



The Welfare Use of Immigrants and Natives in Germany: The Case of Turkish Immigrants

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Keywords: Immigration, social assistance, unemployment benefit

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1. Introduction

In Germany, one in six immigrants is of Turkish descent rendering Turkey the most important sending country. The 2.5 million individuals of Turkish origin represent roughly 3 percent of the population but more than 6 percent of welfare recipients (Konsortium 2009). We study the difference in native-Turkish welfare dependence using data from the German Socio-Economic Panel Study (SOEP). In particular, we ask whether the difference in transfer dependence can be explained by observable characteristics, whether the mechanisms behind welfare dependence differ for Turkish immigrants and natives, and, finally, we compare the situation before and after the 2005 reform of the German welfare system. This is the first study to investigate the situation of Turkish immigrants after the German 2005 labor market policy reform. The reform implied profound changes in the system of minimum income protection, as two pre-reform benefits, unemployment assistance and social assistance, were combined to one single post-reform benefit. We consider the situation of Turkish immigrants relative to natives' in all three benefit programs.

Turkish immigration to Germany was initiated by guest-worker recruitment in the 1960s. After the recruitment stop in 1973 net immigration to Germany continued and was driven by family reunification. In the early 1980s a financial incentive program briefly caused an outflow of Turks from Germany. Since 2006, net migration is negative again, as skilled Turks leave Germany for their home country. -- Woellert et al. (2009) compare the level of integration reached by different immigrant groups in Germany and conclude that even though at least half of all immigrants with Turkish origin were born and raised in Germany this group is the least integrated. The Turkish immigrant group stands out by its high share of high school dropouts, the small share of bi-cultural marriages, and low female labor force participation.

Previous empirical research on welfare state utilization by different population groups focused mostly on the labor market situation of immigrants (e.g. Kalter and Granato 2002, Kogan 2004). Except for Castronova et al. (2001) and Riphahn (1998, 2004) the issue of immigrant welfare dependence has been neglected in the German literature. This is surprising, as it is well known that the share of immigrants in welfare programs generally exceeds their population share. Given the expenditure for welfare programs in Germany and the rising share of immigrants in the population, it is important to understand the determinants of welfare dependence and to study immigrant-native differences in welfare dependence.

Our findings confirm the substantially higher utilization of welfare benefits by Turkish immigrants compared to natives. However, after controlling for characteristics, only second generation immigrants' welfare dependence exceeds that of natives. In addition, we find significant differences in the correlation patterns of observable characteristics for the two subsamples. This difference appears not to be affected by the policy reform of 2005.

2. Institutional background and previous empirical findings

The German unemployment insurance covers unemployed workers if they have contributed for at least one year to the insurance. Unemployment benefits (*Arbeitslosengeld*) provide up to 67% of previous labor incomes. Benefits are paid generally for one year, with longer eligibility for older workers. After the 2005 reform, this benefit was labeled

unemployment benefit I.

Before the reform, those who had exhausted their unemployment benefit entitlement were eligible for unemployment assistance (*Arbeitslosenhilfe*). Unemployment assistance was a tax-financed, means-tested benefit. It was related to prior earnings and paid up to 57% of prior earnings, generally without a time limit. If unemployment benefits or unemployment assistance fell below the legally defined subsistence level, individuals could claim social assistance benefits (*Sozialhilfe*) in addition. Social assistance was a means-tested program and guaranteed that every legal resident in Germany could lead a dignified life based on a socio-culturally determined minimum income level. Although social assistance was never intended to support employable clients, about one in six unemployment assistance claimants also received a regular social assistance payment (Adema et al. 2003).

In 2005, the reform of the income support system for the long-term unemployed combined unemployment assistance and social assistance in the so-called unemployment benefit II. Since the reform, individuals who exhaust their unemployment benefit I entitlements are eligible for unemployment benefit II. This is a means-tested flat-rate benefit, oriented at the legally defined social minimum of household incomes and, in contrast to the previous unemployment assistance, not related to prior earnings. For the majority of former unemployment assistance recipients the payout declined. Individuals in need can claim unemployment benefit II independent of prior insurance contributions or unemployment benefit I receipt. Since the reform, benefits are paid to those able to work at least 15 hours per week. Those not able to work, e.g. due to sickness, disability, or care responsibilities, are entitled to social assistance instead. The stipulations of the social assistance program were generally left unchanged compared to the pre-reform situation.

