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**COHABITATION AND CHILD POVERTY IN METROPOLITAN AND
NONMETROPOLITAN AMERICA: 1995-2006**

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COHABITATION AND CHILD POVERTY IN METROPOLITAN AND
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During the 1990's there was a declining trend in child poverty; however, the decline was not dramatic. Nearly one-fifth (18%) of children were living below the poverty level in 1990 compared to 16% in 2000 (Lichter, Qian, and Crowley 2006). This decline in child poverty was greater for children in single mother families than married mother families – but single mothers still face higher poverty rates than married mothers (Snyder and McLaughlin 2004). The evidence indicates that this trend in child well-being also differed according to geographical location. For example, in 1999, the EITC-adjusted poverty rate (which includes the Earned Income Tax Credit) showed that nonmetropolitan areas had 10% higher poverty rate than the metropolitan areas (Lichter and Jensen 2001). Nonetheless, the gap between metropolitan and nonmetropolitan in total poverty rate has not changed (ERS/USDA Brief 2004). The change in poverty rates was not the same for all family forms.

Nonmetropolitan single-mothers have significantly lower economic well-being compared to their metropolitan counterparts (Brown and Lichter 2004). However, in the late 1990's, the poverty rate of nonmetropolitan female-headed families had a more dramatic decrease of 13% in contrast with the 7% decline of the metropolitan peers (Lichter and Jensen 2001).

When investigating U.S. trends in child poverty, it has become clear that geographic location as well as family structure has to be considered.

In recent years, the growth of cohabiting unions has affected the overall dynamics of child poverty. Cohabiting couples with children have proven to be a unique classification of families that have their own distinctive experiences with child poverty. Cohabiting parent families have higher rates of poverty compared to married parent families (Carlson and Danziger 1999). However, cohabiting families do fare better than single-mother

households (Carlson and Danziger 1999; Manning and Brown 2006; Manning and Lichter 1996). Overall, cohabiting partners contribute to the family income, and accounting for their monetary contributions lifts 40% of children in cohabiting two biological parent families out of poverty and 58% of children in cohabiting stepparent families out of poverty (Manning and Brown 2006). Thus, for many single mothers, cohabitation is a livelihood strategy that increases family income and may also provide other forms of social and financial support, such as childcare (Brown and Lichter 2004). Traditionally, when studying family formation cohabiting unions have been grouped with single parents.

In nonmetropolitan areas, there are different trends in family formation patterns compared to metropolitan areas which ultimately could affect child economic-well being. Interestingly, there is not a difference in rates of cohabitation between nonmetropolitan and metropolitan areas (Snyder, Brown, and Condo 2004). Thus, cohabitation is not restricted to only more urban areas of the United States. However, once women cohabit, their transitions differ according to residence (Brown and Snyder 2006). Cohabiting women in rural areas are more likely to separate than women living in metropolitan areas, and once rural women cohabit they are more likely to move into a potentially more stable family form, marriage (Brown and Snyder, 2006). These findings are not based on just families with children but suggest that cohabitation in rural areas may be a less stable family form than in metropolitan areas.

Much prior research on poverty and family structure according to residence does not distinguish cohabiting parent families from married and single parent families. Exceptions include Brown and Lichter (2004), Snyder, McLaughlin and Findeis (2006), and Snyder and

McLaughlin (2006). The higher poverty levels experienced by cohabiting parent families in nonmetropolitan areas have been documented in these studies. While cohabitation does increase family income in general for single mothers, in 1995 this improvement is similar for families in nonmetropolitan areas (Brown and Lichter 2004). Potential explanations for the lower economic well-being of cohabiting parent families are that cohabiting parent families in nonmetropolitan areas have lower work effort (less often employed and lower work hours) and less often have post high school education than cohabiting parents in metropolitan areas (Snyder and McLaughlin 2006) as well as greater reliance on public assistance (Snyder et al. 2006).

