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A Good Employee or a Good Parent? Challenges Facing Low-Income Working Families

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ARTICLE

A GOOD EMPLOYEE OR A GOOD PARENT? CHALLENGES FACING LOW-INCOME WORKING FAMILIES

GREGORY ACS*

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I. INTRODUCTION

All working parents face challenges in balancing the needs of their children with the needs of their employers. These challenges are particularly acute for low-income families because their jobs pay less, offer fewer benefits and provide less flexibility than jobs held by high-income work-

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ers.[1] Picking up a sick child from school or day care may be a significant inconvenience for a high-income working parent, but for a low-income working parent it can mean lost wages or even a lost job—and then there may be the cost of a doctor's visit without health insurance.

For some, the solution to achieving a balance between work and family is to raise children in the context of two-parent families where one parent works outside the home while the other parent attends to the home and children. Yet, this "solution" rests on the debatable belief that maternal work is harmful to children and ignores the fact that work is not optional for many low- and middle-income families, especially single-parent families.

This paper begins by reviewing the research on the relationship between parental work, particularly maternal work, and child well-being and family functioning. It then examines the characteristics of low-income working families and the jobs working parents hold to highlight the challenges these parents face in meeting the material and developmental needs of their children. Finally, it discusses policies and employer practices that may help low-income working parents achieve a better, more stable work-family balance.

II. Parental Work and Child Well-Being

The "Mommy Wars" grab newspaper headlines every six months or so, whenever the press latches on to a research finding that may indicate that kids suffer (or benefit) when their mothers go to work.[2] Indeed, one cannot blame the general public for being confused about the benefits and costs of having mothers work outside the home. This question, however, is largely moot for low-income and single-parent families; they simply must work to put food on the table, keep a roof over their heads and put clothes on their backs. Nevertheless, understanding the implications of parental, specifically maternal, work on child well-being is an important place to begin considering how the workplace can be restructured to better accommodate family life.

Researchers have posited multiple causal mechanisms by which maternal work can have both positive and negative influences on family life and child well-being.[3] Maternal work may benefit families and children. At the

1. Unless otherwise noted, "low-income" and "high-income" are descriptive terms used to distinguish roughly between families in the bottom third to two-fifths of the income distribution (low-income) from those in the upper three-fifths to two-thirds of the income distribution (high income). As such, high-income stands in contrast to low-income and encompasses "middle class" families as well.

2. *See* E.J. Graff, *The Mommy War Machine*, Wash. Post, Apr. 29, 2007, at B1, *available at* http://www.washingtonpost.com/wp-dyn/content/article/2007/04/27/AR2007042702043.html (discussing media coverage on working mothers).

3. Theories of how maternal work may influence children appear throughout the social science research literature, and it is common for a single paper to posit multiple theories. Here, I present, without specific attribution, my synthesis of these theories.

most basic level, work brings income into the family and improves the family's material well-being. Also, individuals who work, particularly low-income individuals and those who rely on public assistance, may gain self-esteem from working for pay. Mothers with higher self-esteem may be better parents. Finally, by going to work regularly, mothers may be imparting a strong work ethic in their children.

On the other hand, market work may have detrimental consequences for families and children. Clearly, the time a mother spends at work is time she is not devoting to her children. Further, the stress of work and commuting can put a strain on family relationships, and households with higher stress may take a toll on children.

Balancing the benefits and costs of work is a challenge for parents and researchers alike. A major reason why the research findings seem so confused is that different aspects of work affect different aspects of well-being. Indeed, the implications of parental work may be different for children's cognitive development, emotional health and behavior, and material well-being. Further, the net effects may vary by family type and by the age, sex, and race or ethnicity of children. Below, I highlight some of the more important differences among research studies and then draw out some of the key empirical findings on the links between parental work and child well-being.

A. *How Studies Vary*[4]

Two key areas of difference across the research on work and child well-being are (1) how work is measured, and (2) what population is being studied. Parental work can be measured in myriad ways. One can simply compare the outcomes of children whose mothers do not work outside the home with those that do, but this latter group is quite diverse and consists of those working only a few hours a week as well as those working half-time, full-time and beyond. More nuanced approaches distinguish between full-time and part-time work or actually examine the number of hours worked. Others also consider the number of jobs a mother holds at the same time. It would not be at all surprising to find that child outcomes vary both by whether the mother works and the amount she works.

Further, maternal work may have different implications for different types of families. The extra income generated by working mothers in high-income families may have only modest effects on children's material well-being as compared with low-income families, but the time these mothers spend at work may exact the same or a greater toll on them and their children. Similarly, the implications of work may differ between married mothers and single mothers. Thus, studies that focus only on low-income

4. Here again, I present my characterization of key differences in the research approaches taken in the social science literature on this topic.

families or single-mother families may reach different conclusions than those that include a wider spectrum of families. Maternal work may also have differential impacts on children at different ages. For example, maternal part-time work may not be an issue for school-age children but may be associated with worse outcomes for infants and toddlers.[5] Finally, mothers do not work in a void. When they go to work, their children are often placed in a child care setting. It is important to distinguish the effects of maternal work from the effects of different types and qualities of child care on child outcomes.

