

# **The Relation of Income to Other Measures of Material Well-being in Cohabiting Couples With and Without Children**

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## **The Relation of Income to Other Measures of Material Well-being in Cohabiting Couples With and Without Children**

Research has established that married couples in the United States are more likely than cohabiting couples to pool income and share resources within the household (Bauman 1999, Kenney 2004, Oropesa, Landale and Kenkre 2003). However, recent work by Kenney (2003) and Manning and Brown (2006) indicate that the degree of sharing, and its use to benefit children in particular, are different when cohabitators have children in the household than when they do not. They also note differences by race and Hispanic origin that were not fully accounted for in early research. This paper builds on previous research using the Survey of Income and Program Participation to examine how income earned by household members contribute to the well-being of the household in households of varying composition.

The economic well-being of families in the United States has traditionally been measured by income or the related concept of poverty. The latter takes income and compares it to a threshold that depends on family size and membership (DeNavas-Walt et al. 2011). In 2011, the U.S. Census Bureau began to produce a "Supplemental Poverty Measure," released in addition to the official measure each year, with numerous adjustments to address potential weaknesses to the current measure (Short 2011). Among the changes is a shift from measuring poverty of *families* (individuals and people living together related by blood, marriage, or adoption) to measuring

poverty of what will be referred to here as "*Cohabiting families.*" These are defined to include individuals, families, cohabitators, relatives of cohabitators, and children being cared for by the family, such as foster children.

Several authors have recommended including cohabitators in the poverty definition (Citro and Michael 1995, Iceland 2000). While including the income of cohabitators makes a significant impact on measured poverty in cohabiting couples, it does not greatly impact overall poverty levels (Manning and Lichter 1996, Bauman 1999). However the growth in cohabitation, particularly the growth in cohabitation with children, has raise concern that using the wrong unit of analysis for measuring poverty could lead to misunderstanding of the material status of an important segment of the population.

The question of income pooling and the value of cohabitators' income to the well-being of the household is central to the issue. It is well established that higher income reduces other measures of material hardship in a household, such as difficulty paying bills or food insecurity (e.g., Mayer and Jencks 1988, Federman et al. 1996). However, this relationship varies by household structure (Eden and Lein 1997, Bauman 2002). Bauman (1999) found that income from cohabiting partners contributed less to reducing hardship than did income from the household head or the spouse of a household head. Winkler (1997) showed that cohabiting couples do not pool income. Subsequent findings of lower levels of income pooling and sharing of control over resources among cohabiting couples than among married couples (Oropesa, Landale and Kenkre 2003, Kenney 2004, Kenney 2008) also argue against including cohabitators

in the unit of measure for poverty in the same way spouses are included. What is lacking from this research, however, is a clear picture of how the presence of children affects these relationships. This paper proposes to revisit the approach of Bauman (1999) to examine how income from cohabitators affects material well-being, in contrast to that from other household members, with allowance for varying effects by presence of children.

## **Data**

The data used for this paper come from the 2004 and 2008 panels of the Survey of Income and Program Participation (SIPP).<sup>1</sup> Through the 2008 panel, SIPP data have been collected in rounds of interviewing (waves) that take place every four months. In the fifth wave of the 2004 panel and in the sixth wave of the 2008 panel, a topical module was administered on extended measures of material well-being in the household. There were 37,368 households in the edited 2004 wave 5 topical module file, and 34,850 households in the 2008 wave 6 topical module file. These topical modules include a series of questions on consumer durables, housing conditions, neighborhood conditions and crime, and ability to meet basic needs (Bauman 1998, Oullette et al. 2004). An index of material hardship was created using seven items from the last section of the questionnaire. This included questions on whether there had been a time in the last year when the household did not meet its essential expenses, instances when the household did not pay the full amount of rent or mortgage, did not pay the full amount of utility bills, had

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<sup>1</sup> For technical documentation on these data, see <http://www.census.gov/aprd/techdoc/sipp/sipp.html>.

telephone service cut off due to nonpayment, needed to go to the doctor or hospital but did not go, needed to see a dentist but did not go, or did not have enough and the kinds of food they needed. Positive answers to any of the seven items were summed to form a final variable called “hardship.”<sup>2</sup> Since hardship is measured at the household, rather than individual, level, the analyses of hardship are conducted at that level.

In addition to a rich set of background variables, there are detailed relationship variables allowing the identification of relationships between members of the household as it shifted in composition over time. As with most other household surveys, the relationships are defined in terms of the household reference person, who is the person in whose name the home is owned or rented. If the reference person is cohabiting with another member of the household, that relationship is identified through the term “unmarried partner.” As established by Kreider (2008) and Kennedy and Fitch (2012), this approach may undercount cohabiting relationships in the household both because some relationships do not involve the reference person, and because some respondents don’t understand the term “unmarried partner” as describing a cohabiting relationship. To deal with this potential problem, the analyses in this paper were conducted both in terms of unmarried partner relationships and the traditional “POSSLQ” (persons of opposite

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<sup>2</sup> This summation of hardship indicators has been a common practice from the first research on hardship as measured this way (Mayer and Jencks 1988), and finds support in more recent work on the structure of material hardship (Heflin et al. 2009, Carle et al. 2009).

sex sharing living quarters) relationship that was used before questions on unmarried partners began to be included in most household surveys (Casper and Cohen 2000).