Immigrants are treated just like natives when it comes to eligibility for insurance-based unemployment benefits, i.e. unemployment benefits and unemployment assistance before and unemployment benefits I after the reform. Eligibility for social assistance and unemployment benefit II is independent of citizenship. Foreigners without a permanent residence right who receive social assistance or unemployment benefit II might lose their right to stay or to get their residence permit prolonged. Since Turkish immigrants are protected by the stipulations of the European Convention on Social and Medical Assistance, these problems do not affect this group.

The analysis of welfare dependence has long been neglected in Germany and research only recently started to study welfare dependence of immigrants (e.g., Riphahn 1998, 2004, Castronova et al. 2001).¹ It is important to analyze the determinants of immigrants' welfare dependence, because in Germany, as well as in other countries, the share of immigrants in welfare programs exceeds their population share: in 2010, 20% of all unemployment benefit II recipients were foreigners compared to a population share of about 9% (cf. BA 2010); as of 2007, 8.4% of unemployment benefit II recipients were Turkish citizens while their share in the German population amounted to about 2% (Konsortium 2009).

To study these issues Castronova et al. (2001) used cross-sectional data from the German Socio-Economic Panel Study (SOEP) to analyze whether immigrants are on welfare

¹ Most of the earlier studies on welfare dependence of immigrants are from the United States and Canada (e.g., Borjas and Trejo 1991, 1993, Borjas 1994, Baker and Benjamin 1995, Borjas and Hilton 1996).

because they are more likely to be eligible or because they are more likely to take-up the benefits for which they are eligible. The authors find that - given eligibility - immigrant households are no more likely to take-up benefits than native households. Using the 1984-1996 waves of the SOEP, Riphahn (2004) jointly modeled panel attrition, labor force status, and household social assistance dependence. She found that the longer the immigrant lives in the host country, the more likely the person is to receive social assistance. Also, age at migration is correlated with the probability of welfare dependence of immigrants to Germany. While these contributions considered all immigrants, our focus here is on immigrants from Turkey, who are the largest single country-of-origin group among German immigrants.

3. Data

We use data from the 2003-2007 years of the Socio-Economic Panel Study (SOEP), which oversamples foreigners from guest worker countries including Turkey. In our sample we consider natives as well as first and second generation immigrants from Turkey, who reside in West Germany. First generation immigrants are those not born in Germany, independent of their citizenship.² Second generation immigrants are respondents who are not first-generation immigrants and who (1) are born in Germany and have a Turkish nationality, *or* (2) are descendants of first-generation immigrants. This might include third-generation immigrants.

We consider households as the unit of analysis, because social assistance and unemployment benefits II are provided at the household level. The sample excludes household heads that are disabled, because unemployment benefit II and unemployment assistance are granted only to individuals with full earning capacity. After restricting the sample to household heads of working age (18-65) we obtain a total of 16,529 native and 889 Turkish immigrant person-year observations. About 20% of the latter are second generation immigrants and 28.5% of the Turkish immigrants in our sample are German citizens.

In 2003 and 2004 our dependent variables indicate whether at least one person in the household received (a) social assistance and (b) unemployment assistance. We omit data collected in 2005 because the benefit reform occurred rather unexpectedly in this year and we expect substantial measurement error in the information collected in 2005. In 2006 and 2007 our dependent variable indicates receipt of unemployment benefit II. **Table 1** describes our data. We indeed find a substantially higher propensity of benefit receipt in the immigrant samples. While among natives 1.7 and 2.3% receive social and unemployment assistance these fractions are 3.7 and 10.7% among Turks. The native share of 7.6% unemployment benefit II recipients compares to 23.1% in the Turkish sample. In addition to variables measured at the household level, such as the number of persons living in a household, we consider the characteristics of the household head to model benefit receipt. **Table 1** yields substantial differences in observable characteristics between the subsamples which may be behind the difference in welfare dependence.