B. *Findings for Mothers with Young Children*

A particularly robust finding in the literature is that maternal work, especially full-time work, during a child's first year of life is associated with lower cognitive development as measured at school entry using children's scores on standardized tests such as the Peabody Individual Achievement Test (PIAT).[6] These differences are apparent even when variation in the characteristics of mothers and families are taken into account. In contrast, older children whose mothers work tend to have higher cognitive test scores than children whose mothers do not work.[7] When studies draw a distinction between high- and low-income mothers, they find fewer negative associations between maternal work and child outcomes among low-

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5. Lois Wladis Hoffman, *Effects of Maternal Employment in the Two-Parent Family*, 44 AM. PSYCHOLOGIST 283, 283–92 (1989). Hoffman provides a review of research on parental work and child well-being that emphasizes the importance of taking into account differences between families and children that may mediate or moderate the effects of parental employment. Hoffman also emphasizes the challenges and importance of assessing enduring effects—those that influence children's outcomes later in life.

6. *See* Charles L. Baum II, *Does Early Maternal Employment Harm Child Development? An Analysis of the Potential Benefits of Leave Taking*, 21 J. LAB. & ECON. 409, 427–32 (2003); Nazli Baydar & Jeanne Brooks-Gunn, *Effects of Maternal Employment and Child-Care Arrangements on Preschoolers' Cognitive and Behavioral Outcomes: Evidence from the Children of the National Longitudinal Survey of Youth*, 27 DEVELOPMENTAL PSYCHOL. 932, 938–39 (1991); Jay Belsky & David Eggebeen, *Early and Extensive Maternal Employment and Young Children's Socio Emotional Development: Children of the National Longitudinal Survey of Youth*, 53 J. MARRIAGE & FAM. 1083 (1991); Francine D. Blau & Adam J. Grossberg, *Maternal Labor Supply and Children's Cognitive Development*, 74 REV. ECON. & STAT. 474 (1992); Jeanne Brooks–Gunn, Wen–Jui Han & Jane Waldfogel, *Maternal Employment and the Child Cognitive Outcomes in the First Three Years of Life: The NICHO Study of Early Child Care*, 73 CHILD DEV. 1052, 1058–59 (2002); Sonalde Desai, P. Lindsay Chase-Lansdale & Robert T. Michael, *Mother or Market? Effects of Maternal Employment on the Intellectual Ability of 4-Year-Old Children*, 26 DEMOGRAPHY 545 (1989); Wen-Jui Han, Jane Waldfogel & Jeanne Brooks-Gunn, *The Effects of Early Maternal Employment on Later Cognitive and Behavioral Outcomes*, 63 J. MARRIAGE & FAM. 336 (2001); Jennifer L. Hill, Jane Waldfogel, Jeanne Brooks-Gunn & Wen-Jui Han, *Maternal Employment and Child Development: A Fresh Look Using Newer Methods*, 41 DEVELOPMENTAL PSYCHOL. 833, 840–43 (2005); Susanne James-Burdumy, *The Effect of Maternal Labor Force Participation on Child Development*, 23 J. LAB. & ECON. 177, 193–99 (2005); Christopher J. Ruhm, *Parental Employment and Child Cognitive Development*, 39 J. HUM. RESOURCES 155, 176–77 (2004).

7. *See* Blau & Grossberg, *supra* note 6; James-Burdumy, *supra* note 6; Ruhm, *supra* note 6.

income families than among high-income families, although there is some controversy in the literature around this point.[8] There is no clear theoretical explanation as to why the effects of work should vary by income level, but some suggest that differences in parental style between low- and high-income parents may be an important contributing factor.[9] High-income parents tend to emphasize verbal reasoning, enroll their children in extracurricular activities, and cultivate a sense of independence (making reasonable choices within a structured environment) while low-income parents tend to emphasize obedience; the former is associated with better child outcomes.[10] When their mothers go to work, children in high-income families may be missing out on higher-quality parenting than children in low-income families. It is important, however, to keep in mind that low-income parents may need to be stricter with their children than high-income parents simply because the communities in which low-income families reside may be less child-friendly (e.g., more traffic and more antisocial behavior).[11]

Taken together, the general findings in the research suggest that children benefit in the long run if their mothers can stay home during their infancy. Policies like family and medical leave are important steps toward helping mothers stay home with their newborns. There is little evidence to suggest that maternal work is harmful to children later in their childhood.

C. *Findings on Maternal Work and Adolescents*

The parenting needs of teenagers differ from those of infants, toddlers and young children. Not only do teenagers with working mothers have less supervision than other teens, but they are also called upon to substitute for their mothers in caring for younger siblings.[12] This could contribute to poorer outcomes in areas such as school performance. On the other hand, some argue that maternal work, particularly among single mothers, stabilizes family routines and leads to improved outcomes for teens.[13]

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8. For example, while Hill et al. and Desai et al. find weaker effects of maternal employment on low-income children, Han et al. and James-Burdumy do not.

9. *See* ANNETTE LAREAU, UNEQUAL CHILDHOODS: CLASS, RACE AND FAMILY LIFE (2003).

10. *See* Elizabeth G. Menaghan & Toby L. Parcel, *Social Sources of Change in Children's Home Environments: The Effects of Parental Occupational Experiences and Family Conditions*, 57 J. MARRIAGE & FAM. 69 (1995).

11. Douglas Kirby, Karin Coyle & Jeffrey B. Gould, *Manifestations of Poverty and Birthrates Among Young Teenagers in California Zip Code Areas*, 33 FAM. PLAN. PERSP. 63 (2001); Jens Ludwig, Greg J. Duncan & Paul Hirschfield, *Urban Poverty and Juvenile Crime: Evidence from a Randomized Housing-Mobility Experiment*, 116 Q. J. ECON. 655 (2001).

