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## Introduction [to Against the Tide: Household Structure, Opportunities, and Outcomes among White and Minority Youth]

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## Introduction

Among young adults in the United States, employment and educational outcomes (such as wages, weeks worked, enrollment in college, and educational attainment) are lower for minorities, and especially for African Americans, than for whites. These gaps have been persistent over time and in some cases are expanding. Among young black men, employment outcomes are growing worse, falling behind even those of young black women. High rates of crime and incarceration, and high levels of teen pregnancy and unmarried parenthood, persist as well.

Why does a continuing gap exist between minority young adults—especially black young adults—and their white counterparts, and why are some gaps actually widening over time? One possibility involves the increasing number of youth who have grown up in single-parent households. The proportion of young blacks growing up in female-headed households increased dramatically in the 1970s and 1980s; this, in turn, might help explain why black male youth and young adults today have experienced worsening employment outcomes, rising incarceration, and increasing single parenthood.

In this monograph, we examine the effects of household structure on young adults and how these effects might have contributed to some of the negative trends we have observed for minorities (and especially blacks) over time. We do not examine the causes of growing single parenthood, especially in the black community. These causes likely include the many other causes of deteriorating employment outcomes and high incarceration rates of less-educated men in general, and black men in particular, as well as other factors (including many changes in social norms, attitudes, and behaviors) that all limit young black males' potential and their attractiveness as marriage partners. Understanding these causes is crucial to developing any policy response that might attempt to affect patterns of household formation. Still, for the purposes of this study, we take the trends in household structure as a given and try to better understand the effects of household structure on young people growing up in these households.

While a large literature examines the effects of single parenthood on children, it generally does not focus on different effects of single-parent households by youth race and gender, nor does it tend to focus on the extent to which different trends in education, employment, unmarried childbearing, and crime across these groups might be attributable to changes in household structure. The existing studies are also largely based on data sources from the 1970s and 1980s rather than on more recent data.

In addition to examining links between household structure and outcomes, we hope to better understand the mechanisms or pathways through which growing up in a single-parent household might affect youth outcomes, and what other related factors might either reinforce or counteract these effects. For instance, the children of single mothers might be hurt by a loss of family income, a reduction in parental supervision or contact time, a lack of productive male role modeling, and other kinds of stress and instability associated with single-parent families. Because of their lower income, children in single-parent families are also more likely to live in poorer neighborhoods and attend lower-quality schools.

On the other hand, perhaps the negative effects of single parenthood can be offset to some extent by better income supports, enrichment activities in childhood, access to safer neighborhoods, more effective parenting practices on the part of the custodial parent, or by positive involvement by the absent father or other family members. We explore the extent to which some of these offsets are found in minority and especially African American families, and whether they positively influence both young males and young females in those families.

We use the National Longitudinal Survey of Youth (NLSY), and particularly data from the 1997 cohort, to address these questions. This survey collects a rich array of information about sample members, including educational, employment, crime, and fertility outcomes, the structure of households, and characteristics and behaviors of the youths' parents. Furthermore, the survey collects information about a wide variety of youths' attitudes and engagement in risky behaviors, as well as characteristics of their schools and neighborhoods.

Using the 1979 and 1997 cohorts of the NLSY, we first document changes over time in outcomes related to education, employment, and risky behaviors. We show summary data on additional outcomes avail-

able in the NLSY97 and estimate regressions for select employment and educational outcomes.

Next, we focus on data from the 1997 cohort and examine a wider range of outcomes—including marriage, fertility, and incarceration—and compute the extent to which differences in outcomes across racial groups can be accounted for by differences in the household structures under which children grew up, as well as differences in family income. In addition to ordinary least squares (OLS) regressions, we estimate individual and sibling fixed-effects models to explore whether effects of household structure are likely causal.

Then we examine mediating variables through which single parenthood might affect youth outcomes, including parenting behaviors and reduced supervision time or parental contact with youth. Other factors that might be correlated with single parenthood—such as less stimulating home environments and less stable or secure neighborhoods in which young people reside—are considered here as well. Finally, we sum up our findings and consider their broad implications for policy.

We find that young people growing up in single-parent families face a combination of additional challenges that they must overcome in order to succeed. In addition to lower family incomes, they grow up in families with younger and less-educated mothers, in less stimulating environments, and in less secure neighborhoods. Some of these factors are likely caused, at least to some extent, by the single parenthood of their mothers; others are not. It is as if these young people must swim against the tide, facing fewer opportunities and many more challenges than do most young people in two-parent families in order to attain educational and employment success.

