

Effects of Family Structure on Income

Research Synthesis Paper: [How Broken Families Rob Children of their Chance for Future Prosperity](#)

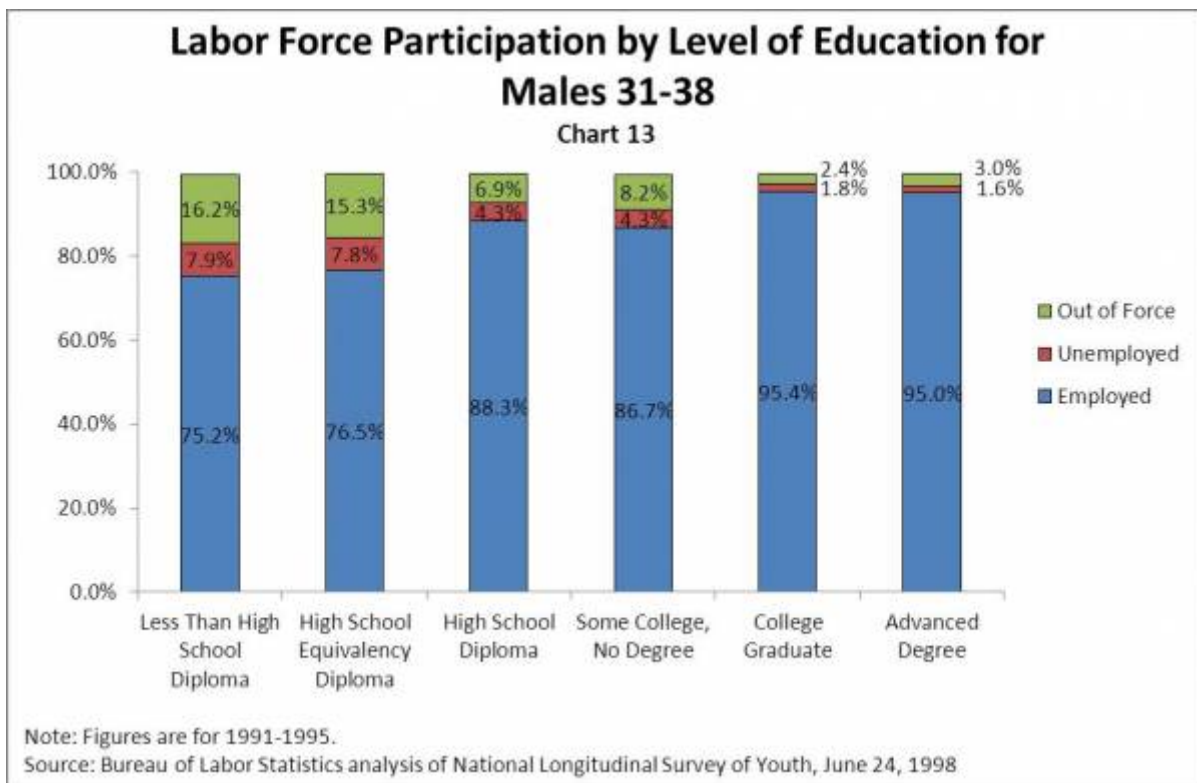
Family structure has much to do with [income levels](#) and asset building, both of which lead to [economic prosperity](#).