12. Linda M. Burton, Laura Lein & Amy Kolak, *The Walls of Jericho: Health and Mothers' Employment in Low-Income Families*, *in* WORK, FAMILY, HEALTH, AND WELL-BEING 493 (Suzanne M. Bianchi et al. eds., 2005); JODY HEYMANN, THE WIDENING GAP: WHY AMERICA'S WORKING FAMILIES ARE IN JEOPARDY—AND WHAT CAN BE DONE ABOUT IT (2001).

13. *See* P. Lindsay Chase-Lansdale et al., *Mothers' Transitions from Welfare to Work and the Well-Being of Preschoolers and Adolescents*, 299 SCI. 1469, 1548–52 (2003).

The empirical evidence on this question is quite mixed. In examining transitions from welfare to work, Gennetian found some evidence that teens' school-based outcomes suffer when their mothers go to work.[14] In contrast, Chase-Lansdale et al. found that when mothers go to work, their teens' mental health and behavior improve.[15] Finally, it is interesting to note that research examining changes in teens' time spent caring for younger siblings suggests that high-income teens from two-parent families are more likely to be called upon to increase their sibling care duties than low-income teens from low-income families, although it is not clear that this should be the case.[16]

D. *Child Care, Work Schedules and Child Well-Being*

When parents go to work, young children need to be placed in the care of others, and it is possible that child care settings influence children's current and future well-being. To a certain extent, the effects of parental work on children may be mediated through child care. There is a voluminous body of research on the relationship between child care choice and child well-being that was exhaustively summarized by Vandell and Wolfe.[17] They suggested that the research shows that high-quality, center-based child care is much better for children than low-quality center care, in-home day care, and non-parent relative-based care.[18] Thus, as long as parents can find and afford high-quality child care, placing their children in child care while they are at work is unlikely to adversely affect their children's well-being.

Parental work schedules may also play a role in influencing child development and well-being. Nonstandard work schedules may place great strains on a family. In two-parent families in which the parents work different shifts, children benefit from having parental care as well as from the income generated and child care cost savings; however, this type of arrangement puts a strain on couples' relationships and ultimately may adversely affect children through increased stress at home, lower-quality parenting practices or their parents' separation or divorce.[19] Further, evi-

14. Lisa A. Gennetian, *How Sibling Composition Affects Adolescent Schooling Outcomes When Welfare Reform Policies Increase Maternal Employment*, 30 E. ECON. J. 81, 81–82 (2004).

15. Chase-Lansdale et al., *supra* note 13.

16. *See* JEFFREY CAPIZZANO, REGAN MAIN & SANDI NELSON, ADOLESCENTS ASSUMING ADULT ROLES: FACTORS ASSOCIATED WITH TEENS PROVIDING CHILD CARE FOR YOUNGER SIBLINGS (The Urban Inst. 2004).

17. *See* Deborah Lowe Vandell & Barbara Wolfe, *Child Care Quality: Does It Matter and Does It Need To Be Improved?*, 78 INST. FOR RESEARCH ON POVERTY (SPECIAL REPORT) I (2000).

18. Quality is generally measured in reference to the structural features of the child care setting: e.g., staff-to-child ratio, training of staff, available space, and equipment.

19. *See* Wen-Jui Han, *Nonstandard Work Schedules and Child Care Decisions: Evidence from the NICHD Study of Early Child Care*, 19 EARLY CHILDHOOD RES. Q. 231 (2004); S. Jody Heymann & Alison Earle, *Low-Income Parents: How Do Working Conditions Affect Their Opportunity to Help School-Age Children at Risk?*, 37 AM. EDUC. RES. Q. 833 (2000); HARRIET B. PRESSER, WORKING IN A 24/7 HOUR ECONOMY: CHALLENGES FOR AMERICAN FAMILIES (2005);

dence suggests that having a parent who works a nonstandard schedule (i.e., not the typical morning to late afternoon/early evening shift) adversely affects some child outcomes. For example, if mothers work nonstandard hours, their children are less likely to engage in extracurricular activities,[20] more likely to exhibit behavioral problems,[21] and more likely to have lower test scores.[22]

Some research focuses specifically on low-income families and the relationship between nonstandard hours and child well-being. When Ross Phillips focused on children in low-income, single-mother families, she found no significant correlation between maternal nonstandard working hours and children's behavior, school engagement or extracurricular activities.[23] Similarly, Dunifon, Kalil, and Danziger found no effects of night-shift work on children of welfare mothers; however, they did find that lengthy commutes for working mothers contributed to higher levels of anti-social behavior among their children.[24] Finally, Henly and Lambert focused on low-income mothers who work irregular or rotating shifts. Irregular scheduling can create child care problems, but Henly and Lambert did not extend their analysis to focus on the direct effects of irregular shifts on child well-being.[25] Dunifon et al., by contrast, found little evidence of direct effects of irregular work shifts for welfare mothers on child well-being.[26]

Finally, workplace flexibility, specifically the ability to take a day or two off without prior permission through the use of sick days, personal days or paid (or even unpaid) time off, may also influence child well-being. For example, Heymann cited research indicating that children whose parents can take time off are more likely to receive needed medical care and are less likely to see their illnesses escalate into more serious conditions.[27] Further,

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Harriet B. Presser, *Nonstandard Work Schedules and Marital Instability*, 62 J. MARRIAGE & FAM. 93 (2000); Lynn White & Bruce Keith, *The Effect of Shift Work on the Quality and Stability of Marital Relations*, 52 J. MARRIAGE & FAM. 453 (1990).

20. *See* KATHERIN ROSS PHILLIPS, PARENT WORK AND CHILD WELL-BEING IN LOW-INCOME FAMILIES (The Urban Inst. 2002).