In this chapter we review previous literature on educational and employment outcomes among white and minority youth, and on household structure and its effects on outcomes. We describe our data and empirical methods in greater detail, summarize our main findings, and, finally, outline the remainder of the book.

## **PRIOR RESEARCH**

### **Race/Gender Gaps in Outcomes: Education, Employment, and More**

A wide variety of literature documents the continuing gaps in employment between minorities—especially African Americans—and whites, and within racial groups by gender. For example, employment rates among young, less-educated minority women—particularly African American single mothers—improved dramatically during the 1990s. These improvements are frequently attributed to the combination of a very strong economy, welfare reform, and increases in work supports for low-income parents, such as the Earned Income Tax Credit and child care subsidies (Blank 2002).

In contrast, employment rates among less-educated young white and Hispanic men declined somewhat in the 1980s and stabilized in the 1990s, while those of young black men continued to decline fairly sharply throughout this period. A relatively large literature has explored the causes of reduced employment among young black men, especially in the 1980s. This literature has focused on the labor market changes during that time that eliminated well-paying jobs for less-educated men, as well as a number of factors that affected blacks more directly than others.<sup>1</sup> In the 1990s, high rates of incarceration and more vigorous child support enforcement seem to have further depressed the labor market activity of this group (Holzer, Offner, and Sorensen 2005).

But why have these changes affected young black men so much more than young black women or Hispanics? Employers seem much more wary of hiring young black men than individuals from these other groups when the jobs available do not require high levels of skill; thus employers continue to discriminate in their hiring practices (Holzer 1996; Kirschenman and Neckerman 1991; Pager 2003).<sup>2</sup> But why these factors might have worsened over time for young black men remains unclear.

Changes in labor markets during the past two decades have raised the rewards associated with educational attainment and cognitive skills (Katz and Autor 1999), and differences in education and test scores account for large portions of the earnings gap between young whites and

blacks.<sup>3</sup> The rate of high school completion nationally among young blacks has apparently become comparable to that of young whites, controlling for family background (Hauser 1997), but at least some of this seems to be accounted for by General Educational Development (GED) degrees, which are of lower economic value, rather than high school diplomas.<sup>4</sup> Administrative data from school districts also suggest much lower rates of high school completion than do self-report surveys, though some controversy remains over which is more accurate (Mishel and Roy 2006; Swanson 2004). Also, certain low-income neighborhoods in major urban areas continue to have very high dropout rates among young blacks (Orfield 2004). Rates of college attendance and completion are lower for blacks relative to whites, perhaps because of rising college costs and other factors (Ellwood and Kane 2000). Furthermore, educational attainment among young Hispanics is considerably lower than that of young whites, partly because of the presence of immigrants among the former group.

In addition, a major gender gap in college enrollments favoring women over men has developed among all ethnic groups, but especially among young minorities (Jacob 2002; Offner 2002). And test score gaps between young whites and minorities (despite some gains among the latter in the 1980s) remain quite large and are not well understood (Jencks and Phillips 1998). These gaps tend to appear quite early in life (Fryer and Levitt 2004)—mostly before children enter kindergarten—then widen in the first few years of school before stabilizing.

Other racial differences in social outcomes remain puzzling as well. Why do so many more young black men participate in crime and become incarcerated than do young people in any other race or gender group? Freeman (1996) and Grogger (1997), among others, suggest that declining wages and employment opportunities in the above-ground economy help account for the decisions of less-educated young men to engage in crime, though the sharp differences in criminal participation by race and gender may not be fully attributable to this fact alone.

Similarly, the decline in marriage rates and the rise in out-of-wedlock births among young blacks (and some Hispanics, such as Puerto Ricans) have been noteworthy. Indeed, the rise in female headship has been much steeper in black families than for other racial groups (McLanahan and Casper 1995), and it appears at least partly attributable to the declining employment and rising incarceration rates

observed among young men (Blau, Kahn, and Waldfogel 2000; Lichter et al. 1992; Moffitt 2001; Wilson 1987), all of which tend to reduce their marriageability.<sup>5</sup>

### **Effects of Female Headship of Families: Blacks and Others**

Has the fact that so many more young black men were growing up in lower-income female-headed families over the past few decades contributed to the greater decline in their employment and educational prospects relative to virtually every other group?

The research evidence to date strongly suggests that growing up in female-headed families appears to be harmful to youth outcomes such as graduating from high school, gaining employment, and avoiding teen pregnancy (Amato 2005; Haveman and Wolfe 1995; Hoffman, Foster, and Furstenberg 1993; Maynard 1996; McLanahan 1997; McLanahan and Sandefur 1994). Complementary findings suggest that growing up in families with married parents has positive effects on youth (Thomas and Sawhill 2002; Waite and Gallagher 2000). These findings have inspired a set of federally funded projects designed to explore the impacts of healthy marriage promotion (Lerman 2002).

