

## Examination of the transition of Turkish households into and out of poverty between 2007-2010

Ayşenur Acar  
Bahçeşehir University  
Center for Economic and Social Research  
Çırağan Caddesi, Beşiktaş, 34353  
Istanbul, Turkey  
Tel: +90 – 212 – 381 59 60

and

Cem Başlevent  
Istanbul Bilgi University  
Department of Economics  
Silahtar, Eyüp, 34060  
Istanbul, Turkey

Tel: +90 – 212 – 311 52 04

E-mails: [aysenur.acar@bahcesehir.edu.tr](mailto:aysenur.acar@bahcesehir.edu.tr) , [cbaslevent@bilgi.edu.tr](mailto:cbaslevent@bilgi.edu.tr)

### Abstract

Using a balanced panel data set drawn from TurkStat's Income and Living Conditions Survey, we examine the transition of Turkish households into and out of poverty. During the four year period (2007-2010) under examination, the relative poverty rate in Turkey has declined moderately, implying that households were more likely to exit than enter poverty. In addition to a descriptive analysis in which poor, non-poor, entrant, and exitor households are compared in terms of basic household characteristics, the empirical work features the estimation of binary choice models that assess the relative importance of these factors in contributing to a change in the poverty status of the households. These models reveal that factors such as the employment status of the household head and changes in household composition are associated with poverty status changes, but changes in the amounts of labor and other types of income have greater explanatory power.

### 1. Introduction

One of the most commonly studied aspects of poverty is the entry and exit of households into and out of this undesirable state. Identifying the main factor beyond these transitions has the potential of providing valuable insights as to how poverty can be eliminated through government policies and social welfare programs led by various institutions. Most of the existing studies use spell techniques, applying hazard models that control for observed or unobserved characteristics among individuals and analyze the duration and recurrence of poverty or state dependence [Bane and Ellwood; 1986, Duncan et. al.; 1993, Oxley et. al.; 2000, Muffels et. al.; 2000, Fouarge and Layte; 2005, Andriopolou and Tsakloglou; 2011, Canto; 1996, Cappellari and Jenkins; 2004, Biewen; 2003; 2006, Poggi; 2007, Devicienti; 2002, Damioli;

2010, Stevens; 1994]. While the first order Markov model is rarely used [Cappellari and Jenkins; 2002], there are more studies using binary choice models [Adabbo; 2000, Dubois et. al; 2003, Valetta; 2006, Polin and Raitano; 2012].

The purpose of the current study is to uncover the factors and main events behind the entry and exit of Turkish households into and out of poverty. Since longitudinal panel data for Turkey is yet not available, we cannot perform a duration analysis. Instead, we estimate binary choice models that control for various characteristics of the household head and the household. The rest of the paper is organized as follows: In the Section 2 we briefly review the literature focusing on main events associated with poverty transitions. In Section 3, we introduce the Survey on Income and Living Conditions dataset. We then present the empirical methodology (Section 4), and analyze the results from the empirical models (Section 5). Section 6 concludes the paper by summing up the main findings.

## **2. Related Literature**

Since poverty is a complex phenomenon evolving over time, it should be analyzed in a dynamic perspective rather than static one [See Walker 1994; Jenkins 2000; Polin and Raitano 2012]. The availability of panel datasets from different countries around the world have allowed for dynamic analyses of poverty transitions. Hence, there is a relatively large literature examining the factors behind the transition of households or individuals out of and into poverty using different panel datasets. The commonly-studied factors are the household head's personal characteristics (i.e age, gender, marital status, education, employment status, etc.) and household characteristics (i.e household size, income received by the household, labor market attachment of other members, etc.). The duration of poverty spells and state dependence are two aspects that have been analyzed frequently in poverty transition studies since whether being poor in a year depends on the poverty status in the previous year [Adabbo; 2000, Andriopoulou and Tsakloglou; 2011]. However, duration can be analyzed only in case of the availability of longitudinal panel data, so in many studies - including the current one - duration analysis cannot be performed.

Bane and Ellwood's paper published in 1986 is considered as one of the pioneering works on the dynamics of poverty. Using Panel Study of Income Dynamics (PSID) data for the U.S., the study contributes to the literature by identifying events related to poverty spell beginnings and endings. The authors indicate that declines in household head's earnings, a transition to a female headed family, a new birth in the household, departure of an individual from household, declines in the unearned income of the households (i.e transfer payments etc.) are critical events that might move households into poverty. Marriage, transfers, and increases in household head's income, on the other hand, are the main routes for moving out of poverty. Stevens (1994) extends the analysis of Bane and Ellwood considering gender and race differences and demonstrates that exit rates are highest for individuals living in households headed by white males and lower for individuals living in households headed by a black female. In a follow-up study, Stevens (1995) also controls for the impact of education of household head on poverty transition, and finds education as an additional factor for the likelihood of moving out of poverty as in many other studies [See Adabbo; 2000, McKernan and Ratcliffe; 2002, Cappellari and

Jenkins; 2002, Devicienti; 2002, Cantó; 2003, Buddelmeyer and Verick; 2007, Polin and Raitano; 2012]. But in some cases, while higher education of the household head increases the probability of exiting poverty, it does not prevent re-entering poverty [See Andriopoulou and Tsakloglou; 2011, Devicienti; 2002].

McKernan and Ratcliffe (2002) find that, besides the transition from a two-adult household to female headed household and the loss of employment, having a child increases the likelihood of moving into poverty by using PSID. On the other hand, Devicienti (2002) demonstrates Interestingly, having children under the age of 6 reduces the risk of re-entering poverty, which is a reflection of poverty alleviation programs targeted at poor households in the UK in that period. Hence, having children dependents can be a route of moving out of poverty of households in certain countries due to the child benefits received by poor households or other reasons. For instance Andriopoulou and Tsakloglou (2011) find that while households with children dependents are less likely to exit poverty in the Netherlands, Italy, France, the UK, Greece, Portugal, and Spain; the opposite is the case for Denmark, Finland, Austria, and Ireland. Similarly, Valetta (2006) shows individuals living in households with two adults and children are less likely to exit poverty in Canada and the US.

In analyzing the income dynamics in Britain, Jarvis and Jenkins (1997) work with the events related to the dynamics of low income by using British Household Panel Survey and find similar results with the studies focusing on poverty transitions in the US. The study underlines that one of the groups that have low income in all four waves is single pensioners. However, becoming retired increases the probability of moving out of poverty in certain countries as well [Dubois et. al.; 2003]. After the work of Jarvis and Jenkins, Jenkins and Rigg (2001) emphasize the changes in non-labor income comprising personal or occupational pensions, investments and savings, private transfers, etc.) are relevant events among pensioners for both poverty entry and poverty exit. Transfers seem to be important for poverty transition, but whether transfers help households to escape poverty is a disputed issue in the literature. While some studies indicate that receiving transfers has good consequences on poverty [Bane and Ellwood; 1986], people receiving transfers can also be more likely to fall in poverty [Polin and Raitano; 2012].

Despite the fact that being in employment is important for moving out of poverty as indicated in many studies [Devicienti; 2002, Andriopoulou and Tsakloglou; 2011], the number of workers in the household is not always statistically significant for poverty persistence. For instance, according to Cappellari and Jenkins (2002), the number of workers in the household has a large and significant association with initial poverty status rather than poverty persistence in Britain. However, the same condition is not valid for poverty entry rates, which are higher among people not involved in full time work as well as those who are younger, living in a single parent household, with many children, or have no educational qualifications. On the other hand, according to Andriopoulou and Tsakloglou (2011), employment events are more related with poverty exits than unemployment events with poverty entries for all members of household in EU countries. However, one should note that the impact of employment, income, and demographic events on poverty transition mostly depend on the type of welfare regime in the country [Layte and Whelan; 2003].

