

Census ConneCTions

JUNE 2004

Parental Employment and its Impact on Children by Priscilla Canny, Ph.D. and Douglas Hall, Ph.D.

Introduction

Parental employment is widely recognized as a key indicator of family economic security, and thus, child well-being.¹ While parents who are employed help sustain their families in the quest for self-sufficiency, employment alone does not guarantee self-sufficiency. It also is accompanied by challenges relating to the care of children. This report explores several facets of parental employment, as informed by data from the decennial Census.

Parental Employment: Necessary (But Not Sufficient) for Family Economic Self-Sufficiency

Secure parental employment is an important indicator of family well-being. Attachment to the labor force does not necessarily lift a family out of poverty, but it increases the likelihood of economic self-sufficiency, including access to health insurance and other benefits for family members. Available indicators of secure parental employment from the Census Bureau include: the percentage of children with at least one parent working year round, full time; the percentage of children who do not have a fully-employed parent; and the percentage of children with a parent, both parents, or their only parent in the labor force.

Nationally, the percentage of children with at least one parent employed full

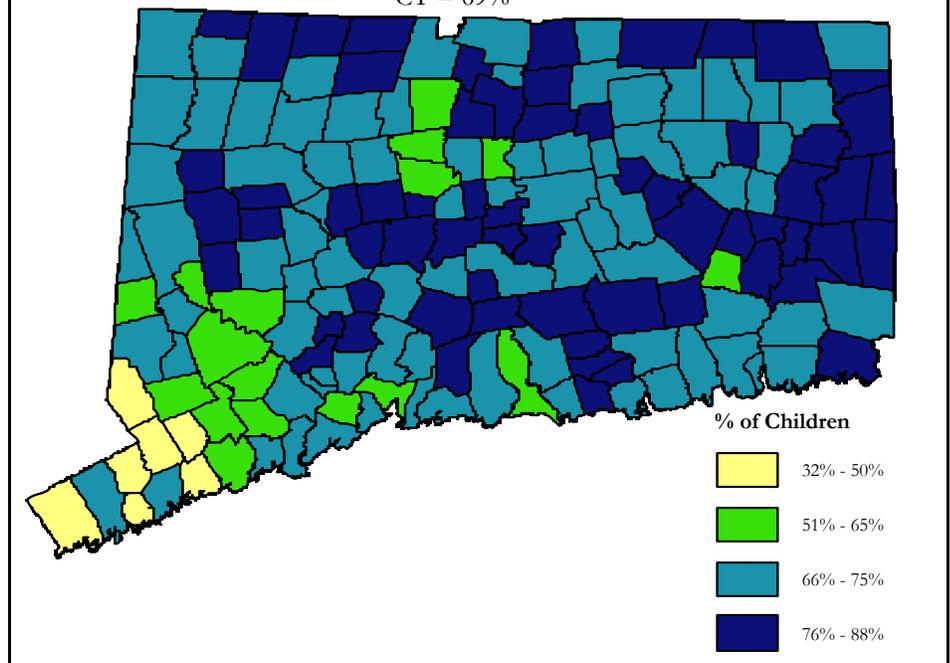
time increased in the past decade, from 77% in 1990 to 83% in 2000. Over the same period, Connecticut's corresponding percentages were modestly higher — 80% in 1990 and 85% in 2000.²

A second indicator of family employment is the percent of children who lack at least one fully employed parent. According to the 2000 Census Supplemental Survey, more than 200,000 children (25%) in Connecticut do not have a parent employed full time year round.³ While this is lower than the national rate of 28%, the rate has increased 4% from 1990 to 2000,

while nationally it has decreased 3%. Connecticut ranks 25th nationally on this indicator.

Another indicator of family employment, and the only data available by town from the 2000 Census, is the percentage (and number) of children with a parent, both parents or their only parent in the labor force.⁴ Although parental employment is crucial for the economic well being of a family, when both parents (or the only parent) works, they may need to seek care outside the home for their children, particularly in the early years

Percent of Children With All Parents in Workforce, Census 2000
CT = 69%



1. Federal Interagency Forum on Child and Family Statistics, *America's Children: Key National Indicators of Well-Being (2003)* (www.childstats.gov); Judith Carroll and Stephanie Mastrobuono, *Family Economic Security: Investing in Families ... Investing in Our Future. 2004 Connecticut KIDS COUNT Data Book*. (Connecticut Association for Human Services, 2004).