Are the effects of female headship for youth and young adults more deleterious for blacks than for whites or Hispanics, or for black males than for black females? The effects of female headship on young black males might be more negative if, for example, their behaviors are more negatively affected by a lack of parental supervision, or if their attitudes and relationships are hurt by a lack of positive adult male role models and mentorship in their lives.

But little of the earlier evidence on the topic suggests that this is the case (Haurin 1992; Lee et al. 1994; McLanahan and Sandefur 1994), though much of this work is based on data from the 1970s and 1980s. In recent research, Page and Stevens (2005) find more negative effects of divorce on young blacks than whites, at least partly because of lower rates of remarriage among the former set of families. Dunifon and Kowaleski-Jones (2002) find fewer negative effects of single parenthood on young blacks than whites but more negative effects of cohabitation. But even if the estimated impacts of female headship across race and gender groups are comparable, the much greater frequency of single-parenthood in the African American community might help account for

some of the less positive outcomes and trends observed among blacks in the 1980s and 1990s, especially among younger males.

Of course, the impacts of single parenthood—and the duration of time in which families find themselves in this status—might depend importantly on the extent to which the parents in these families are divorced or never married. The presence of a second parent might affect children quite differently, depending on whether the second parent is a biological or a stepparent (Acs and Nelson 2003; Lansford et al. 2001). Also, the traditional categories of being married, separated or divorced, or remarried to a stepparent may be less relevant for many low-income minority families than cohabitation: over time, single mothers seem to cohabit with one or more biological fathers of their children, and with varying frequency or duration.<sup>6</sup>

### **Are the Effects of Household Structure Causal?**

In all of this literature, questions have been raised about whether these studies identify true causal effects of household structure. Estimates of the negative impacts of teen pregnancy or single parenthood and of the positive effects of marriage on both parents and children that are based on ordinary least squares (OLS) regressions may be overstated because they do not control for a set of unobserved characteristics of these parents and families that are correlated with single parenthood but not caused by it.

For instance, Geronimus and Korenman (1993) use comparisons across female siblings to argue that the negative effects of teen parenthood are mostly due to unobserved factors, such as the poorer family backgrounds of these young mothers. Rosenzweig and Wolpin (1993) incorporate comparisons across cousins as well as siblings, and also find smaller negative effects on the teen mothers and their children. Hotz, McElroy, and Sanders (1996) look at pregnant teens who successfully gave birth and compare their educational and employment outcomes to those who miscarried; they generally find smaller negative effects as well. Using sibling fixed-effects models (which control for unobservable family characteristics) with data from the NLSY79, Sandefur and Wells (1999) find that not living in a two-parent family was associated with fewer years of education completed, suggesting a causal effect of structure on educational attainment (though the magnitudes of effects

are modest). And Bronars and Grogger (1994), comparing mothers of single children versus twins, suggest that some of the observed negative effects on the education and incomes of unwed mothers are causal and have long-term effects on black families.<sup>7</sup>

The above studies mostly focus on the teen or unwed mothers themselves, rather than on the longer-term effects on children or youth of growing up in a single-parent family. But Joyce, Kaestner, and Korenman (2000) and Korenman, Kaestner, and Joyce (2001) compare intentional versus unintentional pregnancies, among other “natural experiments,” to infer the effects of unwed parenthood on outcomes of children in these families.<sup>8</sup> Though these researchers found that unwed pregnant women smoke more and unwed mothers breast-feed less frequently, few other negative impacts on children’s test scores or behavior were observed. Similarly, Lang and Zagorsky (2001) use parental death as an instrumental variable for parental absence and find relatively few negative effects on child outcomes.

On the other hand, Gruber (2000) finds more negative effects on child outcomes from laws making it easier for parents to divorce.<sup>9</sup> Various studies using individual fixed effects (or “before-after” comparisons for the same individuals) to analyze the impacts of divorce on children frequently find negative effects (Morrison and Cherlin 1995; Page and Stevens 2005; Painter and Levine 2000). Ananat and Michaels (2008) use an instrumental variable strategy (with the gender of the first child as the instrument) and find strongly positive causal effects of divorce on child poverty as well, though Bedard and Deschênes (2005) find the opposite with regards to mean income.<sup>10</sup> But individual fixed effects will be of less value to the study of never-married mothers and their children, as single parenthood is often a permanent characteristic of these families.