Contrary to findings indicating that female headed households are less likely to escape poverty or experience poverty persistence [Cappellari and Jenkins; 2002, Polin and Raitano; 2012], certain studies have shown that living in female headed household is not an absolutely bad condition. For instance, Devicienti (2002) finds that female headed households are not under significantly higher risk of having low income by using BHPS. Indeed, living in female headed household can be a way for moving out of poverty, but in the same time it has no effect on moving into poverty: According to Andriopoulou and Tsakoglou (2011), while the probability of exiting poverty decreases with female headship, there is no significant difference between re-entering rates of female headed and male headed households in certain EU countries. On the other hand, the puzzle becomes more complex with the finding that decreased mobility out of poverty is not easily explained by changes in the personal characteristics of female household heads [Stevens, 1995].

Poverty should be analyzed with its gender dimension as well, in other words, the events might have different impacts on poverty transitions for the two genders. For instance, Dubois et al. (2003) use the European Household Panel dataset and analyze poverty transition by considering gender differences. Although there are important gender differences in the impacts of related events on poverty transition, general findings indicate that the probability of moving into poverty closely related with employment events such as loss of employment, the transition from unemployment to inactivity, becoming retired etc for both men and women [For other studies See Willett and Singer; 1995, Callens and Croux; 2009].

In addition to the studies focusing on developed countries discussed above, there are also studies focusing on poverty transition in developing countries with high poverty rates [Lawson et al.; 2006 for Uganda, Neilson et al.; 2008 for Chile]. The findings are similar with those discussed above: lack of education, lack of physical assets, labor dynamics, and changes in demographic status are the relevant factors in the context of poverty transitions. This brief literature review suggests that the question of what type of events are the main factors behind poverty transition does not have a straightforward answer. In other words, one remedy for poverty reduction does not fit all.

### **3. The Data**

In order to figure out what types of events are moving households into and out of poverty in Turkey, we use data from the Income Distribution and Living Conditions Panel Survey which contains data for the period between 2007 and 2010.<sup>1</sup> The survey contains detailed information on the labor income and pension payments received by each adult household member.<sup>2</sup> It also distinguishes between the wage and salaries of employees and the entrepreneurial incomes of employers and the self-employed. This allows for the examination of the impact of the labor market earnings of individuals with different employment statuses on entry into and exit from poverty. Non-labor income from social welfare

---

<sup>1</sup> The survey has been conducted by the official statistical institute of Turkey, TurkStat since 2006.

<sup>2</sup> The reference period for income information is “the previous calendar year”. So, income information of the 2006 field application refers to 2005. The reference period for labor information is the previous week from the survey and current date. The reference period concerning the indicators on the living conditions is the time of the survey.

programs, financial assets, and real estate rentals as well as the labor incomes of household members below the age of 15 are recorded by the survey at the household level. Once again, the distinction between these types allows the poverty impact analysis to be carried out using the changes in the amount of each type of income received by the households.

Table 0a presents the sample shares households classified according to their poverty statuses in each of the four survey years. A household receiving an equivalent income<sup>3</sup> (i.e. household disposable income<sup>4</sup> that has been adjusted for the number of members in various income groups) that is less than 60 percent of the median household equivalent income in the data is classified as poor for the year in question.<sup>5</sup> Since a household can be either above or below the poverty line in each year, there are  $2^4=16$  different scenarios that can be observed. It turns out that 62.1 percent of the households in the sample are above the poverty line in all survey years while 12.7 percent are poor in all four survey years. Households that are initially observed as non-poor in 2007 but enter poverty and remain there until 2010 make up nearly 7 percent of the sample. Another 8 percent of the sample is made up of households that start out as poor in 2007 but exit poverty and remain that way until 2010. Finally, households whose poverty status changes more than once make up around 10 percent of the sample.<sup>6</sup>

#### **4. Methodology:**

During the four year period under examination, there are three different points in time at which households can be observed entering or exiting the state of poverty, namely 2008, 2009, and 2010. In the empirical work, we estimate binary choice models to identify the determinants of entry and exit at each of these three years. In other words, we compare non-poor (i.e. not poor in both years) and entrant households and poor (i.e. poor in both years) and exitor households with respect to various household characteristics.

The household characteristics we expect to have an impact on poverty status transitions include the changes in the income levels and household composition. Such changes in the demographic structure of the household or in the amount of income from various sources are known as transition events. In the

---

<sup>3</sup> In order to calculate equivalent income, we use modified OECD scale which gives a weight of 1 to the reference person in the household, 0.5 to other household members aged 14 and over, and 0.3 to each child aged less than 15.

<sup>4</sup> Household net annual disposable income is calculated as the total of individual usable income of all members of the household (total of the in cash or in kind income such as salary-wage, daily wage, enterprises income, pension, widowed-orphan salary, old-age salary, unpaid grants, etc.), plus the total of yearly income for the household (such as real property income, unreturned benefits, incomes gained by household members less than age 15, etc.), and minus the taxes paid during the reference period of income and regular transfers to the other households or persons.

<sup>5</sup> In accordance with the European Commission methodology, we set the relative income poverty line as the 60 percent of median household equivalent income.

<sup>6</sup> These households could have been excluded from the econometric work in an effort to identify the factors that lead to more permanent changes poverty status. However, small sample sizes precluded us from making that choice.

empirical work, we estimate various versions of our models that contain (i) only control variables that reflect the current situation of the household, (ii) variables that represent transition events in terms of changes in the number of household members, etc., and (iii) variables that measure the same changes in terms of monetary amounts.

The control variables we make use of in the basic version of our model (i.e. Model 1a which will be presented in Table 1a for convenience) are the age, gender, marital status<sup>7</sup>, years of schooling, and the part/full year employment status of the household head, household size, and dummy variables that indicate households that are home owners<sup>8</sup> and recipients of wage and salary, entrepreneurial, rental/asset, retirement<sup>9</sup> and social welfare income<sup>10</sup>. In a slightly more complex variant of this specification (i.e. Model 1b), we replace the household size variable with the number of members falling into one of the six following categories: full-year (=12 months) and part-year (<12 months) labor income earners, recipients of pension payments, child (<15 years old), inactive adult (>15 years old).

In Models 2a and 2b, the household size variable and its components used in Models 1a and 1b are replaced with the changes observed in them from the previous year. These variables are meant to reflect both the changes in the composition of the household and the monetary gains or losses that are likely to be associated with them. The change in home ownership status is also considered as a potential determinant of poverty transitions. Since only a small number of households have lost their homes, the only dummy variables used are those that indicate new home owners and home owners in both years. Dummy variables that indicate the reception of different types of income are not replaced with those that indicate the *changes in* reception status as this would require the introduction of large number variables into the model.

Alternatively, the transition events can be measured as the changes in the amount of various types of income. Hence, in Model 3a, we use same control variables of household head that are used in the previous models as well as change in household size and changes in monetary amounts of labor, rental/asset income, retirement, and social welfare income. In defining the transition events that are introduced in Model 3b, we tried to come up with the smallest number of variables that reflect both the changes in the composition of the household and the monetary gains or losses that are likely to be associated with them. These variables are the *changes* in the numbers of full-year and part-year labor

---

<sup>7</sup> Marital status is coded as 0=single (including widow, divorced, unmarried etc), and 1=married.

