The effects of psychological self-sufficiency on economic self-sufficiency among low-income jobseekers

National Association for Welfare Research and Statistics

LOYOLA UNIVERSITY CHICAGO

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Purpose of Study

- Validate the factor structure of psychological self-sufficiency (PSS), comprising employment hope (EH) and perceived employment barriers (PEB)

- To investigate the extent to which psychological self-sufficiency (PSS) affects economic self-sufficiency (ESS)
• Self-sufficiency (SS)
  - Understood primarily in both policy, practice, and research as economic SS (ESS)
  - Policy, program, and research definitions of SS:
    • Absence of welfare dependency (PRWORA, 1996; U.S. Public Law 104-193)
    • Earning enough money by employment to meet basic needs (WIA, 1998; U.S. Public Law 105-220).
    • Financial independence or economic security
    • 200% poverty line
    • Families ability to pay 100% of necessary bills without any help from government or other people
    • One year job retention
    • Leaving poverty by way of steady employment
By primarily focusing on employment outcomes, these definitions fall short of addressing the personal process of developing psychological strength on the path to becoming empowered and WORK-READY individuals.

Psychological perspective embraces empowerment and strength-based approach to building one’s character and capacity to sustain skills training, education, employment, and career advancement.

From focus group study of low-income jobseekers:
- SS is defined as a ‘process’ of developing psychological strength and making a goal-oriented progression toward realistic financial outcomes
Theoretical Background

• Mental contrasting
  - Combines the negative and positive assessments
  - Concentrating on a positive outcome and simultaneously concentrating on the obstacles in the way

• This creates a strong association between future and reality that signals the need to overcome the obstacles in order to attain the desired future

• PSS comprises the negative PEB and positive EH
Measures: EH & EB

• Employment hope
  - Employment Hope Scale (EHS-14): 14-item 4-factor construct under 2 components
    • Psychological empowerment
    • Goal-oriented pathways (futuristic self-motivation, utilization of skills and resources, and goal-orientation)
  - To capture the level of barriers to securing a job as perceived by low-income job-seekers, Perceived Employment Barrier Scale (PEBS) was constructed as a 20-item 5-factor structure.
Theoretical Model: PSS to ESS

Psychological SS

Employment Hope

Psychological Empowerment

Goal-oriented Pathway

Self-motivation
Skills & resources
Goal-orientation

Economic SS

Perceived Employment Barriers

Physical & metal health
Labor market exclusion
Child care
Human capital
Personal balance

Financial security / welfare independence
PSS is not a byproduct of ESS but a centerpiece to lasting economic success.

EB: *Dwelling* entails reflecting on the present reality possibly standing in the way of one’s desired future.

EH: *Indulging* entails imagining a desired future and mentally elaborating its benefits.

These by themselves do not necessitate action toward goals.

*Mental contrasting* generates energy toward goals by association of reality and future. PSS is conceptualized as a dynamic interface of non-cognitive and cognitive forces that help one remain resilient on their path to ESS.
Method: (1) Sample and data collection

- Two independent samples from two different local social service agencies in Chicago, IL
- The size of each sample is similar (n=390, n=411)
- Demographic characteristics are relatively homogeneous
<table>
<thead>
<tr>
<th></th>
<th>Sample 1 (n=390, %)</th>
<th>Sample 2 (n=411, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>37.6 %</td>
<td>45.7 %</td>
</tr>
<tr>
<td>Female</td>
<td>62.4 %</td>
<td>54.3 %</td>
</tr>
<tr>
<td><strong>Age group (Mean, SD)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>40.5 (13.7)</td>
<td>40.5 (10.8)</td>
</tr>
<tr>
<td><strong>Race</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African-American</td>
<td>97.9 %</td>
<td>87.2 %</td>
</tr>
<tr>
<td>Other</td>
<td>2.1 %</td>
<td>12.8 %</td>
</tr>
<tr>
<td><strong>Education level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than high school</td>
<td>24.9 %</td>
<td>14.7 %</td>
</tr>
<tr>
<td>High-school / GED</td>
<td>44.3 %</td>
<td>34.5 %</td>
</tr>
<tr>
<td>Some college but no degree</td>
<td>17.8 %</td>
<td>26.9 %</td>
</tr>
<tr>
<td>Diploma/certificate from technical, vocational, or trade school</td>
<td>7.0 %</td>
<td>12.2 %</td>
</tr>
<tr>
<td>Above associate degree</td>
<td>5.9 %</td>
<td>11.7 %</td>
</tr>
<tr>
<td></td>
<td>Sample 1 (n=390, %)</td>
<td>Sample 2 (n=411, %)</td>
</tr>
<tr>
<td>-----------------------</td>
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<td>----------------------</td>
</tr>
<tr>
<td>Household income $(Mean, SD)$</td>
<td>$8872.6 (14749.6)$</td>
<td>$10333.5 (13412.3)$</td>
</tr>
<tr>
<td>Employment status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>20.3</td>
<td>28.5</td>
</tr>
<tr>
<td>Not employed</td>
<td>79.9</td>
<td>71.5</td>
</tr>
<tr>
<td>Job training experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experienced</td>
<td>96.7</td>
<td>86.0</td>
</tr>
<tr>
<td>No experience</td>
<td>3.3</td>
<td>14.0</td>
</tr>
<tr>
<td>Welfare receipt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receiving</td>
<td>42.3</td>
<td>41.4</td>
</tr>
<tr>
<td>Not receiving</td>
<td>57.7</td>
<td>58.6</td>
</tr>
</tbody>
</table>
## Method: (2) Measures