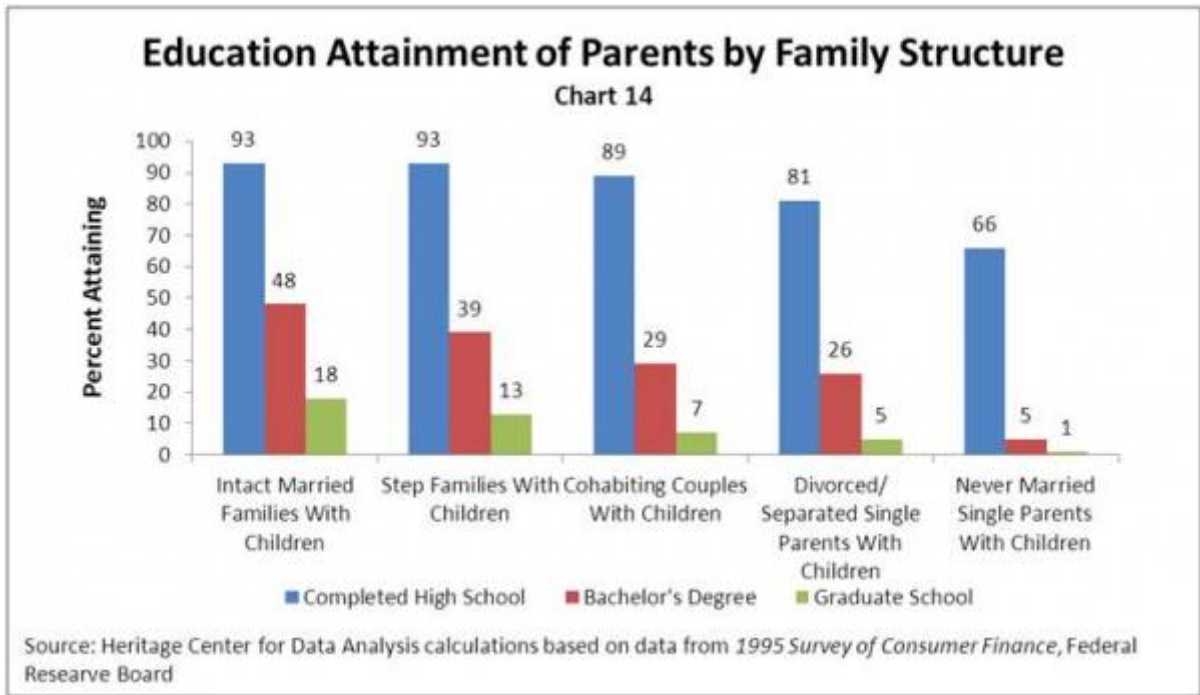
A family’s income is used to finance immediate needs and, if it is sufficient, may allow the family to save for future needs. There are two elements in the amount of income received: the dollar value of hours worked and the number of hours worked. These in turn are affected by, among other things, the parents’ education level and work habits that typically are formed in the early years.

The marriage of the parents has much to do with a child’s [educational attainment](#) and work ethic. The relationship can be expressed as an equation: $Income = (education\ attained) \times (work\ ethic) \times (unity\ of\ family\ structure)$.

