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Comment

Ilyana Kuziemko

This chapter deftly handles a wide variety of evidence on the relationship between family and neighborhood poverty and criminal activity, and this comment will not attempt to discuss all the points the authors make. Instead, it will focus on the relationship between parental labor supply and children's human capital formation. The authors highlight several studies that suggest that programs that incentivize low-income single parents to work might have negative and even criminogenic effects on children. As the authors note, this idea runs counter to much of the thinking behind U.S. poverty policy, which since at least the 1990s has been heavily influenced by the notion that parents of poor children—usually single mothers—should work outside the home.

In this comment, I first discuss the trade-offs parents make in deciding how to divide their time endowment between working outside the home and spending time at home with their children and how these trade-offs vary with

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the earning potential of parents. I then describe the variation since 1940 in two key proxies for the quantity of time a child spends with a parent—family composition and parental labor supply—and consider whether it mirrors variation in proxies for criminal activity. I also briefly discuss cross-country comparisons.

Balancing Time in the Labor Market with Time at Home with Children

The idea that time spent with parents is an important input in child development is not particularly controversial. Obviously, children's well-being is not merely a function of the time they spend with parents but is also increasing in consumption (up to some point, at least), and, therefore, in most households, parents must balance time spent at home with children and time earning income in the labor market. While the substitution effect suggests that parents with higher human capital—and, thus, higher earning potential—would spend less time with their children (and more time at work) than parents with lower human capital, the income effect would make them have greater demand for time at home as well.

Indeed, the result that generally obtains is that children of parents with relatively low human capital receive less time with their parents and less consumption. Take as an example single versus married mothers. Figure 9C.1 shows the labor supply of these two groups since 1940, using U.S. Census data from 1940 to 2000 and the American Community Survey (ACS) in 2008. Single mothers have always worked more than married mothers, even though throughout the sample period the former group has had sub-

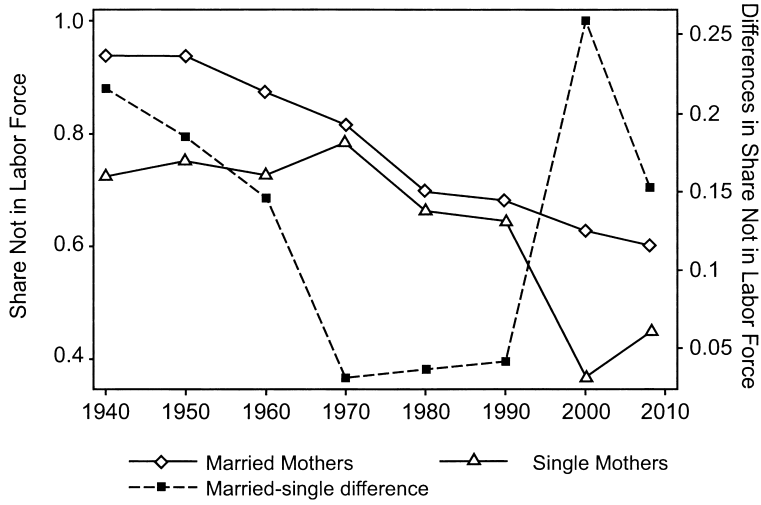

Fig. 9C.1 Share of single and married mothers not in the labor force, 1940–2008

Notes: Data taken from 1940–2000 decennial Census microdata and the 2008 American Community Survey microdata. All results use the provided person-level weights.

stantially lower educational attainment. Between 1970 and 1990, when the relationship between labor supply and income is weakest for single mothers as welfare payments were at their most generous level, the differences between the two groups narrow, only to fan out again after welfare reform in the 1990s.

That single mothers would work more is hardly surprising—they cannot depend on a partner for any economic support. However, in terms of child development, a single mother's decision to work may entail a higher cost; unlike her married counterpart, she cannot depend on another partner for help with child supervision, and she would have little income to purchase quality child or after-school care.

Family Composition and Parental Labor Supply in the United States

This section shows how family composition and parental labor supply has varied over time for different groups of children. I will often focus on black-white differences, both because young black men are generally overrepresented in arrest and prison data and because race can serve as a convenient, if crude, proxy for income.