2. *America's Children: Key National Indicators of Well-Being (2003)*.

3. The Annie E. Casey Foundation, *Children At Risk: State Trends 1990 – 2000 (2002)*. (<http://www.aecf.org/kidscount/c2ss/>).

4. Data in this section rely on Census 2000, SF3, Table P46.

**Percent of Children with All Parents Employed
(highest five and lowest five towns by children under age 6)**

Town	Children Under 6	Children 6-17	Children Under 18
East Granby	90%	88%	88%
Haddam	85%	86%	86%
Sprague	82%	74%	76%
North Branford	81%	80%	81%
Wolcott	79%	82%	81%
Wilton	39%	53%	49%
Greenwich	37%	48%	44%
Darien	37%	49%	45%
Westport	33%	53%	46%
New Canaan	27%	34%	32%

wealthiest towns in Fairfield County highlight the fact that in many cases, a well paid parent can enable the other parent to stay home and care for their children, rather than also pursuing paid employment. Thus, the absence of ‘all parents working’ can be indicative of either a family struggling to make ends meet, or a family with enough income that only one parent needs to work.

Racial and Ethnic Disparities

As seen in the accompanying table, there are significant differences between Connecticut’s predominant racial and ethnic groups in the extent to which children have ‘all parents working,’ with 74% of Connecticut’s Black/African American (non-Hispanic) children living in families where all parents work and 70% of Connecticut’s White (non-Hispanic) children in families where all parents work. A significantly lower percent of Connecticut’s Hispanic/Latino children live in families where all parents work, at 61%.

The Working Poor

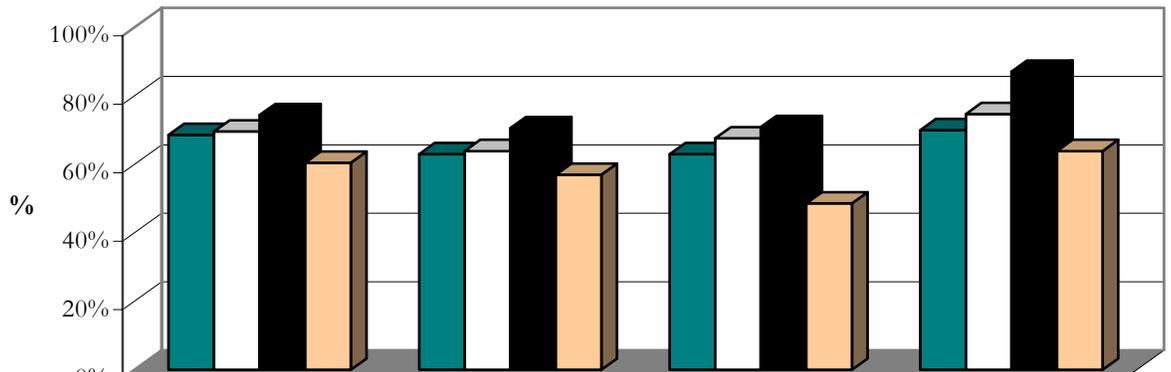
Even if a parent is employed full

of childhood development. Statewide, 62% of children under age 6, 72% of children ages 6-17 and 69% of all children under age 18 have both parents or their only parent in the workforce. There are regional differences, however. In seven towns (all in Fairfield County), less than half of children under age 18 have both parents or their only parent in the workforce as compared with more than 80% of children in Griswold, Warren, Wolcott, Norfolk,

Salem, Putnam, Haddam and East Granby.