The questions in the topical module on material well-being were administered to the household reference person if she or he was present at the time of the interview. To determine the composition of the household, I constructed a history of the households in which the reference person lived over the previous 12 months. Each person was assigned a relationship to the person who was household reference person in month 12, the topical module interview month. The possible relationships were spouse, cohabitor (partner), person of opposite sex living with an unmarried reference person, person of opposite sex living with an unmarried relative of the reference person, relative, housemate, and child under the age of 15.<sup>3</sup> Income of each person in each relationship was totaled for that relationship, as well as the term of residence and parental status. A person was classified as a parent if he or she was identified as such by any other resident of the household, regardless of the age of the other resident. A person was classified as sharing parental status if he or she was identified as a parent along with another household member by the same resident. Following the lead of Manning and Brown (2006) who pointed out the importance the relationship (biological, adopted or step), biological or adopted children were linked to their parents, while stepchildren, or those with no stated relationship to an adult were not. Over the course of the 12 month period, a person could be identified in more than one

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<sup>3</sup> The regression analyses in the paper were also conducted using age 18 as a cutoff, with no substantive change in results.

type of relationship to the topical module reference person, sometimes even in contradictory relationships (e.g., housemate, relative). For the purpose of this analysis, the most recent relationship was taken, except for the relationship of spouse or cohabitor, which was taken even if the person was later identified in a different way.

The analysis strategy is straightforward. After first looking at the conditions of households with cohabitators and other adult member types, I examine the relationship between the income contribution of different types of household members and the material hardship experienced by the household. As with earlier work (Bauman 1999) differences in the effect of income of different types of household members on hardship are taken to be reflective of differences in the use of the money for other purposes.

## **Results**

Table 1 shows the distribution of households by household type and presence of children. Tables 1 and 2 use 2008 panel data alone, and household type was created by grouping households into mutually exclusive groups.<sup>4</sup> Households where the reference person (person in whose name the home is owned or rented) was married, with spouse present were classified as married. Non-married households were examined for persons listed as cohabitators of the reference person. The remaining households were classified as "housemate" households if an

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<sup>4</sup> Early work with the data used only this panel. These numbers will be updated in later versions.



unrelated adult lived in the household. Households with relatives were identified from the remaining households, leaving a residual category of those living without other adults present.

Households with children present were a large portion of both married and cohabiting households (55 percent and 50 percent respectively).<sup>5</sup> Cohabiting households are almost equally divided between those with children and those without children in these data, and many of these households have children that belong to both parents. Only 860 thousand cohabiting households had children only of the mother.

Households with housemates or relatives were defined here to be exclusive of married or cohabiting ones, as described above. This restriction is relaxed in the regression analyses that follow. The majority of households with housemates or relatives did not contain children.

Table 2 shows initial estimate of poverty rates of people living in the household types just described. The official poverty rate for 2010 based on the Current Population Survey was 15.1 percent (DeNavas-Walt et al. 2011). The poverty rate in table 2 is based on different survey sources and uses income from the latest four months rather than the entire year, so it would be expected to be slightly different. (In the regression analyses that follow, income for the previous

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<sup>5</sup> The estimates in this report (which may be shown in text, figures, and tables) are based on responses from a sample of the population and may differ from actual values because of sampling variability or other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are significant at the 90-percent confidence level unless otherwise noted.

year is used.) The important thing to notice is the variation across groups. Poverty was lower than the overall average in married households and in households without children. Children living with a mother alone had higher-than-average poverty rates. People living in families with both children and non-family adults also had high poverty rates.

Changing the unit of analysis so that cohabitators and any of their children are included with the primary family in the household is labeled “cohabiting family poverty” in Table 2.<sup>6</sup> The one-point difference in poverty for the total population resulting from this change (16.3 percent in poverty using the standard definition, 15.3 percent using the cohabiting family definition) is similar to that found in previous work to have examined this impact (Manning and Lichter 1996, Bauman 1999, Manning and Brown 2006). As with this other work, the impact on cohabiting households is much larger, resulting in a poverty rate that three points higher than the overall average, rather than 20 points higher, under the standard family poverty measure. Under the standard poverty measure, cohabiting families have poverty rates similar to those of women living alone, and households with non-family housemates (the rates for cohabiting families and women living alone are significantly different). Under the cohabiting family measure, their poverty rate is as low or lower than any household type besides married families.

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<sup>6</sup> Changing the unit of analysis changes both the income in the newly-defined family and, because of change in size, the poverty threshold that applies. In theory, an individual family might have its poverty status change in either direction due to the addition of an extra person.

Table 3 shows basic statistics of household types and their members, using the full 2004 and 2008 panels samples that are used in the regression analysis. The first column shows unweighted counts of the households with people in each of the categories. All households contain a reference person, while few contain a “POSSLQ-relative” which refers to an unmarried person, not identified as partner of the reference person, living with an opposite-sex relative of the reference person. (“POSSLQ-ref person” refers to an unmarried person, not identified as partner of the reference person, living with an opposite-sex reference person.) Nonetheless, there were at least 1 thousand unweighted cases in each of the analysis categories, when the two types of “POSSLQ” were analyzed together.

Cohabitors and their households sometimes had characteristics that fell in-between those of reference persons and spouses on the one hand, and housemates and relatives on the other. They were less likely to be parents than the first group, but more likely than the second group (with the exception of opposite-sex persons sharing living quarters with the reference person, who had the same rate of parenthood as relatives). POSSLQs of both types were often part-year residents, as were housemates (ranging from 45 percent to 65 percent of each group). Cohabitants identified as partners were more similar to relatives in this respect. Cohabitants identified as partners also had higher individual income than housemates or relatives, while POSSLQs had income that was as low or lower. All had income lower than that of reference people or spouses. Total household income was highest for households with spouses, followed by those with relatives.

All in all, no clear pattern emerges from Table 3 that would separate cohabiting households from other household types. Like households with housemates and households with relatives, however, they differ from married households in parenthood, stability and income.

