Journal of Poverty

Publication details, including instructions for authors and subscription information:
http://tandfprod.literatumonline.com/loi/wpov20

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Available online: 20 Jul 2010

To cite this article: Randy Albelda & Jennifer Shea (2010): To Work More or Not to Work More: Difficult Choices, Complex Decisions for Low-Wage Parents, Journal of Poverty, 14:3, 245-265

To link to this article: http://dx.doi.org/10.1080/10875549.2010.494937

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To Work More or Not to Work More: Difficult Choices, Complex Decisions for Low-Wage Parents

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Employment promotion has dominated antipoverty policies in the United States over the last several decades. Increased employment, especially in low-wage jobs, has not generated economic stability for many parents and has brought to light uneasy tensions between increased earnings, less time with children, and reduced public supports that families face in moving up the economic ladder. We use data collected from 22 focus groups conducted with low- and moderate-income parents from four states and the District of Columbia to explore the ways in which parents make decisions about increasing hours of employment.

KEYWORDS low-wage employment, anti-poverty politics, “cliff effects”, work and family, child care

INTRODUCTION

Antipoverty policies over the last several decades have strongly promoted employment. Yet workers with young children, low wages, and few or no employer supports are forced to make shrewd calculations about how to meet their basic needs (e.g., Dodson, 2007; Hennessy, 2009). These calculations center on competing time demands and costs associated with paid work, including the loss of any public supports they may be receiving and how best to provide for their families in the immediate term as well as over the long run.
Using data collected from focus groups conducted with parents in low- and moderate-income families in four states (Illinois, Massachusetts, Minnesota, and North Carolina) and the District of Columbia to learn about their experiences making ends meet with earnings and any major public supports, we unravel many of the factors that go into low-income parents’ decisions about employment. For many of these parents, the issue is not whether they should work, but rather how much to work. As our data reveal, parents face dilemmas about working more when the opportunity arises. They make financial calculations based on if working more results in more resources to meet immediate needs, but also take into account future employment opportunities as well as the long-term risks associated with more work time and less time with children. Many parents, particularly mothers, are forced to choose whether to focus on their families’ immediate financial and care needs or to invest in the labor market with an eye toward potential (but not guaranteed) long-term payoffs that may require short-term sacrifices in total family resources.

The decision to work more is compounded for low-income parents by the mismatch of antipoverty programs and low-wage employment for workers with children, which focus group participants often express as a “catch 22.” We argue that alleviating these difficulties requires (1) antipoverty policies to better suit families with low earnings, (2) better child care policies than those currently available to low- and moderate-income working parents, and (3) employment policies that assure low-wage workers some of the same benefits that most higher-wage workers receive, such as paid time off, retirement plans, and health insurance.

THE MISMATCH GAME: LOW-WAGE EMPLOYMENT AND ANTIPOVERTY PROGRAMS

The difficulties low-income families with earners, especially single-mother families, face in juggling employment and caring for children are stark, but not new. Between 1960 and 2008 most mothers with school-age children were employed, and single mothers had higher employment rates than married mothers, except for the period 1987 to 1997 (U.S. Census Bureau, 2009, Table 578). Indeed, all parents face hard choices regarding how to divide time between employment, providing care, and time with children. They are forced to make complex decisions that entail a range of considerations—especially the trade-off between increased earnings and increased costs that often accompany employment. These include the more obvious costs of transportation, child care, and out-of-home food associated with increased employment. For many low-income parents those costs can also include a loss of government supports that help pay for the most basic of needs such as housing, food, medical care, and child care. At relatively low levels of earnings families see public supports fall as earnings increase.
Difficult Choices, Complex Decisions for Low-Wage Parents

(Loya, Lieberman, Albelda, & Babcock, 2008; Romich, 2006). Another often unmeasured cost of employment is the time not spent with children and other family members and in communities.

Employment expectations of mothers, especially of poor mothers with young children, have changed dramatically in the last two decades and are reflected in changes to antipoverty policies that promote employment (Lower-Basch & Greenberg, 2009). By the early 1990s, most states had requested federal waivers to revamp their primary cash assistance program—Aid to Families with Dependent Children (AFDC)—to create positive and negative incentives for employment. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act abolished the AFDC program and established the block grant Temporary Assistance to Needy Families (TANF). Many provisions require or heavily incentivize employment, including lifetime limits on receipt of federal TANF funds, severe financial penalties for states that do not adhere to strict work requirements, and greatly narrowed access to postsecondary education and long-term training. Food Stamps (now called Supplemental Nutritional Assistance Program – SNAP) and housing assistance programs were also revamped to require employment for certain populations. Also in the 1990s, Congress enacted the State Children’s Health Insurance Program (SCHIP) so that children of low-income employed parents could receive health care, substantially expanded the Earned Income Tax Credit (EITC) that provides a refundable tax credit for earnings, and increased child care funding for those leaving welfare.