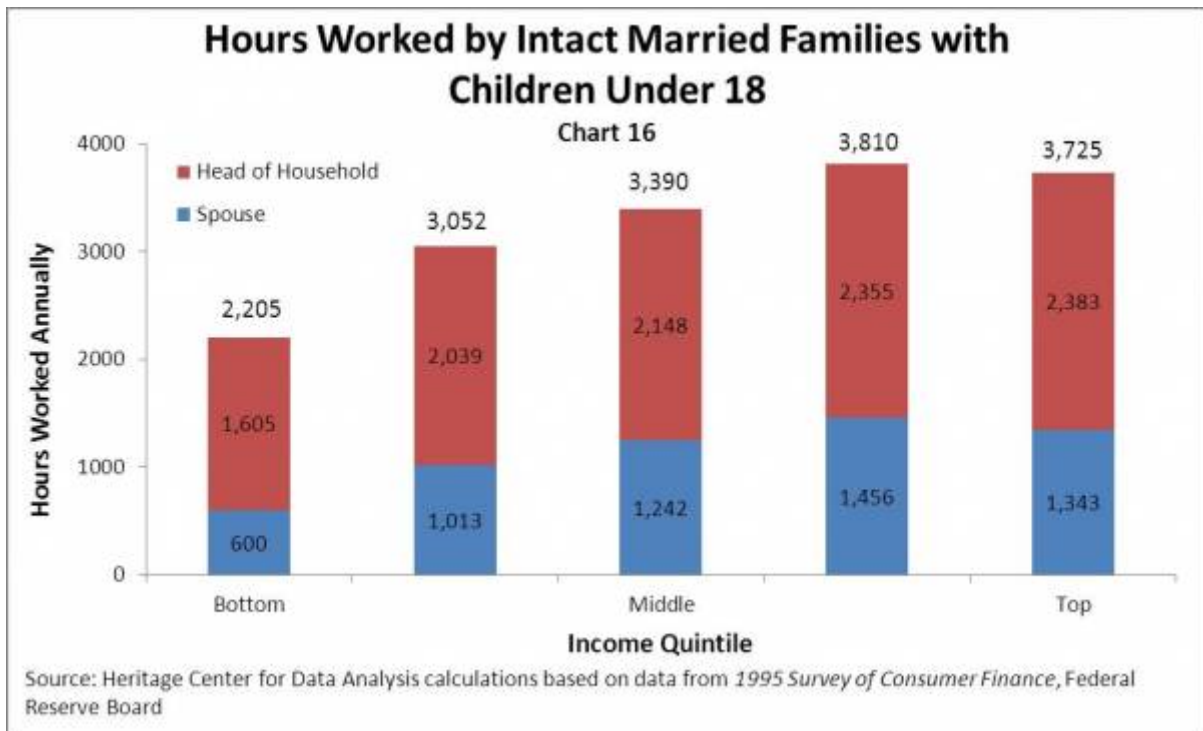
1. Marriage, Education, and Income

Of course, one does not obtain an adequate and steady income just by marrying. Increasing the number of hours worked at a job valued by the marketplace will provide more income. The number of hours worked is linked directly to educational achievement and family structure. (See Charts 13 and 14 .) Families whose members have lower levels of education normally will have to work longer to reach a modest level of financial security than do those whose members achieve higher levels of education.

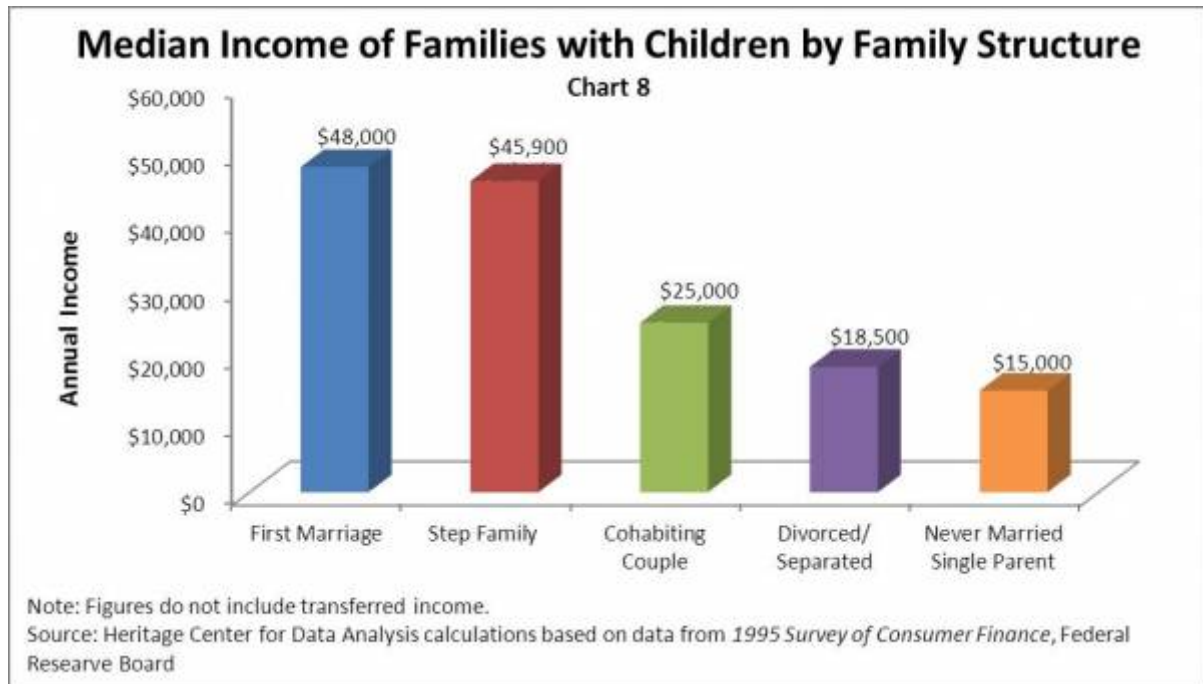




However, people who are not married and have less education work the fewest hours per year. In general, married couples have higher levels of education and work longer (see Charts 15 and 16), and make sure that their children achieve higher levels of education.¹⁾