<sup>8</sup> Households living in company-provided free housing units (i.e. "lojman") are also treated as home owners here, since they do not pay any rents (or pay small amounts not recorded in the survey).

<sup>9</sup> We do not include the model imputed rents which are predicted annual figures home owners would have had to pay if they had rented the housing units they reside in. Instead, we use the variable controlling for home ownership.

<sup>10</sup> Social welfare income is the sum of unemployment benefit (including severance payment), widowed-orphan salary, old-age salary, unpaid grants, and child benefits, housing allowance, the benefits from other persons or households as unreturned benefits in cash or kind received by households.

income earners, and those receiving pension payments, and the numbers of children, inactive adult. The change in home ownership status is also considered as potential determinant of poverty transitions<sup>11</sup>.

In Tables 0b, 0c and 0d, we observe the sample means of the explanatory variables means of by poverty status for each of the three two-year periods under examination. According to the 2007-08 figures, there are considerable differences with respect to household head characteristics across poor, non-poor, entrant, and exitor households. As would be expected, the years of schooling of the household head is the largest among the non-poor households while poor households are the most likely to be headed by a married individual and to have a male head. With respect to employment status, non-poor households are the least likely to be headed by an inactive adult or a part-year worker and the most likely to be headed by a full-year worker or a retiree.

The average household size in the full sample is close to 3.9 with figures of 5.5 and 3.4 in poor and non-poor households, respectively. These two types of households are at the opposite ends of the spectrum with respect to the number of children as well. While poor households have 2.3 children on average, the corresponding figure for the non-poor is only 0.8. The rate of home ownership is the lowest among the exitor households, but this group also has the highest rate of new home ownership, suggesting that becoming a home owner is critical for many low-income families in terms of making it over the poverty line.

In terms of receiving the various types of income, we find that households that enter poverty have the lowest rate of labor income reception while entrepreneurial and social welfare incomes are the least common among the non-poor. Retirement and rental/asset incomes are the most commonly received by the non-poor families. In terms of the amounts of various types of income received, we observe that households that enter poverty have experienced declines in all types of income received (with the exception of retirement) while the exitors have seen the largest amounts of increase in all types of income (with the exception of rental).

When we look at 2008-09 figures presented in Table 0c, we do not observe a large difference between years of schooling of heads of exitor households and entrant households. The years of schooling of the household head is the largest among non-poor households, but is also large among entrant households.

---

<sup>11</sup> As far as poverty transitions are concerned, it seems worthwhile to pay particular attention to the impact of changes in household headship. In identifying the cases where household headship changes from one individual to another, it is also important to distinguish between situations where the change is due to the departure of the household head, the death of the household head, and a newcomer member becoming household head, as these situations are of different natures in terms of their possible impact on the likelihood of entering or exiting poverty. However, when we controlled for changes in household headship, we could not obtain significant results, possibly due to the small sample sizes. And also, the design weights that apply to households that have taken part in all 4 surveys have been determined by TurkStat individually taking into account the age and gender of the household member in question. We constructed a single weight value for the households in our sample by taking the average of the weights of the household members.

The figures corresponding to the employment status of household head show that poor households are more likely to be headed by an inactive adult. Interestingly, entrant households are more likely to be headed by a full-year worker and hence number of full-year workers is the largest among entrant households. Reception of social welfare income is the most common among poor households. The rest of the findings are similar with the 2007-08 figures. The 2009-10 figures indicate that entrant households are more likely to be headed a part year worker, while exitor households are more likely to be home owner and receive labor income. The rest of the findings exhibit similar patterns with the figures pertaining to the previous years.

## 5. Empirical findings

The probit estimates for poverty exit and entry are presented in Tables 1a through 3b. The tables are organized such that the effect of an explanatory variable on both exit and entry in all three two-year periods can be observed easily across a single row of the table. If the variable in question has a statistically significant coefficient in more than one instance, we interpret this as evidence that it plays a key role in poverty transitions.

In Table 1a, where we have controls for household head characteristics, household size, and dummy variables for home owners and recipients of various types of income, we find that the model has more explanatory power in the exit equation with R-square values of around 0.2 as opposed to around 0.1 in the entry equation. As far as the more significant variables are concerned, we find that the years of education of the household head has a positive effect on the probability of poverty exit, and a negative effect on entry, which are in line with many studies in the poverty transition literature [See See Adabbo, 2000; McKernan and Ratcliffe, 2002; Cappellari and Jenkins, 2002; Devicienti, 2002; Cantó, 2003; Buddelmeyer and Verick, 2007; Polin and Raitano, 2012]. A similar effect is observed for the full-year employment of the household head, which is line with Valetta (2006) who finds that the probability of poverty exits increases with the increases in full time work and months worked by the household head and Buddelmeyer and Verick (2007) who find the probability of entering poverty decreases with being employed either part-time or full-time employment.

Home ownership decreases the probability of moving into poverty, which is line with Polin and Raitano (2012) who find that home owners have higher exit probabilities. Household size, on the other hand, has a very consistent negative effect on the probability of poverty exit, and a positive effect on entry. With regard to the types of income received, we find that households that have labor, retirement and rental/asset income are less likely to enter poverty while their effects on poverty exit are not that consistent. The finding pertaining to retirement income may come as a surprise since households relying on this type of income are known to have difficulties in making ends meet<sup>12</sup>. However, as it turns out, as far as poverty analyses concerned, these households relatively better off than those that do not have access to such a steady source of income.

---

<sup>12</sup> This finding is line with that of Dubois et. al (2003) from European Household Panel data.



Moving on to Table 1b, where the household size variables is replaced with a series of variables that indicate the number of members falling into various employment and age categories, we find that the number of children is associated significantly with both exit and entry. In addition to the number of children, the number of inactive adults is also positively related with the probability of entry. Footnote: These findings are line with Capellari and Jenkins (2002) and Devicienti (2002). The rest of the findings are mainly in line with those discussed above.

In Table 2a, we observe that education has the largest impact on poverty entry and exit, which is line with the previous models discussed above. While households headed by a full-year worker are less likely to move into poverty, the coefficients are not significant in the exit equation, except for 2007-08. The change in household size a has negative effect on the probability of poverty exit and a positive effect on poverty entry for 2007-08 and 2008-09 periods, but its coefficient is insignificant despite having the expected sign for both exit and entry equations of period 2009-10. Home ownership has a positive effect on the probability of poverty exit. While households receiving labor, retirement, rental income are less likely to move into poverty, the effects of labor and rental/asset income are not consistent strong as the effect of retirement income.

When we replace the household size variables with a series of variables that indicate the number of members falling into various employment and age categories indicates, we find that the probability of poverty exit decreases with the increases in the number of inactive adult in the household and the probability of poverty entry increases with the increases in inactive adult (See Table 2b). Interestingly, although households receiving retirement payment are less likely to move into poverty, the probability of poverty entry increases with the number of retired people. On the other hand, households receiving rental/ asset income are less likely to move into poverty.

In the equation for poverty entry and exit presented in Table 3a, we use change in monetary amounts of income types received by household as well as household head characteristics and change in household characteristics. We observe greater explanatory power with R-square values of around 0.35 in the exit equation and around 0.22 in the entry equation.