Since these major changes to antipoverty policies in the 1990s, employment among single mothers has increased. In 1993, 57.3% of single mothers were employed, and by 2006, 69.6% were. The increases for women with young children have been dramatic, from 35.1% in 1993 to 57.0% in 2006 (Gabe, 2007). However, increased employment has not necessarily reduced family hardship, and it does not seem to have generated much improvement in overall resources (especially if one includes time) available to poor and low-income mothers. Studies of low-income mothers and their resources find varied effects, with some showing overall improvement in income since major policy changes in the 1990s, but not for all families (e.g., Bitler, Gelbach, & Hoynes, 2006; Blank & Kovak, 2008; Moffitt, 2008). One comprehensive study of single mothers finds that those in the bottom half of the income distribution saw their after-tax incomes (including Food Stamps) rise by about 15% from 1993 to 1995 to 2001 to 2003 (Meyer & Sullivan, 2008). These authors also document relatively minor increases in the costs typically associated with employment (out-of-home food and child care) but find substantial increases in housing and health costs. The loss of public supports as earnings go up has made health care and housing a cost of employment for many low-income mothers and their children.

Despite increased employment and earnings income, even in the boom periods of the mid-1990s and the mid-2000s, many families continue
to struggle to make ends meet. Albelda and Boushey (2007), using 2001 to 2003 data, found one out of five people in a family with earnings do not have enough income (including the value of major public support programs) to meet the basic cost of living. One reason so many have a difficult time meeting the cost of living is that low-wage work is pervasive but often insufficient for supporting families. In 2005, about one fourth of all workers were in low-wage employment, measured as earning a wage 150% of minimum wage (just under $7.50/hour at the time), and one half of all low-wage workers were in low-income families measured as family income 200% of the federal poverty line (FPL) (Acs & Nichols, 2007). For single-parent families, this problem is especially acute. Schochet and Rangarajan (2004) found that in 1996, 44% of employed single mothers were in low-wage jobs, defined as $7.50 an hour.

Additionally, low-wage workers are the least likely of all workers to get employer-sponsored benefits. More than one half of workers with income below the FPL and 39% of those with income 200% of the FPL get no paid days off from work (Ross Phillips, 2004). A day missed at work because of an illness means a lost day of pay for many of the workers who can least afford it. In 2005, 70% of poor workers and 48% of low-income workers did not have employer-sponsored health insurance (Clemans-Cope & Garrett, 2006). Schmitt (2007) found that 23% of all workers in 2006 earned less than $16.50 an hour and had neither employer-sponsored health insurance nor a retirement plan.

Low-wage parents, whose needs often surpass their earnings, face job-related difficulties of combining employment with caregiving responsibilities. Many low-wage jobs, especially those in retail and hospitality, require enormous flexibility on the part of the worker. Employers frequently change hours or work schedules that complicates many things, most especially child care arrangements (Henley & Lambert, 2005). This mismatch between workers’ needs and the nature of low-wage jobs often results in hardship as well as intermittent or at least noncontinuous employment.

Low-wage workers with children face another mismatch: the one between low-wage work and means-tested government work support programs. Antipoverty programs explicitly encourage, if not demand, employment (in effect making them “work support” programs). Yet many families with low-wage workers see their benefits vanish and then find themselves ineligible for these programs once their earnings rise (either due to increased hourly wages or more hours of work). Further, some who are eligible do not receive supports because the programs are insufficiently funded or because parents find that the time and effort it takes to receive support from these programs exceeds the benefits they receive (Albelda & Boushey, 2007).

One reason antipoverty programs in the United States do not do a good job serving low-wage earners is because many of them, including the cash assistance program AFDC, Food Stamps, and Medicaid were enacted
to support people who were not regularly employed nor expected to be employed for any length of time. At the time the programs were established, between the 1930s and 1970s, those people included single mothers and their children, the disabled, and elders. As “means-tested” programs, they were intended to reach those with very little income and as such have income eligibility thresholds that tend to be low and require substantial amounts of documentation and time to prove eligibility. Despite adding work incentives, these programs are still built on a foundation that assumes recipients of these programs have little or no earnings but plenty of time to prepare cheap meals, take care of children, regularly fill out required paperwork, and attend meetings scheduled by caseworkers. Conversely, SCHIP, the EITC, and child care assistance were established to reach low-income workers; their income eligibility thresholds and other aspects of application and reapplication procedures tend to reflect that.

States have a good deal of leeway in determining income, asset, citizenship, and work eligibility requirements, which can differ considerably as a result. Table 1 provides the income eligibility requirements in 2006 for a family of three (one adult and two children) for six major antipoverty programs in Washington, D.C., and the four states in which we conducted focus groups. In all five jurisdictions, levels for the EITC, child care, and Medicaid (or SCHIP) coverage for children are a good deal above the FPL. SNAP income eligibility is only slightly above the poverty line (except in Massachusetts), whereas housing, TANF, and Medicaid for parents vary by state but tend to hover a bit above or below the FPL. Notably, for all programs except Medicaid and SCHIP, benefit levels phase out quickly as income increases. Many programs are pegged to the FPL or some percentage of it. However, in most areas of the United States, the poverty line does not reflect what it takes to get by at minimal living standards. A more accurate estimate uses “family budgets,” determined by the amount of income it takes to purchase child care, food, health care, housing, transportation, and miscellaneous basic personal items and taxes (including tax credits) at local prices. Table 1 includes a column with these budgets for Washington, D.C., and a city in each of the four states where focus groups were conducted. These bare-boned budgets far exceed income eligibility thresholds for almost all programs in every jurisdiction.