These data can be somewhat confusing, and therefore need to be interpreted carefully. Given the difficulties of maintaining a self-sufficiency income, families with fewer than ‘all parents working’ may have considerable difficulties making ends meet. On the other hand, the concentration of low rates of “all parents working” among the

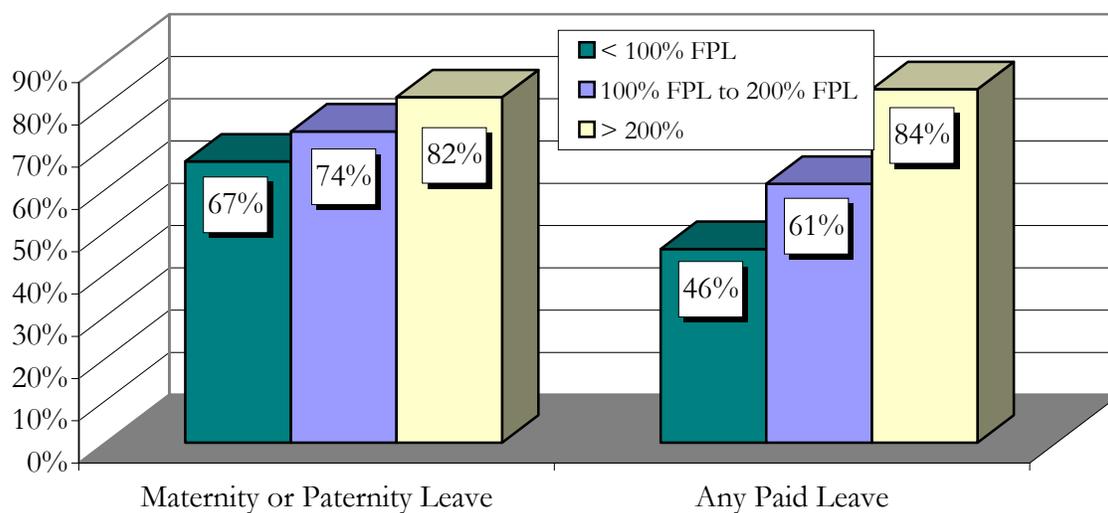
% Children in Families in Which All Parents Work



■ All Races/Ethnicities	69%	63%	63%	70%
□ White (Non-Hispanic)	70%	64%	68%	75%
■ Black, African American	74%	71%	71%	87%
■ Hispanic/Latino	61%	57%	49%	64%

Select Towns

Parental Leave and Family Income (Relative to the Federal Poverty Level, 2002 National Survey of American Families)



Source: Phillips, *Getting Time Off: Access to Leave Among Working Parents*, Urban Institute, 2004.

time, working in a low-wage job may result in an income below the poverty line.⁵ CT's minimum wage of \$7.10 (as of January 2004) is one of the highest in the nation, behind only Alaska (\$7.15) and Washington (\$7.16). Nonetheless, a Connecticut parent working 40 hours per week, 52 weeks a year, at minimum wage would not earn an income above the poverty level for a family of three (\$15,670 in 2004).

Supporting Working Families

Particularly for families transitioning off welfare, policies and programs must ensure that 'work pays'—providing wages and benefits adequate to meet a family's self-sufficiency needs — and that working families have access to quality and affordable health care and child care.

Programs such as earned income tax credits (EITC) and child tax credits

offer much needed support to families in their efforts to be employed.

One critical tool at the disposal of state governments for the support of working families is a state level Earned Income Tax Credit, modeled on the federal EITC. Currently, seventeen states and two local governments (Montgomery County, MD and Denver, CO) have EITCs based on the federal credit. Connecticut, alone among its neighboring states, does not have a state level credit. A state level EITC in Connecticut based on 20% of the federal EITC would have put over \$43 million dollars in the pockets of Connecticut's low income working families in 2001.

Twenty-six states and the District of Columbia also provide state level *child and dependent care tax credits*, which offset the costs of providing child care. In twelve of those states, the child tax credit is refundable,

meaning that they can receive the credit even if they don't owe state income taxes.⁶ Connecticut lacks a child care tax credit, and is the only state in the nation that does not have a deduction for dependents.

