

IMPACT OF COVID-19 ON HOUSEHOLDS WITH CHILDREN

Family Hardships and Policy Insights



Executive Summary

The COVID-19 pandemic caused major disruptions in employment, child care and education. As a result, both parents and children experienced a variety of hardships in their work and education. While these hardships had reverberating effects throughout households, they were not equally distributed across families with children. In this brief, we explore the effects of COVID-19 on families with children, highlighting unaddressed areas of need, as well as potential points of intervention. In this study we find:

- Almost one-quarter (22%) of families experienced job or income loss as a result of child care disruptions, which was especially prevalent in households with very low incomes (35%) and strongly associated with child food insecurity.
- Over one-third (36%) of students only had an online option for learning, which was higher for Black and Hispanic households and was strongly associated with a decrease in school quality and subsequent learning.
- Over two-fifths (42%) of children experienced decreased time spent with friends and close to one-third experienced decreased time spent on extracurricular activities, which were significantly related to worsening mental and physical health.

Finally, we demonstrate how the CARES Act and other related policies could represent a long-term strategy for supporting families in need.

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ACKNOWLEDGMENTS

The authors gratefully acknowledge the funders who made the Socioeconomic Impact of COVID-19 Survey possible: JPMorgan Chase & Co.; the Annie E. Casey Foundation; Centene Center for Health Transformation; and Mastercard Center for Inclusive Growth. We appreciate the contributions from many individuals in the Socioeconomic Impacts of COVID-19 Survey Advisory Committee who worked diligently on the planning and implementation of the study. Lastly, we thank the thousands of individuals who consented to participate in the research surveys and shared their personal experience during the COVID-19 pandemic.

Background

With disruptions in employment, child care and education as a result of COVID-19, it is unsurprising that child poverty substantially increased in 2020; roughly 1.2 million more children were living in poverty in 2020 when compared to 2019 (an increase from 15.7% to 17.5%)¹. As child poverty is unequally distributed in America, so too were its increases—poverty rates grew largest among Hispanic children (4.2 percentage points), Black children (2.8 percentage points), and children from female-headed families (4.1% percentage points). Beyond increasing poverty rates, both parents and children experienced a variety of hardships in their work and education that had reverberating effects in their households.

While exploring these effects can help policymakers understand the far-reaching consequences of the pandemic, they also highlight potential points of intervention. In order to better understand these phenomena and to help policymakers identify and target solutions both during and after the pandemic, the Social Policy Institute at Washington University in St. Louis (SPI) developed the Socioeconomic Impacts of COVID-19 Survey to explore the social and economic circumstances of households with children during the pandemic. In this brief, we examine some of the key impacts of COVID-19 on families with children, including rates of job loss and hardship, and how children’s learning and activities changed as a result of the pandemic. We also examine how these families used their economic impact payments, which were one of the key federal responses to the economic impacts of the pandemic.

Methods

This brief includes data from the nationally representative Socioeconomic Impacts of COVID-19 Survey conducted by SPI, which includes roughly 5,000 respondents followed over five waves from late April 2020 to May 2021. The purpose of the survey was to understand the social and economic consequences of the COVID-19 pandemic. You can learn more about the survey and its data collection through the [survey methodology report](#).

