

Children with Unemployed Parents: Trends During the U.S. Recession

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Parental unemployment has a pervasive and insidious impact on children's educational achievement (Stevens and Schaller, 2009), health status (Jin et al., 1995), and economic well-being (Lovell and Isaacs, 2010). Unemployment is associated with loss of income, which means parents have less money for food, health care, housing, and other necessities. Unemployment is also associated with a higher risk of separation and divorce (Kraft, 2001), which may result in more children living in single-parent families.

During the recent recession, the U.S. unemployment rate peaked at around 10 percent, a 28-year high. Since the beginning of the economic downturn in late 2007, nearly 15 million jobs have been lost. Another 9 million people are working part-time because their hours have been reduced or they cannot find full-time employment. If we include marginally attached and discouraged workers, the unemployment rate rises to a staggering 16.7 percent (1 in 6 Americans). Among those who are unemployed, it's estimated that nearly 30 percent have children under 18 years of age (Bureau of Labor Statistics, 2010).

It is likely that the current recession has had a major impact on child well-being. The latest estimates from the U.S. Census Bureau show that in 2009, more than 1 in 5 children were poor, and a recent report by the Foundation for Child Development suggests that the recession has erased 25 years of progress in improving outcomes for children. Although the recession has had a direct and immediate impact on children through the loss of family income, other social and psychological effects may linger for years to come.

In this paper, we will investigate the national and state-level impacts of the recession on children with unemployment parents. We will use data from the Current Population Survey (CPS) monthly files for 2007, 2008 and 2009 (and, if available, 2010). The CPS basic monthly files are the official source of unemployment estimates for the U.S. labor force. By linking parents' records with those of their co-resident children, we can produce monthly estimates of the number and characteristics of children with unemployed parents.

The CPS sample is designed to produce accurate monthly statistics on U.S. labor force characteristics. However, by combining 12 months of CPS data (separately for 2007, 2008, 2009, and 2010), we can boost the sample size and should be able to produce reasonable state-level, annual estimates of children with unemployed parents. We will pay close attention to the standard errors associated with our state-level estimates to ensure the accuracy of our results and conclusions.

Results will be presented separately for 1) children with at least one unemployment parent, 2) children with underemployed parents (unemployed, marginally attached, or

discouraged workers), and 3) children with all parents unemployed. (In a single-parent family this means the single parent is unemployed, while in a married-couple family it means both parents are unemployed). We will also investigate differences by family structure and race/ethnicity at the national level. (Even combining 12 months of data, the sample size is not likely to support detailed crosstabulations at the state level.) We will conclude with a brief discussion of policy implications and the potential long-term impact of the recession on children's well-being.

Our preliminary analysis of CPS data shows that in 2009, there were more than 7.2 million children (10 percent) living with at least one unemployed parent. This represents a sharp increase from 2007, when just 5 percent of children lived with an unemployed parent. We find wide geographic variation in the share of children with unemployed parents in 2009, ranging from 4 percent in Nebraska and North Dakota to 14 percent in Michigan (see Appendix Table A). In addition, while there are still wide racial disparities in unemployment, we find that the recent recession has narrowed the racial gap in the share of children living with unemployed parents.

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U.S. Bureau of Labor Statistics, "Table 6. Employment status of persons by presence and age of own children, sex, race, Hispanic or Latino ethnicity, and marital status, Annual Average 2009" Unpublished table based on a BLS analysis of the Current Population Survey.

Appendix Table A (Preliminary Results)

