

# **Treading Water**

**Single Working Mothers and the Struggle  
for Economic Self-Sufficiency**

**Nokomis Foundation**

**2009**

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# Introduction

There are many women, working and parenting alone, who do not have the financial resources to provide basic necessities for their households. For these women and their children, full-time work does not ensure economic self-sufficiency. Their modest incomes do not adequately provide for their basic needs or those of their family. Although they are working hard, these households are fragile and largely ineligible for any local, state or federal subsidies. These women and children are treading water. They are at great risk for downward mobility with substantial consequences for Michigan communities.

## Key Questions

Nokomis Foundation<sup>1</sup> commissioned applied research conducted at the end of 2008 and in early 2009 to document further learning about the challenges of single working mothers whose annual household incomes are between \$20,000-40,000. This segment is referred to, informally, as the “missing”<sup>2</sup> or struggling class. These households have more resources than federally defined poverty but not enough to cover a survival budget. Several broad questions framed the inquiry:

- What is the profile of women in the Missing Class?
- What are the challenges to their economic self-sufficiency? And,
- What could improve the circumstances of Missing Class women (and their children)?

These questions and their answers, ultimately, will help inform the Foundation’s work plans in the years to come. Moreover, a better understanding of this population might also help inform poverty prevention efforts and positively influence the lives of children in these vulnerable families.

## Methods

The findings in this study were gathered through both quantitative analysis and qualitative research techniques. First, some important descriptive analyses<sup>3</sup> were conducted to help better define distributions and other features of struggling single working mothers throughout Michigan. Subsequently, using some of these data as inputs, six sites were carefully selected for the recruitment of focus groups that included both this distinct population of women and staff from local service providers. These sites had a high proportion of single working mothers living in the area. The focus groups were comprised of at least 5 and up to 17 participants each. In all, about 123 women in rural and urban contexts offered thoughtful insights and candid descriptions of their lives. These groups were geographically reflective of Michigan and included women living in (or near) Kent, Calhoun, Monroe, Marquette, Clare and Ottawa counties. Although the census of women engaged is not a statistically significant sample of the single working mother population, those attending focus groups were representative of the population segment and their contributions can be generalized with confidence. About 60 nonprofit and government agency staff also contributed their opinions and experiences in the same six locations.

Powerful resources need to listen to the stories of our lives.

-Sara

There are not enough people who understand the experience of what it means to live this way.

-Annette

## Why Women's Self Sufficiency Matters

Nokomis Foundation's commitment to empowering women and girls includes investment and associated efforts to positively influence women's economic self-sufficiency. A woman's financial status is a key factor in her independence as well as her psychosocial and physical health. We also know the children in a single parent female-headed household are intimately connected to and tremendously influenced by their mothers.

Nationwide, most working women earn half or more of their family's income. Most mothers with school age children (6-17) work.<sup>4</sup> And, alone, many women provide for families in a single-parent household. Inadequate financial resources have a tremendous negative impact on women, children, and families. Meager incomes can make it impossible to meet basic physical and emotional needs. This generates hunger, homelessness and other insecurities contributing to human suffering. Financial vulnerability creates both a culture and a context that can be linked to many other serious and costly social challenges. Without adequate resources, women and children live a precarious life. Any change in circumstances: a job loss, reduced wages, illness, accident, a high utility bill or other small event, quickly results in dependence and poverty.

Although the tremendous challenges of inadequate finances create acute circumstances for individuals and families, it affects others as well. Ultimately, society bears the cost created when women cannot achieve economic independence. Quality of life in our communities relies on viable employment that provides economic self-sufficiency. It is the basis for productive participants in any economy, whether local, state or national.

This study summary provides a quantitative and qualitative snapshot of Michigan single working mothers in five sections: Introduction, Michigan Economic Self-Sufficiency, Demographics, Key Challenges and Next Steps. It profiles self-reliant women who struggle with "getting by" day-to-day.

## Michigan and Economic Self-Sufficiency

The capacity to provide for the basic necessities of life is often beyond the reach of those who are working. For many, full-time work is *not* equal to economic self-sufficiency. Although many low-income households include working adults, they struggle to make ends meet each week. In Michigan, 6 percent of working families live below the federal poverty level and another 24 percent are above that federal standard but do not have the resources to meet their needs. Because of their modest incomes, the Michigan League for Human Services indicates 25 percent of Michigan's working families cannot meet their basic needs.<sup>5</sup>

### Defining a New Standard

In the past few years, a highly specific definition of economic self-sufficiency has become an important feature of policy, programs and opinions that can inform efforts toward helping women achieve economic independence. Because the federal poverty level is economically obsolete, and reflects inadequate resources to cover basic expenses, many are

The system keeps you poor or struggling.