21. Behavioral problems are commonly measured using standard indices such as the Behavioral Problem Index. *See* James L. Peterson & Nicholas Zill, *Marital Disruption, Parent-Child Relationships, and Behavior Problems in Children*, 48 J. MARRIAGE & FAM. 295 (1986).

22. *See* Han, *supra* note 19.

23. *See* ROSS PHILLIPS, *supra* note 20.

24. Rachel Dunifon, Ariel Kalil & Sandra K. Danziger, *Maternal Work Behavior Under Welfare Reform: How Does the Transition from Welfare to Work Affect Child Development?*, 25 CHILD. YOUTH SERVICES REV. 55 (2003).

25. Julia R. Henley & Susan Lambert, *Nonstandard Work and Child-Care Needs of Low-Income Parents*, *in* WORK, FAMILY, HEALTH, AND WELL-BEING, *supra* note 12, at 493.

26. Dunifon, Kalil & Danzinger, *supra* note 24.

27. *See The Healthy Families Act: Hearing on s.910 Before the S. Comm. on Health, Education, Labor, and Pensions*, 110th Cong. 3 (2007), *available at* http://help.senate.gov/Hearings/2007_02_13/2007_02_13.html (statement of Jody Heymann, Founding Director, Institute for Health and Social Policy).

hospitalized children have shorter recovery periods when their parents can help with their care.[28]

Overall, certain aspects of parental work clearly influence child well-being. Working parents need quality child care for their young children. Very long hours and unpredictable schedules may affect children, but these effects are diffuse and operate through complex mechanisms, such as the additional strain in parental relationships or by complication of child care arrangements. Finally, inflexible workplaces make it hard for parents to address emergent, acute needs of their children.

III. A Profile of Low-Income Working Families with Children

Although the research suggesting parental work is not, per se, harmful to low-income children, it clearly indicates that low-income working parents have job attributes that are associated with poorer child outcomes. Low-income working families by definition have less income, and they may find it particularly hard to find affordable high-quality child care. In addition, research indicates that they have less flexible jobs.[29] Below, I describe the work and family circumstances of these families drawing on tabulations from the National Survey of America's Families (NSAF) as presented in Acs and Nichols as well as Acs and Loprest.[30]

For the purposes of this paper, a low-income working family is defined as a family headed by a non-elderly adult in which at least one child is present, at least one adult works full-time and full-year, and whose income falls below two hundred percent of the federal poverty line (about $41,000 a year for a family of four in 2006).[31] Under this definition, there were 7.8 million low-income working families in the U.S. in 2002 and another 1.5 million had substantial part-time work; the adults in these moderate-work families averaged at least one thousand hours of work a year, but no single adult worked full-time and full-year.[32] Nearly one out of five non-elderly families with children were low-income working families.[33]

Table 1, below, presents the family characteristics of low-income working families and, to place them in context, compares them to those of

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28. *Id.*

29. James T. Bond & Ellen Galinsky, What Workplace Flexibility is Available to Entry-Level, Hourly Employees? (Fam. & Work Inst. 2006), *available at* http://familiesandwork.org/site/research/reports/brief3.pdf.

30. Gregory Acs & Pamela Loprest, Who Are Low-Income Working Families? (The Urban Inst. 2005) (providing a description of the data and methods used); Gregory Acs & Austin Nichols, Working to Make Ends Meet: Understanding the Income and Expenses of America's Low-Income Families (The Urban Inst. 2005), *available at* http://www.urbaninstitute.org/UploadedPDF/311243_make_ends_meet.pdf.

31. U.S. Census Bureau, Housing and Household Economic Statistics Division, Poverty Thresholds 2006 (2006), *available at* http://www.census.gov/hhes/www/poverty/threshld/thresh06.html.

32. Author's tabulations.

33. Author's tabulations.

moderate-income working families. Moderate-income families had incomes between two hundred and three hundred percent of the federal poverty line. Only one in five low-income working families were single-parent families while forty-six percent of low-income working families were headed by married couples and thirty-three percent had multiple adults present. In contrast, slightly over half of all moderate-income working families were married-couple families, and about one in six were single-parent families.

Low-income working families have more children than moderate-income working families. Indeed, about two out of five low-income working families had three or more children compared with about one out of four moderate-income working families. The differences between low-income and moderate-income working families are not confined to family type and size. The heads of working low-income families were far less educated than their counterparts in moderate-income families. While 27.6 percent of low-income families were headed by a high school dropout, only 11.3 percent of working moderate-income family heads did not earn a high school degree. Similarly, only 7.9 percent of working low-income family heads were college graduates compared with eighteen percent of moderate-income family heads.

There are also significant and substantial differences in the racial, ethnic, and immigration status of high-work, low- and moderate-income families. Almost seventy-five percent of moderate-income families were headed by non-Hispanic whites compared with nearly sixty percent of low-income families. Working low-income families were less likely to be headed by a U.S. born citizen than their moderate-income counterparts (68.6 versus 85 percent). Low-income families were almost three times more likely to have non-citizen heads than moderate-income families (22.6 versus 8 percent).

The heads of working low-income families tended to be younger than the heads of moderate-income families. Almost one-quarter of low-income families were headed by someone under the age of thirty compared with 18.2 percent of moderate-income families. Thus, to a certain extent, low-income status among high-work families may be due in part to youth and inexperience. It is important, however, to note that the vast majority of working low-income families (seventy-five percent) were headed by someone age thirty or over. Because workers over age thirty are already in their prime earnings years,[34] it is unlikely that working low-income families will naturally move up the income scale as their heads age and gain experience.

