

Policies that Support the Employment Decision of Low-Income Rural Mothers

Rural low-income mothers' decision to work in paid employment is often fraught with more challenges than similar choices for other mothers. The paper uses logistic regression analysis to identify factors that contributed to the employment decisions of a sample of rural low-income mothers. Policies that would support rural mothers' employment are discussed.

Sheila Mammen, University of Massachusetts Amherst¹
Sharon Seiling, The Ohio State University²

Paid employment provides many benefits to rural low-income families. These families, especially single-mother families, may be able to achieve greater economic well-being. With higher incomes and greater purchasing power, rural working families may have greater access to better housing, dependable child care, and reliable transportation, assuming that these are available in the community. Paid employment is considered to be central to the mental health of individuals (Warr, 1999); it can contribute to an individual's self esteem which, in turn, may help reduce stress. Employment may also lead to a better quality of life.

In spite of the many benefits of employment, not all rural low-income mothers are able or willing to engage in market work because, for many, the costs of employment exceed its economic benefits. This paper examines the effect of various factors that may contribute to their work participation decisions and provides policy recommendations that may enable them to participate in the labor force.

Background and Literature Review

The employment decisions of rural low-income mothers are partly dependent on local labor market conditions, such as availability and types of jobs, wage rates, and economic growth that may be less favorable than conditions in urban areas. Underemployment is common in rural areas and, although many among the rural poor may find jobs, they are more likely to find marginal jobs that pay less, have few benefits and little opportunity for advancement. Martinson (2000) found that low-income mothers who were most successful in sustaining employment had the highest levels of education and skill, a recent work history, and fewer personal barriers.

A critical issue for mothers, especially single mothers, in their decision to participate in the labor market was child care, with extended family members often providing assistance with child care and transportation, to enable low-income mothers to work in paid jobs. Symptoms of maternal depression along with low literacy were obstacles that frequently hindered employment. Employer-provided health insurance was a critical consideration in the choice of a job for former welfare recipients (Boushey, 2002). Government policies have made profound impacts on employment of low-income parents. The Earned Income Tax Credit (EITC) is considered the single most important policy for increasing work among these mothers (Ellwood, 2000). Inadequate transportation and limited access to employment services are barriers facing rural welfare-reliant mothers who seek employment.

Sample

Half of the 412 rural mothers (50.4%) who participated in the study were working and the median age (28 years) of workers was slightly higher than nonworkers. Most of the mothers were White non-Hispanic, were married or had a partner, and had at least a high school education. Regardless of the working status of the mothers, about half of their spouses or partners worked.

Results

The probability of maternal employment was modeled using logistic regression. In general, the model performed well; 80.2% of the work decisions were correctly predicted by the model. A number of factors were important to rural mothers' decision to work. Both "other income" and TANF payments had a statistically important and inverse effect on the probability of their working. Having received an EITC refund resulted in a 1.7 times higher probability of the mother's employment.

The odds of a high school graduate working were 57% greater than those for a mother who did not have a high school diploma, but the variable's effect was statistically important at only the 13% level of significance. Having a driver's license increased a mother's odds of working by 2.4 times the odds of someone without a license. The effect was statistically significant at the 1% level. Rural mothers who were at risk of being clinically depressed were 34% less likely to work (-0.66) than those who were not at risk of depression. This effect was statistically important at the 10% level of significance. Older mothers were more likely to work, with each additional year of age increasing the odds of maternal employment by about 4.0%.

Receipt of child care assistance increased the odds of a rural mother's working by 173%. Household size also had a positive effect on the probability of working. The odds of mothers working increased 26% for each additional member in the household. A working husband or partner was linked to a 79% higher probability of the mother's employment. While not strongly significant, these three variables were statistically significant at the 10% level or better.

Conclusions and Policy Implications

Our analyses indicate that in order for low-income rural mothers to enter the labor market with greater ease, employment and other support services must be available and accessible. Services that are important to their decision to work include mental health treatment, education, job training, child care, transportation, and general support services such as help in obtaining a driver's license. Low wages mean some mothers need subsidized services to make their work pay. Child care assistance, publicly supported transportation options, and Medicaid coverage of mental health services are important policy initiatives that can enable rural mothers to become committed to paid work. Without such services to facilitate their entry into the labor force, some rural low-income mothers would find it impossible to be employed while others would continue to face hardships as they juggle the demands of work with familial responsibilities.

References

- Boushey, H. (2002). *Staying employed after welfare: Work supports and job quality vital to employment tenure and wage growth* (EPI Briefing Paper 128). Retrieved August 5, 2006, from http://www.epinet.org/content.cfm/briefingpapers_bp128
- Ellwood, D. T. (2000). The impact of the earned income tax credit and social policy reforms on work, marriage and living arrangements (JCPR Working Papers 124). Northwestern University/University of Chicago Joint Center for Poverty Research. Retrieved August 5, 2006, from http://www.jcpr.org/wp/wpdownload.cfm?pdflink=wpfiles/ellwood_eitc99_update.PDF
- Warr, P. (1999). Well-being and the workplace. In D. Kahneman, E. Diener, & N. Schwarz (Eds.), *Well-being: The foundations of hedonic psychology* (pp. 392-412). New York: Russell Sage Foundation.

¹ Associate Professor, Department of Resource Economics, University of Massachusetts Amherst, 303 Stockbridge Hall, Amherst, MA 01003, Phone: (413) 545-2470, Email: smammen@resecon.umass.edu.

² Associate Professor, Department of Consumer Sciences, Ohio State University, 265 Campbell Hall, Columbus, OH 43210, Phone: (614) 292-4224, Email: sseiling@ehe.ohio-state.edu.