Taken together, child poverty differs according to family structure (i.e. married, single-parent, cohabitation) as well as geographic location (i.e. nonmetropolitan vs. metropolitan). To date, little research has examined these patterns over time to gain a more complete picture of child poverty in the United States. The current project uses trend data from the Current Population Study (CPS) to study changes in child poverty over the last decade. The analyses will investigate the poverty status of children in metropolitan and nonmetropolitan areas living cohabiting, single-mother, single-father, and married couple households.

DATA and METHODS

The CPS is a monthly survey conducted by the Bureau of the Census for the Bureau of Labor Statistics. The sample is based on the civilian non-institutional population of the United States. More than 50,000 households are interviewed monthly and are selected to represent the nation, individual states, and other specified areas. Each household is

interviewed once a month for four months, and again for the corresponding time period one year later (Bureau of the Census 2006). We use the CPS's Annual Social and Economic Supplement (ASEC) conducted yearly in March. The ASEC includes data on work experience, sources of income, migration, household composition, health insurance coverage, and receipt of noncash benefits (Bureau of the Census 2006). The nationally representative trend data includes information that allows us to study changes in child poverty by family structure and metropolitan status over a decade.

To ensure adequate sample sizes the data are analyzed in two-year time periods from 1995-1996 to 2005-2006. Due to the rotating sample design, sample selection must ensure that households are not represented twice in our analyses. Therefore, we include all households in the first year of the two-year time period. In the second year, we include only those households that were not in the sample the previous year. Our baseline sample contains all households that are not designated as group quarters and those for which metropolitan status can be determined (between 0.22% and 0.62% each year cannot be determined). Analyses are based on households with children under 18 of the household head (or his/her cohabiting partner or spouse). The household roster is used to determine this relationship. A household is categorized as having children if there is any household member who is under 18 and identified as the household head's child or foster child. In an attempt to also capture households in which the head's spouse or cohabiting partner has a child/children living in the household (who were not identified above), we identify "probable children of partner" as those persons under 18 in the household who are listed as a non-relative of the household head, excluding them from being the household head's spouse,

child, foster child, grandchild, brother/sister or other relative, housemate/roommate, or roomer/boarder. If there is a “probable child of partner” in the household, the household is also categorized as having children under 18 (“probable child” households with no children of the household head make up 1% or less of the analytic sample each year).

Analyses are conducted at the household level with households categorized as metropolitan or nonmetropolitan based on Census definitions. Family structure is determined using the household roster, which indicates each household member’s relationship to the head of household. A household is designated as cohabiting if an opposite sex unmarried partner of the household head is identified. Married households are those in which an opposite sex spouse of the household head is identified. A household is categorized as single mother or single father if the household head does not have a spouse or cohabiting partner and she or he has children less than 18-years-old. The accuracy of these categories was assessed by comparing them to a household type variable.

As with other measures, poverty status is determined at the household level. Previous research documents the merit of considering the income from all household members, regardless of household type, when examining economic well-being (e.g. Manning and Brown 2006; Snyder and McLaughlin 2006). Poverty status is established using the Department of Health and Human Services’ poverty guidelines for each year. These guidelines take into account the number of persons in the household when determining its income needs. The poverty guidelines are used rather than the Census Bureau’s poverty thresholds because the thresholds are calculated at the family level, while the guidelines can be calculated for families or households. The poverty guideline for each household is

divided by the total income of all household members. If the result is less than one, the household is categorized as being in poverty. Analyses are conducted using weights designed for the ASEC at the household level.

RESULTS

In both metropolitan and nonmetropolitan areas between 2005-2006 most households with children under age 18 are married couple, 71% in metropolitan and 70% in nonmetropolitan areas (see Figure 1). Cohabiting couple households with children are more frequently found in nonmetropolitan areas (8.0%) than metropolitan areas (5.1%). The cohabiting couple households have increased in both areas, but more so in nonmetropolitan areas. In 1995-96 there was 3.4% of cohabiting couple households with children in metropolitan areas and 3.7% in nonmetropolitan areas, resulting in a 4.3 point increase in nonmetropolitan areas and only a 1.7 point increase in metropolitan areas over the decade. Cohabiting couple households with children represent 17% (or 1 in 6) of non-married couple households with children in metropolitan areas. In contrast, cohabiting couple households with children constitute 27% (or 1 in 4) of non-married couple households with children in nonmetropolitan areas. In 2005-2006 single mother households are more common in metropolitan areas (20.4%) but still compose 18.3% of households with children under age 18 in nonmetropolitan areas. Single father households are relatively rare in both metropolitan and nonmetropolitan areas with relatively little change over the decade.