-Danielle

promoting a more relevant definition using the “Self-Sufficiency Standard.”<sup>6</sup> The Standard is an objective measure that includes the costs of housing, food, transportation, medical and childcare, miscellaneous costs, taxes and the benefit of tax credits. It is a basic survival budget that does not allow accumulation of savings.

The Self-Sufficiency Standard is the centerpiece of considerable efforts lead by Wider Opportunities for Women<sup>7</sup> through the Family Economic Self-Sufficiency Project (FESS). FESS is now a network that includes 38 active states, all using the Standard.

### Self-Sufficiency Wages in Michigan

Michigan does not currently participate in the FESS, nor has it adopted the Self-Sufficiency Standard. Instead, the Michigan League has generated a similar self-sufficiency wage for Human Services (MLHS).<sup>8</sup> The wage levels for self-sufficiency in Michigan are calculated excluding government or nonprofit assistance for the wage earner. The table below profiles average self-sufficiency wages relative to family composition for Michigan.

**Table 1. Michigan Economic Self-Sufficiency Wages**

Family Composition	MI rate /hour	MI Annualized
Single individual	\$9.08	\$18,896
Single parent family, 2 children under 6 yrs	\$19.35	\$40,252
Two-parent family with 2 children under 6 years, both working	\$10.74 each	\$44,678
Two-parent family with 2 children under 6, one working	\$12.58	\$26,166

Source: Michigan League for Human Services.

These wages, like the self-sufficiency standard, are calculated with some relative variance county by county. For example, it is more costly to live in Kent County than Calhoun County. This description helps the public, policymakers, community leaders, women and their families determine what economic self-sufficiency means in concrete and measurable terms. These data can help a woman quickly determine what she will need to provide for herself and her family. They also provide those working for social change with a specific indicator about vulnerability and risk.

## Profile: A Struggling Single Working Mother

The U.S. has about 9.6 million (or 8.9%) single female-headed households with children less than 18 years of age. While Michigan includes about 330,000 such households (8.5%), Kent County exceeds that proportion with about 21,000 (9.2%). Proportionally, Grand Rapids has even more with 10,000 single female-headed households (14%)<sup>9</sup>

Nothing is easy. We just do it. When it is harder, we just do it again.

-Karen

These numbers suggest I am not paid what I am worth.

-Cindy

Nationwide, Michigan ranks in the bottom half of states (30<sup>th</sup>) with the percent of women above the federal poverty line.<sup>10</sup>

### 100,000 Families

In Michigan, it is estimated that low wage single working mothers or “missing class” women number about 100,000 or 30% of the female headed households statewide and about 6,000 in Kent County. Fifty percent of families headed by a single female are classified as poor living on less than \$20,000 annually.<sup>11</sup> **About 80% of single female family head of households in Michigan (with an average of two children) have total income less than \$40,000 annually -- on average, earning \$28,400/year.** Nearly twice as many Michigan women report annual earnings of less than \$15,000 than men.<sup>12</sup> Just 2% of Michigan single female-headed households earn between \$80-100,000 per year (see Figure 2 below).

Using Michigan’s self-sufficiency wage, a single woman with two young children must secure a minimal income of \$40,252 to accommodate her routine expenses. If she lives in Kent County, that number rises to \$42,169. Although not technically poor, she is certainly near poor with resources to cover only the basic costs of living. Any small mishap may result in heart-breaking choices between paying rent or childcare and buying prescriptions or groceries. Considering these facts, a woman defined as “self-sufficient” by the Michigan standard is still very close to poverty status and may be far from middle class. She and her children are vulnerable.