² The definition of first-generation immigrants is based on the information about the country of origin. In general, this information is equivalent to the country of birth. In the case of missing values, the variable is imputed using proxy information, such as citizenship (for details, cf. Frick et al. 2007).

4. Econometric model

After the descriptive statistics confirm a substantial difference in welfare dependence across the two subsamples our empirical analysis addresses three questions: (i) do Turkish immigrants have higher welfare dependence when we hold observable characteristics constant? (ii) Are the correlation patterns between characteristics and welfare receipt different for the two groups? (iii) Are the results robust to the changes in the benefit system in 2005?

Our empirical model considers three groups of variables: characteristics of the individual head of household (X), characteristics of the household (H), and immigrant-specific indicators (I). The latter contain language ability and information about whether school and/or vocational education was completed outside Germany. To answer the first question we estimate our baseline model and test whether differences in welfare receipt between the two samples remain after conditioning on X and H, i.e. whether the coefficient of the immigrant indicator (T), α_3 , is statistically significant:

$$p_i = \alpha_0 + \alpha_1 X_i + \alpha_2 H_i + \alpha_3 T_i + \varepsilon_{1i}. \quad (1)$$

p indicates whether individual i receives benefits, α_0 - α_3 are coefficients, ε_1 is an error term assumed to have mean zero. To answer the second question, the baseline specification is extended: we additionally consider immigrant-specific indicators (I) and interaction terms for the household and individual level indicators and estimate the following model:

$$p_i = \alpha_0 + \alpha_1 X_i + \alpha_2 H_i + \alpha_3 I_i + \alpha_4 T_i X_i + \alpha_5 T_i H_i + \varepsilon_{2i}. \quad (2)$$

Again, α_0 - α_5 denote coefficients, ε_2 is the error term. α_4 and α_5 estimate differences in the correlation patterns for natives and immigrants. A test of their joint significance answers question (ii). The third question is answered by comparing the estimation results of equations (1) and (2) obtained separately for the early (2003, 2004) and the late (2006, 2007) samples.

The models are estimated with robust standard errors to correct for the heteroskedastic error term. We use random effect estimation to take into account that the data set contains repeated observations on the same households. Thus, reliable inferences about the statistical significance of the coefficients can be drawn based on this model specification.

5. Results

Next, we present estimation results and discuss the evidence with respect to the three questions raised above. **Table 2** presents the estimation results of a linear probability model of specification (1). The first columns use the 2003-2004 sample and consider social assistance and unemployment assistance receipt as the dependent variable. The last column reflects the results for unemployment benefit II as observed in the years 2006 and 2007.

First we address whether the benefit dependence of Turkish immigrants differs *ceteris paribus* from that of natives, i.e. whether α_3 is significantly different from zero. We separately consider indicators for first and second generation immigrants with natives as the reference group. The last row of **Table 2** presents the joint significance of the vector α_3 . Only in the case of unemployment assistance is it significantly different from zero. *Ceteris paribus*, the welfare dependence among first generation Turkish immigrants does not differ significantly from that of natives, and, interestingly, only second generation Turkish immigrants are significantly more likely to receive unemployment assistance and unemployment benefit II

than natives.³ With two exceptions, the estimated coefficients before and after the reform are similar: one exception is that the increasing share of benefit recipients is reflected in a larger estimate of the constant term. As the other exception, having a household head that is out of the labor force yields a significantly larger correlation with transfer receipt after than before the reform. Thus, the overall difference in coefficient estimates appears to be minor.

Table 3 presents the estimated coefficients of main and interaction effects of model (2) in order to provide further evidence on questions (ii) and (iii). As before, we study three different dependent variables using an identical model specification. The standard errors of the generalized least squares estimator are robust and generated after controlling for individual specific random effects.⁴

Overall, the models explain a substantial fraction of the variation in the dependent variables represented by the R^2 values (see bottom of **Table 3**). Joint tests of the coefficient vectors α_3 - α_5 yield a statistically significant contribution of immigrant specific variables to the model fit in all three models.⁵ This also holds up if only α_4 and α_5 are considered.⁶ Thus, the correlation patterns of individual and household characteristics with benefit receipt differ for natives and immigrants, which answers question (ii). Next, we briefly discuss the results in greater detail.