In terms of poverty levels, our results indicate overall higher rates of poverty in nonmetropolitan areas with a slight decline in both metropolitan and nonmetropolitan areas (see Table 1). This gap has remained constant over the last decade. For each households

type we examine in this paper the poverty levels are higher in nonmetropolitan areas.

Figure 2 shows that during the 2005-2006 period approaching one-fifth (19.4%) of cohabiting parent households in nonmetropolitan areas lived in poverty in contrast to only 13.0% in metropolitan areas. There has been a decline in poverty experienced by cohabiting parent households in metropolitan and nonmetropolitan areas, but the decline has been substantially greater in metropolitan than nonmetropolitan areas. For example, in 1995-1996, 21.3% of nonmetropolitan cohabiting parent households were poor and in 2005-2006, 19.4% were poor. In contrast, in 1995-1996, 17.8% of metropolitan cohabiting parent households lived in poverty versus 13.0% in 2005-2006. Thus, there is an increasing residential gap in the poverty of cohabiting parent families.

The poverty rates experienced by cohabiting parent households fall somewhere between the poverty rates experienced by married couple and single mother households. Cohabiting parent household poverty levels are closer to married couple than single mother household poverty. Our findings indicate that the economic benefit of cohabiting rather than being a single mother is similar in metropolitan and nonmetropolitan areas. The differential in the percentage of single mother and cohabiting parent households living in poverty is similar in metropolitan (21.8%) and nonmetropolitan (23.6%) areas.

Married couple households fare better than other family types. Between 2005 and 2006 only 8.4% of married couple households in nonmetropolitan areas and 6.6% of married couple households in metropolitan areas were in poverty. Married couple households have experienced only a slight decline in poverty levels in both metropolitan and nonmetropolitan areas, and the residential area gap has declined slightly over the last decade.

Single mother households have the highest poverty rates and have experienced the greatest declines. Poverty levels in single mother households are greater in nonmetropolitan areas (43.0%) than in metropolitan areas (34.8%). Even though there are differences in the levels of poverty, similar declines in poverty occurred in single mother households according to residence. Single father households in nonmetropolitan areas have had a steady poverty level of about 19% over the last decade. In contrast, single father households in metropolitan areas have shown a large decline and only 12.3% lived in poverty in 2005-2006.

SUMMARY

Overall, households in rural areas continue to experience higher poverty levels than their counterparts living in more urban areas. The residence gap in poverty is greatest for households that are not married couples. Prior studies have not considered trends for cohabiting parent families and households. Cohabiting parent families represent a growing family form in metropolitan and nonmetropolitan areas. Yet, cohabiting parent families are more common in nonmetropolitan than metropolitan areas and represent a greater share of families that exist outside of marriage. Cohabiting parent households in nonmetropolitan areas continue to be disadvantaged and the residence disadvantage has been growing. Cohabitation appears to be able to provide short-lived economic benefits for the already vulnerable rural population. Cohabiting households are better off than single mother households, the advantage of cohabitation is similar in rural and more urban areas. Policy initiatives focus on encouraging marriage, but that typically requires being economically set or at least stable. In many states, poor cohabiting couples with the biological father present may still be able to obtain certain types of public assistance which a combined income

married couple would not (Moffitt, Reville, and Winkler 1998). States have different laws and may be differentially enforced regarding welfare eligibility for women who reside with an unmarried partner. (Moffitt, et al. 1998). There may be residential variation with rural areas being stricter, possibly reflecting normative pressure to encourage marriage (Brown and Lichter 2004). Although cohabitation may be a short term benefit to families, the potential positive economic implications for child well-being may not be long lasting. Households living outside of marriage in nonmetropolitan areas of the United States fare worse than those in metropolitan areas. The barriers to marriage are especially high due to employment and economic constraints in nonmetropolitan areas.