While these studies raise important questions about potential biases in OLS estimates, we do not believe they have settled the issue. For instance, sibling studies have generally been based on small samples. Other studies use instrumental variables that may have limited applicability to the issue of children whose parents never married (such as the Lang-Zagorsky measure of parental death), or that may be of low quality (in terms of first-stage predictive power or true exogeneity). All of these problems could lead to potential understatement of the size or significance of the effects of growing up in a single-parent family.<sup>11</sup>

And, with a few exceptions (Dunifon and Kowaleski-Jones 2002; Page and Stevens 2005), the above studies do not tend to focus on differences in effects by race or gender.

### **Causal Pathways for Household Structure Effects**

To the extent that growing up in a single-parent household has had negative effects on young blacks in recent years, why do these occur? What are the mediating variables through which these effects operate? Many scholars have noted that family incomes are reduced in single-parent families relative to two-parent families since the former have only one earner; and lower family incomes clearly affect the schooling and behavioral success of children growing up in these families (Duncan 2005). However, Mayer (1997) makes the case that other factors (such as parental attitudes and behaviors) that are heavily correlated with low incomes might actually be more important direct sources of problems for children growing up in poor families. In addition, the time constraints of single working parents might make it more difficult for them to interact with their children or to supervise their children's behavior and use of time. Financial and emotional stress on the mothers might lead to poor parenting (Kalil et al. 1998), in terms of the mothers meting out harsher punishments and getting into more conflicts with their children (Carlson and McLanahan 2002). Less orderly households might also result from these stresses on parents, which might affect children and youth negatively as well (Dunifon, Duncan, and Brooks-Gunn 2001).

Instability in living arrangements and residential locations might also contribute to poorer youth outcomes, as a stable environment might be necessary for children to develop healthy relationships and to maintain routines of productive activity (such as homework). The lower incomes and instability of single-parent families might result in less intellectually stimulating environments for children (Bradley, Caldwell, and Rock 1988) or residence in less secure neighborhoods. In addition, some of these factors might affect minority families more strongly than whites, and males in these families more severely than females—especially given the absence of positive male role models and authority figures in these families.<sup>12</sup>

In one well-known attempt to disentangle the negative impacts of single parenthood into these competing sources, McLanahan and Sandefur (1994) consider family income as well as “parenting variables” (such as regularity of contact with the absent father, parental assistance with homework or reading, degree of supervision and regulation of behavior, strictness of discipline, and positive aspirations) that are likely to be at least somewhat correlated with single parenthood (because of a single parent’s limited time and greater stress). They also consider the frequency of residential mobility (as a measure of instability in family life that is higher for single-parent families) and quality of peers and schools. They find that lower income accounted for roughly half of the poorer outcomes of youth observed in these families. Many of the parenting and mobility variables also contribute to worse youth outcomes, though major racial and gender differences in these impacts were not found.

In an analysis of parents and youth in lower-income neighborhoods in Philadelphia, Furstenberg et al. (1999) focus on a similar set of parenting behaviors as well as various school and neighborhood factors as determinants of youth outcomes. Using an analytical framework that stresses the importance of youth development in the context of the family’s school and community environment (Eccles et al. 1993; Sameroff, Seifer, and Bartko 1997), Furstenberg et al. note that even single parents in lower-income neighborhoods can encourage success among youth by “managing risk and opportunity,” through either “promotive” or “preventive” strategies (or both). The promotive strategies include developing trust and healthy communication between parents and children, encouraging greater youth autonomy and participation in decision-making at home, and encouraging youth involvement in a variety of school and community organizations that might strengthen their cognitive, social, and psychological skills. In contrast, the preventive strategies entail more restrictions on youth activity out of the home, more supervision, and stronger punishments for violations of the rules.

The authors find that minority single parents and those in poorer neighborhoods have fewer resources (of time, money, and information) with which to pursue the promotive strategies, and therefore tend to fall back on preventive measures to a greater extent. They find that both sets of strategies can generate some successful outcomes among youth, but that differences in these approaches can also account for some of

the variations in outcomes observed between single- and two-parent families, and between whites and minorities.

The study by Furstenberg and his colleagues focuses not only on mediating factors through which single parenthood affects outcomes, but also on a range of parental behaviors that can either offset or reinforce whatever disadvantages single-parent families have in income levels and quality of school or neighborhood. The extent to which their findings can be replicated in broader nationwide data, covering a much wider range of youth outcomes in school and in the labor market, needs to be examined.

The special developmental needs of young black males, and the kinds of mentoring and education/training programs that address these needs, have also received some attention (e.g., Mincy 1994). Clayton, Mincy, and Blankenhorn (2003) have also recently focused on fatherhood among black men and have considered how more positive parenting can be encouraged both within marriage and among black noncustodial fathers.<sup>13</sup> But the extent to which specific parenting behaviors among noncustodial black fathers are associated with improved educational and employment outcomes among their sons and daughters has not been explored systematically.

