

# Measuring Employment, Income, and Financial Stability among Fathers in Fatherhood Programs

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From their inception in 1988, fatherhood programs have focused on providing employment and job training to noncustodial parents. The most recent national survey of fatherhood practitioners concludes that the field continues to be “strongly tied to its roots in employment and parenting” while also evolving to address a wider range of issues (Klempin and Mincy, 2011-2012). Clearly, for many programs, an evaluation of effectiveness will need to assess the extent to which the program has accomplished goals related to employment, income, and financial stability. This brief explores some of the ways in which these items have been measured in past research and some of the issues to consider when selecting measures.<sup>1</sup>

## Administrative Data

One potential source of information about both employment and earnings is administrative data maintained by each state as part of the Unemployment Insurance (UI) Program. The purpose of the program

is to provide “unemployment benefits to eligible workers who are unemployed through no fault of their own (as determined under State law), and meet other eligibility requirements of State law”.<sup>2</sup> Employers who meet specific criterion are required to report employee earnings on a quarterly basis and pay taxes based on these earnings. Researchers who have access to this data can determine how many quarters an individual had earnings, as well as the amount earned in a specified time period.

The following table is from a Center for Policy Research evaluation of Parents to Work, a program established by the child support agency in Arapahoe County, Colorado, to provide employment assistance to unemployed and nonpaying parents in their caseload. The table shows the percentage of experimental and control group cases with UI earnings,<sup>3</sup> the number of quarters with earnings, and annual earnings. Metrics are provided for the 12 months prior to and following enrollment in the program.

<sup>1</sup> For a discussion of in-kind, informal, and formal child support, see Measuring Financial Security among Fathers in Fatherhood Programs, Fatherhood Research & Practice Network, April 2016.

<sup>2</sup> <http://workforsecurity.doleta.gov/unemploy/uifactsheet.asp>

**Earnings Pre- and Post-Program Enrollment in Parents to Work Based on Department of Labor and Employment Unemployment Insurance Program Records (2007-2010)**

	Experimental Group		Comparison Group	
	Up to 1 Year Pre-Enrollment (n=464)	Up to 1 Year Post-Enrollment (n=419)	Up to 1 Year Pre-Enrollment (n=232)	Up to 1 Year Post-Enrollment (n=165)
Percentage with Earnings Reported	77%	70%	67%	47%
Percentage decline	9.1%		29.9%	
Number of quarters with earnings				
Mean	2.3	1.8	1.9	1.1
Median	3.0	2.0	2.0	0.0
Annual Earnings				
Mean	\$13,068	\$8,657	\$11,485	\$8,377
Median	\$9,665	\$6,056	\$7,823	\$5,521

UI data is typically the preferred method of assessing income. In general, any employer paying \$1,500 or more in wages during a calendar quarter is subject to federal unemployment tax reporting. For household workers, the criterion is a cash payment of \$1,000 during a calendar quarter. For farmworkers, employers must pay UI taxes if they paid cash wages of \$20,000 or more in any calendar quarter in 2015 or 2016 or if they employed 10 or more workers at least some part of a day during 20 or more weeks in 2015 or 2016.

However, there are limits to the utility of UI data. First, there are certain types of workers who are not included in the UI database, such as the self-employed, independent contractors, employees of some nonprofit organizations, ministers and church employees, federal employees, and the military. Estimates of the percentage of U.S. workers included in the UI databases range from around 86 percent<sup>4</sup> to 97 percent.<sup>5</sup> However, it is unknown whether low-income occupations are disproportionately likely to be excluded from UI data (Hotz and Sholz, 2002). Second, researchers have found that when earnings are available from UI they are generally lower than the earnings captured in national survey data. It is

not entirely clear why this is the case. Hotz and Sholz speculate that UI data may miss earnings from second jobs, or survey data may overstate earnings. A third issue is the lag in the reporting and posting of quarterly earnings. It often takes six months for data reported by employers to appear in the UI database. This means that researchers who have a short period of time in which to collect follow-up data on program participants may not be able to measure recent earnings adequately.

