The Effects of Employment Instability on American Children, 1996-2016

Yixia Cai
University of Wisconsin – Madison
• Economic life is quite fluid for contemporary American families. Such economic turbulence may impact children.

• The contemporary economy’s shift toward skill-based jobs further marginalizes the overwhelming majority of low-skilled workers.

• Safety net programs have shifted from cash-based benefits toward in-kind programs.

• Whether welfare programs are responsive to meet disadvantaged children’s needs is unclear, especially given the changing family structures.
Research Questions and Method

Aim 1: Document trends of intra-year volatility in work hours and how this work precarity varies by a child’s poverty status, race or ethnicity, family configurations

Aim 2: Examine whether such employment instability in a given year is associated with later child poverty status

Aim 3: Assess whether cash or non-cash welfare benefits could mitigate the negative consequences resulting from such working hour volatility

Data: 1996 – 2016 Survey of Income and Program Participation; take a child-centered lens

- Employment instability: Standard deviation of the arc percent change of family’s total work hours over a twelve-month period

- Outcome variables (measured at the last month during every 12-month period)
  - Child income poverty
  - Three versions of household income package
Volatility of work hours by child’s poverty status

Volatility of work hours by family configuration

Volatility of work hours by child’s race and ethnicity
Fixed effects models predicting household income at 12th month

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
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<tbody>
<tr>
<td></td>
<td>Market income (MI) [log]</td>
<td>MI+ Cash benefit [log]</td>
<td>MI + Cash+ In-Kind benefits [log]</td>
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<tr>
<td><strong>A: Full sample</strong></td>
<td>β</td>
<td>β</td>
<td>β</td>
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<tr>
<td>Volatility in work hours (log)</td>
<td>-1.10 (.02)***</td>
<td>-0.62 (.02)***</td>
<td>-0.39 (.02)***</td>
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<td><strong>B: Children living in poverty</strong></td>
<td>β</td>
<td>β</td>
<td>β</td>
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<tr>
<td>Volatility in work hours (log)</td>
<td>-1.43 (.10)***</td>
<td>-0.69 (.08)***</td>
<td>-0.33 (.06)***</td>
</tr>
<tr>
<td><strong>C: Children living with single mothers without partners present</strong></td>
<td>β</td>
<td>β</td>
<td>β</td>
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<tr>
<td>Volatility in work hours (log)</td>
<td>-0.98 (.06)***</td>
<td>-0.42 (.05)***</td>
<td>-0.18 (.03)***</td>
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<tr>
<td><strong>D: Black children</strong></td>
<td>β</td>
<td>β</td>
<td>β</td>
</tr>
<tr>
<td>Volatility in work hours (log)</td>
<td>-1.06 (.07)***</td>
<td>-0.47 (.06)***</td>
<td>-0.32 (.04)***</td>
</tr>
</tbody>
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Note: OLS regressions with child fixed effects and year fixed effects. Number of children: panel A=104,961; panel B=25,549; panel C=26,233; panel D=16,943. Models in panel A control for income-to-needs ratios, family configurations, parental occupation categories, whether parents changed employers during the year, whether a child lives in a metropolitan area, child’s race and ethnicity, parental education, parental age, child’s gender, and number of household members, child’s age at the 12th month. Panels B, C, D – same as above, except that panel B excludes income-to-needs ratios; panel C excludes family configurations; and panel D excludes race/ethnicity.

*** p<0.001, ** p<0.01
• Precarious employment has been continuously confronted by low-income families with children and other disadvantaged groups.

• Means-tested cash benefits may play a substantial role in buffering the negative consequences of unstable work experienced, while the impacts from the non-cash system are relatively mild.

• Continued support from the cash system ought to be strengthened to help families with children cope with economic risk.

• Apply instrumental variables approach to limit the problems of endogeneity and unobserved heterogeneity in estimating the impacts of volatility in work hours on child poverty and assessing the buffering effects of social programs.
Thank you.

I welcome any questions, comments or suggestions you may have.

yixia.cai@wisc.edu