### **Preliminary Studies Using the NLSY97**

The potential usefulness of the NLSY97 in addressing these many questions is discussed below. But some new evidence on this topic, and the richness of the data on youth and their families (even relative to the earlier 1979 cohort of the NLSY and other data sets), was highlighted in a volume of papers (Michael 2001) and in a special issue of the *Journal of Human Resources* (JHR 2001). Using the NLSY97, the papers in those volumes provide an early snapshot of young people aged 12–16, and of the important influences of family background and environment on their own attitudes and behaviors. In particular, Pierret (2001) found strong effects of family structure on grades, tendency to use alcohol and drugs, and participation in crime; Moore (2001) found similar effects on adolescent sexual behavior, and Tepper (2001) found major effects of parental regulations on adolescent use of time. At that point, though, few data were available in the NLSY97 that allowed a study of the determinants of educational and employment outcomes (instead of just

youths' expectations of these outcomes), as well as marriage, fertility, crime, and other outcomes.

## **Summary**

A lengthy literature strongly suggests that single parenthood has negative consequences for the educational, employment, and behavioral outcomes of young people growing up in these households. But many important questions remain unanswered. In particular, we still know relatively little about the extent to which growing single parenthood among minorities, and especially among blacks, can help account for poor educational, employment, marital, pregnancy, and crime outcomes among young adults—and even among black males relative to black females. The extent to which previous estimates of the impacts of household structure on young adult educational and employment outcomes are causal remains uncertain, as are the exact mechanisms through which household structure might have its effects. Generating answers to these questions can provide insight into developing appropriate policies to help young minorities improve their educational and employment outcomes in the future.

## **RESEARCH QUESTIONS**

In this monograph, we address the following questions:

- 1) What are the trends over time in employment, education, single parenthood, and participation in risky behaviors for young adults, overall and separately by race and gender?
- 2) What are the effects of growing up in a single-parent home on outcomes related to education, employment, unmarried parenthood, and incarceration for young adults overall, as well as separately for young black men and young black women? Has the growth of single parenthood, especially female headship in black families, contributed to growing gaps in education and employment for black male youth and young adults relative to other males, and to gaps between black males and black females?

- 3) Are the observed effects of growing up in a single-parent home causal, or do the effects reflect other factors that are correlated both with growing up in a single-parent home and with young-adult outcomes?
- 4) To the extent that growing up in a single-parent home affects youth and young-adult outcomes, why does it do so? Do its effects work primarily through reduced income or through other parenting behaviors and instability? To what extent does it work through quality of the home and neighborhood environment (which may or may not be causally related to single parenthood *per se*)? Do these patterns vary by race and gender?

## DATA AND METHODS

To answer these questions, we analyze data from the National Longitudinal Survey of Youth (NLSY). We focus on the 1997 cohort (NLSY97), a nationally representative sample of about 9,000 youths who were ages 12 to 16 at the end of December 1996. Our analysis uses the first eight panels of data, allowing us to observe this cohort in early adulthood (ages 20 to 24). To provide a comparative perspective over time on our research questions, we also use an earlier cohort, the NLSY79, a panel survey that has followed more than 12,000 young men and women who were 14 to 21 years old at the end of 1978.

Using the extensive data available in the NLSY, we estimate the effects of growing up in a single-parent home on a wide variety of young-adult outcomes, separately by race and gender. Although we focus on the NLSY97 cohort, we generate estimates of outcomes using both the 1979 and 1997 cohorts to document changes over time for different race-gender groups.

Our goal is to examine a wide variety of outcomes of youth and young adults that might be affected by growing up with single parents. As Acs (2006) notes, the range of outcomes potentially affected might be grouped into three categories: cognitive, school-based, and behavioral.<sup>14</sup> All of these outcomes might ultimately affect other measures of individual success, especially earnings and employment.

The NLSY97 contains a wealth of information for measuring the outcomes and explanatory measures in our study. As an overview, these data provide detailed evidence on youths' behaviors and attitudes with regard to education, employment, marriage, fertility, sexual activity, criminal activity, and risky behaviors (e.g., the use of alcohol or drugs).<sup>15</sup> The survey also includes extensive information on the youths' living situations and parental characteristics, including education, income, marital status, attitudes, and rule-setting behaviors (from the survey of a parent or parental figure in the first round of the survey, as well as from the youth respondent).