Although the income of a family household depends on the educational level of parents, it is the parents' income rather than their level of education that predicts more accurately the level of education their children will achieve.²⁾ In general, children with high-income parents receive more education than do children of lower-income parents.³⁾ But higher income is less likely without marriage (see Chart 8), and poverty is much more likely without marriage.



Education gives the child from a high-income family a great advantage. The federal government's Panel Study of Income Dynamics showed the large economic gains that can be realized by completing high school, both in the level of wages earned and in the longer hours per week that a person will work.⁴⁾ But family background accounts for at least half the variance in educational attainment.⁵⁾ Students from intact families score more positively on all measures than do those from both step and single-parent families.⁶⁾ Adolescents who do not live with both natural parents are at significantly greater risk of leaving high school before graduating.⁷⁾ And the number of years of education received translates into a better first job and better jobs later at higher salaries.⁸⁾

2. Marriage, Work Ethic, and Income

A significant portion of two-parent families have moved out of the poverty range because both parents work, which also increases—and in many cases doubles—the total number of hours worked within the household. Among America's poor, there has been a significant shift in the number of hours worked per household, which indicates that much of the disparity in young men's economic status is concentrated in the number of hours worked.

In 1960, nearly two thirds of households in the bottom quintile of income were headed by individuals who worked—primarily married fathers. By 1991, this figure had fallen to around one third, and only 11 percent of these households were headed by someone who worked full-time throughout the year.

The total number of hours worked in married households has increased significantly over the past 40 years. According to former Congressional Budget Office Director June O'Neill, in 1950 only 18 percent of married mothers with children under 18 worked outside the home. By 1975, 41 percent of married mothers worked and that proportion reached 64 percent in 1992. Yet mothers on welfare appear to work little—only 7 percent report any employment. (These data were collected before the enforcement of the Welfare Reform Act (1996).

Not only are those in the lowest quintile generally working fewer hours than their counterparts were in the 1950s and 1960s, but they are doing so despite a national family trend in the rising number of hours worked.

A reverse trend accompanies the disappearance of marriage: The number of hours worked in the family household declines. Present-day single heads of households are working fewer hours than the married heads of poor households in the 1950s (typically, married men). At the same time, married couples are increasing the total number of hours worked, and although there are some unwelcome consequences from this increase in working hours in married households, there is no doubt that it has increased the number of families exiting a life of poverty.

¹⁾ Susan J. Popkin, "Welfare: Views from the Bottom," *Social Problems*, Vol. 37, No. 1 (February 1990), pp. 64-79.

²⁾ M. S. Hill and G. Duncan, "Parental Family Income and the Socioeconomic Attainment of Children," *Social Science Research*, Vol. 16 (1987), pp. 39-73.

³⁾ , ⁴⁾ , ⁸⁾ Martha S. Hill and Jodi R. Sandfort, "Effects of Childhood Poverty on Productivity Later in Life: Implications for Public Policy," *Children and Youth Services Review*, Vol. 17, Nos. 1 & 2 (1995), pp. 91-126.

⁵⁾ Hsiang-Hui, Daphne Kuo, and Robert M. Hauser, "Trends in Family Effects on the Education of Black and White Brothers," *Sociology of Education*, Vol. 68 (1995), pp. 136-160.

⁶⁾ Darin R. Featherstone, Bert P. Cundick, and Larry C. Jensen, "Differences in School Behavior and Achievement Between Children from Intact, Reconstituted, and Single-Parent Families," *Adolescence*, Vol. 27, No. 105 (1992), pp. 1-12.

⁷⁾ Herbert Zimiles and Valerie E. Lee, "Adolescent Family Structure and Educational Progress," *Developmental Psychology*, Vol. 27, No. 2 (1991), pp. 314-320.

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