Figure 1. Family Structure Distribution among Households with Children under Age 18 by Metropolitan Status, 2005-2006

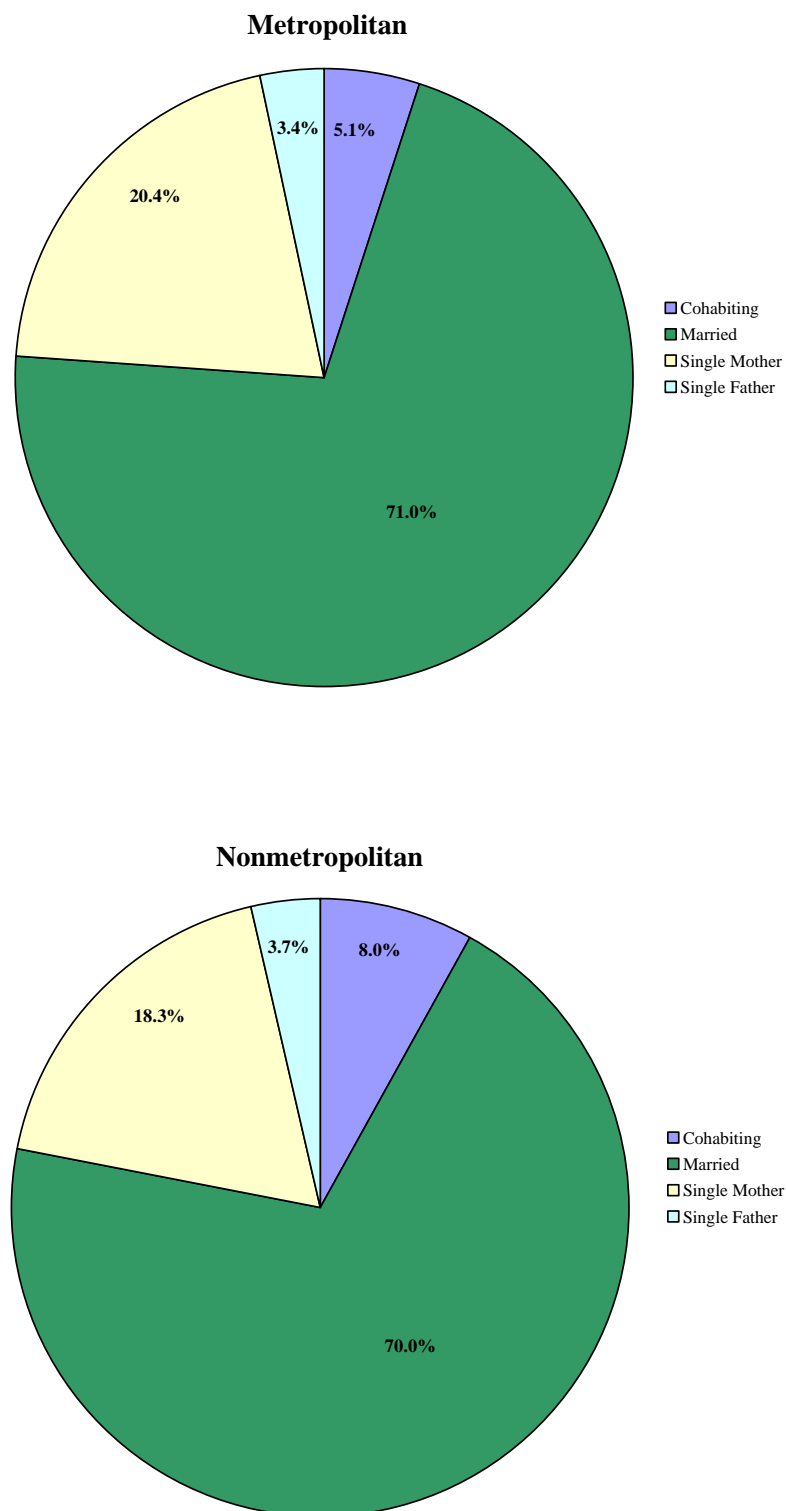


Figure 2. Percent of Households with Children Under Age 18 in Poverty by Family Structure and Metropolitan Status, 2005-2006