Geography	2007			2008			2009		
	Total children under age 18 in families and subfamilies 2007	Children With at Least One Unemployed Parent 2007		Total children under age 18 in families and subfamilies 2008	Children With at Least One Unemployed Parent 2008		Total children under age 18 in families and subfamilies 2009	Children With at Least One Unemployed Parent 2009	
	Number	Number	%	Number	Number	%	Number	Number	%
US	71,306,256	3,539,143	5.0	71,271,246	4,405,584	6.2	70,758,153	7,227,927	10.2
ALABAMA	1,053,517	42,305	4.0	1,049,970	63,783	6.1	1,069,038	155,747	14.6
ALASKA	175,263	10,609	6.1	173,725	12,979	7.5	169,305	13,623	8
ARIZONA	1,605,629	70,123	4.4	1,641,660	94,495	5.8	1,663,413	181,215	10.9
ARKANSAS	664,212	38,941	5.9	666,789	36,206	5.4	657,641	56,605	8.6
CALIFORNIA	9,237,647	534,524	5.8	9,036,908	671,359	7.4	8,964,603	1,126,607	12.6
COLORADO	1,162,963	50,400	4.3	1,162,978	51,930	4.5	1,172,363	97,892	8.3
CONNECTICUT	779,903	37,004	4.7	785,699	57,055	7.3	779,549	65,318	8.4
DELAWARE	197,219	6,644	3.4	196,242	9,994	5.1	196,813	18,185	9.2
DC	106,676	9,201	8.6	105,093	9,898	9.4	102,554	13,735	13.4
FLORIDA	3,858,285	169,442	4.4	3,858,175	270,652	7.0	3,781,937	418,574	11.1
GEORGIA	2,346,910	127,499	5.4	2,419,584	171,699	7.1	2,405,989	240,279	10
HAWAII	288,562	7,428	2.6	282,352	10,595	3.8	272,238	20,204	7.4
IDAHO	400,151	11,791	2.9	408,926	22,104	5.4	405,360	40,142	9.9
ILLINOIS	3,123,166	181,303	5.8	3,098,057	221,707	7.2	3,081,667	363,526	11.8
INDIANA	1,544,018	74,501	4.8	1,543,104	94,336	6.1	1,547,166	193,051	12.5
IOWA	698,517	27,778	4.0	686,306	33,450	4.9	694,503	51,787	7.5
KANSAS	677,620	29,321	4.3	680,545	38,412	5.6	677,511	55,702	8.2
KENTUCKY	963,321	56,707	5.9	955,403	70,290	7.4	941,603	105,345	11.2
LOUISIANA	1,021,881	48,579	4.8	1,028,083	50,176	4.9	1,046,591	51,699	4.9
MAINE	276,085	13,871	5.0	267,548	14,347	5.4	258,140	22,700	8.8
MARYLAND	1,293,561	43,249	3.3	1,301,499	65,403	5.0	1,271,799	95,340	7.5
MASSACHUSETTS	1,432,086	75,385	5.3	1,398,745	84,010	6.0	1,416,005	124,983	8.8
MICHIGAN	2,372,897	165,262	7.0	2,336,822	177,607	7.6	2,273,488	318,882	14
MINNESOTA	1,233,676	63,230	5.1	1,233,257	86,391	7.0	1,210,599	117,198	9.7
MISSISSIPPI	715,154	46,745	6.5	716,779	55,168	7.7	711,642	77,841	10.9
MISSOURI	1,340,397	82,092	6.1	1,374,489	98,858	7.2	1,336,067	133,851	10
MONTANA	209,137	9,415	4.5	212,018	11,807	5.6	208,873	17,475	8.4
NEBRASKA	434,374	16,066	3.7	436,723	15,276	3.5	430,692	18,533	4.3
NEVADA	624,850	31,367	5.0	645,216	51,682	8.0	642,763	84,252	13.1
NEW HAMPSHIRE	291,121	10,441	3.6	291,969	12,032	4.1	280,750	20,875	7.4
NEW JERSEY	2,015,954	85,919	4.3	2,020,293	86,856	4.3	1,978,239	201,261	10.2
NEW MEXICO	490,553	18,891	3.9	480,175	23,150	4.8	477,516	42,771	9
NEW YORK	4,354,562	188,311	4.3	4,227,707	232,940	5.5	4,180,635	336,108	8
NORTH CAROLINA	2,088,667	91,288	4.4	2,140,395	137,792	6.4	2,189,306	235,735	10.8
NORTH DAKOTA	139,844	5,267	3.8	136,167	5,632	4.1	136,009	6,022	4.4
OHIO	2,704,450	168,908	6.2	2,661,071	202,789	7.6	2,586,601	315,532	12.2
OKLAHOMA	859,675	39,390	4.6	860,817	29,689	3.4	855,209	67,421	7.9
OREGON	830,843	45,318	5.5	835,893	62,559	7.5	837,806	99,744	11.9
PENNSYLVANIA	2,700,793	108,230	4.0	2,675,672	124,960	4.7	2,636,772	225,656	8.6
RHODE ISLAND	231,427	14,199	6.1	225,816	20,401	9.0	222,405	28,255	12.7
SOUTH CAROLINA	991,192	57,116	5.8	1,018,798	91,723	9.0	993,043	135,209	13.6
SOUTH DAKOTA	186,665	7,672	4.1	188,953	6,566	3.5	188,583	12,871	6.8
TENNESSEE	1,357,499	73,486	5.4	1,351,827	100,311	7.4	1,365,347	164,534	12.1
TEXAS	6,332,239	300,384	4.7	6,438,711	355,936	5.5	6,456,249	542,319	8.4
UTAH	790,656	19,761	2.5	821,424	23,567	2.9	845,790	54,691	6.5
VERMONT	127,852	5,025	3.9	124,803	6,164	4.9	124,385	8,833	7.1
VIRGINIA	1,737,430	53,210	3.1	1,782,028	74,048	4.2	1,776,087	152,272	8.6
WASHINGTON	1,469,840	78,740	5.4	1,506,203	66,411	4.4	1,478,995	136,187	9.2
WEST VIRGINIA	375,392	19,588	5.2	372,526	21,849	5.9	358,074	32,532	9.1
WISCONSIN	1,273,098	64,246	5.0	1,281,732	65,247	5.1	1,275,452	119,570	9.4
WYOMING	118,828	2,968	2.5	125,571	3,295	2.6	124,989	9,237	7.4

NOTE: These estimates are based on a sample and are subject to both sampling and nonsampling error.

SOURCE: PRB analysis of Current Population Survey (CPS) Basic Monthly Data 2007-2009