Findings

JOB LOSS, A LACK OF CHILD CARE, AND HARDSHIPS FOR FAMILIES

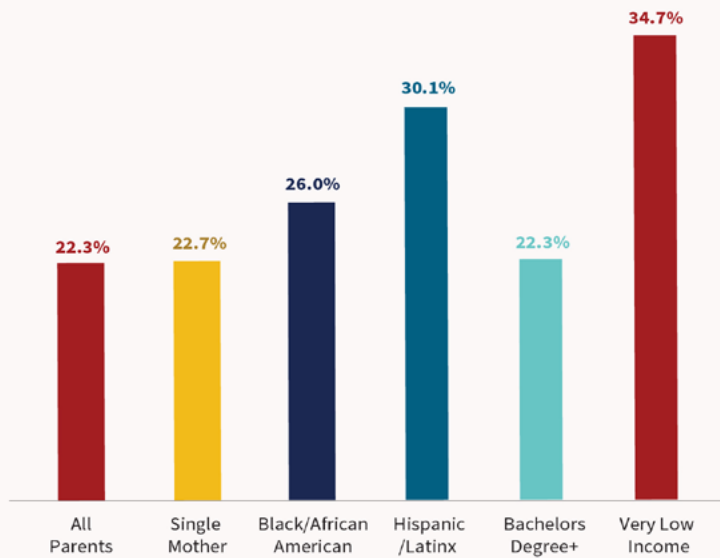
Overall, 25.7% of respondents to our survey reported that they lost a job or income due to the COVID-19 pandemic, and this experience was felt disproportionately among households with relatively low incomes. While many of the job and income losses due to COVID-19 were caused by business closures or employee furloughs, school closures during the pandemic may have led parents to leave their jobs or cut back on their hours to stay with their kids. Indeed, Figure 1 shows that over a fifth of all parents reported losing a job or income specifically due to a lack of child care during the pandemic. This was disproportionately experienced by Black, Hispanic and very low-income parents. Supplemental analyses showed that both COVID-19-related job/income loss in general and job/income loss due to a lack of child care were strongly related to adverse experiences that can impact children’s development, such as food insecurity.

HOW CHILDREN LEARNED DURING THE PANDEMIC

As a result of the pandemic children were forced to change the way they learn. During the 2020-2021 school year, SPI survey respondents said 35.9% of students exclusively took classes online, 32.3% experienced a mix of online and in-person instruction, 10.2% had a choice between learning modes and 18.2% took classes exclusively in-person. A higher percentage of Black and Hispanic households had children who only experienced online learning (41.8% and 41.7%, respectively). An income breakdown showed that 31.8% of high-income households were only offered instruction online compared to 39.8% of very low-income households, indicating that higher-income students were more likely to have at least some classes offered in-person.

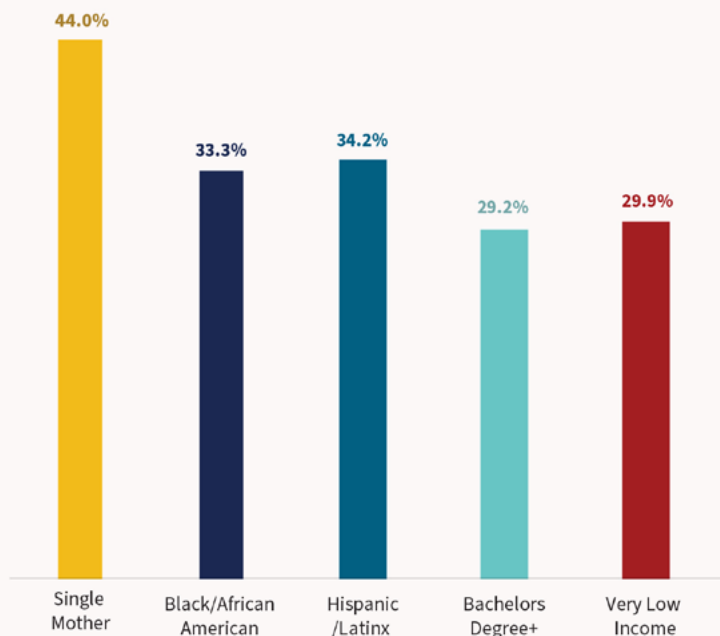
¹ Yuyu Chen and Dana Thomson. “Child Poverty Increased Nationally During COVID, Especially Among Latino and Black Children,” Child Trends, (2021). <https://www.childtrends.org/publications/child-poverty-increased-nationally-during-covid-especially-among-latino-and-black-children>

FIGURE 1.
LOST A JOB/INCOME
BECAUSE OF CHILD CARE
DURING THE PANDEMIC



Given a rapid shift in learning environments, a concern for some parents may be the quality of the education their children received. As Figure 2 shows, nearly one-third (32.4%) of all parents felt that their children were learning less due to the pandemic. These feelings were not equally distributed across parental groups—44.0% of single mothers and 37.4% of parents without a bachelor’s degree felt that their children were learning less. As a supplemental analysis, we investigated the relationship between children’s learning mode and parents’ perceptions of how much their children were learning.