Table 2, below, examines the jobs held by the heads of working low-income families and compares them with those held by their counterparts in moderate-income families. The key difference between the jobs held by the

34. RICHARD S. TOIKKA & ANDRE R. NEVEU, THE EXPECTED LIFETIME EARNINGS OF CHILDREN IN THE UNITED STATES 19 ex.11 (2004), *available at* http://www.ced.org/docs/report/report_ivk_toikka_2004.pdf (providing an empirical demonstration).

heads of these two types of families is their average hourly earnings; the heads of low-income families who worked full-time and full-year earned an average of $9.59 an hour as compared with $15.01 an hour for the heads of moderate-income working families. Beyond wage-rate differences, low-income working families were much less likely to receive health insurance from their jobs (forty-nine versus seventy-seven percent) and less likely to have paid leave (seventy-six versus eighty-seven percent). They were also slightly less likely to work a standard daytime schedule (eighty versus eighty-four percent).

The lower levels of economic resources available to low-income working families contribute to their higher levels of economic stress when compared with moderate-income working families. Low-income working families were more likely to be food insecure (twenty-eight versus sixteen percent), housing insecure (twenty-eight versus nineteen percent), and uninsured (thirty-six versus sixteen percent) than moderate-income working families.[35]

Clearly, low-income working families are struggling more than families just one rung above them on the economic ladder. Their jobs simply do not offer them the same level of pay, benefits and flexibility as those held by moderate-income families. Finally, although there are some clear differences in the demographic characteristics of low-income and moderate-income working families that likely contributed to the differences in job quality and material well-being, it is important to note that most low-income families were headed by high school graduates in their prime earning years. Only one in five were headed by single parents and nearly four in five were U.S. citizens. Although programs aimed at increasing the skills of low-income working family heads could lead to better and more flexible jobs for some, there are a large number of families that are low-income despite working and must negotiate the challenges of balancing work and family obligations with limited resources.

IV. Public and Private Approaches to Help Balance Work and Family

Research on the relationships between parental work and child well-being along with an understanding of the family and job characteristics of low-income working families provide a sound foundation for discussing private and public approaches for helping low-income working families meet the needs of their children and employers. The key findings noted above to be kept in mind are the following:

35. "Food insecure" means the family skipped meals due to lack of money for food or being worried about having enough food to last the month. "Housing insecure" means that the family had trouble paying the rent or mortgage. *See* Acs & Nichols, *supra* note 30 (providing detailed descriptions).

- Research indicates that maternal work *after* a child's first year of life is *not* strongly associated with poorer outcomes for children, especially for low-income children.
- Child care quality is an important mediating factor for protecting and enhancing child well-being for working parents. Children in non-parent care settings fare better in high-quality, center based settings than in other settings such as non-parent relative care. High-quality care may be costly.
- Low-income families suffer greater material hardships (as measured by food and housing insecurity) than moderate-income families.
- Working low-income families have less flexible jobs and fewer workplace benefits than moderate-income families.
- Children's health is improved when their parents can take time off to be with them when they are ill.

These findings suggest three major courses of action: (1) increase the cash or non-cash income of low-income families to assure they can meet their material needs; (2) increase workplace flexibility to allow workers in low-income families to address emergent situations before they escalate; and (3) improve the quality and accessibility of high-quality child care. Both the public and private sectors can contribute to these goals.

A. *Improving the Material Well-Being of Low-Income Working Families*

Private sector employers have responsibilities to their owners and shareholders and will not increase the compensation paid to their workers unless they deem it to be profitable. As such, it is unlikely that the private sector will find it in its interest to contribute to this goal without some outside prodding. As discussed below, the public sector role in this regard is and can be quite large.[36]

The public sector can directly influence the compensation of some workers through minimum wage laws. Recently Congress raised the federal minimum wage. Currently, the federal minimum wage is $5.85 an hour, and it is scheduled to rise to $7.25 an hour in July 2009.[37] Further, many states already have state minimum wages that are above the federal level. For those workers in jobs covered by minimum wage legislation, including all jobs except for certain agricultural positions and those with a substantial share of income from tips, raising the minimum wage will directly increase

36. Other outside factors could also pressure employers to increase wages. These factors include unions, consumer boycotts, and restrictions on the supply of less skilled labor, possibly through strict controls on immigration.

37. U.S. DEP'T OF LABOR, EMPLOYEE RIGHTS UNDER THE FAIR LABOR STANDARDS ACT (2007), *available at* http://www.dol.gov/esa/regs/compliance/posters/pdf/minwagebw.pdf.

their incomes.[38] In addition, workers earning just above the minimum wage may get bumped up in pay as employers seek to preserve salary structures and job ladders.[39]

Beyond minimum wages, some jurisdictions have implemented living wages. Living wage policies set wage rates well above the minimum wage, but the living wage floor usually only pertains to larger companies (fifty or more workers, for example) that work on contracts for the local government. Any low-wage worker in such a company will benefit directly from the living wage ordinance, but most low-wage workers can only benefit indirectly as market wages rise.[40] Again, most low-wage workers are not in low-income families with children.

