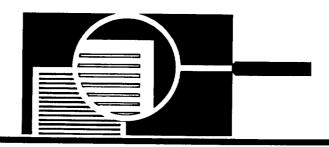
Research summaries



Children in 2-worker families and real family income

Howard V. Hayghe

In recent years, changes in marital trends and family stability, along with changes in the labor force activity of mothers, have affected the lives of many of the Nation's children. The high incidence of divorce, separation, and out-of-wedlock births during the 1970's and 1980's has led to an increase in the proportion of children living with just one parent. The rapid increase in the proportion of employed married mothers has resulted in continuing growth in the percentage of children in families in which both parents are working. And, as racial minorities have increased, so have the number and proportion of minority children.

This research summary is based on information collected annually in March as part of the Current Population Survey. It reviews the changing work patterns and composition of families with children, and trends in children's median family income. This measure of income differs somewhat from the more commonly used measure—median income of families with children. ²

Family trends

The primary change in the family situation of children has been the well-publicized increases in the proportion who are living in dual-worker families, that is, families with both parents employed (including fathers in the Armed Forces). Secondarily, the proportion living in single-parent families main-

tained by mothers has also increased. These developments, of course, were coupled with the decline in the number of children living in "traditional" families (two-parent families in which only the father was employed). At the same time, the total number of children under 18 years was also declining.

Dual-worker versus traditional families. In March 1988, 24.9 million children under the age of 18 lived in dual-worker families. These children accounted for 43 percent of the total in families. Just 13 years earlier, children in such families numbered 18.9 million and constituted barely 30 percent of the Nation's children. Meanwhile, the number in "traditional" families fell from about 29 million (46 percent of all children) to fewer than 17 million (29 percent of children). (See table 1.)

Children whose parents both work tend to be better off than other children. For instance, in 1987, median family income for children in dualworker families (\$41,000) was nearly 30 percent higher than for children in "traditional" families (\$32,000) and more than four times that of children in single-parent families maintained by women.

Single-parent versus two-parent families. The growth in the proportion of children living in single-parent families has not been as dramatic as the shift from "traditional" to dual-worker families. In 1975, 16 percent of children under 18 lived in single-parent families; by 1988, the proportion was 22 percent. The overwhelming majority of these children lived with their mothers, but a growing segment lived with their fathers.

Though small, this shift has some important implications for the well-being of children because of the employment situation of single parents,

especially mothers. As a group, these women face many difficulties that inhibit labor market success.³ Consequently, 45 percent of the children in single-parent families maintained by a woman lived with a mother who was either unemployed (7 percent) or not in the labor force (38 percent). Of the children in families maintained by unmarried men, 21 percent lived with a father who was not employed. In contrast, only 4 percent of the children in two-parent families had no employed parent.

Thus, as might be expected, children in families maintained by women tend to have very low incomes. In 1987, median family income for children living with single mothers was only \$9,000 (\$15,400 if the mother worked); it was \$20,800 for children living with single fathers. This compares to \$35,600 for children in two-parent families.

Race and Hispanic origin. Black children accounted for nearly 14 percent of all children in 1988, while the proportion who were Hispanic totaled almost 11 percent. Both proportions were somewhat higher than in 1975.

Typically, white and Hispanic children live in two-parent families, whereas a little more than half of black children are in single-parent families (53 percent). For each group, the proportion living in two-parent families has declined. The decline was least for whites (6 percentage points) and greatest for black children (about 10 percentage points). Among Hispanics, the decline was also substantial (from 80 percent in 1975 to 72 percent in 1988). (See table 2.)

For the children in these families, part of the significance of these shifts lies in the employment problems of single parents, the effects of which were discussed above. The majority of

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[Utility] costs accounted for a larger share of rural consumers' housing costs than of urban consumers'.9

Rural consumers also spent more per unit on health care than did urban consumers. . . . [They] more frequently paid the full cost of their health insurance policies while employers more frequently paid the cost of policies for urban consumers. 10

In general, the differences between expenditures in urban and rural areas found by Rogers were larger and more often significant than those discussed in this article. A divergence also occurred between specific comparisons. For example, Rogers found transportation expenditures and expenditure shares to be higher in rural areas, whereas here they were found to be larger in metropolitan areas. Also, in Rogers' study, rural consumer units were found to be more likely to own a home, while here metropolitan consumer units had a slightly higher incidence of homeownership. In general, then, most metropolitan/nonmetropolitan comparisons made in this article resemble urban/rural comparisons made by Rogers, although some important differences exist.