The main effects of household characteristics (H) are jointly significant only in the social assistance and the unemployment benefit II models. The coefficient estimates of the immigrant interaction terms for household characteristics are never jointly significantly different from zero. Among household characteristics the number of children in the household and being a single parent household are significantly and positively associated with social assistance and unemployment benefit II. Generally, these correlations are substantially larger for the immigrant than for the native sample. Additionally, the model for unemployment benefit II receipt yields large positive coefficients for the indicators of couple households with children and for other households (i.e. multiple generation households) in the Turkish but not in the native sample.

The main effects of the individual level variables (X) are jointly highly significant in all three models. The immigrant interaction terms are jointly significant only in the social assistance model, i.e. here the correlation of individual characteristics with benefit receipt differs for natives and Turkish immigrants. Generally, age, the indicators of labor market participation, marital status, and education are highly correlated with the probability of benefit receipt. Current and past unemployment experience appear to be positively associated with transfer receipt, while high labor force participation experience reduces the risk of benefit receipt. Among natives, single and divorced individuals are most likely to rely on transfer payments. Also, transfer dependence declines with additional years of education. It is not clear whether the patterns among Turks differ from this: in this case we consider a number of human capital controls: the years of education measure is complemented by the average education in the household, indicators of German language ability and of whether school and

³ A joint immigrant indicator for both groups of Turkish immigrants yields insignificant coefficients.

⁴ Specification tests indicate that the random effect controls significantly improve the fit of the model.

⁵ The p-values of the joint significance tests reach 0.007, 0.077, and 0.004 in the three models.

⁶ In this case the p-values of the joint significance tests are 0.010, 0.053, and 0.012.

vocational education were completed abroad. Generally, these indicators are imprecisely estimated and yield small coefficients. However, they are jointly significant at the 1% level in the social assistance and unemployment benefit II models. Finally, the specifications confirm the finding from **Table 2** that the probability of transfer dependence is higher among second than among first generation immigrants.

Overall, we do not find substantial differences in the correlation patterns for the benefits paid out before and after the reform. Even though the share of recipients increased for both subsamples after the reform the main correlation patterns are similar for social and unemployment assistance on the one hand and unemployment benefits II on the other.

6. Conclusions

We investigate the correlates of welfare receipt among immigrants of Turkish origin and natives in Germany. While in the raw data welfare dependence is much higher among Turks, the analysis indicates that *ceteris paribus* only second generation immigrants of Turkish origin have a higher propensity to receive minimum income support compared to natives. We find significant differences in the correlation patterns between characteristics and benefit receipt for natives and immigrants. The share of benefit recipients increased after the policy reform in 2005 for both subsamples, however, our analysis yields no clear shifts in the correlation patterns before and after the reform.

There is no doubt that some part of the excess welfare dependence among Turkish immigrants is connected to past German migration policy, which did not select immigrants considering their potential benefit dependence. Instead guest-workers were recruited to provide short-term unskilled labor and there was no effort to support their integration. After the recruitment stop in 1973, these guest-workers stayed on and brought their families. Given their low skill level and the only temporary need for unskilled labor the poor performance of Turkish immigrants in the German labor market is not surprising. Our analysis shows a clear correlation between labor market outcomes and transfer dependence, suggesting that this may indeed be the main factor behind Turkish immigrants' high welfare dependence.

The introduction of the so-called "Green Card" for foreign IT-experts in 2000 indicates the beginning of a change in German migration policy (Bauer 2002). Although the program was halted in 2004, it changed the German immigration debate, which then culminated in the "Immigration Law" of 2005. The law aimed at a better control of immigration, with a new focus on immigrants' integration. To support integration the law introduced compulsory courses on German culture and language, where sanctions can be imposed if immigrants fail to attend. Since this will not suffice to promote the demographically desired influx of skilled labor, the design of immigration policies stays on the policy agenda.

In some countries, the recent economic crisis increased the welfare dependence of immigrants. This does not hold in the German case, because the labor market performed very well throughout the crisis. Also, we know that return migration tends to increase in times of economic crisis (Constant and Massey 2003, Gundel and Peters 2008), such that a heightened take-up of minimum income protection due to the crisis is not expected in Germany.