For a closer look at how these relationships affect hardship, I move next to a regression analysis. Table 4 shows control variables measured at the household level. Table 5 shows results of the regressions themselves. Model 1 examines the effects of income and other household characteristics on material hardship using a definition of cohabitation that includes both cohabitators identified as partners and cohabitators identified as POSSLQs taken together as a single group. The main effect of panel was not significant, although there was a small interaction with income. Household income had the expected negative relationship with hardship. Variance of income was also related to higher material hardship.

The coefficients for income contribution of each type of person aside from the household reference person were positive, indicating that income from these sources had less impact on material hardship than income from the reference person (the omitted category). The coefficient for spouse's income is smaller than the coefficients for cohabitators, housemates or relatives, and this difference is significant for all three. However, the coefficients for cohabitators, housemates and relatives are not different from one another.

Several variables in the equation allow for variation in the relationship between household membership, income and material hardship. A dummy variable allows the impact of no income on the part of an adult in the house to be different from the implied intercept of the

income coefficient. This is to allow for the fact that there may be qualitative differences between people who have income and those who do not, such as playing the role of housekeeper or student. The dummy variables for presence in the household and part-year residence capture other aspects of a person's residence in the household. Additional variables control for the presence of children under 15, parental status, and various household characteristics. Results are similar to those found in previous research.

Model 2 shows the results of a regression identical to Model 1, except that the definition of "cohabitor" now only includes people identified as "unmarried partner" of the reference person. POSSLQs are included among households with housemates. None of the coefficients of interest (income by source) are different. For the balance of the analyses presented here, the "unmarried partner" definition of cohabitor is used. All results remain substantively same with the broader definition of cohabitation.

The relationship between income and hardship is colored by the contribution of several dummy variable effects that operate for each type of household member (presence, full-year/part-year status, parenthood, whether person has income or not). Figure 1 shows the relationship between income and household material hardship in households with cohabitators and households with spouses with these effects taken into account. The first point in the line represents zero income contributed by the spouse or cohabitor. Since there is a dummy for zero income, it is not restricted to be on the same line as the slope of income. The point represents the number of hardships that would be experienced by a household with \$20 thousand in income

contributed by the reference person, no income from the spouse or cohabitor, no other adults present, no children, spouse or cohabitor present full-year, reference person age 40, and all other control variables at their zero value, except for presence of a savings account. (The lines above and below the point are standard error lines.) The second point shows how many hardships occur in households with \$5 thousand in income from a cohabitor or spouse added to the income from the reference person, for a total of \$25 thousand household income. Although the number of hardships appears to climb, especially for cohabiting households, the effect is not significant. On the other hand, the difference in hardship between households with spouses and households with cohabitants is significant, and increases with the income contribution of the second adult, which reflects the significant difference in the slope of income. Relative to married households, cohabiting households have higher numbers of hardships, and increasing income does not remedy the situation.

Model 3 shows interactions between income and parental status of types of household members. There is no measurable effect of parenthood on the relation between a cohabitor's income and household well-being. I tried various changes in specification and control variables, and was unable to alter this conclusion.

Once again, however, the effect of parenthood and income can be viewed within the context of the effects of other variables in the equation. Figures 2 and 3 show how the presence of additional household members and their income contributions are related to material hardships in households without children and with children. (The figures omit standard error lines to

simplify presentation.) For purposes of comparison, Figure 2 shows the number of hardships in households with a person living alone whose income is \$20 thousand. In households with two adults but no additional income, hardship appears lower than in single-person households, but this effect is significant only for married households and households with relatives. For households with income provided by the second adult, hardship is significantly lower than that in single-person households with the exception of cohabiting households. The number of hardships is higher in cohabiting households than married households at income levels of \$5 thousand up, and higher than in households with housemates at these income levels, also. A difference in the level of hardship in cohabiting households and households with relatives emerges only at incomes of \$20 thousand or more contributed by the extra household member.

Figure 3 examines the situation where there are children in the household. The reference point is single parent living with two children with \$20 thousand in income. The improvement from adding a second adult is significant for all types of added household members. The difference in number of hardships between single parent households and households with spouses, or relatives is significant at all levels of income contributions. Households with housemates that contribute \$15 thousand or more have lower hardship than single parent households. In no case, however, are households better off than single parent households regardless of the cohabitant's income contribution from \$5 thousand up to \$25 thousand. At \$10 thousand or higher, the number of hardships is significantly greater in households with

cohabitators than in households with spouses. No significant difference emerges between households with housemates and households with cohabitators.

## **Robustness**

The findings in the regressions in this paper involve extensive interactions of many variables affecting a relatively small portion of households. Despite this, I believe the sample is large enough for the purpose at hand, involving 72 thousand households overall, and 8 thousand households classified as either cohabiting or having housemates, with little difference in results whether these were divided up in a way that resulted in a greater number of cohabiting households or a greater number of housemate households. Some of the parameters that appear to be marginally significant in some specifications of the regression model change value and significance in other specifications. Logit regressions on individual items in the hardship scale and groups of items sometimes turn up different effects. And sometimes the key variable test – the difference between the effect of income in cohabiting and married households – becomes insignificant. In the great majority of cases, however, the significant difference is found.

I have tested separate regressions by panel, race and sex of respondent without finding interaction effects that aren't accounted for in the final model. In particular, it is helpful to know that in the case of households whose reference person is female, the same interaction between income of cohabitant and income of spouse is found. I have found that I often imagine the reference person as being female and the cohabitor male when thinking about these findings,



even though I know that this is not always the case. I imagine that many readers may do the same. It's helpful to know that in the case where this is true, the basic findings still hold.

## **Discussion**

This paper has confirmed that the income of a cohabitor is not associated with lower material hardship to the same extent as found with the income of the reference person or a spouse. It finds that this is true in households where the cohabitor shares parenthood with the reference person as well as in households where the cohabitor is not a parent. Compared to a single parent living alone with two children, the same type of household with a cohabitor added does not enjoy lower levels of material hardship, even when he or she raises joint income to over \$40 thousand from \$20 thousand.