Conclusion

Significant differences exist between average expenditure patterns in metropolitan and nonmetropolitan urban areas. While generally these differences are similar to those of urban/rural comparisons (that is, higher income and expenditures in metropolitan and urban areas), the

Selected average annual entertainment Table 4. expenditures of metropolitan and nonmetropolitan urban consumer units, 1987

	Expe	enditures	S	Ohl amusus		
item	Metro- politan	Nonmetro- politan	Metro- politan	Nonmetro- politan	Chi-square statistic	
Entertainment	\$1,210	\$872	100.0	100.0	_	
Fees and admissions	363	188	30.0	21.6	18.55	
Fees for participant sports Admissions to sports	47	25	3.9	2.9	1.57	
events	20	10	1.7	1.1	.91	
concerts, etc	67	24	5.5	2.8	*9.40	
Club memberships Fees for recreation	83	47	6.9	5.4	1.87	
lessons	48	19	4.0	2.2	*5.20	
recreation	98	63	8.1	7.2	.54	
Televisions, radios and sound						
equipment	401	359	33.1	41.2	14.10	
Televisions	271	283	22.4	32.5	26.25	
equipment	130	76	10.7	8.7	2.34	
Pets, other entertainment						
supplies and equipment	446	325	36.9	37.3	.04	

NOTE: Asterisk indicates significance at the 5-percent level.

trends of item-level expenditures often follow very different paths in the two comparisons. With increasing metropolitan migration, this information will be useful in reaching a better understanding of future expenditure patterns nationwide.

Footnotes

¹ Bureau of the Census, News Release, Sept. 30, 1988.

² A consumer unit consists of all members of a particular housing unit or other type of living quarters who are related by blood, marriage, or adoption, or who are parties to some other legal arrangement, such as foster children. Determination of membership in a consumer unit in the case of unrelated persons is based on financial independence. The term "household" may be used interchangeably with "consumer

³ A non-MSA urban area is any city with population between 2,500 and 50,000.

⁴ N. M. Downie and R. W. Heath, Basic Statistical

Methods (New York, Harper and Row, 1974), pp. 193-

⁵ Health care expenditures include out-of-pocket expenditures only; reimbursed health costs are not recorded as health care expenditures.

⁶ John Rogers, "Expenditures of urban and rural consumers, 1972-73 to 1985," Monthly Labor Review, March 1988, pp. 41-46.

⁷ Ibid, p. 42.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

Table 3. Family characteristics of children by age, selected years, March 1975–88

Family characteristics	Children	n 6 to 17 y	years old	Children under 6 years old			
	1975	1980	1988	1975	1980	1988	
Total children (thousands)	45,208	41,788	38,554	18,366	17,927	19,887	
Two-parent families Traditional families1 Dual-worker families2	83.1	79.0	75.8	86.8	84.4	81.0	
	42.5	32.9	24.5	55.3	46.8	36.5	
	32.2	39.1	44.6	23.3	30.6	38.5	
Single-parent families Maintained by women ³ Maintained by men ³	16.9	21.0	24.2	13.2	15.6	19.0	
	15.4	19.1	21.2	12.7	14.6	16.6	
	1.6	1.9	2.9	.5	1.0	2.3	
White families	85.4	84.1	82.3	85.5	84.4	84.2	
Black families	13.0	13.5	14.2	12.6	12.7	12.4	
Hispanic-origin families	7.0	7.2	10.4	8.8	9.1	11.7	

¹ Father employed (including Armed Forces), mother not employed.

NOTE: Detail for the above race and Hispanicorigin groups will not sum to totals because the data for the "other" groups are not presented and Hispanics are included in both the white and black population groups.

Income trends: 1974-87

To the extent that income measures economic well-being, there has been little overall improvement in children's welfare over the period from 1974 to 1987. In fact, family income trends indicate that children's well-being declined, on average, in the early 1980's. However, as the economy recovered from the recession of the early 1980's,

family income began rising so that by 1987 some groups of children were in families with median incomes that were equal to, or slightly above, their 1974 levels (in constant 1987 dollars⁵). However, other groups were in families in which the median was below its 1974 level. (See table 4.)