With regard to educational outcomes of interest, the survey contains information on enrollment status, level of schooling completed, grade point averages, and scores on the Armed Services Vocational Aptitude Battery (ASVAB).

With regard to employment outcomes of interest, information is available about all spells of employment (as an employee, a self-employed worker, or a freelancer) since the age of 12, and about the wages and other characteristics of each job.

With regard to marriage, sexual behavior, and fertility, the survey collects information on the dates of all sample members' cohabiting relationships, marriages, and disruptions or dissolution of these relationships, and on the number of pregnancies, live, and nonlive births.

Finally, with regard to criminal outcomes and other risky behaviors, the survey collects self-reported information on arrests and convictions for various crimes, as well as use of alcohol, cigarettes, and drugs. It can also gauge incarceration based on whether the interview in any particular year took place in a jail or prison facility.

The NLSY97 contains an equally rich supply of explanatory variables for these outcomes. In addition to key measures of race, ethnicity, and gender for each sample member, a strength of the data set is the availability of measures of family structure—our primary explanatory variable of interest—for the youth. We can distinguish whether the sample member was in a household with both biological parents, a single-parent household, or another type of family structure.

The survey contains extensive detail about other characteristics of the youths' parents, families, households, and nonresident relatives. These characteristics, which include parents' age, education, employment, and income, constitute a core set of explanatory control variables

in our statistical models. Other measures of parental attitudes and behaviors, and of household characteristics, are included as mediators of the effects of household structure, or as reinforcing or offsetting factors of growing up in a single-parent household. Such information on parental child rearing actions and attitudes is gleaned through questions to the parent respondent in the survey's first round, as well as to the youth respondent in the first and subsequent rounds.<sup>16</sup>

The NLSY97 survey design restricted the sample universe for selected survey questions, and we use some of these questions in our analysis. For example, some questions about parenting behaviors and relationships were only asked of youth who were 12 to 14 years old at the end of December 1996. This sample restriction should not limit the analysis in a meaningful way. As a whole, the NLSY97 contains rich detail on youth outcomes, youth characteristics, family structure and other characteristics, parental characteristics, and other aspects of the youth's environment for analyzing the research question of how family structure influences a range of youth and young adult outcomes.

As for the empirical work and methods we will use, we first document trends in education, employment, and other behavioral outcomes by race and gender over the period of the 1980s and 1990s, using data from the two NLSY cohorts. We will especially highlight continuing gaps in outcomes by race and gender that appear in the most recent NLSY data.

Then, using the NLSY97 data, we present estimates from reduced-form equations for outcomes of interest related to education, employment, unwed parenthood, and incarceration. We focus on the effects of household structure (measured at age 12) on these outcomes, controlling for a number of sample member and maternal characteristics. These equations are estimated without and then with controls for family income, as this is one of the clearest mechanisms through which single parenthood might affect observed outcomes for youth.

To deal with issues of causality and unobserved personal characteristics, we estimate both individual and sibling fixed-effects models, in which the former focus on changes over time in individual circumstances while the latter focus on differences across sibling pairs. These methods use smaller samples, limiting our ability to produce separate estimates by youth race and gender.<sup>17</sup> Still, these models may produce something closer to causal estimates of the effects of household structure.

We next explore how effects of household structure are mediated through household and parental characteristics and behaviors. Following McLanahan and Sandefur (1994), Furstenberg et al. (1999), and others, we add a set of variables that may be correlated with household structure. Such measures include the degree to which the home environment provides an “enriching environment” (defined as the home usually having a computer, usually having a dictionary, and whether the youth take extra classes or lessons such as dance or music) or the quality of the neighborhood in which the youth and his or her family live. We will also consider measures of parenting styles and quality (such as parental knowledge of whom these young people spend time with when not at home) or household stability and routine as other potential mechanisms. Our goal in estimating these equations is to explore some of the mediating factors that prior research has identified as potentially important in accounting for the observed effects of household structure on youth outcomes, or that might tend to offset or exacerbate those effects in various situations.

## **OUTLINE OF THE REMAINDER OF THE VOLUME**

In Chapter 2, we document changes in both employment and educational outcomes between the 1979 and 1997 cohorts of the NLSY, with a particular emphasis on how these trends differ across race and gender groups. We also present summary data on engagement in risky behaviors from both cohorts, but especially from the 1997 cohort. The chapter concludes with results from a set of estimated recursive equations in which educational outcomes (in particular, dropping out of high school) are related to a range of personal and behavioral characteristics, all of which are then used to explain employment outcomes for NLSY97 sample members in 2004–2005.