The major findings here is a negative one – that parenthood does not seem to greatly affect the relationship between income contributed by cohabitators and material hardships experienced by the household. It is possible that, with a larger sample or better measures, a relationship will be found. I don't discount that possibility. However, I think the sample here is adequate to show that the effect of parenthood is not so important as to undermine the basic finding that, overall, cohabitation plays a different role than marriage in reducing material hardship. The stronger claim that parenthood does not affect the relationship between cohabitation and hardship would require better evidence than is presented here.

While cohabiting households were shown to be different from married households, it is less clear whether there is any real difference between them and households with housemates or

relatives. The strongest distinction was between income from reference people and spouses, on the one hand, and income from cohabitators, housemates and relatives on the other. This is problematic when thinking about the definition of a unit for poverty measurement. The current measure includes relatives, but not housemates or cohabitators. The experimental poverty measure includes all but housemates. A household measure, which has been proposed by some, would include all three. This paper doesn't allow us to make a definitive choice between these measures.

Another consideration in choosing the unit of analysis for poverty, aside from resource sharing and income pooling, is the effect that economic well-being has on household composition. Recent work by Mykyta and others (Kreider 2010, Mykyta and Maccartney 2011, 2012) has shown that unfavorable economic conditions have led to an increase in household sharing among families, cohabitants and other housemates. Mykyta and Maccartney (2012) show that in the recent recession, *household* poverty increased by the same amount (2 percent) in shared households and other households, even though the “added” people in the shared households were worse off (a 5 point increase in poverty measured on an *individual* basis).

Although this paper can't determine a final choice of unit of analysis, it does shed doubt on the argument that cohabitators “act like spouses” in providing income to support household well-being. Parenthood, which research has shown to affect other aspects of the cohabiting relationship, does not seem to seriously qualify this conclusion.

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Table 1

**HOUSEHOLDS BY LIVING ARRANGEMENTS AND PRESENCE OF CHILDREN**

(Numbers in thousands)

|                                   | All households   | With spouse, partner, other adults |                |                |                | Without other adults |                 |
|-----------------------------------|------------------|------------------------------------|----------------|----------------|----------------|----------------------|-----------------|
|                                   |                  | Married                            | Cohabiting     | Housemate      | Relative       | Woman                | Man             |
| All households                    | 117,438<br>(755) | 58,056<br>(561)                    | 5,457<br>(160) | 2,842<br>(111) | 4,307<br>(151) | 29,341<br>(357)      | 17,419<br>(273) |
| No children in household          | 67,951<br>(499)  | 26,311<br>(313)                    | 2,752<br>(101) | 2,227<br>(92)  | 2,639<br>(111) | 18,964<br>(273)      | 15,059<br>(256) |
| Children in household             | 49,473<br>(506)  | 31,745<br>(424)                    | 2,706<br>(113) | 615<br>(48)    | 1,669<br>(84)  | 10,378<br>(215)      | 2,360<br>(106)  |
| Partners have children together   | 30,899<br>(417)  | 29,244<br>(420)                    | 1,537<br>(87)  | 118<br>(24)    |                |                      |                 |
| Only children together            | 28,654<br>(388)  | 27,392<br>(392)                    | 1,165<br>(70)  | 97<br>(20)     |                |                      |                 |
| Woman also has own child          | 1,747<br>(92)    | 1,442<br>(80)                      | 299<br>(41)    | 5<br>(1)       |                |                      |                 |
| Man also has own child            | 378<br>(43)      | 312<br>(37)                        | 61<br>(18)     | 5<br>(4)       |                |                      |                 |
| Both have own children            | 120<br>(24)      | 98<br>(20)                         | 11<br>(6)      | 10<br>(9)      |                |                      |                 |
| Partners have children separately | 18,574<br>(295)  | 2,501<br>(92)                      | 1,169<br>(59)  | 498<br>(40)    | 1,669<br>(84)  | 10,378<br>(215)      | 2,360<br>(106)  |
| Woman has own child               | 14,442<br>(255)  | 1,834<br>(74)                      | 860<br>(54)    | 339<br>(30)    | 1,031<br>(60)  | 10,378<br>(215)      |                 |
| Man has own child                 | 3,528<br>(135)   | 511<br>(51)                        | 213<br>(29)    | 106<br>(20)    | 338<br>(37)    |                      | 2,360<br>(106)  |
| Each has own child                | 604<br>(54)      | 156<br>(24)                        | 96<br>(20)     | 52<br>(13)     | 299<br>(36)    |                      |                 |

Standard deviations of weighted population estimates in parentheses

Source: U.S. Census Bureau, Survey of income and Program Participation, 2008 panel, wave 6, (collected 2010)

Table 2

**RATE OF POVERTY BY HOUSEHOLD TYPE, LIVING ARRANGEMENTS AND PRESENCE OF CHILDREN, AND POVERTY DEFINITION**

(Percent)

