



IMPLICATIONS OF CHILD INCARCERATION FOR MATERNAL WEALTH AND LABOR FORCE ATTACHMENT

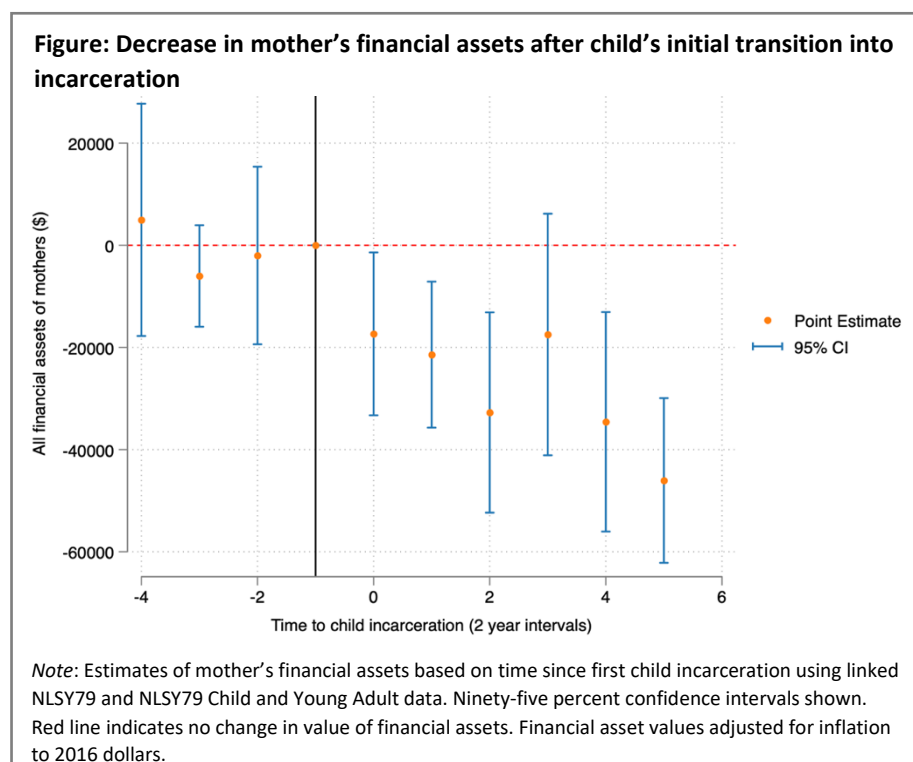
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More than 1 in 5 American women aged 50 or older has ever had a child incarcerated (Enns et al. 2019). Mothers play a critical role in supporting adult children both during and after incarceration (Harding et al. 2019; Western 2018), but the consequences of providing this support for mothers' economic wellbeing are unknown. Using data from the National Longitudinal Survey of Youth 1979 and the NLSY79 Child and Young Adult study, we find that child incarceration is associated with significant declines in maternal wealth and labor supply. These detrimental impacts are likely to contribute to gender inequality in Social Security benefit amount and increase women's dependence on Supplemental Security Income in old age.

Women Who Have Had an Adult Child Incarcerated Experience Significant Declines in Wealth and Labor Force Attachment

Compared to their own pre-incarceration levels, mothers who have had a child incarcerated (at age 14 or older) experience significant declines in the value of their total financial assets, homeownership, their primary residence equity, employment status, their weeks worked in the prior calendar year, and their total accumulated years of work experience.

Current child incarceration is associated with significant declines in financial assets and homeownership, while having a child who has previously been incarcerated is associated with decreased financial assets and primary residence equity. Current child incarceration is associated with a decrease of





approximately \$25,000 in financial assets, while prior child incarceration is associated with a decrease of approximately \$17,000.

A child's incarceration is also associated with significant declines in mother's likelihood of currently being employed, number of weeks worked in the past calendar year, and accumulated work experience. These findings are primarily driven by large declines in each outcome for white mothers and married women.

Declines in Asset Values are Largest in Dollar Terms for White Women but Largest in Percentage Terms for Black Women

The relationship between current child incarceration and maternal financial wealth is driven primarily by white women, for whom child incarceration is associated with a nearly \$80,000 decrease, on average, compared to a decrease of just \$17,000 for black mothers. However, the decline in financial assets is much larger for black women than white women when considered as a percentage of average financial wealth levels. The \$80,000 decrease for white mothers represents about 60 percent of average financial assets for this group (\$131,523), while the \$17,000 decrease for black mothers represents about 83 percent of mean financial wealth for this group (\$20,572).

Fathers' Labor Force Attachment is Not Affected by a Child's Incarceration

While maternal declines in labor force participation are primarily driven by married mothers, rather than single mothers, father's labor market attachment does *not* decline during child incarceration spells in married households.

Implications

- The high prevalence of incarceration in the United States has significant consequences for the wealth and labor market attachment of American women who experience child incarceration.
- Women who have had a child incarcerated experience a decrease in labor market supply that is likely to diminish their average indexed monthly earnings and, therefore, the Social Security benefit amount to which they are entitled.
- Because mothers' wealth is also decreased by child incarceration, these women are likely to have less in personal savings to aid them in retirement, thus potentially increasing their likelihood of requiring Supplemental Security Income (SSI) assistance in old age.
- Given that mothers' labor market supply is diminished by child incarceration while fathers' is not and that racial minorities are incarcerated at disproportionately high rates, child incarceration may contribute to gender and racial inequality in Social Security benefit amounts and reliance on SSI.

Citations

- Enns, P. K., Yi, Y., Comfort, M., Goldman, A. W., Lee, H., Muller, C., Wakefield, S., Wang, E. A., and Wildeman, C. (2019). What Percentage of Americans Have Ever Had a Family Member Incarcerated?: Evidence from the Family History of Incarceration Survey (FamHIS). *Socius*, 5, 2378023119829332. <https://doi.org/10.1177/2378023119829332>
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