Research complementary to that presented here looks only at families with earnings and whose income fell below their family budgets and finds there is considerable range of those ineligible for major public support programs. Despite having income below the level to meet their needs, between 66% (in Washington, D.C.) and 89% (in Massachusetts) of renting households were ineligible for housing assistance; between 65% (Minnesota) and 72% (Washington, D.C.) of people were ineligible for Food Stamps; and between 77% (Washington, D.C.) and 95% (Illinois) of families were ineligible for TANF. The other programs looked better, but only in comparison: between 44% (Illinois) and 67% (Massachusetts) of children younger than age 12 were
### Table 1: Family Income Eligibility Thresholds for Single-Parent Family with Two Children and Family Budgets (in Selected Cities) in District of Columbia, Illinois, Massachusetts, Minnesota, and North Carolina, 2006

<table>
<thead>
<tr>
<th>State</th>
<th>Childcare</th>
<th>State EITC</th>
<th>Food Stamps</th>
<th>Medicaid Adults</th>
<th>Medicaid or SCHIP Children</th>
<th>Public Housing &amp; Section 8&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Temporary Assistance for Needy Families</th>
<th>Monthly family budget selected city&lt;sup&gt;b&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Columbia</td>
<td>$3,458</td>
<td>$3,025</td>
<td>$1,798</td>
<td>$2,767</td>
<td>$2,767</td>
<td>$1,352</td>
<td>$407</td>
<td>$4,741</td>
</tr>
<tr>
<td>Illinois</td>
<td>$2,533</td>
<td>$3,025</td>
<td>$1,798</td>
<td>$1,840</td>
<td>$2,767</td>
<td>$1,499</td>
<td>$382&lt;sup&gt;c&lt;/sup&gt;</td>
<td>$3,219</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>$2,890</td>
<td>$3,025</td>
<td>$2,767</td>
<td>$1,850</td>
<td>$2,767&lt;sup&gt;d&lt;/sup&gt;</td>
<td>$1,703</td>
<td>$1097/$1171&lt;sup&gt;e&lt;/sup&gt;</td>
<td>$4,860</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$2,421</td>
<td>$3,025</td>
<td>$1,798</td>
<td>$1,383</td>
<td>$2,075</td>
<td>$1,535</td>
<td>$964</td>
<td>$4,191</td>
</tr>
<tr>
<td>North Carolina</td>
<td>$2,966</td>
<td>n/a</td>
<td>$1,798</td>
<td>$553</td>
<td>$2,767</td>
<td>$1,211</td>
<td>$533</td>
<td>$3,226</td>
</tr>
</tbody>
</table>

As a percentage of federal poverty line (FPL)

<table>
<thead>
<tr>
<th>State</th>
<th>District of Columbia</th>
<th>Illinois</th>
<th>Massachusetts</th>
<th>Minnesota</th>
<th>North Carolina</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>250</td>
<td>223</td>
<td>130</td>
<td>200</td>
<td>98</td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>133</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
<td>100</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>133</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
<td>100</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
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<tr>
<td></td>
<td>200</td>
<td>133</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
<td>100</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
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<td></td>
<td>200</td>
<td>133</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
<td>100</td>
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<td></td>
<td>200</td>
<td>133</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
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<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
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<td>133</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
<td>100</td>
<td>200&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Source: Albelda & Boushey (2007), Table 4C p. 25 and Table 2A, p. 10.

Notes: EITC = Earned Income Tax Credit; SCHIP = State Children’s Health Insurance Program.

The federal poverty threshold in 2006 for a family of three was $16,600 annually and $1,383 per month. This would require an $8/hour job working year-round full-time. In some programs and in some states, income eligibility varies by county or area. For illustrative purposes we use representative thresholds. Eligibility rules for all programs are summarized in the appendices in Boushey (2007).

<sup>a</sup>In this table, we only use 30% percent of Department of Housing and Urban Development’s (HUD) published statewide median family income. However, income eligibility for public housing and Section 8 vouchers can go up to 80% of median income, but most housing assistance is reserved for those with incomes below 30% of median income. Further, eligibility levels vary by area within the state based on area income and cost of housing.

<sup>b</sup>Selected cities/urban areas are Chicago, Boston, Minneapolis-St. Paul, MN, and Raleigh-Durham-Chapel Hill, NC.

<sup>c</sup>Eligibility varies by county.

<sup>d</sup>Increased to 300% on July 1, 2006.

<sup>e</sup>Level depends on whether the family is receiving housing assistance and whether an adult in the family is exempt from time limits and work requirements.
eligible for child care assistance; between 37% (North Carolina) and 67% (Massachusetts) of tax filers were eligible for the EITC; and between 37% (Washington, D.C.) and 60% (Massachusetts) were ineligible for Medicaid or SCHIP (Albelda & Boushey, 2007, p. 21).

TO WORK MORE OR NOT TO WORK MORE?