|                                      | People<br>in all households   |                                 | Living with spouse, partner, other adults |   |                                 |  | Without other adults                      |  |                                      |
|--------------------------------------|-------------------------------|---------------------------------|---|---|---------------------------------|--|---|--|--------------------------------------|
|                                      | Standard<br>family<br>poverty | Cohabiting<br>family<br>poverty | Married<br>Standard<br>family<br>poverty  | Cohabiting<br>Standard<br>family<br>poverty | Cohabiting<br>family<br>poverty | Housemate<br>Standard<br>family<br>poverty | Relative<br>Standard<br>family<br>poverty | Woman<br>Standard<br>family<br>poverty | Man<br>Standard<br>family<br>poverty |
| Total Population                     | 16.3<br>(0.3)                 | 15.3<br>(0.3)                   | 9.4<br>(0.4)                              | 35.1<br>(1.2)                               | 18.7<br>(1.1)                   | 32.4<br>(1.3)                              | 16.4<br>(1.2)                             | 31.2<br>(0.7)                          | 19.5<br>(0.7)                        |
| People with no children in household | 13.0<br>(0.3)                 | 11.9<br>(0.3)                   | 4.9<br>(0.3)                              | 25.1<br>(1.1)                               | 8.8<br>(0.9)                    | 29.4<br>(1.4)                              | 10.6<br>(1.2)                             | 20.9<br>(0.7)                          | 19.6<br>(0.7)                        |
| People with children in household    | 18.2<br>(0.4)                 | 17.3<br>(0.4)                   | 11.2<br>(0.5)                             | 41.9<br>(1.6)                               | 25.4<br>(1.8)                   | 39.3<br>(2.9)                              | 21.1<br>(2.0)                             | 37.7<br>(0.9)                          | 19.2<br>(1.9)                        |
| Partners have children together      | 13.1<br>(0.5)                 | 12.3<br>(0.5)                   | 11.3<br>(0.5)                             | 46.9<br>(2.3)                               | 30.7<br>(2.6)                   | 50.2<br>(8.0)                              |   |  |                                      |
| Only children together               | 12.3<br>(0.5)                 | 11.7<br>(0.5)                   | 11.0<br>(0.5)                             | 45.1<br>(2.5)                               | 28.0<br>(2.9)                   | --   | --  |  |                                      |
| Woman also has own child             | 22.5<br>(1.9)                 | 20.1<br>(2.1)                   | 15.8<br>(2.0)                             | 55.1<br>(4.8)                               | --                              | --   | --  |  |                                      |
| Man also has own child               | 13.9<br>(3.3)                 | 13.9<br>(3.6)                   | 10.8<br>(3.2)                             | --  | --                              | --   | --  |  |                                      |
| Both have own children               | --                            | --                              | --  | --  | --                              | --   | --  |  |                                      |
| Partners have children separately    | 29.2<br>(0.7)                 | 27.9<br>(0.7)                   | 10.0<br>(1.1)                             | 35.2<br>(2.3)                               | 18.4<br>(2.2)                   | 37.1<br>(3.0)                              | 21.1<br>(2.0)                             | 37.7<br>(0.9)                          | 19.2<br>(1.9)                        |
| Woman has own child                  | 32.2<br>(0.8)                 | 31.0<br>(0.8)                   | 11.3<br>(1.5)                             | 36.9<br>(2.8)                               | 20.5<br>(2.7)                   | 34.7<br>(3.9)                              | 23.8<br>(2.6)                             | 37.7<br>(0.9)                          |                                      |
| Man has own child                    | 17.9<br>(1.3)                 | 16.4<br>(1.3)                   | 5.3<br>(1.5)                              | --  | 10.5<br>(3.6)                   | --   | 13.3<br>(3.8)                             |  | 19.2<br>(1.9)                        |
| Each has own child                   | 20.8<br>(2.8)                 | 18.7<br>(2.7)                   | 9.7<br>(4.5)                              | --  | --                              | --   | 20.2<br>(3.8)                             |  |                                      |

Standard errors in parentheses

-- indicates estimated standard error is greater than 5 percent

Table 3

**PARENTAL STATUS, PART-TIME STATUS AND INCOME OF ADULTS IN HOUSEHOLDS, BY TYPE**

|                     | Unweighted<br>number of<br>households | Weighted percent in category |                  |                                     |                                     | Individual<br>Income | Household<br>Income |
|---------------------|---------------------------------------|------------------------------|------------------|-------------------------------------|-------------------------------------|----------------------|---------------------|
|                     |                                       | Person is<br>parent          | Shared<br>parent | Person in<br>household<br>part year | Present in<br>household<br>month 12 |                      |                     |
| Reference person    | 72218                                 | 42.8<br>(0.2)                | 28.5<br>(0.2)    | 0.0<br>--                           | 100.0<br>--                         | 33,212<br>(177)      | 57,036<br>(253)     |
| Spouse              | 37356                                 | 54.6<br>(0.3)                | 52.0<br>(0.3)    | 4.8<br>(0.1)                        | 96.6<br>(0.1)                       | 34,039<br>(255)      | 74,792<br>(382)     |
| Relative            | 23387                                 | 17.2<br>(0.3)                | 5.2<br>(0.2)     | 27.1<br>(0.4)                       | 85.8<br>(0.3)                       | 13,730<br>(136)      | 66,621<br>(426)     |
| Cohabitor (partner) | 3930                                  | 35.5<br>(0.9)                | 25.4<br>(0.8)    | 24.4<br>(0.8)                       | 86.7<br>(0.6)                       | 19,717<br>(402)      | 52,897<br>(868)     |
| POSSLQ-relative     | 477                                   | 27.1<br>(2.4)                | 20.1<br>(2.1)    | 64.9<br>(2.4)                       | 53.2<br>(2.5)                       | 10,229<br>(849)      | 62,676<br>(2458)    |
| POSSLQ-ref person   | 845                                   | 18.1<br>(1.7)                | 11.2<br>(1.4)    | 44.8<br>(2.0)                       | 69.4<br>(2.0)                       | 16,427<br>(746)      | 50,501<br>(1646)    |
| Housemate           | 2892                                  | 8.8<br>(0.6)                 | 3.0<br>(0.4)     | 58.0<br>(1.1)                       | 61.7<br>(1.2)                       | 17,758<br>(570)      | 57,634<br>(1285)    |
| Child under 15      | 22437                                 | 0.0<br>--                    | 0.0<br>--        | 17.2<br>(0.3)                       | 95.8<br>(0.1)                       | 7<br>(3)             | 63,141<br>(475)     |

