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West Coast Poverty Center
UNIVERSITY OF WASHINGTON
A Partnership of the SCHOOL OF SOCIAL WORK,
the DANIEL J. EVANS SCHOOL OF PUBLIC AFFAIRS and the COLLEGE OF ARTS AND SCIENCES

Poverty Research Flash

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Intra-year Household Income Dynamics and Adolescent School Behavior

Background. There is growing recognition among researchers and policymakers that income instability, and particularly frequent fluctuations in income, may have negative consequences for children and for adolescents in particular. Researchers have documented that many American families experience high levels of income instability over time. If income instability negatively impacts children's development, it may also contribute to future poverty or economic distress. Evidence linking instability and specific developmental and longer-term outcomes remains thin, however, in part due to a lack of appropriate data.

Methods. Using data from the 2004 panel of the Survey of Income and Program Participation (SIPP), WCPC Affiliate Heather Hill and colleagues Lisa Gennetian, Sharon Wolf, and Pamela Morris examined the relationship between intra-year household economic instability and adolescent educational outcomes such as engagement in school, expulsions, and suspensions. The research team explored the effects of various measures of economic instability to try to determine which are the most meaningful for adolescents. They also sought to identify whether the effects of income instability vary by the individual characteristics of race, age, and gender; household income and assets; state-level economic conditions; and the generosity of a state's cash assistance program. In making these connections, they draw on theories that link income to children's outcomes through both the level of parental investment in children and the impact of parental stress on positive parenting behaviors.

Findings. When controlling for adolescent and household characteristics, the researchers found that a higher number of income shocks (either positive or negative) over the 32-month period studied was associated with lower odds of a high level of engagement in school among the full sample of adolescents; conversely, a higher number of consecutive waves without an income shock was associated with increased likelihood of a high level of school engagement as well as with a lower likelihood of suspension or expulsion. These effects varied somewhat by income, with adolescents in both the highest and lowest quintiles showing a negative association between income instability and school engagement. For those in the lowest income quintile only, there was a positive relationship between income instability and expulsions and suspensions. Among the potential moderating factors the researchers explored, the effect of race stands out. While they found no effect of income shocks on the likelihood of suspension or expulsion for white adolescents, income shocks increased the likelihood of suspension or expulsion for non-white students.

The researchers speculated that parental stress that results from income instability may be translated into less effective parental behaviors, which may account for children's declining school performance and engagement. The researchers suggest that additional research on income instability and development could help illuminate these connections and provide guidance for policymakers. If future research supports causal links between income instability and adolescent development, interventions to reduce or buffer income shocks could have benefits for parents as well as for children's short- and longer-term outcomes.

Highlighting New Poverty Research

Gennetian, Lisa A., Sharon Wolf, Heather D. Hill, and Pamela A. Morris. "Intra-year Household Income Dynamics and Adolescent School Behavior." *Demography* 52: 455-83.

Lisa Gennetian is a Senior Researcher at the National Bureau of Economic Research; Sharon Wolf is a Post-Doctoral Researcher at New York University; Heather D. Hill is an Associate Professor in the Daniel J. Evans School of Public Policy and Governance; and Pamela Morris is a Professor of Applied Psychology at New York University.

The West Coast Poverty Center's **POVERTY RESEARCH FLASH** highlights new research by faculty affiliates and others on causes, consequences, and effective policy responses to poverty, with an emphasis on changing labor markets, demographic shifts, family structure, and social and economic inequality.

The West Coast Poverty Center (WCPC) at the University of Washington serves as a hub for research, education, and policy analysis leading to greater understanding of the causes and consequences of poverty and effective approaches to reducing it in the west coast states. WCPC activities are made possible in part by support from the Paul G. Allen Family Foundation. For more information about the West Coast Poverty Center, visit our website: http://wcpc.washington.edu