Although there has been a lively debate over higher-income women’s decisions to “opt out” of employment (Belkin, 2003; Boushey, 2008), low-income parents have few choices but to be employed as a result of changes to antipoverty policies. However, wages are often too low to support a family whereas low-wage employers are the least likely to provide much needed benefits. Without government supports, many low-wage single mothers cannot possibly make ends meet. However, as demonstrated in Table 1, even low-wage work can put you above the income eligibility for several government work support programs. However, even when eligible, vanishing public supports pose several problems. First, low-wage workers who receive more than one of these supports face high “marginal tax rates.” That is, as they earn more they lose portions of the program benefits, which can be substantial (Romich, 2006). A second problem is the time involved in the application and reapplication processes. Most programs available to poor and low-income parents are administered by separate agencies and require a good deal of documentation. Most also require in-person visits to offices that are typically open weekdays during usual work hours (8:00 a.m. to 5:00 p.m.). The EITC is a notable exception. It requires filling out a two-page tax form annually. However, unlike other means-tested programs, almost all workers get the EITC as a lump sum payment at tax time. As such, it does not serve to help families pay their weekly and monthly bills on time.

Decisions about how much time to allocate to employment versus to care creates a precarious balancing act for all mothers, especially those with limited material resources (Hennessy, 2009; London, Scott, Edin, & Hunter, 2004). Child-rearing responsibilities often proscribe work hours and work location. Additionally, the availability and cost of adequate child care is one major factor in mothers’ decisions around employment. Throughout the 1990s and the first decade of the 2000s, funds for child care expanded with stricter TANF work requirements. However, those funds did not expand enough to meet the growing needs of low- and moderate-income parents. The Assistant Secretary for Planning and Evaluation (U.S. Department of Health & Human Services, 2008) estimated 29% of eligible families received child care assistance through the main federal source of child care funding (the Child Care Development Fund or CCDF) in 2005. Yet researchers who have looked directly at the role child care subsidies play in employment
decisions find that having a child care subsidy increases the probability of employment (Bainbridge, Meyers, & Waldfogel, 2003; Blau & Tekin, 2007), confirming that as child care becomes more costly to parents, low-income mothers work less. Tekin (2007) and Connelly and Kimmel (2003) find this to hold stronger for fully employed single mothers than for part-time employed mothers. This particular finding suggests that women who have made a decision to work full-time are more price sensitive than time sensitive (i.e., their employment decision is more contingent on the price of child care than on having more time available) while for part-time employed mothers, the price matters less to them than having more nonwork time.

METHOD

How do low- and moderate-income parents grapple with these choices? The findings discussed in the next section come from focus group data collected between April 2006 and June 2007 in Chicago; Boston, Cambridge, Lawrence, and Springfield, Massachusetts; Duluth, St. Paul, and Willmar, Minnesota; Greensboro, Raleigh, and Rocky Mount, North Carolina; and the District of Columbia.

The focus groups were conducted as part of the Bridging the Gaps project, a mixed methods, multistate collaborative research project using survey data to document hardships, eligibility, and coverage gaps for working families in nine states and the District of Columbia (Albelda & Boushey, 2007; Boushey, 2007). State-level community partners that work with low- and moderate-income parents participated in every stage of the research process, from discussing methods to interpreting results. Recognized as a particularly useful method for learning about perspectives of marginalized populations, the focus groups were conducted to give voice to quantitative findings that show work supports often are underutilized (Albelda & Boushey, 2007; Morgan, 2008). Originally designed to shed light on the strategies people employ in making ends meet, specifically in packaging earnings and public work supports, the focus groups also revealed the dilemmas participants face and complex calculations they make in deciding which strategies to employ in making ends meet. Viewing the focus group data in light of the quantitative findings helps fill a gap in understanding how low-income families' decisions around working or earning more are constrained by the very policies that are meant to promote their participation in the labor market (Sosulski & Lawrence, 2008).

In each location except for Minnesota and four focus groups conducted in Washington, D.C., the community partner conducted the focus groups. In Minnesota and Washington, D.C., the community partner helped recruit and screen participants, and an experienced consulting firm facilitated and, in Minnesota, also transcribed the proceedings. In all other locations,
researchers from the national team provided technical assistance, including a 31-page handbook on planning and conducting focus groups, to community partners. The community partners in each location, except Illinois, recruited participants at two different income levels for the focus groups. Separate focus groups were conducted for those with higher family incomes (225%–325% of the FPL), and those with lower incomes (75%–250% of the FPL). In addition to the income requirements, participants were also screened to be a head of household with at least one child younger than age 18 living in the home.

Participants in the lower-income focus groups needed to have received earnings at some point in the 18 months prior to the focus group. For the higher-income group, parents needed to have worked steadily for the past 18 months. Finally, to capture experiences with the public work support programs, participants in the lower-income groups needed to be currently receiving, have received in the past, or have applied for at least one of six public work support programs (TANF program in their state, Food Stamps, Section 8 or public housing, child care assistance, the Medicaid program in their state, the EITC). Two of the focus groups (in Lawrence, MA) were conducted in Spanish (the transcriptions were translated into English). Segmenting focus group participants is recognized as a way to create a sense of comfort in each group and also allows researchers to make comparisons systematically across groups (Morgan, 2008). The themes highlighted and discussed below were widely repeated across groups, though sometimes differences were noted across income groups or locations and are reported here (Krueger & Casey, 2000; Morgan, 2008).