Standard errors of weighted percentage estimates in parentheses

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2004 and 2008 panels



Table 4

**HOUSEHOLD CONTROL VARIABLES**

|  | Percent | Std. error |
|--|---------|------------|
| Household respondent female                | 48.0    | 0.2        |
| Household respondent sex unknown           | 18.4    | 0.1        |
| Household referenc person black            | 12.4    | 0.1        |
| Household reference person Hispanic        | 8.4     | 0.1        |
| Reference person owns home                 | 67.8    | 0.2        |
| Someone in household has a savings account | 64.3    | 0.2        |
| Someone in the household owns stocks       | 21.7    | 0.2        |
| Someone lacks health insurance             | 29.5    | 0.2        |
| Someone is unemployed                      | 21.8    | 0.2        |
| Someone is disabled                        | 25.3    | 0.2        |

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2004 and 2008 panels

Table 5

**TOBIT REGRESSIONS OF HOUSEHOLD MATERIAL HARDSHIP ON TOTAL INCOME, INCOME CONTRIBUTIONS OF HOUSEHOLD MEMBER TYPES, PARENTAL STATUS AND PRESENCE OF CHILDREN, AND OTHER HOUSEHOLD CONTROLS**

|   | Model 1 - POSSLQ |         | Model 2 - Partner |         | Model 3 - Partner |         |
|---|------------------|---------|-------------------|---------|-------------------|---------|
|   | Coefficient      | Std err | Coefficient       | Std err | Coefficient       | Std err |
| 2008 Panel  | 0.09             | 0.07    | 0.09              | 0.07    | 0.16              | 0.19    |
| Household income (in 10,000)                      | -0.24 ***        | 0.01    | -0.24 ***         | 0.01    | -0.25 ***         | 0.01    |
| Household income* presence of child under 15      |                  |         |                   |         | 0.02              | 0.01    |
| Household income* 2008 panel                      | -0.08 ***        | 0.01    | -0.08 ***         | 0.01    | -0.08 ***         | 0.01    |
| Variance of household income (x1000)              | 0.03 ***         | 0.00    | 0.03 ***          | 0.00    | 0.03 ***          | 0.00    |
| Income contribution of spouse                     | 0.03 **          | 0.01    | 0.03 **           | 0.01    | 0.02 *            | 0.01    |
| Income contribution of cohabitor                  | 0.16 ***         | 0.04    | 0.17 ***          | 0.04    | 0.17 ***          | 0.05    |
| Income contribution of housemate                  | 0.14 ***         | 0.04    | 0.12 ***          | 0.04    | 0.12 ***          | 0.04    |
| Income contribution of relative                   | 0.10 ***         | 0.02    | 0.10 ***          | 0.02    | 0.10 ***          | 0.03    |
| Income contribution of reference person (omitted) |                  |         |                   |         |                   |         |
| Income of spouse * spouse is parent               |                  |         |                   |         | 0.01              | 0.03    |
| Income of cohabitor * cohabitor is parent         |                  |         |                   |         | 0.05              | 0.11    |
| Income of housemate * housemate is parent         |                  |         |                   |         | 0.04              | 0.14    |
| Income of relative * relative is parent           |                  |         |                   |         | -0.03             | 0.04    |
| Spouse contributes no income                      | -0.21 **         | 0.11    | -0.21 **          | 0.11    | -0.21 *           | 0.11    |
| Cohabitor contributes no income                   | -0.39 *          | 0.22    | -0.39             | 0.27    | -0.38             | 0.27    |
| Housemate contributes no income                   | 0.06             | 0.26    | 0.04              | 0.23    | 0.04              | 0.23    |
| Relative contributes no income                    | -0.26 ***        | 0.09    | -0.27 ***         | 0.09    | -0.27 ***         | 0.09    |
| Reference person contributes no income            | -0.38 ***        | 0.10    | -0.39 ***         | 0.10    | -0.38 ***         | 0.10    |
| Spouse present in household                       | -0.29 ***        | 0.07    | -0.29 ***         | 0.07    | -0.26 ***         | 0.07    |
| Cohabitor present in household                    | 0.03             | 0.13    | 0.05              | 0.15    | 0.06              | 0.15    |
| Housemate present in household                    | -0.47 ***        | 0.17    | -0.28 *           | 0.14    | -0.29 *           | 0.15    |
| Relative present in household                     | -0.06            | 0.07    | -0.04             | 0.07    | -0.04             | 0.07    |
| Spouse in household part of the year              | 0.26 **          | 0.12    | 0.25 **           | 0.12    | 0.24 **           | 0.12    |
| Cohabitor in household part of the year           | 0.09             | 0.13    | -0.01             | 0.16    | 0.00              | 0.16    |
| Housemate in household part of the year           | 0.41 **          | 0.18    | 0.32 **           | 0.14    | 0.32 **           | 0.14    |
| Relative in household part of the year            | 0.13 *           | 0.08    | 0.12              | 0.08    | 0.12              | 0.08    |