We still find that years of schooling of household head has positive effect on poverty exit and negative effect on poverty entry. Change in household size has similar effect with years of schooling of household head. While becoming home owner has positive effect on the probability of poverty exit, the coefficient is significant only for 20010-09 period. As expected, becoming home owner has no significant effect on the probability of moving into poverty.

Almost all of the coefficients measuring the changes in monetary amounts of income types are significant and have important effects on both poverty exit and entry, which means that income events are closely related with poverty transitions of Turkish households. This finding is line with in many studies from different countries [Bane and Ellwood, 1986; Cantó, 2003; Layte and Whelan, 2003; Valetta, 2006; Neilson et al., 2008; Polin and Raitano, 2012]. While the increases in labor, entrepreneurial, social welfare and retirement income increases the probability of poverty exit, declines in those types

increases the probability of poverty entry. However, we observe change in rental/ asset income does not have a consistent effect: a positive and significant effect on poverty exit for the 2007-08 and 2008-09 periods, but a negative and significant effect on poverty entry only for the 2007-08 period.

When we replace the change in household size with change in household size components, we find that the increases in the numbers of inactive adults and full-year and part-year workers reduce the probability of poverty exit, which is line with Buddelmeyer and Verick (2007); while their effects on poverty entry are in the opposite direction. The number of retired people in the household has a positive and consistent effect on poverty exit and has a negative but inconsistent effect on poverty entry. Findings related to income events are line with the findings presented in Table 3a.

## **6. Conclusions**

The aim of this paper was to provide a broad picture on poverty dynamics in Turkey by using SILC panel data. We focused on identifying the types of event which were closely related with the transition of households into and out of poverty during the 2007-2010 period. Descriptive findings revealed that non-poor households are more likely to be headed by an individual with higher years of schooling, a full-year worker, or a retiree and less likely to be headed by an inactive adult or a part-year worker. On the other hand, poor households were the most likely to be headed by a married individual, and larger household sizes were also found to be associated with poverty. . Given the high rate of homeownership among the non-poor and the high rate of new home ownership among the exitor households, we conclude that becoming a home owner is critical for many low-income families in terms of making it over the poverty line. We also found that households that enter poverty have the lowest rate of labor income reception; and entrepreneurial and social welfare incomes are the least common among the non-poor whereas retirement and rental/asset incomes are the most common. The general pattern in terms of the amounts of various types of income received was that movements into poverty are closely related with declines in almost all types of income, while movements out of poverty are closely related with increases in almost all types of income.

Our econometric findings showed that the years of education of the household head, home ownership, and the increases in amount of income have positive effects on the probability of poverty exit, while household size has a negative effect on the probability of poverty exit, and a positive effect on entry. While the increases in the number of inactive adults, full-year and part-year workers have negative effects on the probability of exiting poverty, an increase in the number of retired people in the household has a positive effect on the probability of exiting.

The modest goodness-of-fit figures of the estimated models suggest that identifying the determinants of the transitions of households into and out of poverty is not a straightforward task. Future studies might focus on the observing the interaction effects of the explanatory variables or control for less obvious events that might lead to poverty transitions such as a change in household headship. Also, in case of longitudinal panel data, a duration analysis is likely to be more informative in truly understanding poverty dynamics. However, such exercises would require larger data sets that cover longer time periods.

Finally, as has been discussed in the literature, the findings in studies such as the current one might suffer from the problem of time inconsistency which results from the fact that the income figures used in the analyses pertain to the reference period of the survey, which in our case is the previous calendar year, whereas the values of the explanatory variables apply at the time the survey is administered. As a quick check of the impact of this factor, we repeated our estimations using income figures recorded at the following survey year. We found that the explanatory power of the model becomes lower although we obtain similar effects of the control variables on poverty transition. However, since goodness-of-fit does not imply appropriateness, further research may focus on whether poverty transitions should be analyzed after taking into consideration the time inconsistency between the income figures in the survey and the characteristics of the household and its members.

## References

- Addabbo T. (2000) "Poverty Dynamics: Analysis of Household Incomes in Italy", *Labour*, 14(1): 119-144.
- Andriopoulou E. and Tsakoglou P. (2011) "The Determinants of Poverty Transitions in Europe and the Role of Duration Dependence", IZA DP No. 5692.
- Bane M. J. and Ellwood D.T. (1983) "Slipping into and Out of Poverty: The Dynamics of Spells", NBER Working Paper Series, Working Paper No. 1199.
- Biewen M. (2003) "Who Are the Chronic Poor? Evidence on the Extent and the Composition of Chronic Poverty in Germany", IZA Discussion Papers 779, Institute for the Study of Labor (IZA).
- Bourreau-Dubois C., Jean-Didier B. and F. Berger (2003) "Poverty Dynamics, Family Events, Labour Market Events in Europe: Are There any Differences between Women and Men?", paper presented at the Conference European Panel Users Network, 3-5 June, Colchester, UK.
- Buddelmeyer, H., and Verick, S., (2007) "Understanding the Drivers of Poverty Dynamics in Australian Households", IZA Discussion Paper Series No. 2827, Institute for the Study of Labor, Bonn.
- Callens M. and Croux C. (2009) "Poverty Dynamics in Europe", *International Sociology* 24(3):368- 396.
- Cantó O. (2003) "Finding Out the Routes to Escape Poverty: The Relevance of Demographic vs. Labor Market Events in Spain", *Review of Income and Wealth*, Series 49, Number 4, December 2003.
- Cappellari L. and Jenkins S.P. (2002) "Who stays poor? Who becomes poor? Evidence from the British Household Panel Survey", *the Economic Journal*, 112, C60-C67.
- Damioli G. (2010) "How and Why the Dynamics of Poverty Differ across European Countries", paper presented at the 31st General Conference of The International Association for Research in Income and Wealth, St. Gallen, Switzerland, August 22-28.
- Devicienti F. (2002) "Poverty Persistence in Britain: A Multivariate Analysis Using the BHPS, 1991-1997", *J.Econ. Suppl.* 9: 307-340.
- Duncan Greg J., Gustafsson B., Hauser R., Schmauss G., Messinger H., Muffels R., Nolan B., and Jean-Claude R. (1993) "Poverty dynamics in eight countries", *J Popul Econ* (1993) 6:215-234.
- Fouarge D. and Layte R. (2005) "Welfare Regimes and Poverty Dynamics: The Duration and Recurrence of Poverty Spells in Europe", *Journal of Social Policy / Volume 34 / Issue 03 / July 2005*, pp 407-426.
- Jarvis S. and Jenkins S.P. (1997) "Low Income Dynamics in 1990s Britain", *Fiscal Studies* Vol. 18, No. 2, pp. 123-142.
- Jenkins S.P. (2000) "Modelling household income dynamics", *Journal of Population Economics* 13: 529-567.

Jenkins S.P and Rigg J.A (2001) "The Dynamics of Poverty in Britain", Department for Work and Pensions, Research Report No 157.

Lawson D, McKay A. and Okidi J. (2006) "Poverty Persistence and Transitions in Uganda: A Combined Qualitative and Quantitative Analysis", *Journal of Development Studies*, Vol. 42, No. 7, 1225-1251, October 2006.

Layte R. and Whelan C. (2003) "Moving in and out of poverty", *European Societies*, 5:2, 167-191.

McKernan S.M and Ratcliffe C. (2002) "Transition Events in the Dynamics of Poverty", the Urban Institute, September 2002.