Overall, the analysis points to two policy implications: as human capital and

particularly labor market status are important determinants of welfare use, training programs designed for the special needs of immigrants might support their labor market integration (see Woellert et al. 2009 and Konsortium 2009 for similar points). Second, the need for welfare benefits arises particularly at the 50-60 age range. Hence, measures to ameliorate the integration of older people into the labor market might be particularly useful. Both policies could contribute to reduce welfare dependence, particularly among immigrants.

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Table 1: Summary statistics

Variable	Sample 1 (2003, 2004)				Sample 2 (2006, 2007)			
	Natives		Turkish immigrants		Natives		Turkish immigrants	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Social assistance	0.017	0.130	0.037	0.189	—	—	—	—
Unemployment assistance	0.023	0.149	0.107	0.309	—	—	—	—
Unemployment benefit II	—	—	—	—	0.076	0.265	0.231	0.422
Number of children in HH	0.642	0.940	1.423	1.250	0.601	0.913	1.346	1.164
Number of persons in HH	2.617	1.298	3.706	1.524	2.561	1.277	3.664	1.531
Avg. education of HH members	12.10	2.670	9.855	2.470	12.23	2.802	9.745	2.744
HH type: single with kids	0.073	0.260	0.029	0.167	0.076	0.266	0.070	0.255
HH type: couple with kids	0.431	0.495	0.721	0.449	0.416	0.493	0.697	0.460
HH type: single no kids	0.231	0.421	0.074	0.262	0.243	0.429	0.082	0.275
HH type: other	0.017	0.129	0.037	0.189	0.015	0.122	0.030	0.170
Age	43.07	10.94	39.45	10.62	43.54	10.75	40.01	9.610
Age squared/100	19.75	9.657	16.69	9.399	20.11	9.436	16.93	8.532
Attrition in 1 [†]	0.068	0.252	0.080	0.272	0.033	0.178	0.057	0.233
Sex: female	0.388	0.487	0.230	0.421	0.406	0.491	0.279	0.449
Stayed in hospital last year	0.089	0.284	0.113	0.317	0.081	0.273	0.087	0.282
Self-rated health: good or very good	0.597	0.490	0.616	0.487	0.570	0.495	0.597	0.491
Out of labor force	0.026	0.160	0.029	0.167	0.031	0.175	0.037	0.190
Unemployed	0.046	0.210	0.164	0.371	0.047	0.211	0.177	0.382
Experience full-time employment	17.20	11.84	15.57	10.65	17.30	11.87	15.25	10.44
Experience part-time employment	1.810	4.192	0.611	1.697	2.177	4.461	0.786	1.754
Unemployment experience	0.557	1.554	1.713	2.751	0.657	1.812	2.090	3.019
Married	0.594	0.491	0.881	0.324	0.583	0.493	0.843	0.364
Divorced	0.129	0.335	0.070	0.255	0.138	0.345	0.107	0.309
Widowed	0.030	0.170	0.000	0.000	0.025	0.156	0.010	0.099
Education	12.54	2.695	10.39	2.203	12.70	2.746	10.54	2.217
School-leaving degree outside Germany	0.002	0.048	0.382	0.486	0.002	0.042	0.338	0.474
Vocational education outside Germany	0.011	0.105	0.129	0.336	0.012	0.108	0.104	0.306
1st generation Turkish immigrant	0.000	0.000	0.838	0.369	0.000	0.000	0.764	0.425
2nd generation Turkish immigrant	0.000	0.000	0.162	0.369	0.000	0.000	0.236	0.425
German language ability: good/very good	1.000	0.000	0.624	0.485	1.000	0.000	0.527	0.500
Number of person-year observations	8614		487		7915		402	

Note: [†]For observations in the last wave of data, we assume that nobody attrits from the survey.

Source: SOEP 2003, 2004, 2006, 2007.

