Children’s Economic Well-being In Married, Cohabiting, and Single Parent Families During the First Year of the Great Recession

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INTRODUCTION AND OBJECTIVES

The current recession is the longest and deepest since the Great Depression. In the first year of the recession, child poverty and food insecurity have increased from their already high levels. Because job losses have been distributed unequally (higher for males, younger, less educated, Black and Hispanic workers), we expect the impact of the recession on child well-being to vary by family background and structure.

We use recent data from the Current Population Survey (CPS) on family income, parental employment, and food security to understand how children fared during the early stages of the current economic recession. Our goals are to:

1. Provide estimates of child well-being prior to the recession, focusing on cohabiting families (who are poorly measured in official statistics.)
2. Provide estimates of child poverty, food insecurity, and parental employment status at the first year of the recession.
3. Test whether the impact of the recession varies by family type, socioeconomic status, and race and ethnicity.

These data will provide a vital benchmark from which to study the continuing impact of the current economic recession on child well-being.

DATA AND METHODS

DATA: Current Population Survey

Annual Social and Economic Supplement (ASEC)
- Yearly data on child poverty (through 2008)
- Parent employment (through 3/2009)
- Sample: 50,000 children ages 0-14 yearly

December Food Security Supplement
- Yearly food insecurity data (through 2008)
- Scale: 10 household and adult questions, 8 child-specific questions
- Sample: 17,000 children in 2007 and 22,000 children in 2008

MEASURES
- Poverty status: adjusted for the presence of a cohabiting partner
- Food insecurity
- Parent employment: does the child have at least one resident parent working full-time

METHODS
- Descriptive analysis of trends in well-being
- Logistic regression predicting well-being
- Family structure differences in economic well-being

STUDY PERIOD

December 2007: Recession begins
Jan-Dec 2008: 1st year of recession, most recent poverty and food insecurity data
Mar 2009: Latest ASEC unemployment data
Oct 2009: U.S. unemployment peaks (10.1%)

MONTHLY UNEMPLOYMENT RATES

January, 2007

December, 2007

January, 2008

February, 2008

March, 2008

April, 2008

May, 2008

June, 2008

July, 2008

Figure 1. US Unemployment Rates

SOURCE: Bureau of Labor Statistics

DATA AND METHODS

Descriptive findings
1. Large declines in full-time parent employment across family structure, including single mothers (see Figure 4).
2. Small increase in child poverty, significant only for married parent families (see Figure 1).
3. Large increase in household food insecurity across family structure (see Figure 6).

Multivariate results
- Employment and Poverty (Figure 7)
- No difference between married and cohabiting families.
- Children in single parent families experienced significantly smaller changes in parent employment and poverty than children with married parents.

Food insecurity
- No significant differences by family structure.

PARENT EDUCATION

1. No parent works full-time
   - Increased significantly across education levels.
   - Increase was significantly smaller for college graduates compared to parents without HS degree (multivariate models).

2. Poverty
   - Increased only among least-educated (HS+).
   - Multivariate models show no disproportionate increase in poverty by education.

3. Food insecurity
   - Increased except among college graduates.
   - Multivariate models show no disproportionate increase in food insecurity by education.

RACE AND ETHNICITY

1. No parent works full-time
   - Large increases across race and ethnicity.
   - Multivariate results: increases significantly larger for Hispanics than non-Hispanics; no differences by race.

2. Poverty
   - Increased only among Whites and Hispanics.
   - Multivariate models show no disproportionate increase in poverty among Hispanics.

3. Food insecurity
   - Increased across race and ethnic groups (except American Indian).
   - No evidence of disproportionate impact in multivariate models.

CONCLUSIONS

Early recession’s impact is large and widespread
- Parental unemployment and food insecurity increased across nearly every family structure, education, race, and ethnic group.

Poverty appears to be a lagging indicator
- Poverty increases were small and limited to a small number of subgroups (married parents, less educated parents, Hispanic families).

- Poverty is based on annual income and may not be sensitive to the high rate of job loss in late 2008.

Family structure differences in economic well-being
- Large differences persist between married, cohabiting, and single parent families.
- Two-parent families appear to have been affected more than single-parents during the first year of the recession (likely the consequence of the gendered pattern of job loss).

The well-being of single mother families will be further affected by job loss of non-resident parents.

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