McKernan S.M. and Ratcliffe C. (2005) "Events that Trigger Poverty Entries and Exits", *Social Science Quarterly*, Supplement to Volume 86.

Muffels R., Fouarge D., and Dekker R. (2000) "Longitudinal poverty and income inequality: a comparative panel study for the Netherlands, Germany and the UK", EPAG Working Paper No.1, European Panel Analysis Group, Tilburg.

Neilson C., Contreras D., Cooper R. and Hermann J. (2008) "The Dynamics of Poverty in Chile", *J. Lat. Amer. Stud.* 40, 251-273.

Oxley H., Thanh T. and Antolín P. (2000) "Poverty dynamics in six OECD countries" *OECD Economic Studies* No. 30, 2000/1.

Poggi A. (2007) "Does persistence of social exclusion exist in Spain?", *Journal of Economic Inequality* 5:53-72.

Polin V. and Michele R. (2012) "Poverty Dynamics in Clusters of European Union Countries: Related Events and Main Determinants", University of Verona, Working Paper Series, WP Number: 10.

Stevens A. H. (1994) "The Dynamics of Poverty Spells: Updating Bane and Ellwood", *American Economic Review Papers and Proceedings*. 84(2): 34-37.

Stevens A. H. (1995) "Climbing Out of Poverty, Falling Back in: Measuring The Persistence of Poverty over Multiple Spells", NBER Working Paper Series, Working Paper 5390.

Valletta R. (2006) "The Ins and Outs of Poverty in Advanced Economies: Poverty Dynamics in Canada, Germany, Great Britain, and the United States", *Review of Income and Wealth*, 52(2): 261-284.

Walker R. (1994) "Poverty Dynamics: Issues and Examples", Aldershot, Avebury.

Willett J.B. and Singer J.D. (1995) "It's Déjà Vu All over Again: Using Multiple-Spell Discrete-Time Survival Analysis", *Journal of Educational and Behavioral Statistics* 20:41-67.

**Table 0a:** Categorization of households according to poverty status during 2007-10

	Poverty status in each year				Frequency	Sample share (%)
	2007	2008	2009	2010		
<b>1</b>	No	No	No	No	1,530	62.1
<b>2</b>	No	No	No	Yes	55	2.2
<b>3</b>	No	No	Yes	Yes	44	1.8
<b>4</b>	No	Yes	Yes	Yes	68	2.8
<b>5</b>	No	No	Yes	No	45	1.8
<b>6</b>	No	Yes	No	No	34	1.4
<b>7</b>	No	Yes	No	Yes	13	0.5
<b>8</b>	No	Yes	Yes	No	34	1.4
<b>9</b>	Yes	No	No	Yes	15	0.6
<b>10</b>	Yes	No	Yes	No	23	0.9
<b>11</b>	Yes	No	Yes	Yes	51	2.1
<b>12</b>	Yes	Yes	No	Yes	38	1.5
<b>13</b>	Yes	No	No	No	91	3.7
<b>14</b>	Yes	Yes	No	No	50	2.0
<b>15</b>	Yes	Yes	Yes	No	58	2.4
<b>16</b>	Yes	Yes	Yes	Yes	313	12.7
<b>All</b>					2,462	100

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat

**Table 0b:** Means of variables: 2007-08

Variable	Poor	Exitor	Non-poor	Entrant	All
<i>Household head:</i>					
Female	0.07	0.16	0.14	0.16	0.13
Age	45.85	45.14	49.94	48.63	48.80
Education	4.42	5.68	7.36	4.6	6.52
Marital Status	0.93	0.86	0.84	0.86	0.86
Inactive adult	0.20	0.22	0.14	0.26	0.17
Full-year worker	0.50	0.51	0.55	0.43	0.53
Part-year worker	0.27	0.21	0.10	0.23	0.15
Retired	0.02	0.07	0.21	0.09	0.16
Hhold size	5.49	4.13	3.39	4.40	3.90
Number of inactive adults	1.53	1.23	1.10	1.44	1.21
Number of full-year workers	1.00	1.02	0.99	0.93	0.99
Number of part-year workers	0.63	0.53	0.27	0.50	0.37
Number of child dependents	2.31	1.27	0.77	1.43	1.13
Number of retired	0.03	0.08	0.27	0.09	0.20
Home owner	0.78	0.74	0.83	0.81	0.81
New owner	0.02	0.05	0.02	0.01	0.02
Owner in both two periods	0.76	0.69	0.81	0.80	0.79
<i>Type of income:</i>					
Labor	0.65	0.64	0.60	0.46	0.60
Entrepreneurial	0.51	0.41	0.32	0.51	0.37
Social welfare	0.60	0.55	0.62	0.56	0.24
Retirement	0.15	0.18	0.41	0.20	0.33
Rental/ asset	0.09	0.11	0.21	0.08	0.18
<i><math>\Delta</math> in the amount of income:</i>					
Labor	0.41	2.32	1.31	-1.03	1.08
Entrepreneurial	0.22	1.98	0.05	-1.25	0.15
Social welfare	0	0.65	0.23	-0.96	0.02
Retirement	0.10	0.21	0.52	0.07	0.39
Rental/ asset	0.03	0.13	0.24	-0.04	0.18
No. of observations	459	180	1674	149	2462

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat

**Table 0c:** Means of variables: 2008-09

Variable	Poor	Exitor	Non-poor	Entrant	All
<i>Household head:</i>					
Female	0.09	0.15	0.15	0.08	0.14
Age	47.56	46.51	50.63	48	49.64
Education	4.24	5.16	7.42	5.27	6.54
Marital Status	0.91	0.86	0.83	0.89	0.85
Inactive adult	0.22	0.20	0.15	0.19	0.17
Full-year worker	0.48	0.50	0.53	0.55	0.52
Part-year worker	0.27	0.23	0.11	0.18	0.15
Retired	0.02	0.07	0.21	0.08	0.16
Hhold size	5.48	4.10	3.37	4.68	3.90
Number of inactive adults	1.55	1.24	1.08	1.42	1.20
Number of full-year workers	1.06	0.84	0.93	1.26	0.97
Number of part-year workers	0.65	0.59	0.34	0.45	0.42
Number of child dependents	2.19	1.34	0.75	1.47	1.10
Number of retired	0.03	0.09	0.27	0.09	0.20
Home owner	0.81	0.76	0.84	0.79	0.82
New owner	0.02	0.03	0.02	0.01	0.02
Owner in both two periods	0.79	0.73	0.82	0.78	0.81
<i>Type of income:</i>					
Labor	0.63	0.61	0.60	0.54	0.60
Entrepreneurial	0.49	0.54	0.32	0.50	0.38
Social welfare	0.63	0.51	0.34	0.40	0.41
Retirement	0.19	0.23	0.42	0.20	0.35
Rental/ asset	0.09	0.12	0.23	0.15	0.19
<i><math>\Delta</math> in the amount of income:</i>					
Labor	0.24	2.05	1.16	-1.21	0.88
Entrepreneurial	-0.11	1.79	0.23	-2.77	0.05
Social welfare	0.16	0.71	0.02	-0.59	0.05
Retirement	0.11	0.44	0.47	0.04	0.37
Rental/ asset	-0.01	0.18	0.25	0.05	0.18
No. of observations	473	135	1691	163	2462