Guided by the same protocols across locations, focus group participants discussed the ways they combine earnings and public work supports, the reasons so many families who are eligible for public work supports do not use them, and the strategies families employ to make ends meet. In a 1½-hour conversation, participants were asked directly about their experiences making ends meet receiving each of the six public programs and employment. They were also asked to comment when posed with scenarios about a family that had recently experienced a loss of employment. All low-income participants were posed with a scenario in which a low-income single mother, receiving housing assistance and health insurance, finds herself being offered more hours of work, and with it more pay but likely less government support. Participants were asked what they might do in this situation, about this mother’s possible choices and how her decision might affect promotions, raises, or other job possibilities in the future. After the discussion, participants were asked to fill out a one-page form that included questions about their demographic characteristics, current earnings, and current and previous use of six major government support programs. All participants were paid $25 and usually provided with some food. For most focus groups, child care was available on-site.
Community partners transcribed their focus groups proceedings and sent the electronic transcriptions to the national team for coding. The qualitative data were coded by one analyst according to a scheme developed by the research team to identify analytical domains that the focus groups were designed to address (how participants experienced surviving on low wages and in combining earnings and public supports) that would shed light on quantitative findings from the larger project. As the research team reviewed the focus group transcripts and coding reports, the dilemmas and calculations about the difficult decisions entailed in working more hours became apparent, prompting the data analyst to conduct a second round of coding to systematically capture these themes across all focus groups. Analysis of the focus group transcripts and facilitator reports was conducted using QSR NVivo qualitative analysis software.

When the data were coded, the analyst generated coding reports that indicated which focus group each comment was a part of, and where in the transcript the surrounding dialogue could be found, allowing the analyst to get a sense of how many focus groups, and participants in those groups, discuss any theme. Although the findings reported in this article include comments from all parts of the focus group discussions, many are responses to the scenario summarized above because it is the one that most often prompted a discussion of dilemmas and calculations.

There were a total of 22 focus groups with 166 parents whose incomes ranged from 75% to 325% of the FPL. Table 2 depicts basic demographic information on focus group participants. Most of the focus group participants were women, two thirds indicated they were Black, almost one fifth were

<table>
<thead>
<tr>
<th>TABLE 2 Demographic Characteristics of Focus Group Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Average age</td>
</tr>
<tr>
<td>Race/ethnicity</td>
</tr>
<tr>
<td>Asian</td>
</tr>
<tr>
<td>Black</td>
</tr>
<tr>
<td>Latino</td>
</tr>
<tr>
<td>White</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Foreign born</td>
</tr>
<tr>
<td>Spouse present</td>
</tr>
<tr>
<td>Average number of children</td>
</tr>
<tr>
<td>Average age of children</td>
</tr>
<tr>
<td>Educational attainment</td>
</tr>
<tr>
<td>Less than high school</td>
</tr>
<tr>
<td>High school/General Equivalency Degree</td>
</tr>
<tr>
<td>Some college</td>
</tr>
<tr>
<td>College degree or more</td>
</tr>
<tr>
<td>Currently employed</td>
</tr>
<tr>
<td>Average weekly earnings</td>
</tr>
</tbody>
</table>
foreign born, and 22% had a spouse present. Just more than one half (51%) had some college education, including 18% with a college degree, and most (78%) were employed at the time of the focus group. Average earnings were a little over $500 a week. Close to three-fourths (72%) participated in low-income focus groups.

Participants had considerable experience using public supports, with almost all (96%) indicating they either currently were receiving or once had received supports. At the time of the focus group discussion, almost 60% indicated currently receiving at least one of six major programs (with the average number of programs received being one), whereas 80% had at one time received at least one (with an average of ever receiving two of the six programs). The most widely reported public program used was Medicaid (43% presently receiving and 31% former users), followed by Food Stamps (33% current users and 46% former users). Reported current or previous EITC usage was not as high as expected (10% current and 38% former); however, based on focus group discussions, it became clear that some people were not aware that the tax refund they received might have been the EITC. Fewer than 20% of participants reported currently receiving housing assistance, just under 15% indicated getting child care assistance, and 10% were getting TANF funds.

Complex Calculations, Difficult Decisions

Participants in all focus groups expressed a preference for the idea of earning in the labor market over relying on government supports. However, their discussions reveal that exercising that preference forces them to confront a dilemma that is difficult to resolve because the implications of deciding whether to work more can be stark for a family budget. In most cases, the realities are so complex that many focus group participants could not make recommendations in the abstract and instead shared their thoughts about what factors would influence that decision. Some participants were able to draw on their own experiences, saying either that they had turned down raises to keep public supports or that they always took the opportunity to work more, even when it resulted in a decreased level of public supports.

The dilemma arose when parents had to weigh the costs associated with more paid work against its benefits, in the immediate term and the long run. The discussions reveal that a decision to accept an incremental increase in wages (whether a raise or working more hours) rests on if that wage increase will trigger (1) additional expenses for housing, health care, child care, and food that may be associated with a loss of public supports; (2) a child care crisis that manifests itself as a lack of adequate care or supervision; (3) a time crunch and higher stress levels; or (4) future opportunities or sanctions
from an employer or general position in the labor market. Analysis of focus group discussions reveals that these parents are not making decisions solely based on normative preferences or financial analysis but engage in complex calculations informed by past experiences, concerns about the quality of life, and the ability to meet the needs of their children. Further they realize the outcomes of these decisions might very well rest with others: their caseworker, employer, or child care provider. Each of these considerations serves as a variable in a complex equation that parents must calculate to assess whether additional wages (minus associated costs) and opportunities at work will improve the family’s immediate circumstances or longer term prospects for well-being.