In 1974, children's real median family income was about \$29,600. From 1974 to 1979, the median edged up-

ward. However, under the pressure of recession, the median fell to \$26,800 between 1979 and 1983. Subsequently, as the Nation entered a protracted growth period, the median rose, reaching \$30,000 in 1987—only a little above the 1974 level.

For children in dual-worker families, the trend in median family income was similar, with one important exception. During the period following 1983, as the economy rebounded, the family median for these children rose to reach about \$40,900 in 1987, compared with its 1974 level of \$37,900.

Children in "traditional" families experienced less variation in family income over the period. In 1974, median real income for children in "traditional" families was \$31,400; 13 years later, it was \$31,700. In between, the median was lowest in 1983 (\$28,900) and highest in 1979 (\$32,600).

Children in single-parent families maintained by women were not as fortunate as those in two-parent families. The families of these children—whose median income is far less than that of two-parent families anyway—did not participate in the post-1983 recovery experienced by children in two-parent families. Between 1974 and 1979, their median income was fairly stable

Table 4. Median family income in constant (1987) dollars for children under 18 years by family characteristics, 1974–87

Year	ĺ	in t	wo-parent far	nllies	In	In families maintained by men4	in white	in black families	in Hispanic- origin families
	Total children	Total	Traditional families ²	Dual- worker families ³	families maintained by women ⁴				
1974	\$29,560 28,340	\$32,675 31,639	\$31,402 30,319	\$37,860 36,482	\$11,116 10,754	\$23,702 23,248	\$31,361 30,101	\$17,051 16,505	\$21,313 19,438
1976 1977 1978 1979 1980	29,554 29,724 30,566 30,442 29,152	32,823 33,274 34,165 34,508 33,045	31,308 31,959 32,109 32,558 30,746	37,020 37,309 38,570 38,808 38,258	11,243 11,257 10,927 11,346 10,567	25,550 24,632 24,322 23,665 19,676	31,377 31,587 32,328 32,389 30,815	16,546 16,062 16,478 16,147 16,409	20,426 21,523 20,479 20,842 19,523
1981 1982 1983 1984	28,196 27,346 26,800 28,003 28,519	32,595 30,927 31,444 32,966 33,440	29,909 29,847 28,865 30,065 30,500	38,136 37,140 36,620 37,969 38,811	10,439 9,400 9,065 9,206 8,993	23,850 20,878 21,628 23,102 21,343	29,727 29,154 28,681 30,174 32,656	15,347 13,862 14,028 13,853 15,341	18,907 17,555 17,844 18,536
986	29,513 30,007	34,706 35,619	31,656 31,652	39,814 40,890	8,946 9,007	22,743 20,781	31,527 32,357	15,068 14,250	17,910 18,081 17,504

¹ CPI-U-X1 used to adjust nominal values. See footnote 5 of research summary for explanation.

² Father and mother employed (including father in Armed Forces).

³ No spouse present.

² Father employed (including Armed Forces), mother not employed.

³ Father and mother employed (including father in Armed Forces).

⁴ No spouse present.

Table 1. Family characteristics of children under 18 years, March 1975–88 [in percent]

	Total		Two-parent families			Single-parent families				Hispanic-
	children (thousands)	Total	Traditional familes ¹	Dual-worker families ²	Total	Maintained by women ³	Maintained by men ³	White families	Black families	origin families
1975 1976 1977 1978 1978 1979 1980	63,574 62,661 61,709 60,961 59,983 59,714 59,148 58,312	84.1 83.6 83.0 81.7 81.6 80.6 80.4 79.4	46.2 44.3 43.0 40.7 39.5 37.1 36.3 35.0	29.7 31.3 33.2 34.8 36.2 36.5 36.8 35.7	15.9 16.4 17.0 18.3 18.4 19.4 19.6 20.6	14.6 15.2 15.7 16.8 16.8 17.7 17.8	1.3 1.2 1.3 1.5 1.6 1.6	85.4 85.0 85.0 84.8 84.7 84.2 83.8 83.6	12.9 13.1 13.0 13.2 13.3 13.2 13.3	7.5 7.5 7.4 8.0 7.2 7.8 8.3 8.4
1983 1984 1985 1986 1987 1988	58,034 58,233 58,189 58,546 58,438 58,441	79.4 79.1 78.3 78.3 77.8 77.6	34.0 33.2 31.5 31.1 28.8 28.6	35.4 37.8 39.5 39.5 41.9 42.6	20.6 20.9 21.7 21.7 22.2 22.4	18.7 18.8 19.3 19.3 19.7 19.6	1.9 2.1 2.4 2.4 2.5 2.7	83.6 83.3 83.2 82.9 83.2 82.9	13.3 13.4 13.5 13.6 13.6 13.6	9.8 10.1 10.4 10.8