Finally, the greatest limitation to using UI data to assess employment and earnings is the fact that access to the data is limited:

*While most states allow certain categories of data users to access confidential employment and wage data for a limited number of purposes, the process for obtaining the data is often complex and arduous. When appropriate, departments have the authority to enter into data sharing agreements with data users, but the process of establishing and implementing agreements is often difficult as a result of various administrative barriers and organizational capacity limitations. (Poole and Springer, 2015)*

<sup>3</sup> Cases with earnings actually declined from pre- to post- in both the experimental and control group. During the time period from pre to post (2007-2009), the economy experienced a significant recession and the state unemployment rate went from 3.8 percent to 8.6 percent.

<sup>4</sup> <http://www.bls.gov/cew/cewfaq.htm>

<sup>5</sup> <http://www.bls.gov/cew/cewfaq.htm>

Given these access issues, many researchers who choose to address the employment and earnings of fatherhood program participants may prefer to collect this data by surveying participants. A review of selected studies with both UI and survey data concluded that “fortunately, UI records and surveys usually tell the same general story, but there are exceptions” (Bloom, 2014). However, this review also noted that there are instances in which the two sources of data yield somewhat different results. For example, an evaluation of a conditional cash transfer program in New York found increases in employment when using survey data, but not when using UI records. Similarly, the Parents Fair Share Project generated survey data showing that the program increased earnings by more than \$2,500 in the first study year, while UI records showed a nonstatistically significant increase of only \$743. It is not clear whether the differences are the result of earnings through employment not covered by UI or other factors.

The remainder of this brief deals with the issues that emerge when asking about employment, earnings, and financial stability.

### Measures Related to Employment in Questionnaires or Interviews

For many low-income fathers, measuring employment is not as simple as asking if he works full-time, part-time, or is unemployed. Some fathers will be working sporadically at jobs that pay cash or may be working at more than a single job.

Measures developed for the Fatherhood and Marriage Local Evaluation and Cross-site (FaMLE Cross-site) Project include the following employment item:

**What is your current employment status?  
(check all that apply):**

- Full-time employment (usually work 35 or more hours a week)
- Part-time employment (usually work 1 – 34 hours a week)
- Temporary, occasional, or seasonal employment, or odd jobs for pay
- Retired
- Full-time student
- Part-time student
- Unemployed and disabled
- Unemployed but not disabled
- Other (please specify): \_\_\_\_\_

The researcher may want to collect additional data about the father’s current employment or about his lack of employment. Relevant information about his current employment may include how many hours he works per week (on average) or whether he works at more than one job. Some surveys also include questions about the types of benefits the worker receives from his employer, such as this survey question (Center for Policy Research, 2009):



**Does this job provide \_\_\_? (check all that apply):**

- Paid vacation
- Paid sick leave
- Medical coverage for yourself
- Medical coverage for your children

If he indicates he is unemployed, the researcher might include questions about the last job held. For example:

**If you are unemployed, approximately how long have you been unemployed: \_\_\_\_\_ months**

An evaluation of Parents to Work, a workforce program in Arapahoe County, Colorado, conducted by the Center for Policy Research, included the following question related to why the father was unemployed:

**If you are unemployed, why did your last job end?**

- Employer closed business
- Downsizing, one of many workers laid off
- Self-employed, business failed
- Terminated
- Voluntarily left job
- Became incarcerated
- Other (specify) \_\_\_\_\_

For programs where employment is a key outcome, the data collected for both employed and unemployed fathers might include items about job stability, such as:

**What is the longest time you have worked at one job? \_\_\_\_\_ months**

Programs may also need to collect information about barriers to employment, both to address these barriers and to control for them when looking at employment outcomes. Barrier questions can include the following types of items (with either yes/no responses or responses ranging from "major problem" to "not a problem").

