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What Policies Toward Lone Mothers Should We Aim For?

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Abstract

We should aim to allow single mother families, which now contain almost a quarter of American children, to enjoy a middle class standard of living. This can best be accomplished by policies that put these mothers into paid work, but provide a high level of support services supplied by or subsidized by government. These services include health insurance, child care, decent affordable housing, and access for their children to college. There are existing programs in the United States that address all of these needs, but funding and eligibility need to be greatly expanded, not only for single mothers, but for the entire population.

The second half of the twentieth century witnessed a rapid and continuous rise in the proportion of children in developed countries who live with lone mothers. The trend seems still upward; in any case a sizeable reversal appears unlikely. Deprivation is the lot of large numbers of these mothers and children and is a grave blemish on the general prosperity of their societies. As time passes it may become clear (at least to more people than understand it now) that considerably more generous help from government to lone mothers would be desirable. In advance of that time, it would be useful to have a discussion as to how best to structure that help. If an agreed-upon program can be offered, discussed, and advocated, that may speed the day when a more enlightened policy will be possible.

In considering the characteristics of such a program, there are three headings under which discussion is needed. The first concerns the standard of living that such a program should aim at for these families. The second is the question of whether lone mothers should be supported so that they can, if they wish, give full-time care to their children. The third is the nature of the help that should be given—whether it should consist largely in cash (from government grants and/or higher wages engineered by government policy) or alternatively should consist in large part in government-financed or government-provided services. The discussion presented here is based on U.S. magnitudes, but the same issues arise in most developed countries.

What Standard of Life Might Be Provided?

On average, the living standard of single mothers and their children is far below that of other families with children. The median income of those in the United States who held jobs was less than half of the median income of married couples in which just the husband was employed, who do not have to buy child care. Single mother families average about one third of the median income of two-earner couples.¹

The difficult situation of American lone mothers who hold jobs is illustrated in Table 1. A mother working 40 hours a week year round and earning the minimum wage has a disposable income that is close to the US official poverty line. That poverty line was set in the 1960s at three times the cost of a minimal food budget, and its value in constant dollars has since been kept fixed. A review of the methodology of setting poverty lines by a panel of experts assembled by the National Academy of Sciences (Constance F. Citro and Robert T. Michael, eds., 1995) concluded that at present a family should not be considered out of poverty unless it had an income after taxes that approximated the official poverty line *plus the ability to obtain health care, child care and other work-related items.*²

Table 1 about here

As the table shows, an American mother with two pre-school children who earns the minimum wage and who would have to pay for health care and child care is thousands of dollars short of being able to live at a minimally decent standard. Even the mother who earns a sum equal

to the median income for job-holding single mothers is still thousands short if she would have to pay for those services . This means that a considerable number of such mothers are in a situation of serious deprivation.

Conservatives might advocate no help at all to such mothers, so as to promote self-sufficiency, buttress traditional rules of sexual conduct, keep the burden on taxpayers low, and discourage entry to lone motherhood. However, reported reductions in the poverty rate, especially for children, are everywhere considered grounds for satisfaction. That suggests public sanction for help that brings lone mothers who work at jobs at least to a poverty-line lifestyle.

This could be accomplished by providing access to health care and child care, either by increasing their income so they could pay for it, or by providing the services themselves. A considerably higher goal is possible: to provide sufficient help to get lone mothers and their children into the mainstream. A possible definition of Amainstream@ would be a lifestyle not far below that of the median one-earner couple. The most important features of such a lifestyle would presumably include somewhat better food and clothing, a dwelling unit in a safe neighborhood, and the possibility of higher education for the children.

Should Full-time Mothering Be Supported?