In addition to raising wages by fiat through minimum and living wage legislation, the public sector can help low-income workers earn more income by trying to raise their skill levels. Clearly, there is room for the many different types of education and training programs that aim to improve the general and job-specific skills of low-income workers. These options include grants to pursue higher education (e.g., Pell Grants), expanded community college systems and efforts to train individuals to work in growing sectors of the economy (e.g., health care). In addition, programs such as the Incumbent Worker Training Tax Credit create incentives for employers to raise the skills of the low-wage workers they currently employ. All of these approaches can improve low-wage workers' wages, although they are not targeted specifically at workers in low-income families with children.[41] Policies to help younger disadvantaged workers today, however, may help keep them from becoming tomorrow's workers in low-income families with children. Expansions of direct expenditures on job training and apprentice-

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38. There is some concern that raising the minimum wage may lead to reductions in employment. David Neumark and William Wascher reviewed evidence of the effect of minimum wages on employment and concluded that the best studies point to negative effects on employment, both in terms of jobs and hours. David Neumark & William Wascher, *Minimum Wages and Employment*, 3 FOUND. & TRENDS IN MICROECONOMICS 1, 163–67 (2007). Many high-quality studies reviewed, however, suggest negligible effects on employment. If any potential job displacement and product price increases resulting from raising the minimum wage are small and diffuse, raising the minimum wage could still be a low-cost policy with large potential benefits. It is also important to note that a substantial majority of low-wage workers are secondary workers and not living in low-income families with children. GREGORY ACS & AUSTIN NICHOLS, LOW-INCOME WORKERS AND THEIR EMPLOYERS: CHARACTERISTICS AND CHALLENGES (The Urban Inst. 2007), *available at* http://www.urban.org/UploadedPDF/411532_low_income_workers.pdf.

39. DAVID NEUMARK, MARK SCHWEITZER & WILLIAM WASCHER, THE EFFECTS OF MINIMUM WAGES THROUGHOUT THE WAGE DISTRIBUTION (Nat'l Bureau of Econ. Research 1999) (suggesting that workers with wages slightly above the minimum wage may also experience reductions in employment).

40. David Neumark & Scott Adams, *Detecting Effects of Living Wage Laws*, 42 INDUS. REL. 531 (2003).

41. *See* Burt S. Barnow & Demetra Smith Nightingale, *An Overview of U.S. Workforce Development Policy in 2005*, *in* RESHAPING THE AMERICAN WORKFORCE IN A CHANGING ECONOMY 25–37 (Harry J. Holzer & Demetra Smith Nightingale eds., 2007).

ship programs seem likely to be high-return investments if targeted appropriately.[42]

The public sector also directly increases material well-being through social supports. In 2002, nineteen percent of low-income working families received food stamps, nine percent received housing assistance and twelve percent received government-sponsored health care.[43] Further, most working low-income families can receive the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC).[44] Unlike tax deductions, tax credits directly offset taxes owed, and refundable credits can generate refunds and negative tax liabilities (i.e., not only are no taxes owed, but the recipient may receive a cash subsidy from the government).[45]

The federal EITC supplements the incomes of low-income working families and is the benefit they most frequently receive. About twenty-two million families benefited from the credit in 2005, with seventy-five to eighty-five percent of eligible tax filers claiming the credit. In 2005, the total amount of the credit (or forgone taxes) was 41.5 billion dollars. The largest benefit goes to families with the least earnings, providing as much as a forty percent wage supplement to the earnings of a full-time minimum-wage worker with two children. Married-parent families with two children earning between $11,340 and $16,810 in 2006 received the maximum credit of $4,536 (with a maximum credit of $2,747 for families with one child). The credit then phases out, and a married-parent family with two children no longer qualifies for the EITC once the family's earnings exceed $38,348.[46] Eighteen states and the District of Columbia (and some localities) have also enacted state earned income tax credits as of January 2006 that are largely modeled on the federal EITC.[47]

Low-income working families can also benefit from the CTC. Unlike the EITC, however, the CTC is only partially refundable, so low-income families without tax liabilities effectively receive less of a net benefit than other families.[48] Some low-income working families who pay for child care

42. Robert Lerman, *Career-Focused Education and Training for Youth*, *in* RESHAPING THE AMERICAN WORKFORCE IN A CHANGING ECONOMY, *supra* note 41, at 41–90 (discussing many design issues in job training and apprenticeship programs).

43. ACS & LOPREST, *supra* note 30, at 12.

44. *See* SHEILA ZEDLEWSKI, GINA ADAMS, LISA DUBAY & GENEVIEVE KENNEY, IS THERE A SYSTEM SUPPORTING LOW-INCOME FAMILIES? (The Urban Inst. 2006) (discussing expenditures on many of these programs), *available at* http://www.urban.org/publications/311282.html.

45. *See* ELAINE MAAG, ANALYZING RECENT STATE TAX POLICY CHOICES AFFECTING LOW-INCOME WORKING FAMILIES: THE RECESSION AND BEYOND (The Urban Inst. 2006), *available at* http://www.urban.org/UploadedPDF/311379_state_tax_policy.pdf.

46. *Id.*

47. AMI NAGLE & NICHOLAS JOHNSON, A HAND UP: HOW STATE EARNED INCOME TAX CREDITS CAN HELP WORKING FAMILIES ESCAPE POVERTY IN 2006 (The Ctr. on Budget and Policy Priorities 2006).

48. Families with earnings below $11,300 receive no benefit from the child tax credit. Working low-income families with one child can receive the full $1,000 per child credit once their

can also receive tax credits that cover up to thirty-five percent of their expenses through the Child and Dependent Care Tax Credit (CDCTC). The maximum credit is $3,000 for one child and $6,000 for two children. The CDCTC is not refundable and can only be used to offset taxes owed. In 2005, families needed to earn at least $23,700 (and to pay for child care) to receive any benefit from the CDCTC, which effectively leaves out the lowest-income working families.[49] Expanding and enlarging the CTC and CDCTC for low-income working families could improve the well-being of children in these families.