In Raleigh, NC, a group of low-income focus group participants engaged in a debate that got to the heart of the dilemma. Some argued that it is always preferable to work, regardless of whether working means that one’s family is worse off financially and challenged in providing adequate child care, because of the inherent sense of self-worth working gave them, as well as the more favorable appearance they sensed it made to their families and “the system.” Others disagreed, saying that unless working actually resulted in immediate financial benefit to their families, it was not worth sacrificing the time spent caring for their families. Similarly, some parents said that although they preferred not having to rely on public supports, they did use them when needed to make sure their children’s needs were met. Loss of medical insurance and food stamps and increases in child care expenses and housing payments were the concerns most frequently expressed by participants when asked to contemplate the implications of earning more. One parent in the low-income focus group in Lawrence, MA, expressed it this way, “I would stay with my 32 hours [instead of increasing to 40], because in this country, the more you make, and if you get for example vouchers or Mass Health, or food stamps, you lose everything.”

The absence of good choices underscores two important themes that emerge from the focus group data and factor into the immediate and long-term calculations. One has to do with the notion of trust, or lack thereof. Throughout the discussions, participants brought up issues related to a lack of trust: in caseworkers’ abilities to help them facilitate changes in income and receipt of supports, in employers’ and co-workers’ willingness to accommodate the day-to-day difficulties low-income parents face juggling children and work on a shoestring, or in day care providers who take care of their children. Trust that working more would ultimately make their families better off was most frequently alluded to in discussions regarding child care providers and reflected the past experience of participants or their associates. This was more prevalent among participants in the low-income focus groups than those in the moderate-income focus groups. The other theme has to do with the adequacy of care, wages, and supports. Concerns related to adequacy of wages highlight that the calculations these parents make are
not driven by a predisposition to stay out of the workforce but rather the notion of being stuck—trapped between reliance on inadequate levels of public support but unable to make it solely in the labor market today and in the future.

In calculating how to resolve the dilemma, parents also weighed the freedom that comes with earning one’s own wages and having the freedom to spend those wages as you see fit, despite the responsibilities, pressures, and stress that accompany work, against having the government dictate how much you get in Food Stamps, for example. Whether that made the labor market a better source of support depended on family circumstances.

It depends on how the children are. If you have children that you know you can leave home for that additional hour, or hours, whatever it is, then maybe yeah, but if you know that your child needs supervision, then you might not want to—you might want to think twice about leaving them.
(Raleigh, North Carolina)

Although the dilemma is complex, focusing on meeting immediate needs seems to simplify the calculations a bit, so long as parents knew specific conditions related to the decision. Especially for parents without high levels of education or skills, the likelihood of a long-term commitment to the labor market paying off either did not seem likely or was just too far in the future to take into consideration. As a Washington, D.C., parent said, “But that’s where my emphasis is, eventually, not now. And right now you got the toddlers running around, you got these diapers and these bills and you have to really go into survival thinking mode.” Likewise, parents without an extended network of family and friends to help with care work were also left with fewer options. As a result, those parents more frequently expressed sentiments of being caught between a rock and a hard place.

IMMEDIATE NEEDS CALCULATION

The immediate needs calculation depicted in Figure 1 centers on deciding how to manage resources (paid work, public supports, time) so as to best meet the ongoing care needs of children. These calculations are similar to ones middle- or upper-income parents (usually mothers) make: having to spend higher amounts on child care as parents work more hours, perhaps finding that their take-home paycheck primarily goes toward child care. However, the consequences can be very different for low-income parents. Less work means less income on an already low base whereas more work may push low-income parents to use low-quality child care and leave older children without adult supervision (Dodson, 2007). In addition, low-income parents participating in public support programs with work requirements
If I accept more wages, will that trigger any of the following?

- additional expenses for housing, health care, child care, and food that may be associated with a loss of public supports
- a child care crisis that manifests itself as a lack of adequate care or supervision
- a time crunch and higher stress levels
- future opportunities or sanctions from an employer or in the labor market more generally

Immediate Needs Calculation

- impact on ability to provide for family's basic needs currently
- impact on quality of care for children
- impact on home life
- impact on work life

Long-term Payoff Calculation

- impact on long-term prospects for security in being able to provide for family's basic needs
- impact on children's well-being: behavioral issues, educational outcomes, etc.
- impact on personal health (physical and mental)
- impact on ability to move up the career ladder and into more secure position

Factors Affecting Immediate Needs and Long-term Payoff Calculations

Normative preferences, past experiences, concerns about quality of life, family well-being, trust (or lack thereof), and concerns about overall adequacy of care, wages, and supports.

FIGURE 1 Immediate needs vs. long-term payoff calculations.

may not have the resources to purchase more care in the market and supports may not be available.

Despite different eligibility requirements in each of the states, participants in all states talked about the difficulty in increasing or maintaining employment because the cost of care—even with a child care voucher or subsidy—was too high. One mother from Willmar, MN, shared her experience, “It wasn’t worth me going to work because I had to pay all this fee for my kids to be in day care, so it just wasn’t worth my time to go to work.”

Parents from a low-income focus group in Lawrence, MA, debated quite extensively about the story of whether the single mother should increase her hours, with some arguing that it is important for low-income mothers to gain skills and try to get better jobs in the future so that they do not need to rely on public supports, whereas others took the position that an increase in wages would really result in an immediate net decrease in family financial well-being because increased wages would be associated with increases in rent payments and losses of other supports, like health insurance. One participant from this group noted that working an extra 8 hours per week could destabilize an otherwise stable family by creating additional stress,
risking putting children in harm’s way, and further straining household resources.