¹ Father employed (including Armed Forces), mother not employed.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because the data for the "other" groups are not presented and Hispanics are included in both the white and black population groups.

black and Hispanic children in such families (54 and 59 percent, respectively) lived with a parent who was not employed, compared with 37 percent of white children in such families.

At 28 percent for each group, the proportion of black and Hispanic children who were in dual-worker families was somewhat higher in 1988 than in 1975, while for white children the proportion rose sharply to reach 45 percent. Part of this differential resulted from the rapid increase among blacks and Hispanics in the proportion of children living in single-parent families. However, part was also because the labor force participation rate of white married mothers increased more rapidly than that of their black or Hispanic counterparts:

	Labor force participation rate					
	March	March	Differ-			
	1975	1988	ence			
White Black	43.6	64.1	20.5			
	58.4	76.0	17.6			
Hispanic origin	38.5	52.6	14.1			

Because the increase in white mothers' labor force participation rate was more rapid than that of black mothers, the traditional gap in participation between the two groups narrowed substantially. In contrast, the difference between the participation rates of white and Hispanic mothers widened between 1975 and 1988.

School- and preschool-age children. A higher proportion of school-age children are in dual-worker families than children under 6. This is because the mothers are far more likely to be in the labor force than those of preschoolers.4 Nonetheless, both proportions have increased sharply since 1975—from 32 percent to 45 percent of the schoolagers and from 23 percent to 39 percent of the preschoolers. Over the same period, of course, there were substantial declines in the proportions in "traditional" families among children in both age groups. (See table 3.)

For both preschool- and school-age children in single-parent families, the proportions with an employed parent rose between 1975 and 1988—from 39 to 44 percent of children under 6 and from 53 to 62 percent of children 6 to 17 years old. Nonetheless, these percentages remained far below those of children of similar ages living in married-couple families.

Table 2. Family characteristics of children by race and Hispanic origin, selected years, March 1975-88

Family characteristics	White			Black			Hispanic origin		
	1975	1980	1988	1975	1980	1988	1975	1980	1988
Total children (thousands) Percent in:	54,292	50,301	48,449	8,210	7,902	7,937	4,751	4,646	6,311
Two-parent families	88.1	85.4	82.4	56.9	49.5	47.3	80.3	77.4	71.7
Traditional families1	49.7	40.4	31.3	23.5	17.3	13.1	45.7	39.2	32.2
Dual-worker families ²	30.6	38.3	45.1	23.2	24.6	27.7	22.7	27.4	28.4
Single-parent families	11.9	14.6	17.6	43.1	50.5	52.7	19.8	22.6	28.3
Maintained by women ³	10.7	13.0	14.9	41.6	48.6	49.5	18.7	21.1	25.4
Maintained by men3	1.2	1.6	2.7	1.5	2.0	3.2	1.1	1.6	2.9

¹ Father employed (including Armed Forces), mother not employed.

Note: Detail for the above race and Hispanicorigin groups will not sum to totals because the data for the "other" groups are not presented and Hispanics are included in both the white and black population groups.

² Father and mother employed (including father in Armed Forces).

³ No spouse present.

² Father and mother employed (including father in Armed Forces).

³ No spouse present.

at around \$11,000 a year. However, from 1980 to 1983, the median fell to about \$9,000, where it has remained since

Part of the reason why children in these families did not participate in the economic expansion of the 1980's was attributable to changes in the composition of families maintained by women. Since 1975, the proportion of these families in which the householder was never married grew from about 13 percent to 21 percent. These women are typically very young, have completed relatively few years of schooling, and hence are not likely to possess the skills and experience necessary to obtain today's jobs. In addition, the proportion of such families that were black or Hispanic also rose, and black and Hispanic single mothers typically experienced labor market difficulties and consequently low median income.