In the United States, stay-at-home single mothers were previously entitled to receive Awelfare@ payments as long as they had children under 18. Since 1996, the right to receive these payments has been greatly restricted. Should welfare payments to lone mothers who want to stay home with their children be reestablished as an entitlement if that were to become politically feasible? The payments currently in force are low enough to keep the families receiving them beneath the poverty line, and they continue to decline in real value. If in designing future policy we were to advocate a right of support for stay-at-home lone mothers, the current level of welfare payments would be too low a standard to set if such families are to be at or above the poverty line. The stipends would have to be two or three times as large as welfare payments now are.

Further, if stipends (which would be viewed as wages for child care) are to be given to stay-at-home mothers it would be politically difficult to confine them to lone mothers. Married or cohabiting mothers would have to get stipends as well. The size of the stipends for couples might be adjusted to take account of the family=s wage income and greater time resources, but they would nevertheless be sizeable in many cases.

Offering large stipends to lone and coupled mothers (or to parents of either sex) who stay home with their children would probably increase the number of women who spend considerable time out of the labor force with the birth of each child. Now 60 percent of the mothers of children under one year old are in the US labor force. Employers can with some confidence depend on women workers= continuity on the job, treat them as fit for responsible jobs, and therefore consider them promotable. Prolonged absences on the part of many or most women would threaten a reversal of the gains that women have made in the last half century. Those gainsBin educational opportunity, in the freedom to practice occupations and professions previously reserved for men, in the independence and status that comes with working for pay, in the opportunities for a more interesting life experience than might be available to a long-term housewifeBcould be lost as

employers ceased to assume that most of their women employees had a continuous attachment to the labor force.

One can see the effect of such a policy in the case of Sweden, where the stipend is given in the form of paid parental leave, which can be taken for a year after a birth and extended for a longer period at a lower stipend. Fathers are given incentives to share the leave, but take only a small percentage of the leave time. This system is thought to have contributed to the high degree of sex-segregation of occupations in Sweden (L. Haas and P. Hwang, 1999).

There is thus a tension between supporting mothers who wish to stay at home with their children, and gender equality, which arguably depends on men and women having similar life courses and activities. (Bergmann, 1998). Where one comes down in this matter depends on the value one puts on gender equality, what value one puts on validating and preserving women's specialization in caring roles, one's beliefs as to the quality of familial care versus non-familial care, and what social arrangements one believes constitute gender equality.

My own view is that stipends for taking care of one's own children, including those in the form of lengthy paid parental leave, would cause a grave and unacceptable loss of gender equality. A compromise position that would preserve gender equality would provide two or three months of paid leave on the birth or adoption of a child to each of at most two adults residing in the household. Obviously, exceptions must be made for disabled adults, as well as for adults caring for disabled children.

The Nature of the Help - What Mix of Cash and Services?

Government help to raise the standard of living of employed lone mothers comes in two forms—cash they can spend as they like and access to services. The cash can take the form of children's allowances, tax breaks, wage supplements, government-engineered rises in the wage rates employers pay, basic income grants, lump sum capital transfers. The services can be provided in government facilities or paid for by subsidies or vouchers to private providers that cover all or part of the cost.

In thinking about the appropriate mix of cash and services, the idea of merit goods is crucial (Robert Musgrave, 1959). We label a good or service a merit good when we decide that as a society we should allow no one to do without it. We depend on government provision of such goods when we cannot rely on families buying it for themselves, either because of lack of resources or because family priorities differ from public ones. It is important to emphasize that, as Table 1 shows, even a doubling of the minimum wage, or a hefty monthly child allowance, would not alone do the job of getting all families a set of merit goods that many would agree on.

We already treat elementary and secondary education as a merit good. Health care is something that most people would agree also meets the definition of a merit good, something that we should not tolerate people going without. No government-engineered improvement in cash income through cash benefits or better wages could insure that families would be covered. To achieve that, all families would have to be enrolled in a government-specified program of access to health care, with the government payment going to the provider.

I would argue that access to a decent standard of child care, including after-school and summer care for school-aged children, should also be treated as a merit good. Child care costs can

run to \$7 thousand a year or more per child. Presenting parents with a check that would cover the cost of such care that they could spend as they wish would not insure that children get adequate care. That would require government payments to the supplier or government provision of child care itself, as well as government regulation of quality.

