Family characteristics and economic well-being in the United States: Comparing the recent recession with the recessions of the early 1980s

This project seeks to address how family incomes were impacted by recession, how this differs across individuals with different family characteristics, and whether these impacts were similar across recessions. Between the late 1970s/early 1980s and the late 2000s, there were several important changes in families and households which may be associated with how the recession affects economic well-being. Notably, women’s employment rates rose substantially, women’s contributions to family incomes increased considerably, and family structures diversified. The increases in women’s employment rates between these recessions were concentrated among mothers of young children and married women. Household composition and family structures shifted so that more women were raising children without a partner and more women were delaying marriage and remaining childless longer.

These changes in women’s employment and family life lessened women’s reliance on men’s incomes but also made their economic wellbeing more sensitive to their own employment status. Additionally, over this period the amount of government assistance which poor families with children could expect to receive decreased substantially following the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, which effectively eliminated poor women's guarantee of a minimum income for themselves and their children.

Given numerous social and policy changes that have affected women differently across time, I hypothesized that the relationship between women’s family characteristics and their experiences of poverty, relative poverty, and having a below median income would vary across time periods. Instead, I find that the associations between family characteristics—measured by a combination of marital status and motherhood status—and the recession’s impact on women’s family incomes remained fairly stable across time periods.

In this paper, I compare rates of poverty, relative poverty, and below average income for women with different family characteristics before and during recessions in two time periods. I find that although single mothers have high levels of poverty, relative poverty, and low income, the rate of poverty for married mothers increases more than that for single mothers. The disproportionate increase in poverty for married women during recessions can be seen in simple descriptive statistics but is also confirmed in logit models predicting poverty. Additionally, I find that the early 1980s recession was associated with a greater increase in poverty rates than the current recession. But, notably, poverty rates for working-age women were greater in the late 2000s prior to the recession than they were in the period prior to the early 1980s recession. The other two income measures – relative poverty and below median income – show smaller changes between non-recession and recession years.