Figure 9C.2 shows the share of children under age eighteen who live in the same household as their father, again using Census and ACS data. As is well documented, the share of black children living with their father plummeted during this period, from 70 percent in 1940 to 40 percent in 2008. Similarly, black children were 20 percentage points less likely to live with their fathers than were white children in 1940, whereas that difference is

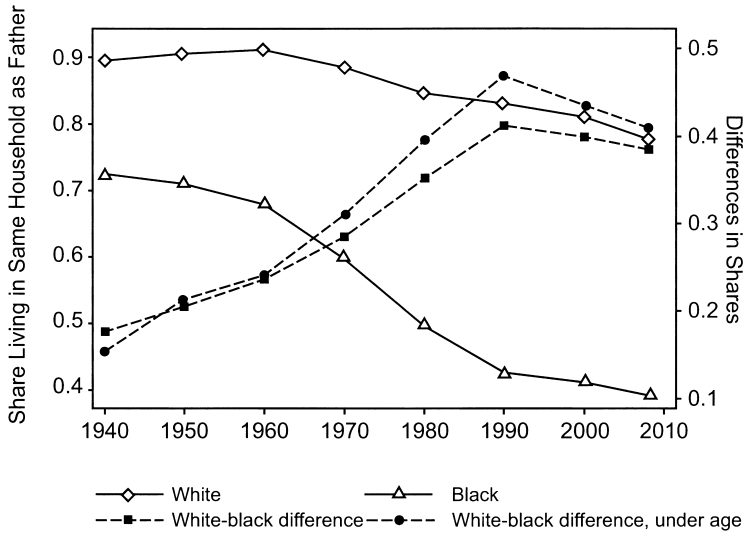

Fig. 9C.2 Share of children who live in the same household as their father
Notes: See figure 9C.1 notes.

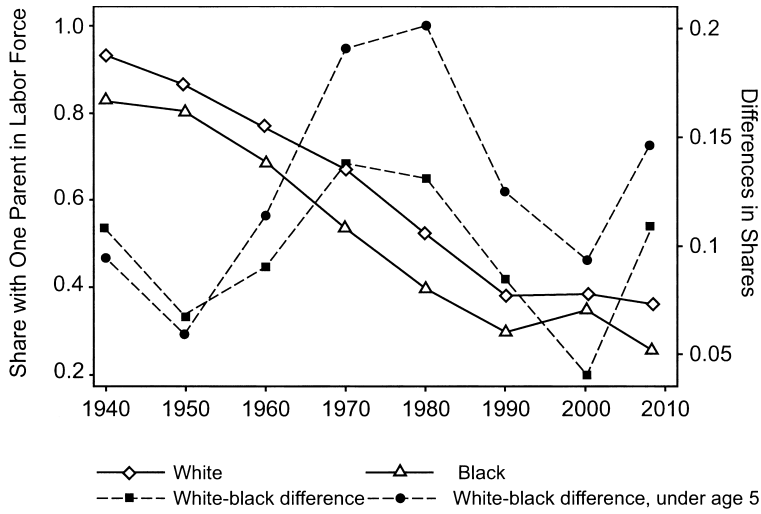

Fig. 9C.3 Share of children in two-parent households with at least one parent not working

Notes: See figure 9C.1 notes. "Not working" is defined as being out of the labor force, not merely unemployed.

roughly 40 percentage points today. The final series in figure 9C.2 shows that the white-black difference is slightly more pronounced for children under five—the age period during which Heckman (2006) and others argue investments in children are most crucial in fostering positive adolescent and adult outcomes.

Figure 9C.3 shows that even among families in which both parents are living together, black children have always been less likely to have a nonworking parent, and the white-black difference today is about the same as in 1940 though it has bounced around during the sample period. Again, the black-white difference is especially pronounced for younger children.