This suggests that in insuring lone parents at least a poverty-line lifestyle, the provision of health care and child care services takes priority over further cash additions to their incomes. If we are thinking of allowing a more mainstream style of life, we might give access to services that constitute the major features of such a lifestyle: a dwelling unit in a safe neighborhood, and higher or vocational education, perhaps with a sliding scale of co-payments or none. Arguably, in a rich country they are also merit goods. Or, in addition to access to health care and child care, a scheme of wage supplements might be developed, so that the wage income of those earning less than the median one-earner couple would be brought closer to the latter.

Services offered to lone mothers would gain in quality, equity, and popularity if they come from programs that make universal provision, rather than from programs serving them alone. So it would be best to provide all of the benefits listed above through programs available to the entire population, perhaps with copayments on a sliding scale.

There are important services of a different type that government can provide that would be of great help to lone mothers. One would be an improved enforcement regime for child support payments from absent fathers. Another would be a stepped-up campaign to reduce the sex discrimination that has kept women out of well paying jobs, particularly those in the skilled blue-collar trades. Another would be a system of unemployment insurance that would not impose requirements as to length and continuity of tenure in previous jobs that in practice exclude many American lone mothers.

Political Feasibility of Such a Set of Programs

All of the benefits proposed above already exist in some form in most countries. This is true even in the United States. On health care, the US has public programs for the elderly, children, and low-income families. There is a federally-funded program subsidizing child care fees for low-income families and a subsidy program for housing. On help for college, there are Pell grants and financial aid from the colleges themselves. The Earned Income Tax Credit (EITC) is a form of wage supplement.

These programs tend to be characterized by highly restrictive eligibility rules and offer inadequate amounts of help. With the exception of the EITC they are also grossly underfunded, which means that the meager help they offer is denied even to many of those who are eligible. Nevertheless, the existence of these programs attests to an understanding on the part of public and politicians that they address serious problems that many families cannot overcome without help, and that government ought to be giving that help. The difficulty of transforming these existing programs into fully funded versions with improved benefits and appropriately broad coverage, which would bring the United States into line with the social democracies of Scandinavia and France, would be formidable. But we should not assume that it is impossible.

NOTES

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Table 1. Financial situation of single mother of two pre-school children, U.S., 2002.

	earning the minimum wage	earning a wage equal to single jobholding mothers= median income
(1) wages	\$10,712	\$21,645
(2) disposable income (after taxes and government benefits)	15,736	20,314
(3) required expenditure for poverty-line living expenses exclusive of health care and child care	14,494	14,494
(4) amount left over that could be used to pay for health insurance and child care [line (2) minus line (3)]	1,242	5,820
(5) cost of licensed center care for both children	13,100	13,100
(6) cost of health insurance.	4,000	4,000

Sources: (1) unpublished tabulations of the U.S. Census Bureau (2) after subtraction of Social Security tax and federal and DC state income taxes, and addition of food stamps and Earned Income Tax Credit (3) U.S. Official poverty line, U.S. Census Bureau, *Poverty in the United States: 2002* (5) Children=s Defense Fund, updated for price increases (6) Blue Cross web site

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1.Source: unpublished tabulations by the U.S. Bureau of the Census. Census tabulations of wages are done for unmarried mothers who head their households, who may have other adults living with them. The majority of such households, however, consist of lone mothers who live with no other adult.

2. In the 1960s, most mothers, married or unmarried, did not have jobs and so did not need to buy child care. Doctors and hospitals gave free medical care to poor people. So an allowance for such expenses was not considered necessary. Today, those things are no longer is true. The experts assembled by the National Academy also suggested that the real value of the minimal package of goods and services should be revised upward annually to reflect the general change in living standards, but this suggestion has not been incorporated into Table 1. The U.S. government has yet to adopt the National Academy=s recommendations as a new official standard.