**Will any of the following make it difficult for you to get or keep a job?**

- Limited English
- Disability or serious health problems
- Drug or alcohol problems
- Lack of transportation
- Past felony convictions
- Lack of a permanent address
- Child care issues
- Mental health issues

Some questions related to employment may be sensitive, such as how the father became unemployed or the barriers to employment. If the information is being collected during an interview with the father, the interviewer's comfort in asking these questions is critical. Interviewers who seem uneasy or apologetic about asking these questions will likely find that the interview subject is also uncomfortable. Interviewers who treat the item as routine will put the interview subject at ease. It can also help to introduce the questions in a way that helps the father to understand why the question is being asked. For example, questions about barriers to employment may be introduced by explaining "Next, we have some questions about issues that we may need to address as we're helping you with employment. Will any of the following make it difficult for you to get or keep a job?"





### Measures of Earnings in Questionnaires or Interviews

Before designing questions about income, it is important for the program and researcher to decide what unit is of interest: the father's individual income, the total household income, or the incomes of each individual in the household. Having determined this, a time frame should be set. It should be a time period that is easy for the father to use in calculating earnings. Often, this is a calendar year. If program staff feel that fathers are more likely to recall monthly earnings, this can be the unit. However, if a relatively short period — such as a month — is the unit, there may need to be one or more follow-up questions to determine if these earnings are typical of most months.

Questions about income should give the father specific instructions about what to include or exclude in the answer. This may mean providing cues that the annual income should be before taxes and that it should include earnings from a job or cash benefits received from government agencies or the military. To make sure that the father is remembering correctly, the researchers may precede the questions about the amount of income with a question about the sources of income. For example, a Center for Policy Research study on building assets among low-income fathers asked (Davis, et al., 2014):

**What are your current sources of income (check all that apply):**

- Income from a job
- Social Security Disability (SSDI)
- Supplemental Security Income (SSI)
- A pension
- Unemployment insurance
- Child support
- Alimony payments
- Other (specify) \_\_\_\_\_

The researcher may also collect information about noncash benefits coming into the household on a regular basis, such as food stamps (Supplemental Nutrition Assistance Program — SNAP) or Section 8 Housing vouchers.

In general, fathers will be more comfortable answering questions about income if given options to choose from rather than answering an open-ended question. In setting the response codes to an income question, it makes sense to start by thinking about how this data will be used. What level of precision is needed? Which income levels are fathers most likely to report? At what income level will most fathers have been accounted for? If program directors know from past experience that few fathers earn more than \$60,000 a year, there is little to be gained by collecting data in \$5,000 or \$10,000 increments all the way to \$150,000 a year. The goal is to be sufficiently detailed to ensure that the answers will be useful, but not so detailed that the father feels overwhelmed by the number of possible answers. It may be advisable to include greater detail at the lower level of the income scale where most fathers are likely to be clustered and to stop the scale at the point at which there is reason to believe few fathers will be found. For example:

**Which of the following categories best matches your individual pre-tax income during 2015?**

- Less than \$5,000
- Between \$5,001 and \$15,000
- Between \$15,001 and \$20,000
- Between \$20,001 and \$30,000
- Between \$30,001 and \$40,000
- Between \$40,001 and \$60,000
- Between \$60,001 and \$70,000
- Over \$70,000



It is often useful to phrase income questions so that fathers are asked to provide their "best estimate." An approximate answer is better than a nonresponse. Duncan and Petersen (2001) suggest that researchers can often avoid an answer of "I don't know" if the questions are part of an interview and the interviewer is trained to probe. They suggest that if the individual responds to a question about income with "I don't know," the interviewer should ask follow-up probes that will result in an estimate being generated, as the following example illustrates:

**Do you think it would be \$30,000 or more?**

<b>If father responds "Yes":</b>	<b>Would it amount to \$50,000 or more?</b>
	If father responds "Yes": Would it amount to \$75,000 or more?
	If father responds "No": Would it amount to \$40,000 or more?
<b>If father responds "No":</b>	<b>Do you think it would amount to \$15,000 or more?</b>
	If father responds "Yes": Would it amount to \$20,000 or more?
	If father responds "No": Would it amount to \$10,000 or more?