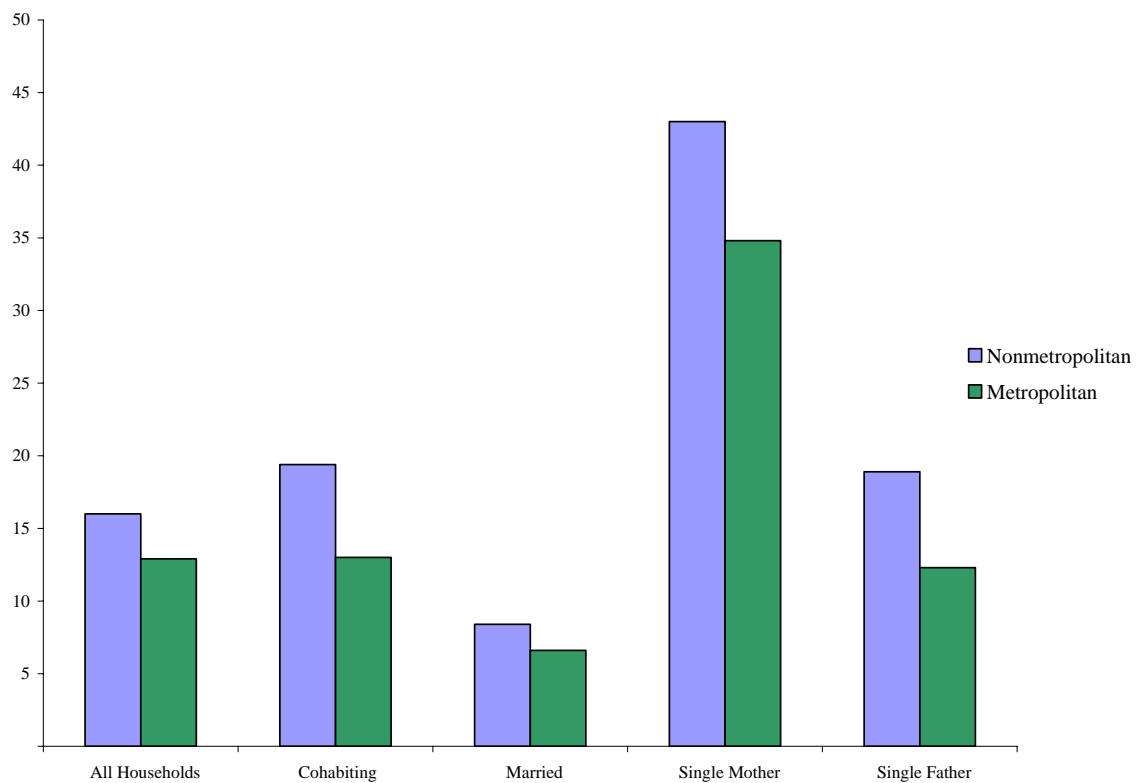


Table 1. Percent of Households with Children Under Age 18 in Poverty by Family Structure and Metropolitan Status

	1995-1996	1997-1998	1999-2000	2001-2002	2003-2004	2005-2006
Nonmetropolitan						
All Households	18.6	17.8	15.0	14.8	15.7	16.0
Cohabiting	21.3	23.0	19.7	21.1	19.9	19.4
Married	10.9	9.6	8.6	8.1	8.5	8.4
Single Mother	49.2	47.0	40.1	39.2	42.4	43.0
Single Father	18.4	18.7	17.7	18.9	18.6	18.9
Metropolitan						
All Households	15.7	14.7	12.8	11.2	12.4	12.9
Cohabiting	17.8	17.1	14.5	12.7	12.5	13.0
Married	7.7	6.9	5.9	5.6	6.5	6.6
Single Mothers	42.3	40.9	36.4	31.3	32.8	34.8
Single Fathers	18.5	14.2	10.8	12.8	12.9	12.3

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