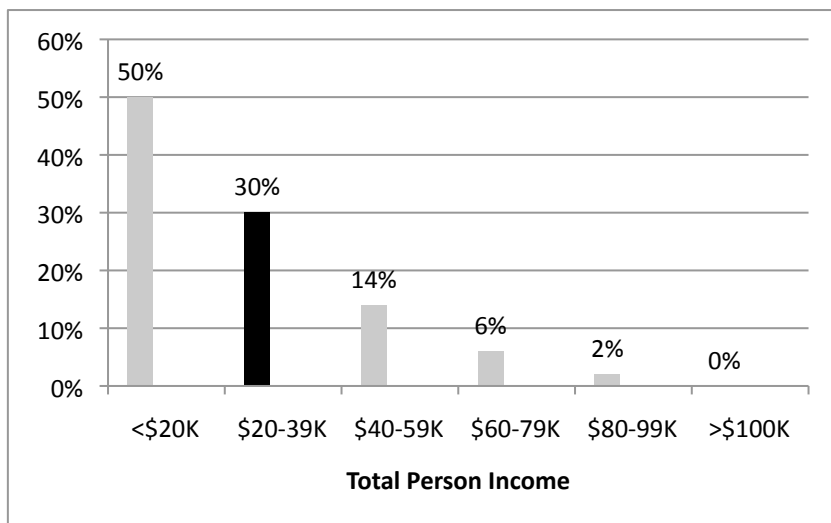


Figure 2. Distribution of Total Person Income for Single Female Head of Household with Children, Michigan.

### Urban & Rural Clusters

Women-led families living barely above the technical definitions of poverty with inadequate resources are found in both urban and rural areas of Michigan. In Monroe County, nearly 60% of the female-headed households have incomes of \$20,000-40,000 per year. This county has the largest percentage of missing class women in Michigan. It is followed

by the combined Kent County Public Use Microdata Areas<sup>13</sup> with a proportion of 42%. In descending rank order, high concentrations of these near-poor women and children are living in the Clare/Gratiot/Isabella (rural mid-state) area, Marquette/Alger/Baraga/Menominee (middle Upper Peninsula) county cluster and Calhoun County.

### **Tough Jobs & Long Hours**

Struggling single working mothers intersect with our lives in visible, routine ways. They are grocery store clerks, waitresses, childcare and home health care providers, early childhood educators and customer service representatives. Some of the women are also in jobs hidden from plain view: housekeepers or hotel maids, light manufacturing shift workers, call center operators, and food service staff. Data indicates that the largest number (32%) of these women is in educational services, health care and social assistance job codes followed by manufacturing, transportation and utilities (19%). At lower rates, jobs held by these women are evenly distributed among administrative services, retail, leisure, hospitality and food services. Evidence also indicates nearly every woman in this demographic segment works at least 40 hours per week, or full-time. Many have second jobs, some have third jobs. It is common for this population to pursue additional informal income through babysitting, house cleaning, self-employed sales and other occasional work.

Most working poor mothers lack retirement, healthcare, vacation and other benefits. They find their jobs via informal word of mouth from friends or family, the newspaper, Internet and routine applications. Their work choices are heavily influenced by flexibility, both in the schedule or shift and the amount of hours. Because these women juggle the demands of parenting alone while working, flexibility is a critical consideration. The proximity and cost of childcare, their educational credentials, benefits and transportation options are next in the factors that influence work choices. Some women are precluded from viable work options because of gender stereotypes and others face challenges on the job of sexism and harassment but are loathe to make changes. Any movement away from current work may result in no employment and these women are acutely aware of their children's dependence on them as primary breadwinner. Many women say they feel hopeless, and depend heavily on social networks comprised of family, friends/co-workers. Those without social networks seem to be more distressed.

### **Other Factors: Education, Ethnicity, Age, Family Size**

With regard to education levels attained, nearly one third of women included in the "missing class" are high school graduates. The largest group (36%) has completed high school and some college education, but has not earned a formal post-secondary credential. Of the next third, about half (15%) have earned an Associate's degree and nearly the same number (14%) hold a Bachelor's or other degree indicating further higher education. Most of Michigan's "missing class" women are Caucasian (73%) and generally between 25-59 years of age with an average age of 37 years. All have one or more children. Many who participated in our focus groups had at least two children, and some as many as five in a household. Those with live-in relatives are deeply appreciative of their

Any job is hard to come by, the economy is awful.

-Courtney

My kids are my first priority.

-Angela

extra help. Very few indicate church, work or social agencies as sources of encouragement or assistance.