Table 2: Estimation results: baseline model

Variable	Social assistance		Unemployment assistance		Unemployment benefit II	
	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.
Number of children in HH	0.011***	(0.004)	0.005	(0.003)	0.019***	(0.007)
Number of persons in HH	0.004	(0.005)	0.001	(0.005)	-0.003	(0.008)
Avg. education	-0.002**	(0.001)	0.001	(0.001)	-0.002	(0.002)
HH type: single with kids	0.097***	(0.016)	0.013	(0.011)	0.122***	(0.020)
HH type: couple with kids	-0.009	(0.008)	-0.006	(0.007)	0.019	(0.013)
HH type: single no kids	-0.005	(0.007)	0.000	(0.007)	0.010	(0.013)
HH type: other	-0.009	(0.015)	0.020	(0.017)	0.013	(0.029)
Age	-0.003*	(0.002)	0.001	(0.001)	-0.012***	(0.003)
Age squared/100	0.005***	(0.002)	-0.002	(0.002)	0.015***	(0.003)
Attrition in 1	0.003	(0.006)	0.003	(0.006)	-0.001	(0.015)
Sex: female	0.009***	(0.003)	0.001	(0.005)	0.006	(0.008)
Stayed in hospital last year	0.000	(0.004)	-0.005	(0.005)	-0.004	(0.009)
Health: good/v. good	-0.002	(0.002)	-0.002	(0.003)	-0.015***	(0.005)
Out of labor force	0.017	(0.014)	0.006	(0.005)	0.072***	(0.020)
Unemployed	0.023*	(0.013)	0.116***	(0.018)	0.138***	(0.022)
Full-time exper.	-0.002***	(0.001)	0.001	(0.000)	-0.003***	(0.001)
Part-time exper.	-0.003***	(0.001)	-0.000	(0.001)	-0.003**	(0.001)
Unemployment exper.	0.010***	(0.003)	0.040***	(0.004)	0.054***	(0.005)
Married	-0.024***	(0.007)	-0.012*	(0.006)	-0.008	(0.012)
Divorced	-0.015*	(0.009)	0.017*	(0.009)	0.024*	(0.014)
Widowed	-0.062***	(0.010)	-0.006	(0.012)	-0.079***	(0.023)
Education	-0.003***	(0.001)	-0.001	(0.001)	-0.008***	(0.002)
1st gen. Turkish immigrant	-0.009	(0.011)	0.016	(0.016)	-0.001	(0.025)
2nd gen. Turkish immigrant	-0.005	(0.021)	0.066*	(0.036)	0.099**	(0.048)
Constant	0.140***	(0.037)	-0.027	(0.031)	0.421***	(0.064)
R-squared	0.13		0.28		0.31	
Significance test [†]	0.64		0.06		0.11	

Note: Linear probability models with individual specific random effects. Heteroskedasticity-robust standard errors are in parentheses. [†]The row labeled significance test presents the p-value of a joint test of statistical significance of the two immigrant indicators. Significance level: *<0.1, *<0.05, ***<0.01.

Source: SOEP 2003, 2004. $nT = 9101$. $n = 4950$ (Social assistance, unemployment assistance). SOEP 2006, 2007. $nT = 8317$. $n = 4630$ (Unemployment benefit II).