The subtexts of trust and adequacy of care were particularly salient in these discussions. For most of the employed parents in these focus groups, child care was a worrisome concern, especially because their options for care were circumscribed by lack of resources. Their concerns ran the gamut. Some parents expressed preference for having their children cared for in professional settings so that they could be socialized with children their own age and get a head start on learning; at the same time other parents expressed concern about inadequate day care providers. Others noted that if the mother was working just to pay day care expenses, then the job or additional hours simply would not be worth the additional stress, time constraints, and subsequent impacts on family life.

And then there are mothers who even have two jobs. They leave from one to start the other, in order to pay for all the monthly expenses. Then, whom are the children left with? With a provider, and the provider becomes the Mom of those children, because they seldom see their own Mom. Or the grandmother. And when the Mom comes home after work, the children are already in bed. What time has the mother to share with those children? None. (Lawrence, MA)

Those in two-parent families or with extended family to help them with child care talked about arranging work schedules so that someone is always home to care for the children. In two of the low-income focus groups, one in St. Paul, MN, and the other in Lawrence, MA, the discussion focused squarely on the negative impacts to children of having the mother work additional hours, even when others were available to care for the children. There was less certainty in the moderate income groups, probably reflecting a greater diversity of experiences they have with the labor market or with child care providers.

Although immediate needs more often than not outweigh long-term concerns, especially for those in low-income focus groups, planning for the future is an explicit part of the internal debate for these working parents.

Well, that’s hard too. So at the time you’re struggling with your housing and your kids and this and that, but in the future you could have a lot better job. Which one do you take? It’s like pretty much at the time you need the money more than you care about in ten years having a promotion. (Willmar, MN)

To answer the question of which options are better for long-term family well-being, parents make a long-term payoff calculation.
LONG-TERM PAYOFF CALCULATION

The long-term payoff calculation about how much to work, depicted in Figure 1, centers on parents’ assessments about how to improve family well-being. It differs from the immediate needs calculation in that it requires parents to assess which immediate sacrifices, risks, and investments will pay off for longer term family well-being. These calculations encompass concerns about instabilities in the labor market, trust in employers, and inadequacies of nonparental care providers. There was a general sense of uncertainty around whether working extra hours when offered them by an employer carried some sort of nonfinancial reward. Many parents expressed a preference for investing in a career but realized that it was imperative for them to weigh the costs and benefits of making that investment, in the immediate term and in the long term.

Many talked about the importance of being good role models for their children that included getting up and going to work every day and making other sacrifices to get ahead (or stay afloat). Being a good role model also included clearly communicating with children about why it might be important for their mother to work more hours, or for them to have to spend more time in day care.

Even when focus group participants focused on potential future payoffs of investing in the labor market, some of them expressed skepticism toward the idea that hard work is rewarded justly. One low-income participant from Chicago summarized the uncertainty of investing oneself into the labor market as follows.

You can have a career, you work hard, you do this, you be dedicated, you have integrity in what you do, you go to work everyday, you’re invested to these plans. Life is going to be all right. You know, they sell you this dream that there’s no longer a reality to that. People do not retire from jobs today; they get fired from jobs today, especially when they have over twenty years. (Chicago)

A few, though distrustful of employers, thought it best to accept whatever opportunities an employer might offer, for fear of repercussions if an opportunity was turned down. One participant from Chicago argued that the glass could be seen as “half-empty or half-full” and that having a positive attitude could go a long way in enduring immediate losses that might accompany additional work hours but also open the door for future possibilities. A few mothers reported experiencing difficulties reentering the labor market, with employers questioning time they had spent out of the workforce caring for children.

Those in the moderate-income groups were more likely to have had more positive perceptions of or experiences with employers, in terms
of being able to negotiate schedules and opportunities for advancement. Throughout some of the discussions, there was an explicit realization that work sometimes comes with benefits such as access to affordable health insurance. They also recognized that there are no easy answers, because without knowing the details of an employer’s plans (including retention and benefits) and a person’s family situation it is impossible to make a decision.

Other parents discussed explicit decisions to sacrifice their future potential in the labor market to provide better future opportunities for their children. For one mother that meant keeping her kids in a private school where her low income qualifies her for help with tuition.

And I’m in a place right now where I’m like, well, dag, I got to keep myself in this little penny-annya job answering the phones when I got better skills than that. But I can’t get that better job because that better job is going to take me out of my income bracket. The money that I may make I won’t be able to afford them to go to private school. (Washington, D.C.)

The focus group data reveal that the immediate needs calculations are inextricably linked to the longer-term payoff calculations, driven by questions of how best to provide care for children and ensure family well-being. The calculations and questions that drive them are embedded in the overarching dilemma of whether to work more. The inadequacy of low wages and the variable experiences with those that can make work “work” (i.e., employers, caseworkers, and child care providers), especially among those in the low-income focus groups with incomes just above the poverty line, make these calculations all the more difficult.