In Chapter 3, we begin our exploration of the effects of household structure on youth outcomes, using the NLSY97 data only. We document the differences in household structure that exist across race and gender groups. We also consider associations between household structure, personal characteristics (such as maternal education), and family income. We then present results from estimated reduced-form equa-

tions in which the outcomes are estimated as functions of the household structure of young people at age 12.

These estimates are provided for the entire sample, separately for blacks, and further separately for black males and black females. The equations for the entire sample are used to estimate the extent to which differences in household structure across race and gender groups can account for differences in employment, educational, and behavioral outcomes across these groups. The separate equations for blacks and for black males and females enable us to estimate how household structure might affect outcomes differently within these groups, and how it might help account for group-specific trends over time.<sup>18</sup> In all three cases, we also estimate equations without and with controls for family income, to see the extent to which estimated impacts of household structure might work through family income. Finally, we present some estimates from individual and sibling fixed-effects models, to explore the extent to which our estimates are truly causal.

In Chapter 4, we analyze correlations between household structure and a number of other household characteristics, such as the following three:

- 1) Parenting style (e.g., whether parents are strict or supportive, how closely they monitor their children and are involved with them, and how structured family activities are),
- 2) The richness of the home environment, including the presence of computers or dictionaries and participation in various extra-curricular activities,
- 3) The quality of the neighborhood, as measured either by the survey respondent or by the surveyor.

We estimate reduced-form equations for employment, educational, and behavioral outcomes as functions of household structure as well as of these additional variables, to infer the extent to which the latter can help either to account for estimated effects of the former or to reinforce or offset these effects. These are also estimated for the sample as a whole and separately by race and gender.

In Chapter 5, we review our findings and consider their implications for policy and for further research.

## OUR BASIC FINDINGS

The analyses in subsequent chapters find the following:

- Most young adults show positive trends in educational attainment and employment over time, but a gap remains between young blacks and Hispanics on the one hand and young whites on the other for both sets of outcomes. Young blacks also have children while unmarried and become incarcerated much more frequently than white or Hispanic youth. Within each racial group, progress has been greater for women than for men, and postsecondary school enrollments are now greater for women than for men in each racial group. Young black men, in particular, show the least improvement in almost all outcomes. Among black high school dropouts, the low rates of employment activity and high engagement in crime and other risky behaviors are pronounced.
- About half of young people today grow up in households without both biological parents, while about 80 percent of young blacks do so. Growing up without both biological parents appears to have modestly negative impacts on employment outcomes of young adults and more pronounced negative impacts on educational attainment, unmarried parenthood, and incarceration. The greater incidence of living with a single mother among blacks accounts for substantial portions of the racial differences among young adults in some outcomes, especially educational attainment, and also helps to account for a relative lack of progress (or even some deterioration) over time in these outcomes. The employment and incarceration outcomes of young black men are particularly strongly affected by growing up with a single mother. The lower family incomes of single-parent families—especially those headed by never-married mothers—account for some but not all of these impacts. And there is some evidence (from fixed-effects models) that these estimated negative effects of growing up with a single parent are at least partly causal.
- The negative effects of growing up in families without both parents are often compounded by the fact that these households tend to provide less enrichment to children and frequently are located

in dangerous neighborhoods. Parenting behaviors are also related to household structure. Some of the parenting behaviors are likely caused, at least to some extent, by single parenthood. However, the human capital and neighborhood variables are more likely to be additional determinants of outcomes that happen to be correlated with structure, though the low family incomes and instability to which single parenthood contributes probably reinforce the observed gaps in these variables. Either way, these three sets of additional variables have jointly significant effects on most of the observed youth outcomes and can account for some substantial parts of the observed effects of household structure on these outcomes.

In short, youth and especially young minorities who grow up in single-parent families face a range of difficulties and disadvantages in terms of achieving academic or labor market success and staying out of trouble. Some of these difficulties appear to be caused by the singleness of their parents and some not. But in any case, they are truly swimming against the tide as they mature into young adulthood and beyond, in that they have less opportunity to succeed than their counterparts because of a variety of disadvantages that they experience.

At the same time, our findings illuminate a variety of personal and family characteristics that might be used to offset disadvantages and promote positive outcomes for young people, especially those in low-income and single-parent families. Sensible policies might seek to promote a variety of circumstances, including healthy marriages, more positive noncustodial fatherhood, higher incomes for working single parents, better schooling or employment options and safer neighborhoods for poor youth, and better child care and parenting among single parents. All of these would promote opportunity and success among otherwise disadvantaged youth. These broad approaches are explored in the book's concluding chapter.

