

Effects of Single Parents on Financial Stability

1. Income

In 1991, female-headed households with children had the [lowest median income](#) of all family households with children.¹⁾ [Never-married single mothers](#) were worse off economically when their child began the first grade than were any other mothers.²⁾ Furthermore, at the time their children are born, the economic status of single mothers over age 20 resembles that of teenage single mothers more closely than it resembles that of married mothers their own age (as gauged by income-to-needs ratio, poverty status, welfare use, and work-force participation and behavior).³⁾

2. Net Worth

Single-mother families possess significantly [less net worth](#) than [married parents](#), [stepfamilies](#), and single fathers. Twenty-five percent of single-mother families have wealth exceeding \$3,500 and 50 percent have either no wealth or negative wealth (in debt).⁴⁾

3. Poverty

Analysis of the 1997 and 1999 waves of the National Survey of America's Families showed that the rate of poverty was 30.9-43.1 percent higher among single-parent families than among married, two-parent families.⁵⁾

[Single motherhood](#) is the strongest determinant of female poverty in the United States.⁶⁾ According to one estimate, almost half of single mothers are in poverty.⁷⁾ According to another estimate, 30 percent of women whose first child was born [out of wedlock are poor](#), compared to 8 percent of women whose first child was born inside wedlock.⁸⁾

Fifty-five percent of single mothers who work part-time and do not marry the fathers of their children live in poverty. According to [one simulation](#), if they were to marry their child's father, only 17 percent would be impoverished. One hundred percent of unemployed single mothers who do not marry the fathers of their children live in poverty; according to the same simulation, should these mothers [marry their child's father](#), only 35 percent would be impoverished.⁹⁾

Many single mothers [receive government aid](#) in the form of welfare. More than 75 percent of single teenage mothers receive welfare within five years of giving birth.¹⁰⁾ Forty percent of nonteenage single mothers are poor, and nearly 60 percent rely on food stamps or cash welfare payments after the birth of their child.¹¹⁾ Single mothers generally remain impoverished longer than divorced mothers. Whereas [divorced mothers](#) who [receive welfare](#) do so for three to four years, the always-single mother is less likely to stop receiving welfare and takes longer to exit poverty.¹²⁾

Receiving welfare may actually [decrease women's employment](#), a potential path out of poverty.

Women are less likely to be employed in states with high levels of welfare benefits.¹³⁾ Findings from an experiment conducted by the U.S. Office of Income Security Policy show that female heads-of-households responded to income guarantees by significantly reducing their work effort.¹⁴⁾

Welfare benefits also correlate with a [decrease in the marriage rate](#), diminishing another path out of poverty. A \$100 increase in monthly welfare benefits for single mothers decreases a woman's likelihood of marrying by 2.5- 5 percentage points.¹⁵⁾ According to one study, 80 percent of single parents who entered into select welfare programs remained single two to four years after first receiving payments.¹⁶⁾ In particular, receiving benefits from the AFDC welfare program corresponds with a 5 percent reduction in the marriage rate.¹⁷⁾

4. Impact on Children

Children in [single-parent households](#) have less family income and are more likely to be poor than are children in [married-parent households](#).¹⁸⁾ In fact, the children of single teenage mothers spend more time in poverty than children in any other family structure,¹⁹⁾ and children in single-mother families are more likely than children in married or cohabiting families to receive any form of public assistance.²⁰⁾

Children of single-parent families have [diminished economic mobility](#). They are less likely than children of married-parent and divorced-parent families to ever earn an income which exceeds their parents'. Fifty-eight percent of children of never-married mothers, whose income is in the bottom third of the income distribution themselves, earn an income in the bottom third of the income distribution. Ten percent of these children move to the top third of the income distribution.²¹⁾

Robert Lehrman of the Urban Institute has shown that if the marriage rate of 1971 had stayed the same, the poverty rates would not have risen but rather would have been 4 percent lower overall, 6 percent lower for blacks, and 24 percent lower for blacks when marriage-related changes were added. Thirty-seven percent more black children would have moved out of poverty when their single parent married, and 67 percent of poor white children born to single mothers would have moved out of poverty had their parents married.²²⁾

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⁴⁾ Lingxin Hao, "Family Structure, Private Transfers, and the Economic Well-Being of Families with Children," *Social Forces* 75, no. 1 (1996): 279.

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