<table>
<thead>
<tr>
<th>Employment Hope Scale (EHS)</th>
<th>Perceived Employment Barrier Scale (PEBS)</th>
<th>Economic Self-Sufficiency (ESS)</th>
</tr>
</thead>
</table>
| ✅ Bottom-up definition of Psychological SS  
✅ Strength and motivation toward employment goals | ✅ Bottom-up definition of Psychological SS  
✅ Perception of the barriers to employment | ✅ Self-assessment of economic self-sufficiency |

<table>
<thead>
<tr>
<th>EHS by Hong et al. (2009; 2012; 2013; under review)</th>
<th>PEBS by Hong et al. (In press)</th>
<th>WEN self-sufficiency scale by Gowdy &amp; Pearlmutter (1993)</th>
</tr>
</thead>
</table>
| 1) Psychological empowerment  
2) Self-motivation for future  
3) Utilization of skills & resources  
4) Goal orientation | 1) Physical and mental health  
2) Community  
3) Child care  
4) Job skills  
5) Capacity | 1) Autonomy and self-determination  
2) Financial security and responsibility  
3) Family and self well-being  
4) Basic assets for community living |
Method: (3) Analysis Procedure

1) Confirmatory factor analysis (CFA): to test whether one common model fits the data well in each sample

2) Multi-sample confirmatory factor analysis (CFA): to examine and generalize the latent factor structure of PSS composed of two independent scales of EHS and PEBS across two independent samples

3) Structural Equation Modeling (SEM): to investigate the relationship between PSS and ESS
Results: (1) CFA on PSS

Analysis goal 1: testing whether PSS fits the data well in each sample → CFA
As a result of CFA, the PSS fits the data reasonably in both samples

<table>
<thead>
<tr>
<th></th>
<th>$x^2$ (df)</th>
<th>RMSEA (90% CI)</th>
<th>NNFI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample 1 ($n=390$)</td>
<td>1376.640 (518)</td>
<td>.065 (.061-.069)</td>
<td>.910</td>
<td>.922</td>
</tr>
<tr>
<td>Sample 2 ($n=411$)</td>
<td>1315.242 (518)</td>
<td>.061 (.057-.065)</td>
<td>.894</td>
<td>.907</td>
</tr>
</tbody>
</table>
All factor loadings are highly significant ($p<.01$), mostly exceeding .6 in each sample.

The covariance between EHS and PEBS is negative ($p<.01$), indicating they are contrasting factors.
Results: (2) Multi-sample CFA on PSS

- Analysis 2: Testing measurement invariance of PSS across samples → a multi-sample CFA
- The results reveal that PSS is replicable across two samples with configural and metric invariance achieved, indicating equal factor loadings and construct comparability of PSS across samples:
  - Configural invariance – Equal factorial structure of construct
  - Metric invariance – Measuring latent variables with equal metrics

<table>
<thead>
<tr>
<th>Model (Sample)</th>
<th>$x^2$ (df)</th>
<th>$\Delta x^2$ ($\Delta df$)</th>
<th>RMSEA (90% CI)</th>
<th>NNFI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Configural invariance</td>
<td>2691.891 (1036)</td>
<td>N/A</td>
<td>.045 (.043-.047)</td>
<td>.903</td>
<td>.915</td>
</tr>
<tr>
<td>Metric invariance</td>
<td>2774.680 (1073)</td>
<td>82.789 (37)*</td>
<td>.045 (.043-.047)</td>
<td>.904</td>
<td>.915</td>
</tr>
</tbody>
</table>
Results: (3) SEM on the theoretical model

Theoretical Model: PEB → EH → ESS
Model fit: $x^2 (df) = 2384.428$ (655), CFI = .912, TLI = .900, RMSEA = .058 (.056-.061)

PEB → EH: -.134 (±.137)**

EH → ESS: .104 (±.109)*
Discussion and Implications

• PSS comprising EH and EB is a valid measure.
• The study confirmed the hypothesis that PSS significantly contributes to ESS.
• More recent analyses of HPOG program participants also reveal that time-variant change in EH contributes to later stage increase in ESS.
• Future studies need to explore how various factors of EH and EB interact with one another to impact ESS.
• EH may have long-term effects on retention.
Thank you

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