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat



**Table Od:** Means of variables: 2009-10

Variable	Poor	Exitor	Non-poor	Entrant	All
<i>Household head:</i>					
Female	0.09	0.10	0.15	0.12	0.14
Age	48.5	49.13	51.59	47.65	50.64
Education	4.38	4.94	7.41	5.16	6.55
Marital Status	0.90	0.88	0.83	0.88	0.85
Inactive adult	0.23	0.22	0.15	0.20	0.17
Full-year worker	0.50	0.52	0.53	0.46	0.52
Part-year worker	0.23	0.19	0.10	0.24	0.14
Retired	0.04	0.08	0.22	0.10	0.17
Hhold size	5.49	4.43	3.32	4.50	3.87
Number of inactive adults	1.64	1.41	1.07	1.60	1.23
Number of full-year workers	1.04	1.22	0.93	0.76	0.96
Number of part-year workers	0.66	0.53	0.33	0.56	0.42
Number of child dependents	2.11	1.19	0.71	1.45	1.05
Number of retired	0.04	0.08	0.28	0.12	0.21
Home owner	0.79	0.86	0.84	0.74	0.83
New owner	0	0.04	0.02	0	0.01
Owner in both two periods	0.79	0.83	0.83	0.74	0.81
<i>Type of income:</i>					
Labor	0.59	0.63	0.58	0.62	0.59
Entrepreneurial	0.53	0.50	0.33	0.39	0.38
Social welfare	0.65	0.50	0.35	0.45	0.42
Retirement	0.20	0.27	0.43	0.26	0.37
Rental/ asset	0.11	0.14	0.23	0.12	0.20
<i>Δ in the amount of income:</i>					
Labor	0.16	2.37	0.21	-2.67	0.20
Entrepreneurial	0.45	2.49	0.25	-3.32	0.26
Social welfare	0.35	0.74	0.09	-0.3	0.17
Retirement	0.11	0.67	0.45	-0.09	0.37
Rental/ asset	-0.06	0.06	-0.10	-0.02	-0.08
No. of observations	476	160	1705	121	2462

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat

**Table 1a:** Determinants of poverty exit and entry

	Poverty Exit			Poverty Entry		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
<i>Household head:</i>						
Female	0.795**	0.356	0.168	-0.282	-1.015***	-0.611*
	-0.25	-0.274	-0.266	-0.221	-0.242	-0.284
Education	0.113***	0.072**	0.054*	-0.128***	-0.116***	-0.125***
	-0.023	-0.026	-0.025	-0.02	-0.018	-0.02
Age	-0.011	-0.016	0.037	-0.041	-0.058**	-0.024
	-0.028	-0.032	-0.029	-0.024	-0.022	-0.027
Age sq	0.011	0.001	-0.041	0.032	0.056**	0.014
	-0.028	-0.032	-0.028	-0.023	-0.021	-0.025
Marital status	-0.128	-0.23	-0.174	0.243	0.042	0.08
	-0.256	-0.275	-0.255	-0.208	-0.201	-0.25
Full- year worker	0.397*	-0.046	0.023	-0.569***	-0.368*	-0.356
	-0.191	-0.201	-0.185	-0.167	-0.166	-0.189
Part-year worker	0.19	-0.106	-0.129	0.227	0.076	0.221
	-0.206	-0.207	-0.197	-0.187	-0.193	-0.205
Retired	0.964**	0.828*	0.202	-0.16	-0.32	-0.249
	-0.337	-0.341	-0.3	-0.23	-0.225	-0.231
Household size	-0.131***	-0.218***	-0.135***	0.149***	0.185***	0.190***
	-0.029	-0.038	-0.028	-0.029	-0.027	-0.032
Home ownership	0.205	-0.021	0.477**	-0.287*	-0.234	-0.349**
	-0.146	-0.158	-0.165	-0.131	-0.124	-0.13
<i>Types of income:</i>						
Labor	0.19	0.355*	0.399**	-0.455***	-0.460***	-0.358*
	-0.151	-0.157	-0.148	-0.132	-0.124	-0.141
Entrepreneurial	-0.023	0.466**	0.095	0.229	0.067	-0.131
	-0.145	-0.153	-0.148	-0.139	-0.122	-0.139
Social welfare	-0.155	-0.158	-0.282*	-0.017	0.129	0.039
	-0.119	-0.131	-0.122	-0.109	-0.107	-0.116
Retirement	0.132	0.225	0.421*	-0.662***	-0.744***	-0.408**
	-0.192	-0.193	-0.177	-0.159	-0.147	-0.158
Rental/ Asset	0.256	0.493*	0.243	-0.546***	-0.264*	-0.352*
	-0.197	-0.207	-0.182	-0.158	-0.132	-0.147
_cons	-0.735	0.37	-1.503	0.764	1.05	0.297
	-0.709	-0.84	-0.799	-0.653	-0.621	-0.731
<i>N</i>	634	608	636	1821	1853	1821
pseudo <i>R</i> <sup>2</sup>	0.119	0.128	0.084	0.22	0.204	0.18

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat

**Table 1b: Determinants of poverty exit and entry**

	Poverty Exit			Poverty Entry		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
<i>Household head:</i>						
Female	0.871*** -0.258	0.342 -0.279	0.282 -0.27	-0.268 -0.226	-1.023*** -0.245	-0.548 -0.294
Education	0.108*** -0.024	0.067* -0.027	0.048 -0.026	-0.130*** -0.02	-0.116*** -0.018	-0.130*** -0.02
Age	-0.044 -0.029	-0.028 -0.035	0.005 -0.031	-0.039 -0.025	-0.058* -0.023	-0.005 -0.029
Age sq	0.033 -0.029	0.011 -0.034	-0.015 -0.029	0.032 -0.024	0.056* -0.022	0.002 -0.027
Marital status	-0.01 -0.267	-0.191 -0.28	-0.094 -0.255	0.209 -0.21	0.033 -0.201	0.113 -0.26
Full- year worker	0.227 -0.22	0.23 -0.239	-0.137 -0.206	-0.413* -0.19	-0.414* -0.182	-0.053 -0.211
Part-year worker	0.192 -0.238	-0.178 -0.238	0.027 -0.229	0.304 -0.218	0.202 -0.221	0.214 -0.241
Retired	0.661 -1.004	0.268 -0.755	-0.118 -0.963	0.343 -0.508	-0.001 -0.417	-0.287 -0.364
<i>Household size components:</i>						
Number of inactive adults	-0.069 -0.056	-0.159* -0.064	-0.074 -0.056	0.204*** -0.057	0.188*** -0.049	0.220*** -0.05
Number of full-year workers	0.147* -0.074	-0.370*** -0.107	0.105 -0.07	0.041 -0.069	0.218*** -0.058	-0.133 -0.089
Number of part-year workers	0.008 -0.1	-0.076 -0.113	-0.166 -0.101	0.085 -0.099	0.055 -0.096	0.14 -0.107
Number of child dependents	-0.254*** -0.046	-0.257*** -0.052	-0.209*** -0.041	0.171*** -0.044	0.194*** -0.045	0.280*** -0.054
Number of retired	0.308 -0.967	0.368 -0.69	0.335 -0.934	-0.305 -0.456	-0.147 -0.362	0.199 -0.294
Home ownership	0.193 -0.15	0.003 -0.161	0.455** -0.169	-0.275* -0.132	-0.239 -0.125	-0.347** -0.133
<i>Types of income:</i>						
Labor	0.056 -0.159	0.29 -0.168	0.391* -0.156	-0.374** -0.141	-0.434*** -0.129	-0.213 -0.154
Entrepreneurial	-0.203 -0.158	0.541** -0.167	-0.049 -0.165	0.325* -0.149	0.057 -0.13	0.047 -0.151
Social welfare	-0.095 -0.122	-0.151 -0.134	-0.236 -0.124	-0.024 -0.11	0.132 -0.108	0.04 -0.117
Retirement	0.09 -0.198	0.225 -0.199	0.352 -0.182	-0.631*** -0.166	-0.707*** -0.154	-0.335* -0.169
Rental/ Asset	0.305 -0.202	0.500* -0.211	0.258 -0.186	-0.564*** -0.161	-0.278* -0.133	-0.347* -0.148
_cons	0.141 -0.747	0.585 -0.911	-0.753 -0.842	0.552 -0.682	1.06 -0.645	-0.466 -0.805
N	634	608	636	1821	1853	1821
pseudo R <sup>2</sup>	0.148	0.139	0.105	0.226	0.207	0.2