|   |           |      |           |      |           |      |
|---|-----------|------|-----------|------|-----------|------|
| Number of adults in household                         | -0.01     | 0.04 | -0.01     | 0.04 | -0.01     | 0.04 |
| No children in household                              | -0.48 *** | 0.07 | -0.48 *** | 0.07 | -0.39 *** | 0.08 |
| Number of children in household                       | 0.11 ***  | 0.03 | 0.11 ***  | 0.03 | 0.11 ***  | 0.03 |
| Spouse is a parent                                    | 0.23 ***  | 0.07 | 0.23 ***  | 0.07 | 0.20 ***  | 0.07 |
| Cohabitor is a parent                                 | -0.33     | 0.22 | -0.28     | 0.25 | -0.32     | 0.26 |
| Housemate is a parent                                 | -0.04     | 0.33 | -0.31     | 0.28 | -0.34     | 0.28 |
| Relative is a parent                                  | -0.22 **  | 0.10 | -0.22 **  | 0.10 | -0.20 **  | 0.10 |
| Cohabitor is co-parent                                | 0.48 **   | 0.22 | 0.36      | 0.25 | 0.36      | 0.25 |
| Housemate is co-parent                                | -1.21 *   | 0.62 | 0.28      | 0.37 | 0.28      | 0.37 |
| Relative is co-parent                                 | -0.16     | 0.15 | -0.15     | 0.15 | -0.14     | 0.15 |
| Age of household reference person (x10)               | 0.04      | 0.02 | 0.04      | 0.02 | 0.03      | 0.02 |
| Age of reference person squared (x100)                | -0.15 *** | 0.01 | -0.15 *** | 0.01 | -0.15 *** | 0.01 |
| Household reference person is Black                   | 0.49 ***  | 0.06 | 0.49 ***  | 0.06 | 0.49 ***  | 0.06 |
| Household reference person is Hispanic                | -0.10     | 0.07 | -0.10     | 0.07 | -0.10     | 0.07 |
| Household ref. person not Black or Hispanic (omitted) |           |      |           |      |           |      |
| Education of reference person less than high school   | 0.06      | 0.06 | 0.06      | 0.06 | 0.06      | 0.06 |
| Education of reference high school (omitted)          | 0.06      | 0.06 | 0.06      | 0.06 | 0.06      | 0.06 |
| Education of reference person some college            | 0.15 ***  | 0.04 | 0.15 ***  | 0.04 | 0.15 ***  | 0.04 |
| Education of reference person bachelor's degree       | -0.44 *** | 0.07 | -0.44 *** | 0.07 | -0.44 *** | 0.07 |
| Education of reference person advanced degree         | -0.66 *** | 0.09 | -0.66 *** | 0.09 | -0.66 *** | 0.09 |
| Household respondent is female                        | 0.49 ***  | 0.04 | 0.49 ***  | 0.04 | 0.50 ***  | 0.04 |
| Household respondent sex unknown                      | 0.07      | 0.06 | 0.08      | 0.06 | 0.08      | 0.06 |
| Household respondent is male (omitted)                |           |      |           |      |           |      |
| Home is owned by reference person                     | -0.59 *** | 0.04 | -0.59 *** | 0.04 | -0.59 *** | 0.04 |
| Household has a savings account                       | -0.29 *** | 0.04 | -0.30 *** | 0.04 | -0.30 *** | 0.04 |
| Household owns shares of stock                        | -0.54 *** | 0.06 | -0.54 *** | 0.06 | -0.54 *** | 0.06 |
| A person in household lacks health insurance          | 1.14 ***  | 0.04 | 1.14 ***  | 0.04 | 1.14 ***  | 0.04 |
| A person in household is unemployed                   | 0.79 ***  | 0.04 | 0.79 ***  | 0.04 | 0.79 ***  | 0.04 |
| A person in household is disabled                     | 1.29 ***  | 0.04 | 1.29 ***  | 0.04 | 1.28 ***  | 0.04 |
| Intercept   | -0.87 *** | 0.10 | -0.86 *** | 0.10 | -1.00 *** | 0.20 |
| Scale parameter                                       | 3.13 ***  | 0.02 | 3.13 ***  | 0.02 | 3.13 ***  | 0.02 |

Figure 1

### Relationship Between Income of Spouse/Cohabitor and Household Material Hardship Where Reference Person's Income is \$20 Thousand