B. *Increasing Workplace Flexibility*

As noted above, children in low-income working families would ultimately benefit if their parents had the flexibility to take short periods of time off to attend to family needs, especially health-related needs. Employers, however, may be reluctant to offer this type of flexibility to their employees, and it is easy to see why. Paid time off adds to employers' costs. Further, for small employers, it is hard to get work done if there are unexpected absences. There is, however, reason to believe that employers overestimate the cost of providing a few days of paid time off to their workers and underestimate the benefits.

Indeed, for a worker earning $8 an hour, one day of paid leave is the equivalent of adding pennies to the worker's hourly wage rate.[50] Further, a study by Watson Wyatt finds that workplace flexibility enhances productivity and thus profits.[51] Time off is also associated with lower employee turnover. In addition, workers who can take a little time off when they need it have reduced stress levels, which can reduce employers' health care costs.[52] Paid time off and sick leave are associated with decreases in lost work due to illness because there is less workplace contagion of illness.[53]

Not only is there a strong private sector case to be made for paid time off, some employers are offering even more flexibility to their workers. At least two major companies, JetBlue and JC Penney, allow some of their

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earnings reach $17,970; families with two or more children can receive the full $2,000 maximum credit once their earnings reach $24,180. MAAG, *supra* note 45.

49. MAAG, *supra* note 45.

50. At $8 an hour, the direct cost of a day of paid leave is $64. Allowing twenty percent for the cost of mandatory fringe benefits (like unemployment insurance and workers compensation) and employer FICA contributions, the net cost is $76.80 per day. Spreading this cost over two thousand hours of work per year translates to less than four cents an hour increased cost-per-worker.

51. Jodie Levin-Epstein, *Responsive Workplaces: The Business Case for Employment that Values Fairness and Families*, AM. PROSPECT, Feb. 19, 2007, http://www.prospect.org, *reprinted in* CTR. LAW & SOC. POL., *available at* http://www.clasp.org/publications/responsive_workplaces.pdf.

52. *Id.*

53. *Id.*

workers to set their schedules online and to swap shifts.[54] Best Buy has also essentially "eliminated the clock" for some workers, allowing them to perform their jobs when they best fit around personal and family obligations; Best Buy is also planning to expand flexibility to their frontline retail workers.[55]

The public sector has made some efforts to increase workplace flexibility, most notably through the Family and Medical Leave Act of 1993 (FMLA). FMLA provides job-protected parental leave for qualifying workers.[56] Workers are eligible to take up to twelve weeks of unpaid leave to care for an ill family member or for the birth of a child. The public sectors in other nations, however, require more of their employers. Heymann et al. pointed out that 169 countries offer guaranteed leave with some income to women for child birth, 145 countries mandate paid sick leave and 137 countries mandate paid annual leave; the U.S. is one of the few nations that does not.[57]

There are currently public sector efforts under way to make the workplace more flexible for American workers. Since 2003, for example, California offers six weeks of paid parental leave. California added this paid leave to its Temporary Disability Insurance (TDI) program that is funded through employer and employee contributions and provides payments to workers who are temporarily unable to work.[58] At the federal level, Congress is considering the Healthy Families Act. This legislation, if passed, would require employers with fifteen or more workers to provide a minimum of seven paid days of sick leave for those who work at least thirty hours per week.[59]

C. *Child Care*

Almost sixty percent of low-income children under the age of six are in some form of non-parental child care arrangement, and a quarter of these children are in care for over thirty-five hours a week.[60] The cost, availabil-

54. *Id.*

55. *Id.*

56. FMLA exempts firms with fewer than fifty workers from its requirements. Further, to qualify for benefits, an employee must have worked at least 1,250 hours in the previous year. Jane Waldfogel estimates that about one-half of all private sector workers are covered by the law. Jane Waldfogel, *Work-Family Policies*, *in* RESHAPING THE AMERICAN WORKFORCE IN A CHANGING ECONOMY, *supra* note 41, at 273, 275.

57. JODY HEYMANN, ALISON EARLE, & JEFFREY HAYES, THE WORK, FAMILY, AND EQUITY INDEX: HOW DOES THE UNITED STATES MEASURE UP? 5 (Inst. for Health & Soc. Pol'y 2007).

58. Waldfogel, *supra* note 56.

59. Healthy Families Act, H.R. 1902, 109th Cong. (2005).

60. MARTHA ZASLOW, GREGORY ACS, CAMERON MCPHEE & SHARON VANDIVERE, CHILDREN IN LOW-INCOME WORKING FAMILIES: CHANGE AND CONTINUITY IN FAMILY CONTEXT AND MEASURES OF WELL-BEING 7 (The Urban Inst. 2006) (prepared for the Child Trends Roundtable on Children in Low-Income Families in Washington, D.C., on January 12, 2006).

ity, and quality of child care are all important issues for working families, especially for low-income working families.

On the cost side, Acs and Nichols estimated that low-income working families that use child care for children under age six spend over twelve percent of their income on this care.[61] Further, only about one in five low-income families received government or private help paying for child care.[62] Most public support for child care flows through the federal or state Child Care and Development Fund (CCDF).[63] Over the past decade, child care funding increased dramatically from four billion dollars in 1996 to twelve billion dollars in 2002, although it has remained flat for the past few years.[64] Despite this increase in funding, only 1.8 million children received subsidies each month in 2005.[65]

The average quality of child care received by low-income children has also been called into question.[66] Adams and Rohacek reported that not only does the child-care market fail to meet the developmental needs of children, the quality of care received by low-income children is lower than the quality of care received by high-income children.[67] Further, high-quality child care may be particularly important for low-income children because they have less developmentally advantageous home environments than high-income children.[68]

Because low-income working families have a great need for high-quality child care but few economic resources to provide more and higher-quality child care, it will be left largely up to the public sector (and philanthropic or community organizations) to provide more funding to improve the quality and availability of child care while helping low-income working families meet this expense.[69]

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61. ACS & NICHOLS, *supra* note 30.

