"Assets Reconsidered: Alternative Assets and Parental Well-being"

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Over the past few decades, growing interest in the causes and consequences of wealth and asset accumulation has paralleled increasing wealth inequality in the U.S. This has created a burgeoning body of work that not only contributes to a better understanding of the "haves" and the "have nots" but is wide-reaching in its application. Those with more assets generally have better outcomes across a variety of measures, including mortality and health, social integration, and long-term economic health (Bond et al. 2003; Pollack et al. 2007; Adloff 2009; Grinstein-Weiss et al. 2008; Keister 2000). Accumulated assets theoretically function much like a storehouse, conveying some sense of past, present and future economic security: Reserves grow in times of surplus, gird and support incoming flows of resources, and better the odds of weathering unexpected future events. With limited reserves, one is in a precarious position, wholly dependent on the current in-flow of resources – a position that is all too familiar for low-income mothers and fathers.

Disadvantaged individuals possess few traditional financial assets (i.e., savings, value of an owned home, stocks and bonds); however, it is well-noted that they invoke survival strategies, often relying on personal safety nets, to cover basic expenses when monthly in-flows are not enough (Edin & Lein 1997; Edin & Lein 1997b; Anderson 1999). These strategies reflect various forms of *alternative assets* – resources that represent ranging dimensions of human, cultural, social, and political capital – that help individuals meet their basic needs (Sherrraden 1991; Sharpiro & Wolfe 2001). These resources are not evenly distributed across racial and ethnic groups. For all parents, unexpected circumstances – a sick child, emergency repairs, being laid off – are grueling tests of constrained and often inadequate means: reliable childcare and transportation can make meeting work demands easier and financial support from family and friends can fill the stopgap (Anderson et al. 2004; Bansak et al. 2010; Lein et al. 2005; Harknett 2006). These resources are often context-specific and difficult to ascribe value and can require some investment of time and energy.

Though these "survival strategies" have received tremendous scholarly attention, the cumulative effect of alternative assets and how various types of resources relate have been little explored. Understanding the role of alternative assets in the lives of low-income men and women is important because asset-poverty is pervasive (and becoming more so). According to recent estimates, 14% of U.S households have zero or negative net worth and 23% percent of U.S. households have net financial assets worth less than three months of poverty-level subsistence (SIPP, U.S. Census Bureau 2006). Asset accumulation research has emphasized the persistent absence of financial assets and the slow rates of accumulation in disadvantaged populations, but there is limited information about the aggregate effect of available *alternative* assets and how these resources may blend together and link with well-being.

In this paper, I use data from the Fragile Families and Child Wellbeing Study to develop a comprehensive measure of alternative assets to examine the relationship between accumulated alternative assets and parental well-being The Fragile Families Study is a longitudinal study that is representative of births in large U.S. cities between 1998 and 2000. It contains 4,897 births, with an oversample of nonmarital births. The initial data collection occurred just after the birth of the child, often taking place in the hospital, and the subsequent follow-up interviews happened when the child was about ages 1, 3, and 5. Both mothers and fathers were surveyed at each wave.

In this paper, I include both mothers and fathers at the time of birth and follow them through the five-year survey. I examine mothers and fathers separately, since alternative assets (and how they are utilized) vary by gender. Furthermore, I separate resident and non-resident fathers, as living with or away from a dependent child may have some bearing on fathers' well-being. I use latent class analysis to construct measures of accumulated alternative assets for mothers and fathers. I include factors that buffer the negative effect of unexpected expenditures and disruptions in income and help in providing security when financial lapses occur, such as access to credit, human capital investment, perceived support, reliable transportation, stable child care arrangements, etc. The outcome variables represent two categories of well-being: health/mental health (physical health, depression, substance abuse) and economic characteristics (employment and annual earnings). I use both random and fixed effects models to examine how the level of alternative assets is associated with fathers' well-being and how changes in alternative assets are associated with changes in mothers' and fathers' well-being, respectively. Both techniques take advantage of the longitudinal design of the data by pooling repeated observations over time. Random-effects models simultaneously account for both between-subject and within-subject variation. Using "each individual as his or her own control," fixed-effect models partial out the variance attributable to unobservable characteristics, yielding less biased parameter estimates of within-group variation that account for unobserved individual (time-constant) characteristics (Allison 2005; Allison 2009).

Preliminary results suggest that alternative assets blend together differently for mothers and fathers and that the link between accumulated alternative assets and well-being across outcomes vary by the gender and race of the parent. Resident fathers generally have higher levels of well-being than non-resident fathers. Mothers' levels of well-being fall between that of resident and non-resident fathers, with one exception: mothers have a higher risk of depression. Mothers report the lowest level of accumulated alternative assets at child age 3 and the highest level at age 5, where as men report having the highest level of resources at child age 1 and the lowest at age 5. With respect to the economic outcomes, alternative assets are positively linked to earnings of fathers but associated with less economic engagement (employment and earnings) for mothers in both the random and fixed effect models. Higher levels of accumulated alternative assets are associated with better health for mothers and worse health for fathers. For non-resident fathers, increasing alternative assets are associated with a reduction in substance abuse and greater economic engagement. Evidence shows that the relationship between alternative assets and well-being does vary by race. Accumulated resources are more strongly related to the economic characteristics for Caucasians and the health/mental health indicators for African-Americans.

This paper examines the link between accumulated resources and parental well-being by constructing an aggregate measure of alternative assets. It is important to identify the resources utilized by low-income families to meet their basics needs, but is also important to understand how these factors are related to one another and how the acquisition, maintenance, and ebb and flow of these resources influence parental well-being. These findings can shed further light on the experiences of low-income families, proving a different perspective on the resource reality of parents in constrained circumstances.

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