the subject of intense political debate. Many politicians are fanning the flames of welfare stigma by arguing that people prefer receiving public assistance to taking care of their own needs, and that they are using the system to their own personal advantage. This, in turn, creates the impression that being on welfare rolls is something that the underprivileged actively pursue and gratefully receive. Implicit in this perspective is the notion that the benefits of receiving welfare far outweigh the costs (if in this view there are any). The findings from the present study suggest that the situation is by no means this simple. Instead, the data suggest that at least some older adults who enroll in public assistance programs pay a heavy price, because doing so deprives them of one of the basic resources needed to function optimally in society — positive feelings of self-worth. In the process of documenting this relationship, the results from this study serve to underscore a basic tenet of social welfare practice. Merely taking care of the material needs of those in poverty is not sufficient; it is
important to meet their psychosocial needs as well.

Taking care of the psychosocial needs of those who receive public assistance is a complex undertaking. A necessary first step in developing effective interventions for this purpose is to identify an appropriate target group (Sandler, Gersten, Reynolds, Kailgram, & Ramirez, 1988). As Sandler and his colleagues point out, many interventions fall short because sufficient attention has not been paid to this critical step in program development. More specifically, there are two reasons why great care must be taken in identifying those who are at risk. First, when the target group is not defined clearly, an intervention may not be effective because services will be offered to those who are not in need. Casting too broad a net has obvious cost implications as well. Second, the more imprecise the target group, the more difficult it is to make programmatic decisions, such as defining staff requirements.

The findings from the present study take a modest first step toward helping define a target group, by identifying more precisely those elders who are likely to experience diminished feelings of self-worth following enrollment in public assistance programs. More specifically, the data suggest that if improving the self-esteem of elders who receive welfare is the primary goal, then limited resources may be best spent working with older men. However, this conclusion does not mean that elderly women who get public assistance should be ignored. Instead, they simply may be faced with different psychosocial challenges. For example, research by Belle (1982) documents the extensive social network (i.e., interpersonal problems) encountered by women in poverty areas. It may well be that resources would be better spent on reinforcing the informal networks of elderly women than focusing on their self-esteem per se.

Although documenting gender differences in the effects of receiving welfare is a helpful first step in program development, it is likely that additional efforts will be needed to more clearly identify those in need. Even though the impact of public assistance on self-esteem among older men is fairly substantial, a considerable amount of variance remains unexplained. Stated less technically, this means that all elderly men on welfare do not experience a decline in their sense of self-worth. We need to know more about those who do, and why. In the process of learning more about this issue, researchers would be well advised to pay attention to the problems encountered in the present study. Four potential limitations are discussed briefly below: (1) random measurement error may bias parameter estimates; (2) the direction of causality has not been determined conclusively; (3) the temporal lag may not have been specified correctly; and (4) the observed findings may be influenced by the base-rate problem.

The effects of random measurement error are not taken into account with the OLS regression procedures used in this study. Instead, this approach rests on the assumption that all variables have been measured perfectly. However, as research by Kenny and Judd (1984) shows, random error is frequently present in psychosocial measures and, as a result, parameter estimates may be biased. This may be especially true when cross-product terms are in equations because research indicates that the reliability of these higher-order terms is always lower than the reliability of either of the component parts used to create them (Bohrnstedt & Marwell, 1978). Unfortunately, there is no entirely satisfactory way to resolve this problem. Although recent advances in latent variable modeling now make it possible to estimate first-order interaction effects (see Jöreskog & Sörbom, 1993), few substantive applications of these challenging procedures have appeared in the literature. Consequently, the potential problems created by random measurement error should be kept in mind as the findings from this study are reviewed.

In reading research with panel data, one is sometimes left with the impression that concerns about causal ordering may be dismissed just because the data have been gathered at more than one point in time. This simply isn't the case. The present study begins with the assumption that changes in welfare status affect changes in self-esteem, but the temporal ordering between these constructs was not evaluated empirically. In constructing Equation 1 above, it could have been just as easy to specify that changes in self-esteem influence changes in welfare status, and that those with low self-worth subsequently seek out welfare assistance because they believe they are incapable of resolving their financial problems on their own. As Kessler and Greenberg (1981) demonstrate convincingly, data that have been gathered at more than two points in time are needed to address this critical temporal issue.

As noted earlier, this study uses a three-year between-round interval (i.e., data were gathered in 1986 and again in 1989). Although the reasons for this study design decision are not clear, a three-year interval was not selected to accommodate the study of welfare participation and self-esteem. Consequently, the use of a different time period may produce different results. More specifically, the relationship between welfare participation and self-esteem may be stronger if follow-up interviews are conducted only one year later, instead of three. In fact, this may well be the case because the findings presented earlier reveal an interaction with Wave 2, but not Wave 1, welfare status, suggesting that long-term lagged effects may not be a factor.

Finally, as the descriptive data above reveal, between 8% and 9% of the elders in this study received welfare benefits at either interview. This serves to emphasize that the welfare status measures are highly skewed. The same is true of self-esteem (i.e., most people tend to view themselves in a relatively positive manner). Consequently, the distributions of these measures represent an instance of the well-known base-rate problem. As Cohen and Cohen (1983) demonstrate, this puts a ceiling on the size of the correlation between these key study measures, thereby limiting the size of the observed effect of
welfare on self-esteem. Although this isn’t necessarily a problem per se, it is important to keep this phenomenon in mind as the findings from this study are reviewed.

The government is in the process of making significant changes in the American welfare system. However, it appears that a good deal of the debate is being influenced either by solely economic considerations or by largely untested assumptions about the psychosocial influence of welfare programs. Little hard evidence exists, especially with respect to our elderly population. The present longitudinal study serves to highlight the need for more psychosocial research on welfare, as well as on the complexities inherent in trying to arrive at answers to these fundamental issues. When viewed at the broadest level, the intent has been to move beyond political rhetoric by showing that more rigorous, theoretically-driven research will help us to effectively meet the comprehensive needs of our aging population in a more informed manner.

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