## Notes

1. The relative wages of less-educated young men were also declining during much of this period, implying that reduced work incentives were at least part of the reason for their diminishing work effort (Juhn 1992). Decreasing availability of blue-collar and manufacturing jobs, rising skill demands, rising competition from immigrants and women, “spatial mismatch” problems, and persistent discrimination have also likely contributed to the difficulties of young black men (Holzer 2000).
2. Ethnographic work suggests that employers perceive a stronger work ethic among Hispanics, especially immigrants; while they perceive more negative attitudes among young blacks and especially males (Wilson 1996). Fear of crime and violence, especially from those with criminal records, also appears to contribute to the problem. There is some evidence that employers who do not conduct formal criminal background checks engage in broad statistical discrimination against young black men as they seek to avoid hiring exoffenders (Holzer, Offner, and Sorensen 2005).
3. Johnson and Neal (1998) show that most of the black-white wage gap, but much less of the employment gap, disappears after controlling for racial differences in years of education and test scores. This evidence has been disputed by some authors (e.g., Rodgers and Spriggs 1996).
4. Educational attainment as measured in the Current Population Survey (CPS) does not carefully distinguish between GEDs and regular high school diplomas. For evidence on the weaker value of GEDs in the labor market, see Cameron and Heckman (1993).
5. See Ellwood and Jencks (2004) for a discussion about similarities and differences in trends in marriage and childbearing between more- and less-educated women over time. See also Edin and Kefalas (2005) for ethnographic evidence on the importance of marriage for low-income young women, despite their feeling that stable marriages might be unattainable, especially given the employment difficulties and unproductive behaviors that they perceive among the young men in their lives.
6. A number of authors (e.g., Graefe and Lichter 1999; Manning, Smock, and Majumdar 2004; Wu and Wolfe. 2001) have noted a growing trend towards cohabitation among unmarried parents in the United States, and that such unions tend to be shorter and more unstable than traditional marriages. But the effects of different patterns of cohabitation on youth outcomes, among both whites and minorities, have only recently been explored (Acs and Nelson 2003; Brown 2002; Dunifon and Kowaleski-Jones 2002; Manning and Lamb 2003).
7. Ashcraft and Lang (2006) discuss this literature and the potential upward and downward biases in various estimates of these effects.
8. Korenman and his colleagues conduct a variety of tests, including a comparison of siblings and cousins among children who were and were not born to single parents, the addition of controls for whether the pregnancy was intended or mistimed,

- and instrumental variables (IVs) for the availability of abortion services and child support enforcement at the state level, as exogenous predictors of unwed births.
9. See also Stevenson and Wolfers (2007).
  10. See also Stevenson and Wolfers (2007) for a more skeptical view of the causal effects of marriage and household structure on these outcomes.
  11. Sigle-Rushton and McLanahan (2004) review these studies and the very mixed nature of their findings. Ashcraft and Lang (2006) discuss various reasons these studies might generate downward biases in estimates of negative effects associated with teen or unmarried childbearing.
  12. See Mincy (1994) for a set of papers that focus on young black males in fatherless families. Lee et al. (1994) find stronger effects of absent mothers on their daughters but less evidence of stronger effects of absent fathers on sons.
  13. In related literature, Garfinkel et al. (1998) looks at the role of child support payments by noncustodial fathers, and Holzer, Offner, and Sorensen (2005) examine the effects of child support enforcement on employment of young black men.
  14. Similarly, Carneiro and Heckman (2003) note the importance of both cognitive and noncognitive “skills” on employment outcomes.
  15. Hotz and Scholz (2001) describe reports that compare administrative and survey data reports on employment and income (especially for low-income populations); Kornfeld and Bloom (1999) examine the reliability (or lack of measurement error) of self-reported measures of earnings and employment; Abe (2001) and references therein discuss self-reports of antisocial behaviors, including comparisons across the NLSY79 and '97 cohorts, and differences by race and gender; and Laumann et al. (1994) discuss issues of reliability in survey questions about sexual behavior. The results of these studies are quite mixed but suggest that self-reported risky or illegal behaviors may be quite seriously underreported, relative to self-reported measures of employment or education.
  16. A number of measures of family process and parenting style using such questions have been constructed by Child Trends (an independent, nonpartisan research center), under contract with the U.S. Department of Labor. These variables are available in the public use file as “family process” variables, and a separate data file appendix from Child Trends and the Center for Human Resource Research (1999) assesses the data quality, internal consistency and reliability, construct validity, and predictive validity.
  17. We do not explore instrumental variable estimates because of our skepticism about the usefulness of some of these models, as noted earlier in the chapter.
  18. Throughout our work in this monograph, we will use Chow tests to examine the statistical validity of pooling our estimates across race and gender groups as opposed to providing separate estimates for these groups.