## Key Challenges

### Perceived Barriers: Education, Employment Options, Childcare

Single working mothers identify limited educational access as a barrier to their financial self-reliance. Most feel their lack of education or “completed” education is a substantial obstacle to viable employment. Both finances and academic competition for education opportunities in “good programs” (e.g., health disciplines) create fences that preclude participation and completion of degrees. These women recognize that their job options are limited. They also indicate information about career options is time consuming and difficult to navigate. Most rely on word of mouth and informal exchange to learn about job vacancies. In general, they do not know where to go for help, and frequently encounter bias, withholding of information and judgmental treatment when inquiries are made for assistance. Finally, the complicating and significant challenge of children and related childcare are an ongoing concerns for women who must work full-time and manage all the responsibilities of parenting on their own. In many different ways, absent and inconsistent fathers generate instability for these women (as well as the children). The substantial current burden of dependent children multiplies the importance of family planning and access to reproductive healthcare as discussed by stakeholders.

### Daily Grind

Single working mothers face hard choices daily. Juggling bill payments on a modest income is part of the routine grind for women in this population segment. When finances are simply inadequate to cover the basic costs of living, managing shut off notices and collection agency calls becomes routine. Child support is another issue mentioned constantly. Most of the women indicate they receive irregular or no payments although these revenues are considered when they seek subsidies. Housing cost is named as a significant concern because of its relative size to total income. A home repair or utility bill can generate substantial anxiety. Unexpected items, like car repair or medical expenses can generate despair because they overwhelm a budget that is already inadequate. The costs of acquiring, insuring and maintaining an automobile often required for employment are frequently mentioned as daily challenges. Nearly all these women identify the cost of groceries as a difficulty. They regularly supplement what they are able to purchase with visits to local food pantries or via church gift baskets.

### Subsidies & “Cliff Effect”

A small portion of working mothers in our focus groups receives food, housing, tuition and other state subsidies. Ironically, small gains in real income can have big negative impacts because of the way in which public supports are structured. Experts in social welfare reform call this the “cliff effect” -- a common experience of women in the \$20,000-40,000 income

If I had to pay for daycare, I'd have nothing left.

-Kris

Having enough time for both work and kids is tough...when you add schooling, it is very hard.

-Melanie

My coping mechanism is acceptance of mediocrity.

-Rhonda



range. As they start to make progress via increased earnings, they are penalized by the loss of supports, which are critical to their progress, thus undermining the incentive for more highly paid work. Women in this population are highly aware of eligibility for subsidies and related trade-offs. Some have declined pay increases and others have not accepted promotions or pursued better paying jobs because of the real dollar losses those changes would mean to their resources. The terms of subsidies make it very difficult to achieve financial progress or independence. Mitigating vulnerability and helping women move up a figurative ladder from one socio-economic class to another is complex work, in part because of the cliff effect.

## How Children Cope

The nonprofit organization and state agency staff in the focus groups have all had significant experience with children in families led by a struggling single working mother. They describe considerable instability and stress in the lives of these children resulting in huge emotional strife. Because of frequent changes in housing, they are often transitioning between schools. Likewise, divorce or broken relationships among birth parents creates additional challenges of visitation along with a rotation of different daycare providers. Agency staff indicates there are “premature responsibilities” for housework and sibling care as well as a lack of opportunities for sports, recreation or extra enrichment that frequently socialize children. Because one adult manages these households, parent engagement in schoolwork and other school events is very difficult. Many report chronic hunger, frequent food scarcity or increase in abuse. For others there is poor academic achievement, gang involvement and truancy.

The mothers of these children are very aware of the losses their children face. Nearly all would forego income for quality time with their children. Some have made tough choices about housing, schools and other factors in their children’s interest. Others are acutely aware of the deficiencies in these external conditions. Most of the women with children who require childcare are not using any licensed institutional or home-based day care. The costs are simply beyond their meager resources, or would strain a budget beyond what they can risk. Often, mothers rely on a patchwork of friends, family, older siblings and significant others for childcare.

## Next Steps

### Securing “Good Jobs”

Enabling women’s economic self-sufficiency is critical to healthy families and communities. Employing women in jobs and careers with self-sufficient wages is an effective remedy but securing that outcome is not so simple. Currently, *any* job is tough to find in Michigan. And, a viable job that can provide for the costs of a family will likely involve high expectations, specific qualifications and tremendous competition. Undoubtedly, both job creation and workforce development are important strategies that can relieve some of the stresses faced by single working mothers struggling to reach economic self-sufficiency.