Working Parents and Health Insurance

For the majority of working families, access to health insurance is achieved through paid employment. Yet many employed adults lack health care coverage. According to the Kaiser Commission on Medicaid and the Uninsured, in 2002 over 80% of the uninsured belonged to working families — nearly 70% from families with one or more full-time workers, and 12% from families with part-time workers.⁷ Not only are low-income parents less likely to have employer-sponsored coverage, they "are actually more likely to be uninsured if they are employed than if they are unemployed."⁸

5. Priscilla Canny and Douglas Hall, "Child Poverty and Poverty Measures in Connecticut," *Census Connections* (Connecticut Voices for Children, 2003).

6. Women Work! The National Network for Women's Employment, <http://www.womenwork.org/resources/dependenttax.htm>.

7. *The Uninsured: A Primer, Key Facts About Americans Without Health Insurance* (The Kaiser Commission on Medicaid and the Uninsured, 2003), p. 4.

8. Lisa Sementilli and Judith Solomon, *Filling the Gaps of Employer-Sponsored Health Coverage: Transitional Medical Assistance* (Connecticut Voices for Children, 2004).

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Data recently released suggest the proportion of workers who have employment-based health insurance is shrinking. Just over half (51%) of jobs in industries that are *growing* in Connecticut (i.e. increasing employment) offer health insurance compared to 69% of jobs in *contracting* industries (industries in which the number of employees are declining).⁹ Overall, 73% of Connecticut children and 74% of non-elderly adults (ages 19-64), are covered by employer-provided health insurance.¹⁰

When employers do not provide health insurance for their employees, not only do working families suffer, but the health care costs of such families are shifted — at least in part — to the state. Programs such as Connecticut's Transitional Medical Assistance program provide health insurance to working poor families lacking employer

provided health insurance. As employers cut back on insurance coverage, such programs shoulder a greater share of the health care load.

Access to Leave Among Working Parents

The federal Family Medical Leave Act of 1993 (FMLA) entitles eligible workers to 12 weeks of job-protected unpaid leave “for the birth or adoption of a child; the foster care of a child; the care of a seriously ill child, spouse, or parent; or an employee’s own serious illness.”¹¹

Low income workers are less likely to meet FMLA criteria for leave, particularly the requirement of working at least 12 months for a covered employer. As a result, BLS data “suggest that low-income workers have less access to all forms of leave.”¹² Data from the 2002 National Survey of America’s Families clearly shows that access to leave increases with income. Those who are paid more generously also typically have superior benefits, including more generous leave time. More than four out of every five parents with family income over 200% of the federal poverty level (FPL) have access to maternity or paternity leave, while only two thirds of those with family incomes less than the poverty level have maternity or paternity leave. The discrepancy is even greater for paid leave, with 84% of those earning 200% or more of the FPL having access to some paid leave, compared to only 46% of those with incomes less than 100% of the FPL (see chart on following page).

The lack of leave time is particularly problematic for those transitioning from welfare who routinely struggle to

remain in the active workforce. Failure to provide such individuals with adequate leave threatens their ties to the workforce, particularly in times of family illness or some other crisis situation.

Given the critical importance of ‘the early years’ in child development, *all parents* need access to paid leave time. Failure to extend such leave to lower income workers only exacerbates the gap between low-income families and their higher income counterparts, while perpetuating lifelong disparities between rich and poor from one generation to the next.

Policy Conclusions

Connecticut’s working parents face many hurdles in their efforts to raise children who are healthy and fully ready to learn in school. With over two thirds of Connecticut’s children living in families where all parents are working, the provision of adequate, affordable and accessible early care and education is critical not only to the workforce needs of today, but also for the development of the next generation.

Policies that support working families should include state support of after school care, and income supports such as state level earned income tax credits, deductions for dependents, and child care tax credits.

Policies ensuring that all families have access to affordable, quality health care and affordable housing are also critically important, as are policies that ensure access to paid employment leave. Connecticut can and must do more to support working families. Its future depends on it.

9. Economic Policy Institute analysis of Bureau of Labor Statistics and Current Population Survey data, May 2004.

10. Kaiser Family Foundation, *State Health Facts Online*, www.statehealthfacts.kff.org, 2002 data.

11. Karen Ross Phillips, *Getting Time Off: Access to Leave Among Working Parents* (The Urban Institute, April 2004).

12. Phillips, *Ibid.*, 2.