Table 3: Estimation results: fully interacted model

	Social assistance				Unemployment assistance				Unemployment benefit II			
	Main Effects		Interactions		Main Effects		Interactions		Main Effects		Interactions	
	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.
No. of children	0.011***	(0.004)	0.005	(0.016)	0.005	(0.003)	0.020	(0.018)	0.018***	(0.007)	0.010	(0.037)
No- of persons	0.004	(0.005)	-0.008	(0.018)	0.001	(0.005)	-0.028*	(0.017)	-0.004	(0.008)	-0.014	(0.036)
Avg. education	-0.002**	(0.001)	-0.000	(0.008)	0.001	(0.001)	-0.003	(0.008)	-0.001	(0.001)	-0.007	(0.012)
HH: single with kids	0.092***	(0.015)	0.163	(0.145)	0.015	(0.010)	-0.016	(0.088)	0.118***	(0.020)	0.091	(0.119)
HH: couple with kids	-0.007	(0.008)	-0.008	(0.024)	-0.001	(0.007)	-0.059	(0.045)	0.015	(0.013)	0.140*	(0.079)
HH: single no kids	-0.005	(0.007)	0.047	(0.055)	-0.000	(0.007)	0.018	(0.086)	0.010	(0.013)	-0.080	(0.118)
HH: other	-0.009	(0.015)	0.041	(0.081)	0.010	(0.015)	0.146	(0.117)	0.012	(0.029)	0.136	(0.198)
Age	-0.004**	(0.002)	0.016**	(0.008)	0.000	(0.001)	0.028**	(0.013)	-0.012***	(0.003)	-0.016	(0.024)
Age squared/100	0.006***	(0.002)	-0.020**	(0.009)	-0.001	(0.002)	-0.036***	(0.014)	0.015***	(0.003)	0.014	(0.025)
Attrition in 1	0.004	(0.006)	-0.021	(0.015)	0.003	(0.006)	-0.003	(0.042)	0.000	(0.014)	-0.005	(0.090)
Sex: female	0.009***	(0.003)	0.014	(0.029)	0.001	(0.005)	0.005	(0.036)	0.003	(0.008)	0.093	(0.064)
Stayed in hospital	-0.001	(0.004)	0.016	(0.022)	-0.005	(0.004)	0.006	(0.035)	-0.010	(0.009)	0.120***	(0.045)
Health: good/v. good	-0.002	(0.002)	-0.000	(0.021)	-0.000	(0.003)	-0.033	(0.027)	-0.014***	(0.005)	-0.016	(0.035)
Out of labor force	0.019	(0.014)	-0.056**	(0.026)	0.004	(0.005)	0.048	(0.040)	0.073***	(0.021)	-0.041	(0.077)
Unemployed	0.030**	(0.014)	-0.063**	(0.029)	0.107***	(0.019)	0.063	(0.055)	0.144***	(0.025)	-0.035	(0.057)
Full-time exper.	-0.002***	(0.001)	0.000	(0.002)	0.000	(0.000)	0.002	(0.004)	-0.003***	(0.001)	0.005	(0.006)
Part-time exper.	-0.003***	(0.001)	0.011	(0.008)	-0.001	(0.001)	0.008	(0.008)	-0.003**	(0.001)	0.016	(0.016)
Unemployment	0.010***	(0.003)	0.007	(0.008)	0.038***	(0.005)	0.010	(0.012)	0.053***	(0.005)	0.011	(0.012)
Married	-0.025***	(0.007)	0.091*	(0.049)	-0.012*	(0.006)	0.011	(0.081)	-0.006	(0.012)	-0.135	(0.152)
Divorced	-0.014	(0.009)	-0.012	(0.040)	0.017*	(0.009)	0.049	(0.094)	0.026*	(0.014)	-0.071	(0.113)
Widowed	-0.062***	(0.010)	— [‡]		-0.006	(0.013)	— [‡]		-0.078***	(0.023)	-0.026	(0.362)
Education	-0.003***	(0.001)	0.003	(0.007)	-0.001	(0.001)	-0.011	(0.008)	-0.008***	(0.002)	0.000	(0.014)
School abroad	-0.002	(0.018)	—		0.058**	(0.029)	—		0.022	(0.043)	—	
Voc. educ. abroad	0.024	(0.018)	—		0.032	(0.024)	—		0.011	(0.025)	—	
Language: good	-0.036	(0.024)	—		-0.001	(0.026)	—		0.032	(0.031)	—	
1st gen. Turkish immigrant	-0.432***	(0.163)	—		-0.339	(0.272)	—		0.395	(0.578)	—	
2nd gen. Turkish immigrant	-0.404***	(0.143)	—		-0.224	(0.258)	—		0.502	(0.544)	—	
Constant	0.189***	(0.045)	—		-0.005	(0.040)	—		0.383***	(0.071)	—	
R-squared	0.14				0.30				0.32			
Significance test [†]	0.010				0.053				0.012			

Note: Linear probability models with individual specific random effects. Heteroskedasticity-robust standard errors are in parentheses. [†]The row labeled significance test presents the p-value of a joint test of statistical significance of the vector of interaction effects (including the two immigrant indicators). [‡]Variable omitted due to insufficient observations. Significance level: *<0.1, **<0.05, ***<0.01.

Source: SOEP 2003, 2004. $nT = 9101$. $n = 4950$ (Social assistance, unemployment assistance). SOEP 2006, 2007. $nT = 8317$. $n = 4630$ (Unemployment benefit II).