

Parenthood in Poverty

Abstract:

Parenthood has profound effects on the lives of new parents. For low-SES individuals, who might lack resources to weather the disruptions caused by parenthood, non-labor market outcomes (e.g., housing stability) are likely to be as primary a concern as labor market outcomes. In this paper, we provide the most comprehensive and detailed evidence to date of the effects of pregnancy and parenthood on the non-labor-market outcomes of low-SES individuals in the United States. Our data consists of longitudinal, high frequency administrative records from a large urban U.S. county, covering housing, treatment for substance use disorder (SUD), enrollment in government assistance programs, and crime. Using an event study design, we find that new parenthood leads to: i) short-term and long-term changes in the housing environment, including increases in short-term homeless-shelter stays, transition into longer-term homelessness programs, and transition into public housing; ii) an increase in treatment for opioid use disorder; iii) large eligibility-driven increases in use of key government assistance programs for healthcare, food assistance, and cash assistance; iv) large reductions in criminal behavior likely driven at least in part by individuals gaining healthcare coverage. The effects of parenthood are heterogeneous by race and vulnerability to mental health disorders. A battery of robustness checks, including two separate (matched) difference-in-difference analyses, suggest our results are robust to potential endogeneity concerns.

This paper is joint work with Christina Kent (Stanford University)

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