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat

**Table 2a:** Determinants of poverty exit and entry

	Poverty Exit			Poverty Entry		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
<i>Household head:</i>						
Female	0.840***	0.546*	0.263	-0.343	-1.183***	-0.687*
	-0.25	-0.267	-0.265	-0.22	-0.241	-0.272
Education	0.122***	0.095***	0.068**	-0.145***	-0.128***	-0.134***
	-0.023	-0.025	-0.025	-0.02	-0.017	-0.019
Age	-0.03	-0.039	0.019	-0.024	-0.04	-0.014
	-0.028	-0.031	-0.028	-0.024	-0.022	-0.026
Age sq	0.034	0.033	-0.016	0.012	0.034	0.001
	-0.028	-0.031	-0.027	-0.022	-0.021	-0.025
Marital status	-0.239	-0.354	-0.237	0.416*	0.18	0.24
	-0.259	-0.268	-0.252	-0.206	-0.198	-0.235
Full- year worker	0.379*	-0.058	0.05	-0.644***	-0.420**	-0.431*
	-0.188	-0.192	-0.182	-0.164	-0.161	-0.184
Part-year worker	0.216	-0.095	-0.059	0.139	-0.05	0.14
	-0.204	-0.2	-0.194	-0.184	-0.188	-0.199
Retired	1.034**	0.831*	0.282	-0.181	-0.438*	-0.303
	-0.335	-0.339	-0.295	-0.226	-0.222	-0.225
Change in household size	-0.185*	-0.133*	-0.013	0.147*	0.229***	0.084
	-0.079	-0.064	-0.069	-0.065	-0.06	-0.075
New home owner	0.733*	0.399	1.625***	-0.362	-0.144	Omitted
	-0.346	-0.403	-0.485	-0.487	-0.391	
Home owner in both two periods	0.078	-0.065	0.407*	-0.235	-0.157	-0.271*
	-0.144	-0.157	-0.165	-0.13	-0.123	-0.128
<i>Types of income:</i>						
Labor	0.069	0.109	0.191	-0.298*	-0.320**	-0.109
	-0.147	-0.146	-0.141	-0.125	-0.121	-0.131
Entrepreneurial	-0.084	0.336*	-0.035	0.385**	0.182	0.055
	-0.144	-0.147	-0.145	-0.131	-0.118	-0.129
Social welfare	-0.171	-0.227	-0.349**	-0.005	0.122	0.072
	-0.118	-0.126	-0.12	-0.108	-0.106	-0.113
Retirement	0.061	0.08	0.277	-0.648***	-0.761***	-0.387*
	-0.187	-0.182	-0.169	-0.157	-0.145	-0.155
Rental/ Asset	0.136	0.263	0.165	-0.517***	-0.184	-0.274
	-0.194	-0.196	-0.175	-0.156	-0.127	-0.14
_cons	-0.816	-0.031	-1.678*	0.845	1.247*	0.577
	-0.716	-0.823	-0.788	-0.65	-0.614	-0.721
N	634	608	636	1821	1853	1793
pseudo R <sup>2</sup>	0.101	0.075	0.059	0.200	0.174	0.142

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat

**Table 2b: Determinants of poverty exit and entry**

	Poverty Exit			Poverty Entry		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
<i>Household head:</i>						
Female	0.796**	0.511	0.265	-0.359	-1.095***	-0.573*
	-0.255	-0.271	-0.267	-0.222	-0.244	-0.275
Education	0.122***	0.100***	0.067**	-0.142***	-0.125***	-0.136***
	-0.023	-0.026	-0.025	-0.02	-0.017	-0.02
Age	-0.028	-0.035	0.022	-0.021	-0.048*	-0.021
	-0.028	-0.031	-0.028	-0.024	-0.023	-0.027
Age sq	0.03	0.03	-0.019	0.01	0.042	0.009
	-0.028	-0.031	-0.027	-0.023	-0.021	-0.025
Marital status	-0.256	-0.331	-0.189	0.435*	0.205	0.255
	-0.265	-0.269	-0.259	-0.21	-0.2	-0.24
Full- year worker	0.263	-0.155	-0.006	-0.626***	-0.334*	-0.225
	-0.195	-0.202	-0.186	-0.171	-0.168	-0.193
Part-year worker	0.173	-0.145	-0.198	0.104	0.097	0.422
	-0.214	-0.209	-0.208	-0.197	-0.202	-0.219
Retired	1.041**	0.725*	0.406	-0.346	-0.396	-0.158
	-0.354	-0.351	-0.311	-0.245	-0.234	-0.241
<i>Δ in the number of household size components:</i>						
Inactive adults	-0.341***	-0.245**	-0.121	0.152	0.330***	0.250*
	-0.096	-0.087	-0.088	-0.09	-0.077	-0.098
Full-year workers	0.074	-0.127	-0.043	0.042	0.205*	-0.061
	-0.121	-0.108	-0.11	-0.097	-0.094	-0.112
Part-year workers	-0.111	-0.176	0.047	0.126	0.136	-0.1
	-0.117	-0.102	-0.105	-0.102	-0.094	-0.109
Child dependents	-0.051	-0.038	0.102	0.233*	0.141	0.109
	-0.127	-0.101	-0.106	-0.107	-0.1	-0.119
Retired	-0.596	0.095	-0.622	0.802**	0.554*	0.27
	-0.425	-0.488	-0.562	-0.261	-0.27	-0.242
New home owner	0.719*	0.381	1.554**	-0.496	-0.143	Omitted
	-0.35	-0.408	-0.483	-0.521	-0.39	
Home owner in both two periods	0.104	-0.049	0.412*	-0.227	-0.152	-0.257*
	-0.148	-0.159	-0.166	-0.131	-0.124	-0.13
<i>Types of income:</i>						
Labor	0	0.105	0.175	-0.323*	-0.298*	-0.082
	-0.15	-0.148	-0.144	-0.128	-0.122	-0.133
Entrepreneurial	-0.065	0.337*	-0.056	0.341*	0.193	0.071
	-0.146	-0.148	-0.146	-0.134	-0.119	-0.131
Social welfare	-0.194	-0.256*	-0.334**	-0.006	0.121	0.084
	-0.12	-0.128	-0.121	-0.108	-0.107	-0.115
Retirement	-0.002	0.079	0.234	-0.647***	-0.752***	-0.403*
	-0.196	-0.185	-0.173	-0.158	-0.146	-0.158
Rental/ Asset	0.185	0.285	0.103	-0.468**	-0.189	-0.269
	-0.196	-0.197	-0.179	-0.156	-0.128	-0.142
_cons	-0.716	-0.101	-1.688*	0.726	1.270*	0.429
	-0.738	-0.836	-0.795	-0.654	-0.621	-0.743
N	634	608	636	1821	1853	1793
pseudo R <sup>2</sup>	0.13	0.081	0.07	0.209	0.181	0.163