**Measures of Economic Stability in Questionnaires or Interviews**

Although accurate measures of income may tell practitioners and researchers most of what they need to know about how well fathers are faring, income may not always tell the whole story. Some parents fare reasonably well with limited resources, while others struggle. A few questions about how the parent's economic situation looks in a typical month can help to identify areas in which assistance is needed. There are detailed surveys related to food insecurity and lengthy surveys related to housing. Rather than covering one topic in depth, it may be preferable to cover a number of topics with only one or two questions each. The topic areas might include:

- » The degree of household debt
- » The ability of the father to make regular payments toward debts
- » Having stable housing
- » Running low on food before the end of the month or having to rely on food banks
- » Having enough money for utility bills
- » Being able to save a little money
- » Having enough money to pay for routine child expenses, such as clothes or school activities

Instruments developed by the Pew Charitable Trust (2015) add other dimensions to stability by including questions about spending and financial worries. Specifically, they ask:

**Thinking about your household's finances today, do you feel your household is...**

- Financially prepared for the unexpected
- Not financially prepared for the unexpected

**Which of the following comes closest to your household's situation most months? Do you:**

- Spend a lot more than you make
- Spend a little more than you make
- Spend about as much as you make
- Make a little more than you spend
- Make a lot more than you spend

**Does your household have any money set aside that you consider savings?**

- Yes
- No



**In the last 12 months, did you worry about your personal finances?**

- Yes
- No

**If yes, did you worry about:**

	Yes	No
Paying your rent or mortgage	<input type="checkbox"/>	<input type="checkbox"/>
Paying student loans	<input type="checkbox"/>	<input type="checkbox"/>
Paying your credit card bills	<input type="checkbox"/>	<input type="checkbox"/>
Paying other bills, such as gas, electric, medical, or legal	<input type="checkbox"/>	<input type="checkbox"/>
Lack of savings	<input type="checkbox"/>	<input type="checkbox"/>
Not having enough money to cover your expenses	<input type="checkbox"/>	<input type="checkbox"/>
Not having enough money to retire	<input type="checkbox"/>	<input type="checkbox"/>

**Implications for Programs**

Since their inception, fatherhood programs have sought to improve the employment situation, earnings, and financial standing of participants, many of whom are poorly educated, chronically unemployed, underemployed, and burdened by criminal histories. Given the centrality of economic stability goals, it is incumbent on fatherhood programs to generate reliable metrics on employment and earnings. The information is needed both to document the effectiveness of programs in helping fathers to improve their financial situation and to generate information that can be used to guide the delivery of effective employment and economic stability services.

To ensure the availability of information on economic standing, programs should include questions about employment and earnings as part of the intake process and at periodic intervals. Programs should also go beyond the issues of employment and earnings and question participants about their day-to-day financial circumstances, including their access to

housing, food, transportation, and the ability to pay bills. By collecting this information at baseline and at periodic intervals, programs can better assess the changing service needs of participants and document the contributions they make to promoting their economic stability and their role as providers.

**Implications for Researchers**

Researchers should include both objective and subjective assessments of the economic standing of fatherhood program participants when they enroll and the changes they experience over time. UI records are the classic source of information on employment and earnings, although they fail to include information on self-employment, contract work, and cash employment, as well as employment by a variety of employers exempt from the UI system. More to the point, gaining access to UI records for research purposes is arduous, time consuming, and often impossible. If the fatherhood program partners with a state workforce program for the delivery of employment training services, it may be possible to obtain information on participant employment and earnings through the UI system. Alternatively, researchers will need to negotiate complex data sharing agreements and also deal with the lag in posting UI data, which can be as long as six months in some states.

When drafting questionnaire items dealing with employment, earnings, and financial standing, researchers should be guided by instruments developed by experienced researchers who have grappled with errors due to memory issues and social desirability factors. Close-ended questions are more reliable than open-ended ones, and response codes can serve to prompt respondents to recall employment status and/or less obvious sources of income, and encourage them to be candid about both. Questions about financial functioning on a day-to-day basis are useful to gauge changes in economic security that may not be reflected in measures of formal employment and earnings.



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