Black and Hispanic children's median family income fell gradually over most of the 13-year period. In contrast, income for children in white families. which declined during the early 1980's began to rise after 1983, returning to its 1979 level. The result was that in terms of economic well-being, black and Hispanic children fell further behind whites, as shown by the change in the ratios of black and Hispanic children's median family income to that of white children:

	Family ra	
	1974	1987
Black/white	54.4	44.0
Hispanic/white	68.0	54.1

The difference in income trends between white children, on the one hand, and black and Hispanic children, on the other, partly reflects the changes in their family composition shown in table 3.

Families whose youngest children are 6 to 17 years old typically have higher median incomes than those with children under 6 years. This difference is partly because young children frequently have young parents, and earnings vary directly with the age of the earner. Also, the needs of very young children often restrict the ability of parents-especially the mothers-to work or find work. (See table 5:)

Median family income in constant (1987) dollars¹ for Table 5. children by age and family characteristics, selected years, 1974-87

Family characteristics	1974	1977	1980	1983	1987
Children 6 to 17 years					
Total	\$31,575	\$31,438	\$30,920	\$28,416	\$31,366
In two-parent families	35,248	35,421	35,562	33,712	37,690
Traditional ²	29,893	34,132	32,936	31,274	33,282
Dual-worker ³	39,543	39,296	40,317	38,310	42,432
In families maintained by women4	12,487	12,458	12,231	10,736	10,517
In families maintained by men ⁴	24,113	26,202	21,560	25,160	25,270
White	33,688	33,439	32,777	30,646	33,864
Black	17,666	16,993	17,127	14,657	15,116
Hispanic origin	22,789	23,130	20,742	19,083	18,485
Children under 6 years					
Total	\$25,800	\$25,099	\$25,663	\$23,982	\$27,503
In two-parent families	27,917	28,820	28,731	27,440	32,396
Traditional ²	27,497	28,286	27,477	26,107	29,633
Dual-worker ³	31,962	31,605	32,883	32,658	37,623
In families maintained by women4	8,193	7,353	6,968	6,207	6,397
In families maintained by men ⁴	16,780	20,086	15,506	14,158	14,543
White	26,896	27,572	26,943	25,597	29,668
Black	15,574	13,143	14,620	11,978	12,357
Hispanic origin	18,810	19,016	17,442	15,681	15,474

¹ CPI-U-X1 used to adjust nominal values. See footnote 5 at end of report for explanation.

WHAT ARE SOME OF the implications of these income trends? In the short term, of course, children whose family incomes are declining or lagging may not be receiving adequate food, shelter, clothing, or health care. Moreover, participation in organized social and educational activities available outside the schools may prove difficult for children from these groups.

The long-term impact of these income trends is more problematic, especially for children in single-parent families. This group varies continuously as parents remarry or divorce; the children may actually spend only a small part of their childhood in lowincome, single-parent households.⁷ However, to the degree that income affects educational and skill-training opportunities, children from singleparent, black, or Hispanic families may not be able to compete effectively as adults in the labor market. Thus, to the extent that jobs requiring highly skilled, educated workers predominate in the future,8 these children may be more likely to be relegated to lower skilled, low-paying work when they enter the labor force.

Footnotes

¹ The Current Population Survey is a sample survey of about 55,800 households with coverage in each of the 50 States and the District of Columbia, conducted by the Bureau of the Census for the Bureau of Labor Statistics. Its purpose is to collect information on the employment status of persons in the noninstitutional population age 16 and over. Each March, additional questions are asked regarding household members' work experience in the prior year and the amount of money income they received from all sources.

² The measure of income used in this report is the median family income of children. This median is based on the frequency distribution of children by family income. Because many families contain more than one child (in March 1988, 58.4 million children lived in 32.3 million families), the frequency distribution of children by family income differs from that of families with children. In the distribution of families, the income of each family unit is represented only once, whereas in a distribution of children by their families' income, the income of family units can be represented more than once, depending on the number of children in each family. As a result, the dollar value of children's median family income (about \$30,000 in 1987)

² Father employed (including Armed Forces), mother not employed.