**RESEARCH IMPLICATIONS**

The current study has important implications for research and policy. In terms of research, it highlights the importance of exploring the ways in which employment promotion policies have worked for those most affected by those policies. Although it is important to be able to quantify measures of policy success and failure, it is also crucial to understand why policies succeed and fail, especially in the eyes of those they target. Using focus groups is one important and effective mechanism for incorporating those voices, especially for marginalized groups.

Research on existing policies and their implementation chains can help us more systematically identify possible weaknesses and generate recommendations for improvement. Researchers know that policies imply theories and that policy implementation schemes should reflect a sound and well-thought-out theory. Research on policies that incorporate the viewpoints
of policy targets—in this case the recipients of public supports—is essential because they matter in the implementation scheme. By incorporating those perspectives, researchers may be better positioned to identify failures of policy theories and suggest ways to improve them, rather than feeding political battles. The implications discussed in the following section do just that, informed by empirical evidence that suggests when low-income parents cannot or do not access supports or have to weigh the costs of earning more, it is a reflection of failed policies, including the theories that inform them, not a failure of the individuals they target.

POLICY IMPLICATIONS

All parents, especially mothers, face the challenges of juggling employment and care for children outlined here. However, for low-income families, there are not only fewer choices, but the consequences tend to be higher. The following recommendations would make these trade-offs less stark for all families, especially low-income families.

- Overcome the difficulties generated for families trying to patch together low-wage employment, public work supports, and care for their children by creating a more streamlined and complementary system of public supports and employer benefits that will help not only low-wage workers, but also their employers and the nation. This includes reassessing application and certification procedures for each program.
- Resolve the “catch 22” of working more but not having more by extending work supports to reach higher up the income distribution than they do now, offering work supports to families up to median income in many places.
- Address the lack of affordable quality child care in the United States by fully funding current child care assistance programs to cover all eligible families and moving toward universal early education and care for all preschoolers.
- Craft employer policies so they reach all low-wage workers. These benefits include health care coverage, paid sick days, paid family and medical leave, and employer-sponsored retirement plans.

There is also a much larger policy tale to be told by the dilemmas outlined here. In the current economic downturn, the struggles of low-wage working families to make ends might be overlooked as more and more families face a similar fate. However, low- and moderate-income families in the United States have been struggling for the past several decades during booms as well as busts. For the past two decades, one primary policy answer
to poverty has been employment promotion. This answer is inadequate and needs to be called into question as unemployment rates rise. Moreover, having and keeping a job—even getting a raise or a promotion—does not guarantee that parents, especially single mothers, will be able to meet all of their families’ needs. These realities suggest we need a new way of thinking about how to craft and implement policies meant to help low-income families.

Access to affordable, adequate housing and child care are struggles because of not only cost, but also supply. The Obama administration, like many cities and states throughout the country, is promoting the development of strong neighborhoods as a way to help address the myriad of issues communities confront. Making access to housing and child care an explicit part of that agenda could help parents overcome some of the time and transportation barriers they face when juggling the competing responsibilities of jobs and children. Parents in low-wage jobs also need options—in terms of venues for child care and hours of operation. Many are engaged in shift work, so child care centers that are open during traditional work hours do not suit their needs. As with President Obama’s vision for health care, a web of public and private providers can be constructed, but that requires funding and coordination to ensure they are located in communities where people need them. It is a vision that could inform policies meant to ensure low-wage parents and their families have access to the services they need, when and where they need them.

The current economic crisis provides an opportunity—arguably a necessity—to carefully rethink the political choices we have made regarding the structuring of the economy and the labor market in particular. Having an antipoverty system rooted in economic and demographic realities of more than 50 years ago is neither effective nor efficient and does nothing to live up to the promise of the United States as a land of opportunity and innovation.

NOTES

1. These focus groups were conducted as part of a larger research project examining the ways low- and moderate income families combine employment and government work supports (see bridgingthegaps.org).
2. For reference, in 2005 dollars, median income—income at the 50th percentile—in the 1993 to 1995 period was $17,266 and in 2001 to 2003 was $20,270 (Meyer & Sullivan, 2008, pp. 2226–2227). The poverty income threshold for a family of three in 2005 was just under $16,000.
3. When established in the 1930s, public housing was intended for working families. However, by the 1970s and the creation of the Section 8 voucher program, housing assistance programs were targeted toward very low-income families (Stoloff, 2004).
4. We use family budgets developed by the Economic Policy Institute and enhanced by the Center for Economic and Policy Research. These do not include expenses for eating out, entertainment, debt repayment, or savings for retirement or children’s college education. For more information see Boushey (2007, pp. 15–16) and Albelda and Boushey (2007, pp. 7–8).
5. The project involved partners in nine states (Illinois, Iowa, Massachusetts, Minnesota, New York, North Carolina, Ohio, Texas, and Washington, D.C.) and leveraged funding from several sources, including the Annie E. Casey Foundation, the Ford Foundation, the McKnight Foundation, the Meyer Foundation, the Moriah Foundation, and the Stoneman Family Foundation.

6. The partner in Illinois was unable to conduct focus groups for both income levels. In addition, not all of the focus group participants in Illinois were heads of household with at least one child younger than age 18 living in the home.

7. The audiotape for the Rocky Mount, NC, focus group was inaudible and could not be transcribed. The only data coded for that group were the facilitator’s notes.

REFERENCES


Difficult Choices, Complex Decisions for Low-Wage Parents


