

Low-Income Rural Mothers Make Employment Decisions

Sheila Mammen (University of Massachusetts Amherst), Sharon B. Seiling (Ohio State University), and Daniel Lass (University of Massachusetts Amherst)

Key words

Labor force participation, rural low-income mothers

Abstract

Employment is central to low-income families' ability to achieve economic self-sufficiency. This is particularly true for families in rural areas where poverty is disproportionately higher and more persistent (Weber & Jensen, 2004). This study identified the variables that contribute to the work participation decisions of rural low-income mothers, including those who receive welfare. Using data from a USDA-funded multi-state longitudinal project, NC-223/NC1011, "Rural Low-Income Families: Tracking Their Well-Being and Functioning in the Context of Welfare Reform" (see <http://fsos.cehd.umn.edu/projects/rfs.html> for a complete project description), rural mothers' employment decision was modeled using factors that came directly from the mother such as her individual and job characteristics, and her human capital. Other variables included household characteristics, household income sources, and county unemployment rates. Drawing on the literature and economic theory, the authors hypothesized that rural low-income mothers who have higher levels of human capital, lower non-wage income, older children, greater access to childcare subsidies, and live in counties with lower unemployment rates are more likely to work in paid employment.

The sample consisted of 412 rural low-income families from 13 states: California, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Nebraska, New Hampshire, New York, Ohio, and Oregon. To be eligible for the study, families had to have annual incomes at or below 200% of the Federal poverty line and at least one child under the age of 13 years. The mothers were recruited through programs that serve these families such as the Food Stamp Program and food pantries.

Half of the rural mothers (50.4%) in the study were working. The median age of those working (28 years) was slightly higher than those who were not (27 years). Regardless of their working status, two-thirds of them were White non-Hispanic, slightly more than 20% were Hispanic, and about 9% were African American. About half of those working (53.4%) were married or had a partner, the rest were single, divorced or separated. By comparison, over two-thirds of unemployed mothers were married. Over three-fourths (77%) of working mothers had at least a high school education, compared to only 60% of the non-working mothers. Regardless of the working status of the mothers, about half of their spouses or partners worked. A slightly larger proportion of the working mothers (39%) had three or more children, compared to 36% of the non-working mothers. The employed mothers had a higher median monthly income, \$1,382, compared to those who were not working, \$1,189.

The probability of maternal employment was modeled using logistic regression, which correctly predicted 80% of the employment decision. Factors that were statistically important to rural mothers' decision to work included both "other income" (believed to be partner's earnings and food stamps) and TANF payments; the greater the levels of "other income" or TANF, the lower the probability of a rural mother working. The magnitudes of these two effects, however, appear to be very small. Having received an EITC refund from the previous year resulted in a 1.7 times higher probability of the mother's working, supporting the findings of other studies that the EITC is a substantial incentive for mothers to work (Ellwood, 2000; Grogger, 2003).

The odds of a high school graduate working were 57% greater than those for a mother who did not have a high school diploma, however, this variable's effect is statistically important at only the 13% level of significance. While certain life skills (ability to create a resume, apply for jobs, locate job training, and locate child care) were not related to rural low-income mothers' employment status, the odds of working for mothers possessing a driver's license were 140% greater than the odds of working for those without a license (increased the odds of working by 2.4 times; statistically significant at the 1% level or better). Yet another component of human capital is health (Kooreman & Wunderink, 1997).

Contact author: Sheila Mammen, Ph.D., Department of Resource Economics, University of Massachusetts Amherst, 303 Stockbridge Hall, Amherst, MA 01003, (413) 545-2470, smammen@resecon.umass.edu

We used mental health in the model, measured using the score on the CES-D (Center for Epidemiological Studies – Depression) scale that predicts risk for clinical depression. The odds of working for rural mothers who were at risk of depression were 34% lower (statistically important at the 10% level of significance).

Other studies have not found individual characteristics such as age, ethnicity, marital status, household size and composition, as well as number and age of children to be strongly predictive of employment status. We found that only age was related to participation in paid work; in our sample, older mothers were more likely to work. The most important household factor was the availability of child care assistance. The odds of a rural mother working were 173% greater for those with child care assistance than for those without, verifying the conclusions of others that the cost of child care can be a significant barrier to maternal employment (Connelly & Kimmel, 2000; Mckernan et al., 2002). Each additional member in the household results in a 26% increase in the odds of mothers working. When the mother's spouse or partner worked, she had a higher probability of working (79% higher; statistically significant at the 10% level or better). Local job conditions, including unemployment rate, have been shown to affect work participation among welfare leavers and other low-wage workers (Boushey, 2002). However, that did not prove significant in our equation.

Policymakers consider employment to be crucial to improving the economic fortunes of poor families. For many low-income mothers, however, employment means a constant balancing act between meeting the obligations of work and coping with the responsibilities of motherhood. The results of this study are relevant to public policy. Firstly, the data were collected after the passage of welfare reform legislation. By looking at the decision to work, we provide an insight into poor, rural mothers' labor force participation, the cornerstone of welfare reform. Secondly, since rural areas are susceptible to higher and more persistent poverty, an understanding of rural low-income mothers' employment decision can assist rural community leaders to create effective development priorities and strategies.

References

- Boushey, H. (2002). *Staying employed after welfare: Work supports and job quality vital to employment tenure and wage growth* (EPI Briefing Paper 128). Retrieved August 5, 2006, from http://www.epinet.org/content.cfm/briefingpapers_bp128
- Connolly, R., & Kimmel, J. (2000). *Marital status and full-time/part-time work status in child care choices*. Retrieved August 19, 2006, from <http://www.upjohninst.org/publications/wp/99-58.pdf>
- Ellwood, D. T. (2000). The impact of the earned income tax credit and social policy reforms on work, marriage and living arrangements (JCPR Working Papers 124). Northwestern University/University of Chicago Joint Center for Poverty Research. Retrieved August 5, 2006, from http://www.jcpr.org/wp/wpdownload.cfm?pdflink=wpfiles/ellwood_eitc99_update.PDF
- Grogger, J. (2003). The effects of time limits, the EITC, and other policy changes on welfare use, work, and income among female-headed families. *The Review of Economics and Statistics*, 85, 394-408.
- Kooreman, P., & Wunderink, S. (1997). *The economics of household behavior*. New York: St. Martin's Press.
- McKernan, S-M., Lerman, R., Pindus, N., & Valente, J. (2002). The impact of welfare policy on the employment of single mothers living in rural and urban areas. In B.A.Weber, G.J. Duncan, & L.A. Whitener, (Eds.), *Rural dimensions* (pp. 257-286). Kalamazoo, MI: W.E.Upjohn Institute for Employment Research.
- Weber, B., & Jensen, L. (2004). *Poverty and place: A critical review of the rural poverty literature*. Retrieved on September 10, 2006, from <http://www.rprconline.org/WorkingPapers/WP0403.pdf>