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat

**Table 3a:** Determinants of poverty exit and entry

	Poverty Exit			Poverty Entry		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
<i>Household head:</i>						
Female	0.441	0.443	0.097	-0.322	-0.940***	-0.422
	-0.297	-0.297	-0.286	-0.225	-0.229	-0.268
Education	0.090**	0.099**	0.074**	-0.166***	-0.145***	-0.164***
	-0.028	-0.031	-0.027	-0.021	-0.018	-0.021
Age	-0.104**	-0.105**	-0.029	-0.039	-0.074***	-0.039
	-0.033	-0.035	-0.03	-0.024	-0.022	-0.026
Age sq	0.110***	0.102**	0.032	0.025	0.057**	0.019
	-0.032	-0.034	-0.028	-0.023	-0.021	-0.025
Marital status	-0.687*	-0.557	-0.366	0.438*	0.03	0.295
	-0.31	-0.295	-0.274	-0.215	-0.197	-0.247
Full- year worker	0.536*	0.122	0.089	-0.425**	-0.28	-0.232
	-0.23	-0.221	-0.192	-0.162	-0.153	-0.186
Part-year worker	0.263	0.011	-0.145	0.136	-0.109	0.182
	-0.253	-0.236	-0.216	-0.188	-0.183	-0.201
Retired	1.446***	1.033**	0.740*	-0.581**	-0.763***	-0.418
	-0.365	-0.38	-0.307	-0.207	-0.202	-0.218
Change in household size	-0.464***	-0.317***	-0.193*	0.295***	0.309***	0.208**
	-0.102	-0.075	-0.079	-0.072	-0.06	-0.077
New home owner	0.364	0.096	1.405**	-0.255	-0.253	Omitted
	-0.419	-0.455	-0.537	-0.498	-0.427	Omitted
Home owner in both two periods	0.208	-0.037	0.198	-0.310*	-0.148	-0.276*
	-0.172	-0.18	-0.175	-0.133	-0.124	-0.133
<i>Δ in the amount of income:</i>						
Labor	0.367***	0.287***	0.195***	-0.059***	-0.059***	-0.053***
	-0.035	-0.032	-0.023	-0.008	-0.009	-0.008
Entrepreneurial	0.314***	0.260***	0.119***	-0.033***	-0.022***	-0.033***
	-0.038	-0.029	-0.017	-0.007	-0.004	-0.007
Social welfare	0.374***	0.337***	0.189***	-0.179***	-0.106***	-0.067**
	-0.056	-0.046	-0.041	-0.025	-0.024	-0.022
Retirement	0.330***	0.410***	0.239***	-0.132**	-0.041*	-0.040*
	-0.089	-0.069	-0.055	-0.041	-0.017	-0.016
Rental/ Asset	0.277*	0.444***	0.467	-0.080*	-0.031	0.01
	-0.11	-0.12	-0.247	-0.031	-0.028	-0.018
_cons	0.334	0.879	-0.868	1.013	2.088***	1.025
	-0.848	-0.954	-0.855	-0.668	-0.6	-0.709
N	634	608	636	1821	1853	1793
pseudo R <sup>2</sup>	0.404	0.382	0.262	0.245	0.202	0.205

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat

**Table 3b:** Determinants of poverty exit and entry

	Poverty Exit			Poverty Entry		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
<i>Household head:</i>						
Female	0.451	0.43	0.12	-0.345	-0.904***	-0.346
	-0.296	-0.303	-0.288	-0.227	-0.232	-0.27
Education	0.090**	0.105**	0.077**	-0.162***	-0.142***	-0.164***
	-0.028	-0.032	-0.028	-0.021	-0.018	-0.021
Age	-0.098**	-0.100**	-0.024	-0.037	-0.080***	-0.045
	-0.033	-0.036	-0.03	-0.024	-0.023	-0.027
Age sq	0.105**	0.098**	0.026	0.025	0.063**	0.026
	-0.033	-0.035	-0.028	-0.023	-0.021	-0.026
Marital status	-0.745*	-0.542	-0.352	0.481*	0.052	0.308
	-0.311	-0.299	-0.283	-0.219	-0.198	-0.249
Full- year worker	0.584*	0.093	0.107	-0.444**	-0.252	-0.107
	-0.234	-0.236	-0.195	-0.17	-0.162	-0.193
Part-year worker	0.39	0.068	-0.182	0.082	0.002	0.42
	-0.264	-0.255	-0.232	-0.205	-0.199	-0.222
Retired	1.495***	1.028**	0.846**	-0.765***	-0.769***	-0.301
	-0.376	-0.397	-0.32	-0.227	-0.215	-0.23
<i>Δ in the no. of household size components:</i>						
Inactive adults	-0.586***	-0.484***	-0.298**	0.291**	0.401***	0.339***
	-0.125	-0.111	-0.101	-0.098	-0.078	-0.099
Full-year workers	-0.697***	-0.476***	-0.434**	0.205	0.386***	0.181
	-0.169	-0.127	-0.134	-0.112	-0.098	-0.118
Part-year workers	-0.812***	-0.536***	-0.295*	0.288*	0.282**	0.078
	-0.166	-0.131	-0.123	-0.115	-0.097	-0.114
Child dependents	-0.19	-0.08	0.034	0.358**	0.161	0.159
	-0.157	-0.117	-0.121	-0.111	-0.101	-0.122
Retired	-0.885	-0.714	-0.746	1.117***	0.630**	0.189
	-0.619	-0.542	-0.579	-0.279	-0.244	-0.242
<i>Δ in the amount of income:</i>						
Labor	0.394***	0.303***	0.210***	-0.056***	-0.060***	-0.050***
	-0.039	-0.034	-0.024	-0.008	-0.009	-0.009
Entrepreneurial	0.339***	0.268***	0.117***	-0.031***	-0.022***	-0.033***
	-0.04	-0.03	-0.017	-0.007	-0.004	-0.007
Social welfare	0.379***	0.345***	0.188***	-0.179***	-0.106***	-0.069**
	-0.056	-0.048	-0.042	-0.025	-0.025	-0.022
Retirement	0.362***	0.430***	0.255***	-0.165***	-0.044**	-0.039*
	-0.093	-0.074	-0.056	-0.044	-0.017	-0.017
Rental/ Asset	0.265*	0.455***	0.41	-0.093**	-0.036	0.008
	-0.115	-0.123	-0.246	-0.034	-0.028	-0.018
New home owner	0.34	0.12	1.460**	-0.38	-0.282	Omitted
	-0.426	-0.462	-0.541	-0.543	-0.433	
Home owner in both two periods	0.225	-0.005	0.203	-0.298*	-0.137	-0.258
	-0.174	-0.183	-0.178	-0.134	-0.125	-0.135
_cons	0.11	0.648	-1.024	0.871	2.165***	0.976
	-0.86	-0.977	-0.869	-0.672	-0.609	-0.724
N	634	608	636	1821	1853	1793
pseudo R <sup>2</sup>	0.416	0.395	0.274	0.255	0.209	0.215

Source: Authors' calculations based on Survey of Income and Living Conditions released by TurkStat.