62. OLIVIA GOLDEN, ASSESSING THE NEW FEDERALISM: EIGHT YEARS LATER 13 (The Urban Inst. 2005), *available at* http://www.urbaninstitute.org/UploadedPDF/311198_ANF_EightYears Later.pdf.

63. GINA ADAMS, KATHRYN TOUT & MARTHA ZASLOW, EARLY CARE AND EDUCATION FOR CHILDREN IN LOW-INCOME FAMILIES: PATTERNS OF USE, QUALITY, AND POTENTIAL POLICY IMPLICATIONS VII-IX (The Urban Inst. 2006), *available at* http://www.urban.org/UploadedPDF/411482 _early_care.pdf.

64. *Id.*

65. *Id.*

66. Gina Adams & Monica Rohacek, *More Than a Work Support?: Issues Around Integrating Child Development Goals into the Child Care Subsidy System*, 17 EARLY CHILDHOOD RES. Q. 418 (2002).

67. *Id.* (generally measuring child care quality in terms of staff training, staff compensation, student to staff ratio, and physical amenities, i.e., space, equipment, toys, and books).

68. *See* ADAMS, TOUT, & ZASLOW, *supra* note 63 (generally measuring home environment quality by the presence of books and magazines in the home, whether the parents read to the children, whether the parents take the children on outings, and other similar factors).

69. Because low-income families, by definition, have low incomes, they cannot generate sufficient demand (the desire and *ability to pay*) for high-quality child care using their own resources. As such, market forces alone will not lead to a greater supply of high-quality child care. If society feels that quality child care will have long-term benefits for society as a whole, then

V. Conclusion

Many mothers struggle with the question of whether or not to work outside the home when they have young children. Low-income mothers do not generally have a choice in the matter; they must work to provide for the material well-being of themselves and their children. This paper examines what is known about how parental work, particularly maternal work in low-income families, influences child well-being; how workplace and parenting demands can conflict; and how the public and private sectors can move toward helping families, especially low-income families, be both good parents and good workers.

Among the factors that could significantly improve child well-being in low-income working families and also help low-income parents be good employees are: (1) expanded family leave at the birth of a child (up to one year) with some portion of the leave to be paid leave; (2) increased workplace flexibility in work scheduling and some personal leave (personal days, sick days) that is preferably paid; and (3) increased financial support for quality child care. Ultimately, it is difficult to determine the net costs and benefits of these suggestions because the benefits may be diffuse and emerge slowly as today's children become tomorrow's adults. In addition, the costs and benefits depend on how these proposals are implemented. Nevertheless, it is important to note that employers can benefit from some of these proposals through improved worker productivity, retention and health. Finally, investments in child well-being hold the promise of long-term benefits for all if early quality care reduces the chances that children perform poorly in school, drop out of school, engage in delinquent behavior and form single-parent families.

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society can invest in this quasi-public good. The risk would be diverting resources from other productive activities. Nevertheless, in cases where costs are born narrowly but benefits are broadly enjoyed (as in the case of public goods like roads, clean air, and national security), it is neither uncommon nor inefficient (in the strict economic sense) to see a large public sector role.

TABLE 1. DEMOGRAPHIC CHARACTERISTICS OF LOW- AND MODERATE-INCOME WORKING FAMILIES

	Low-Income (%)	*Moderate-Income (%)*
Family type		
Single parent	21.7	15.7
Married couple	45.9	55.1
Other adults present	32.4	29.2
Number of children		
One	24.2	36.6
Two	35.8	37.3
Three or more	39.9	26.0
Education		
High school dropout	27.6	11.3
High school grad/GED	39.1	37.9
Some post-secondary	25.4	32.7
College graduate	7.9	18.0
Race/Ethnicity		
White	59.4	74.3
Black	18.7	14.9
Hispanic	19.0	8.9
Other	2.9	1.9
Immigration status of head		
U.S. born citizen	68.6	85.0
Foreign born, naturalized	8.9	6.9
Non-citizen	22.5	8.0
Age		
18-29	25.0	18.2
30-39	45.5	39.5
40-49	23.6	35.5
50+	5.9	6.9

Table reproduces data from Acs & Nichols. Data is from the 2002 National Survey of America's Families.

Low-income families have incomes below two hundred percent of the federal poverty line; moderate-income families have incomes between two hundred and three hundred percent of the poverty line. Working families have at least one adult working full-time and full-year.

All differences across columns are statistically significant of at least the ninety percent confidence level, except for the share of workers with exactly a high school level of education.

TABLE 2. JOB CHARACTERISTICS OF LOW- AND MODERATE-INCOME WORKING FAMILIES

	Low-Income	*Moderate-Income*
Average hourly wage of head	$9.59	$15.01
Employer-sponsored health insurance (%)	49.2	77.1
Paid leave (%)	76.2	86.6
Standard work schedule	80.2	83.6

Table reproduces data from Acs & Loprest and Acs & Nichols. Data is from the 2002 National Survey of America's Families.

Low-income families have incomes below two hundred percent of the federal poverty line; moderate-income families have incomes between two hundred and three hundred percent of the poverty line. Working families have at least one adult working full-time, full-year.

All differences across columns are statistically significant of at least the ninety percent confidence level.