



INSTITUTE *for*
RESEARCH *on*
POVERTY

UNIVERSITY OF WISCONSIN - MADISON

Transcript for “Income Instability in the Lives of Hispanic Children”

Featuring Lisa Gennetian

Hosted by Dave Chancellor

December 2015

[Chancellor] Hello, you’re listening to a podcast from the Institute for Research on Poverty at the University of Wisconsin Madison. I’m Dave Chancellor.

For this, our December 2015 podcast, we’re going to be talking about income instability in the lives of Hispanic children with Lisa Gennetian who is a researcher with the [National Research Center on Hispanic Children and Families](#) and an IRP affiliate. Gennetian presented her work at the Institute this fall, as part of its “[Human Capital Investments and Development throughout the Life Course](#)” seminar series.

Currently, Hispanic kids make up about a quarter of all children in the United States and by 2050, that number is projected to be one third. Of these children, about 2/3rds live in poverty or near poverty, defined as less than two times the federal poverty level.

Gennetian says that despite the size of this group, there’s a lot that we don’t know about these kids and their families. However, data on Hispanic children and families are becoming more readily available through national studies. The availability of this data is what first enabled Gennetian to begin to better understand the economic situation of these households.

[Gennetian] One neat thing about doing this work now is that there are large enough samples in these big national surveys that you can ask these questions and actually answer them without doing a primary research study so you don’t have to go out in the field and collect your own data, you can actually use other people’s data, so that’s a big boost. And you can really start doing this in the 2000 period. So, using a big national study you can pull enough sample of children who are Hispanic that has enough information about income and social services, and all of these other elements that you want to understand.

That’s how this started, and it started with the period of 2004-06 and started with just saying, ok, where are they on an income distribution sense and this is actually a benefit of a national study, you can actually look at high income and middle income and low income and you see

distributionally, it's sort of confirming what we know from another data source that Hispanic children are much more likely to be poor and the proportion that are poor versus rich, or the highest income group, that gap is twice as large as it is for children who are in non-Hispanic households. That's sort of the starting finding.

[Chancellor] Since Gennetian and her colleagues were trying to get a better sense of the actual experiences of Hispanic children living in poverty, one of their next steps was to look at the stability – or lack of stability – of the income in the households of these children. They measured this by looking at how much the income changed from month to month. Gennetian says this matters because it's possible that being a child in a low-income household that's also income instable may put particular types of stress on that child in a way that's different from the experience of living in a household with low, but stable income.

[Gennetian] And there you find another interesting finding that even though Hispanic children are more likely to be poor, they also have more income stability than other poor children. So, on the one hand, they look like they might be worse off, on the other hand, if you're looking at all low income children, they look like they might be a little better off.

[Chancellor] This finding that the households of Hispanic children actually had more income stability than other poor households came as a bit of a surprise to Gennetian, so she and her colleagues started looking to see if there were any patterns in terms where the income was coming from that might be leading to this stability.

[Gennetian] And some of the reasons why you see is they are more likely to have an employed adult in the household. There was some conversation about juggling multiple jobs, that's probably the case and we can do some more work to understand that. That helps with keeping earnings at a pretty stable level. It might be coming from multiple sources, multiple jobs, and that they have a particularly, an adult male employed in the household, compared to children of other ethnic/racial groups. And you also see that social assistance and the way we measure it here is to basically see if families are taking up food stamps and then converted that to its cash value and then threw it into our measure of stability. And because food stamps come on a monthly basis, it can really stabilize income. So children in Hispanic households are not receiving food stamps, at least during that time period, at as high of levels as children in other households. So while it's a stabilizing form of income, it's not for children in Hispanic households, it's really coming from earnings.

[Chancellor] The findings showing greater income stability based on earnings come from 2004 to 2006 data from the Survey of Income and Program Participation, commonly referred to as the SIPP. Given this, Gennetian and her colleagues tested whether the findings would hold in subsequent time periods, with different economic conditions.

[Gennetian] We thought about it some more and the next question was, well, that was a relatively economically stable period, broadly. What happened during the great recession? And so then we went back to the SIPP and used the data from 2008 to 2010, which nicely overlaps with the recession and a little bit of the recovery period. We ran the same analyses and you see kind of two things happening. This big picture finding that Hispanic children were more likely to be low income and when you look at low income, Hispanic children are also more likely to have

stable income held up. And we were kind of surprised by that because we knew Hispanic workers were especially negatively affected by the recession, but it doesn't seem like it affected the stability of income coming to children.