I know I am not going to get this time with my kids back.

-Helen

Help us help ourselves. We want to be self-sufficient but the system is not set up to do that.

-Kelli

## Agency Staff Suggest

Most nonprofit and state agency staff in the focus groups feels that financial literacy, career planning, education, better job selection, and mentoring are significant ways to help working poor mothers. They identify a lack of educational credentials, job information, psychosocial status and cultural stereotypes as barriers to progress. Many are in awe of how these women cope with austere conditions. These professionals suggest more generous income guidelines for program supports as an important and constructive change. They indicate special efforts to support financial, employment and other key transitions could be significant. Staff also say they feel that because the unique issues associated with this population segment are largely unknown, specific efforts to articulate those concerns may be helpful.

## What Women Want

When asked about needs, the requests of working single mothers are relatively modest. Better (and equal) pay is not the first request - although it is welcome. Their primary need is for employer flexibility as well as convenient childcare. More after-school programs would be a substantial support for mothers whose workdays extend beyond school hours. Healthcare is an urgent need for women in this missing class, as most have no insurance or very costly options. MI Child (a state program for children's healthcare) is highly valued and noted as a critical support to these families. Few of these single mothers qualify for childcare subsidies, but those who do need further help. They desire easier access to employment information. They also want the special supports social networks can offer like respite for a sick child, encouragement about job changes, or advice about parenting.

## Policy Paths

Many leaders in economic and workforce development have begun to recognize that economic self-sufficiency contributes to growth. Communities with employment opportunities that provide self-sufficient wages attract and retain well-educated people. Subsequently, their spending has a multiplier effect on the economy. Some states<sup>14</sup> and locales have created policies, which require that tax incentives or other "breaks" be granted only if projected jobs meet self-sufficiency thresholds. These guidelines try to redress the real cost of the job creation by seeking returns (jobs with self-sufficient wages) with adequate benefit. They also recognize that individual economic independence, regardless of gender, is a vital cornerstone for a healthy community. Such a requirement tying tax incentives to self-sufficiency thresholds is only one example of policy change with tremendous potential value. Reconsideration of the myriad other public and private policies that influence the lives of single working women and their children may point to additional steps that can positively impact their financial independence. The key issues areas of childcare, health care, transportation, workplace flexibility and compensation and education each play a significant part in the overall policy framework that improves economic conditions for the "missing class" of women.

Don't punish me for trying to be self-reliant.

-Charlotte

I think a two-year transition plan would be a remedy. It could be a real stepping stone.

-Kim

## End Notes

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<sup>1</sup> With combined financial support of the W. K. Kellogg Foundation.

<sup>2</sup> Newman, K. and Tan Chen, V. (2007). *The Missing Class*. Boston: Beacon Press. The reference "struggling single working mothers" is used interchangeably in this narrative.

<sup>3</sup> Relying primarily on the American Community Survey. (2006).

<sup>4</sup> [www.womenemployed.org/index.php?id=20](http://www.womenemployed.org/index.php?id=20).

<sup>5</sup> Michigan League for Human Services. (2004). *Working Hard but Still Poor*, p.3.

<sup>6</sup> Pearce, Diana. *The Self Sufficiency Standard*. See: <http://www.sixstrategies.org>.

<sup>7</sup> See: [www.Wowonline.org](http://www.Wowonline.org)

<sup>8</sup> Michigan League for Human Services. (2007). *Economic Self-Sufficiency in Michigan: A Benchmark for Ensuring Family Well-Being*.

<sup>9</sup> American Community Survey.(2006).

<sup>10</sup> Institute for Women's Policy Research. (2007). *The Economic Status of Women in Michigan*.

<sup>11</sup> American Community Survey.(2006).

<sup>12</sup> American Community Survey /American FactFinder, U.S. Census Bureau.(2006).

<sup>13</sup> Data in the American Community Survey is provided in special units called Public Use Microdata Areas (PUMAs). PUMA units sometimes cross multiple counties and/or exclude portions of counties.

<sup>14</sup> Wider Opportunities for Women. (2006). *Economic Development and Self-Sufficiency: Accountable and Equitable Choices for Families and Children*. Delaware, Illinois and Mississippi have used the Self-Sufficiency Standard relative to accountable economic development practices.

Note: Quotes in the sidebar reflect comments of the single working mothers from the Missing Class and non-profit agency representatives that participated in the focus groups.