Economic Well-being of Families Raising Children with Disabilities

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Research Focus

- Economic outcomes for families affected by disability

- Goals – shape family support policies that address family’s economic needs – existing family support policies typically address family’s emotional & instrumental care needs

- Background – NY & NJ service provider; many families contemplated residential placement due to financial strain
Financial Wellbeing at Mid-life

- Over the life course, what is the financial impact of raising children with developmental disabilities?

- Children with disabilities over-represented in poverty
  - 28% of disabled children in poverty v. 16% of nondisabled children
  - unclear relationship: poverty ↔ disability
Data & Methods

- Wisconsin Longitudinal Study (WLS)
- Prospective, began with high school graduates from 1959
- Comparison of parents of children with and without developmental disabilities (165 parents of disabled children & 165 parents of nondisabled children)
Financial Well-being at Age 53

- Families of children with DD much worse off in income & savings by mid-life
- No differences in home equity or mortgage amounts

*statistically significant differences
Disparate maternal work trajectories

Over 30 years of adulthood, as compared with others, mothers of children with developmental disabilities:

- Were less likely to work full-time
- Had lower income early & later in career
  - Even when children were in mid-twenties
- Were less likely to have long-term, stable employment
- Were slower to increase employment as children reach adolescence
What does it all mean?

- Maternal employment has long-term impact on family’s financial well-being
- Potential economic vulnerability in old age for the mothers

- Is child care available?
- What is happening with low-income mothers?
Child care

- Is child care available for low income children with disabilities?

- Welfare requires poor mothers to work, regardless of child’s disabilities

Research question: what’s the use & quality of child care for low-income preschoolers with disabilities?
Data & Methods

- National Survey of America’s Families (NSAF)
- 1999 data, oversampled poor & minorities; nationally representative telephone survey
- 321 disabled preschoolers (under age 6) and 4,744 nondisabled children living below 200% of federal poverty level
- Federal poverty level in 2004 = $18,850 for family of four
- Child’s disability defined as physical, mental or learning disability that limits participation in age-appropriate activities
Disabled Preschoolers’ Child Care

- Disabled children of single parents in care more (40 hours/week) than other children (23-33 hours/week)

- Costs of care for disabled children of single parents ($1.24/hour) raise concerns about quality of care ($2.20-2.60/hour for others)

- Disabled children of single parents had more care arrangements than children living with two parents
What does it all mean?

- Disabled children of single parents seem particularly at risk for adverse outcomes.
- Single parents of children with disabilities likely endure increased stress associated with coordinating care across providers.
- Greater number of care providers may signal fragmentation of care for children with disabilities.
Families would benefit from policies with direct financial benefits.

Families would benefit from programs that enable mothers to work.

Cash subsidy & family support programs are notoriously inadequate & underfunded in every American state.

Families would benefit from stronger child care subsidy programs specifically for children with disabilities.
Asset opportunity ladder?

- Brandeis researchers’ ideas about policy opportunities to build assets over lifetime
  - Strong education for youth
  - Income & in-kind assistance for young parents
  - Health insurance across life course

- Policies: tax incentives
Policies that Support (or could support) Asset Development

- Tax incentives to save for emergencies
- Individual Development Accounts (IDAs)
- 529 college savings plans
- 401(k) plans
- Earned Income Tax Credit
And for families of children with disabilities?

- Modification of EITC, with direct deposit
- Expansion of Medicaid health insurance to cover more disability-related costs
- Full tax credit for disability-related expenses
- Expanded family support cash subsidy programs
- Targeted IDAs for families of children with disabilities
- Tax incentives to save for disability-related emergencies
Thank you!

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