But there are other aspects of the economic circumstances that did change so you do see a little shift in the distribution, the income distribution of Hispanic children. There are fewer that are living in high income households in the later period and more that are living in low to middle income households. And it's interesting, the stability benefits are because they are experiencing fewer positive income shocks, right? And that's meaningful in the sense that you can think a series of positive income shocks, so small hits or big hits of increased income might be a signal that you're on your way to jumping another income level. So seeing a reduction in that along with this shift in the distribution might be showing that economic mobility kind of came to a pause during that period of time.

[Chancellor] Besides being concerned that the income stability they were seeing was actually indicating fewer positive income shocks, Gennetian and her colleagues at the National Research Center on Hispanic Children and Families also worried that maybe this income stability might be coming at the expense of other things that matter for children's development.

[Gennetian] So, from children's development, you think, ok, you think about economic resources and maybe stable economic resources, but at what cost, potentially. So if we really think that children in Hispanic households have stable income because we've got lots of people working, and they're always juggling and they're working odds hours, maybe these children are not benefitting from that income stability.

So from the SIPP data we can take a "kind of" look at this. They're not -- child developmentalists and experts in family processes probably wouldn't be pleased with these outcomes -- but they're measures, self-reports of routines, so how many times per week does the family sit down to eat dinner together, how many times do they sit down to eat breakfast, how many times do they read to their children, do they praise their child, do they hug their child, are they stressed out, is kind of the spectrum of data we have. And there we find that, and again the hypothesis would be, at what cost? Are we seeing huge increases in parenting stress, are we seeing less frequent mealtime gatherings, and we didn't see that. In fact, children in low income Hispanic households are more likely to sit down and have meals with other adults in the family and have breakfast with adults and meals with the family. There is less parenting warmth but also less parenting stress. I don't really know what to make of that. These measures are not the strongest measures, but in terms of giving us a birds eye picture of red flags that maybe something else is going on, we're not seeing that.

[Chancellor] Still, when trying to make sense of these findings, it's important to understand that there's lots of heterogeneity when it comes to self-reported Hispanic identity.

[Gennetian] Some Hispanics were born here in America, some were not, some are citizens, some are not. Some are very proficient in English, some are not. And of course there are ethnic differences within that group. Mexicans are different than Dominicans, than Cubans, than

Guatemalans, and those are highly correlated with the region of America. So we can look at all of those different characteristics within the Hispanic group and see whether the story -- is this economic portrait playing out differently? And, you really think about things like citizenship when it comes to things like accessing social services and social assistance in our country. Again, surprised that we didn't see a whole lot happening on these measures of income stability at least. The one group where there were some interesting findings was based on English language proficiency. And not in ways that I can directly explain right now. But it was the one aspect, the one household feature that seemed to distinguish the experience of low-income and stable income.

[Chancellor] Gennetian and her colleagues work about the economic situations of households of Hispanic children is at least in part an effort to begin understanding how factors like race and ethnicity, as well as language, matter when it comes to public policy. And Gennetian says that it raises the question of how much we should be trying to understand how the experience of poverty in the United States is different for different racial and ethnic groups.

[Gennetian] And that's a really difficult and messy question and I feel like there are open questions about what you would do with that information from a policy perspective. It feels different now for a couple of reasons. Because versus where poverty was 20 or 30 or 50 years ago, you think about the Great Society and where we've come now, there are two huge changes that are affecting children in poverty. One is that there are a lot of men in jail, a lot of fathers, and that's really negatively potentially impacting African American children or black children and it feels like you cannot think about poverty and black children in poverty without also thinking about where their fathers are and what it means to be incarcerated. And the other is just the demographic composition of our country has shifted dramatically and to a growing Hispanic population that are poor, so not considering that dynamic as we think about poverty seems naive. So, I think it's an interesting conversation to be had and maybe, more directly, infused into the poverty debate, how we now consider experiences that are very well indicated by racial ethnic group.

[Chancellor] Thanks to Lisa Gennetian for taking the time to share this work with us. For more on this research, check out the new series of policy briefs on the National Research Center on Hispanic Children and Families website.

Thanks for listening to a podcast from the Institute for Research on Poverty.

[Introduction and closing music is from "Test Drive" by Zapac and used under Creative Commons license].