Predicted number of material hardships

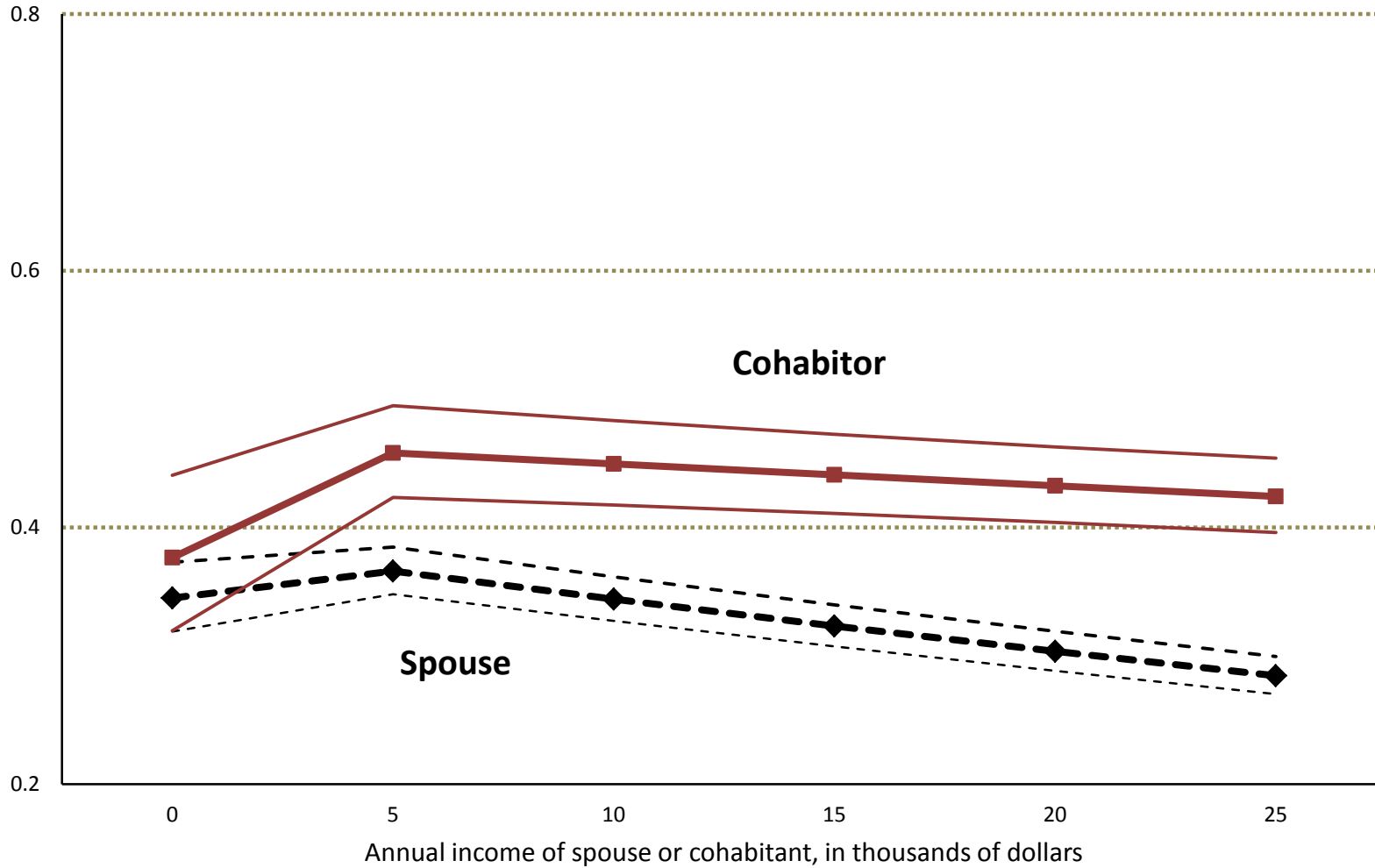


Figure 2

## Relationship Between Presence and Income of Adults in Household and Household Material Hardship in Households Without Children Where Reference Person's Income is \$20 Thousand

Predicted number of material hardships

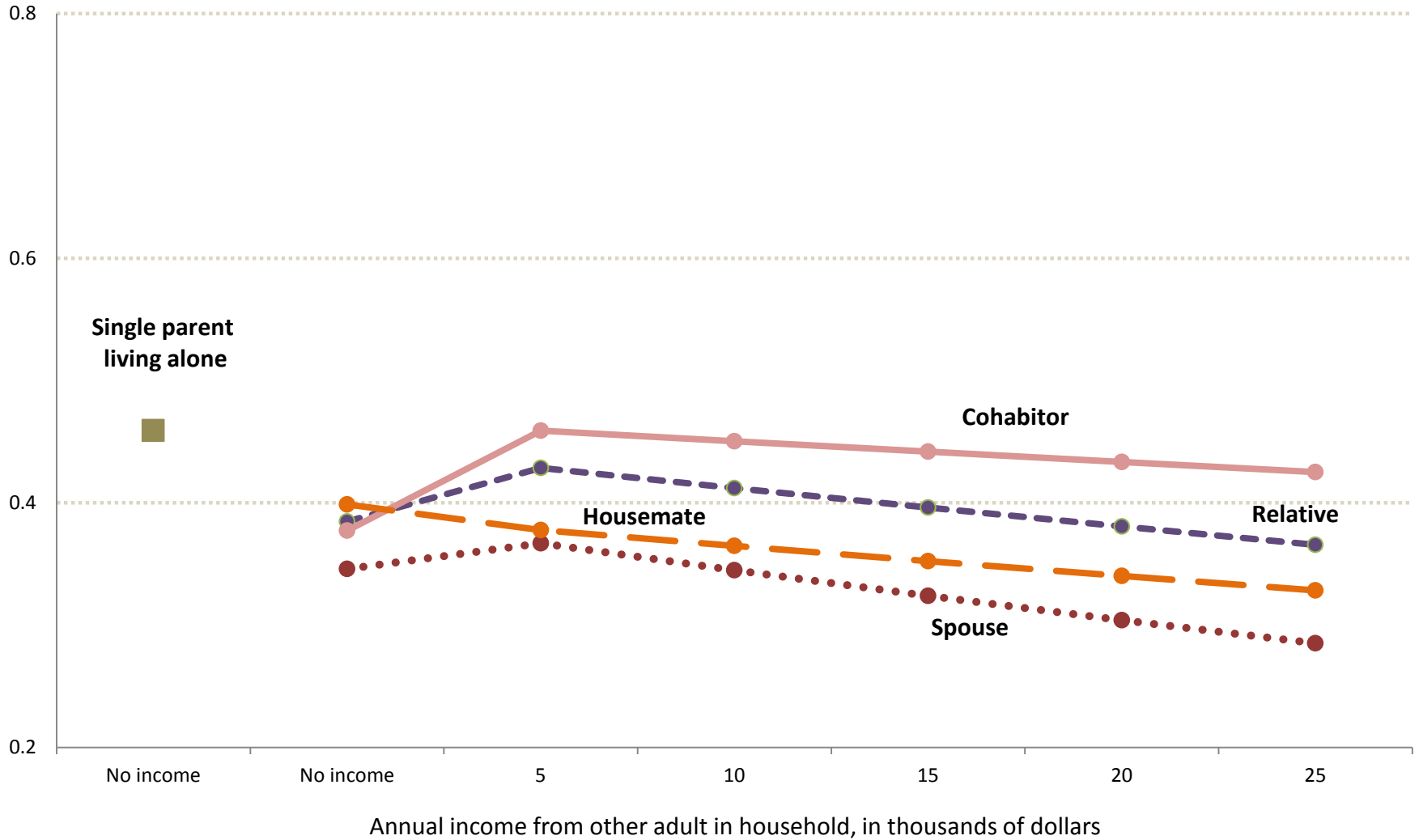


Figure 3