³ Father and mother employed (including father in Armed Forces)

⁴ No spouse present.

differs somewhat from that of families with children (about \$30,720).

³ See, for example, B. L. Johnson and E. Waldman, "Most women who head families receive poor job market returns," Monthly Labor Review, December 1983, pp. 30-34.

⁴ See, for example, Bureau of Labor Statistics, "Labor Force Participation Unchanged Among Mothers with Young Children," USDL news release 88-431, Sept. 7, 1988, table 1.

⁵ In this report, the CPI-U-X1 (Consumer Price Index for All Urban Consumers experimental series) was used to convert nominal-dollar income to constant-dollar income. This is one of several experimental price indices developed by the Bureau of Labor Statistics to incorporate a rental equivalence factor for home ownership into the CPI-U. The CPI-U presently includes the rental equivalency only from 1983 forward. The CPI-U-X1 was used here to provide a deflator for years prior to 1983 that is consistent with current usage. See the appendix in M. W. Horrigan and S. E. Haugen, "The declining middle-class thesis: a sensitivity analysis," Monthly Labor Review, May 1988, pp. 3-13.

See, for example, Bureau of Labor Statistics, "Usual Weekly Earnings of Wage and Salary Workers: First Quarter 1989," USDL news release 89-194, Apr. 26, 1989, table 2.

⁷ For a discussion of changes in family composition and its relation to family income, see J. N. Morgan, D. Dickinson, J. Dickinson, J. Benus, and G. Duncan, Five Thousand Families-Patterns of Economic Progress, (Ann Arbor, University of Michigan, Institute for Social Science Research, 1974), pp. 99-122.

⁸ See G. T. Silvestri and J. M. Lukasiewicz, "A look at occupational employment trends to the year 2000," Monthly Labor Review, September 1987, pp. 46-64.

Child care options of employed women

Approximately \$14 billion was spent on child care in 1986 by families with

children under age 15, according to provisional data from the Commerce Department's Survey of Income and Program Participation. About 18.2 million working women with children took part in the survey conducted over the September to November 1986 period. One-third of the respondents reported making weekly payments for child care at an average cost of \$45 a week. Thirty-three percent of women above the poverty line reported payments, compared with 21 percent of women who were below the poverty line.

The average weekly payment for child care amounted to 6 percent of monthly family income. The average payment for women with family income below the poverty level was \$32. or 22 percent of their monthly income. Those with monthly family income of more than \$3,750 spent \$58 weekly, or 4 percent of monthly income.

The following are the average monthly income of families with working mothers with children under age 15 and the average weekly expenditure for child care, by race and Hispanic origin:

	Monthly income	Weekly expenditure
Total	\$3,048	\$45.20
White	3,071	45.60
Black		36.80
Hispanic origin		43.90

Of the 9 million preschool children of working mothers, 41 percent were cared for in someone else's home and 21 percent attended a group day care facility, nursery school, or preschool. The proportion of preschoolers cared for by their mothers at work was 6.7 percent. This proportion is usually highest before school commences.

The following are the day care arrangements reported in the fall of 1986 for both preschoolers and children 5 years or older:

	Under age 5	Ages 5–14
Total (thousands) Arrangement (percent): .	9,046 100	19,976 100
Child's home	29.7	13.8
Another's home	41.3	5.4
Day/group care center	14.7	1.9
Nursery school/pre- school	6.4	.9
Kindergarten/grade		
school	1.2	69.9
Child cares for self	_	4.9
Mother cares for child		
at work	6.7	3.2

As shown, about 70 percent of the 20 million children ages 5 to 14 were reported to be in school while their mothers worked; only a little more than 7 percent were cared for outside their homes. Parental care for children in this age group accounted for one-fifth of all arrangements in the summer, compared with one-tenth in the fall. Moreover, 13 percent were left to their own supervision during the summer, compared with 5 percent in the fall.

The Census Bureau cautions that the data come from two national samples of the Survey of Income and Program Participation and are subject to various errors, such as undercoverage of the population, processing errors, and respondent reporting errors. A forthcoming report will include final statistics for 1986 and 1987.

> -Laurie B. Lande, Office of Publications.