While it is interesting to consider how well these trends mirror the corresponding trends for measures of criminal behavior, it is essential to keep in mind the serious limitations of such an exercise. First, of course, correlation is not causation. Second, just as labor market supply is a rough proxy for the quality and quantity of parent-child time, criminal justice statistics such as the incarceration rate are rough proxies for actual criminal behavior.[1]

Keeping those caveats in mind, the rough correlation between these mea-

1. In particular, I certainly do not wish to dismiss the possibility that, relative to whites, blacks are treated more harshly by the criminal justice system conditional on the same behavior or that lawmakers intentionally increase punishment for behaviors that blacks are more likely to engage it (e.g., using crack instead of powder cocaine).

sures and criminal activity are encouraging. Incarceration rates throughout the second half of the twentieth century have been higher for blacks than for whites, with a sharp increase in relative black incarceration rates for cohorts born after, say, 1965, when the share of black children living with their father begins to plummet. As documented in Western (2006), 11 percent of black men born between 1945 and 1949 have been imprisoned at some point before their thirty-fifth birthday, compared to 1.4 percent of white men. For the cohort born between 1965 and 1969, that statistic rose by 9.5 percentage points for blacks and only 1.5 percentage points for whites. The potential explanatory power of family composition seems especially promising in light of the many factors the authors list—such as the decrease in residential segregation and the increase in blacks' relative income—that would have predicted lower rates of relative incarceration after 1965.

Family Composition and Parental Labor Supply across Countries

The cross-country comparisons presented in this section should probably be taken with even more caution than the previous analysis. I rely on data compiled by the Organization for Economic Cooperation and Development (OECD), and as these data are often drawn from different national data sets and thus variable definitions can differ across countries, we should take these cross-country differences as representing rather rough comparisons.[2]

Similar to the comparison between blacks and whites in the United States, American children are far more likely to live with only one parent than are their counterparts in other OECD countries. Among children under age fifteen, 25.8 percent live in single-parent families in the United States, compared to 13.3 percent in France, 10.7 percent in the Netherlands, and an OECD average (which includes the United States) of 15.9 percent.

Within household type, U.S. parents work more than other OECD parents. American children in two-parent households are much more likely to have both their parents work than are children in two-parent households in other OECD countries. Just over 72 percent of U.S. two-parent households with children under age fifteen have both parents working, compared to an OECD average of 60 percent. Similarly, 37 percent of single parents in the OECD stay home with their children, compared to only 23 percent in the United States.

As before, these comparisons roughly mirror those for adolescent and young adult outcomes between the United States and comparable countries. The incarceration rate, probability of committing or being a victim of homicide, and teenage pregnancy rates are all substantially higher in the United States.

2. All data in this section is from the OECD Family Database, located at http://www.oecd.org/document4/0,3343,en_2649_34819_37836996_1_1_1_1,00.html.

Concluding Thoughts

The evidence on the effects of parental labor supply on child outcomes that the authors present in this chapter spark many interesting research and policy questions.

First, it must be noted that the evidence on this question is still rather sparse, and, thus, future work from researchers on the question would be indeed welcome. There is varying evidence from welfare-to-work studies on how the labor supply of single mothers affects children and how this effect varies by the age of the child (see Grogger, Karoly, and Klerman 2002). Given that the greatest increase in the labor supply of low-income single mothers came in the late 1990s, researchers will soon have the opportunity to observe the children born during that period as they reach more criminogenic ages.

Second, research could also focus on whether effective substitutes for parental time at home exist. Do grandparents or after-school enrichment programs provide the same benefits? It may be difficult if not impossible to affect the trends underlying household composition or parental labor supply, but policy can affect the quality of the time children spend away from their parents. For example, per-child public expenditure on childcare is $794 in the United States, compared to an OECD average of $2,549 (and over $5,000 in Scandinavia).

Finally, both the chapter and this comment have generally focused on mothers' labor supply, given the high poverty rates of single-mother households. However, whether mothers work outside the home is only one component of the quantity and quality of time children spend with parents. Future work might consider how contact with fathers affects the development of children and adolescents from at-risk groups. This question presents greater data challenges—as fathers will often not be in the same household as the child, household survey data is often not helpful—and, thus, represents an understudied but perhaps essential factor in improving outcomes for low-income children.

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