FIGURE 2.
CHILDREN LEARNING LESS
THAN THEY WOULD HAVE
IF THE PANDEMIC HAD
NOT OCCURRED



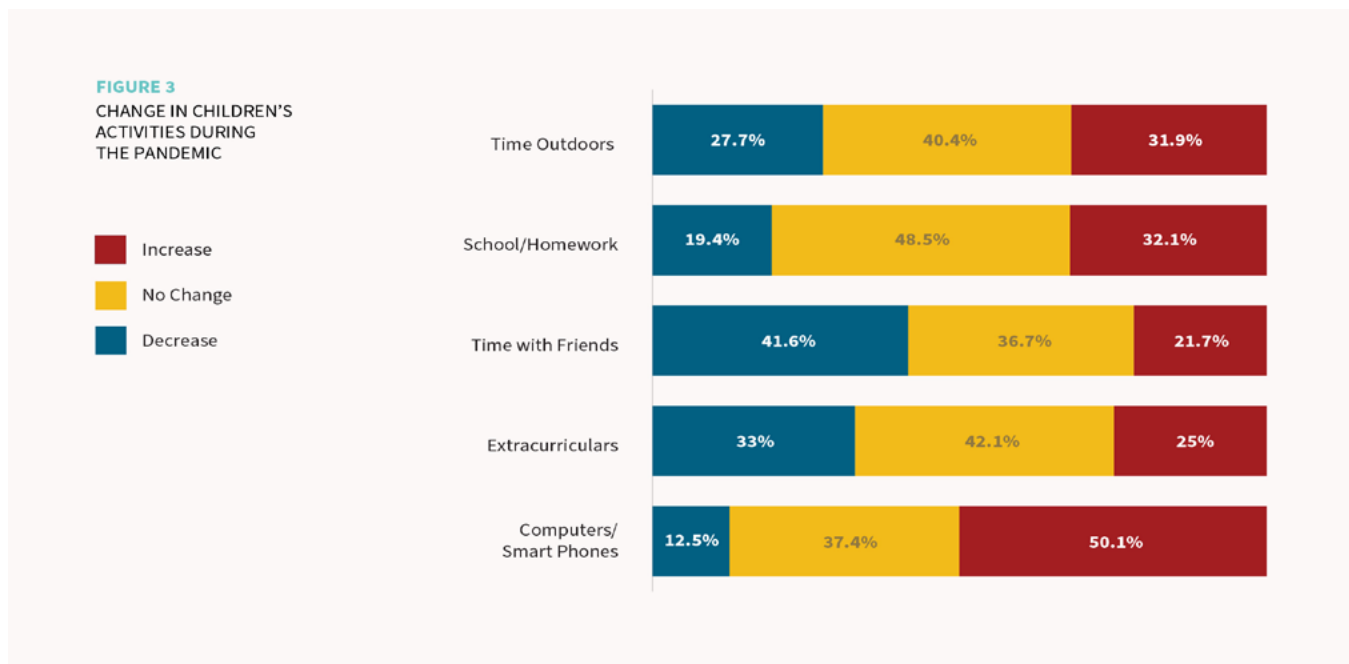
We found that, when compared to children who learned in-person, parents reported that children who received only online education or a hybrid online/in-person education model learned less during the pandemic.

HOW CHILDREN’S ACTIVITIES CHANGED DURING THE PANDEMIC

We also asked parents about changes in their children’s activities during the pandemic, including the time their children spent outdoors, on school or homework, with friends, on extracurriculars, and on their computers or smart phones. The results are in Figure 3. Over a quarter of parents reported that their children decreased the time spent outdoors (27.7%). More single parents, along with Black and Hispanic families (36.8% and 30.3%, respectively), reported seeing a decrease in time spent outside.

- 19.4% of parents reported a decrease in time their children spent on schoolwork since the pandemic started. Children of single parents and from Black or Hispanic families reported slightly larger decreases in time spent on schoolwork (22.7%, 21.9%, and 22.0%, respectively).
- 33.0% of parents reported that their children were spending less time on extracurriculars since the start of the pandemic. Fewer Black households (31.7%) saw a decrease in extracurriculars, while very low-income parents were less likely to report a decrease in extracurriculars and high-income parents were more likely to report a decrease (26.8% and 37.2%, respectively).
- 41.6% of households with children reported a decrease in time children spent with friends. Fewer Black families (36.7%) and those with very low-incomes (36.1%) reported that children’s time with friends decreased, while a larger proportion of high-income individuals saw a decrease in spending time with friends (45.1%).

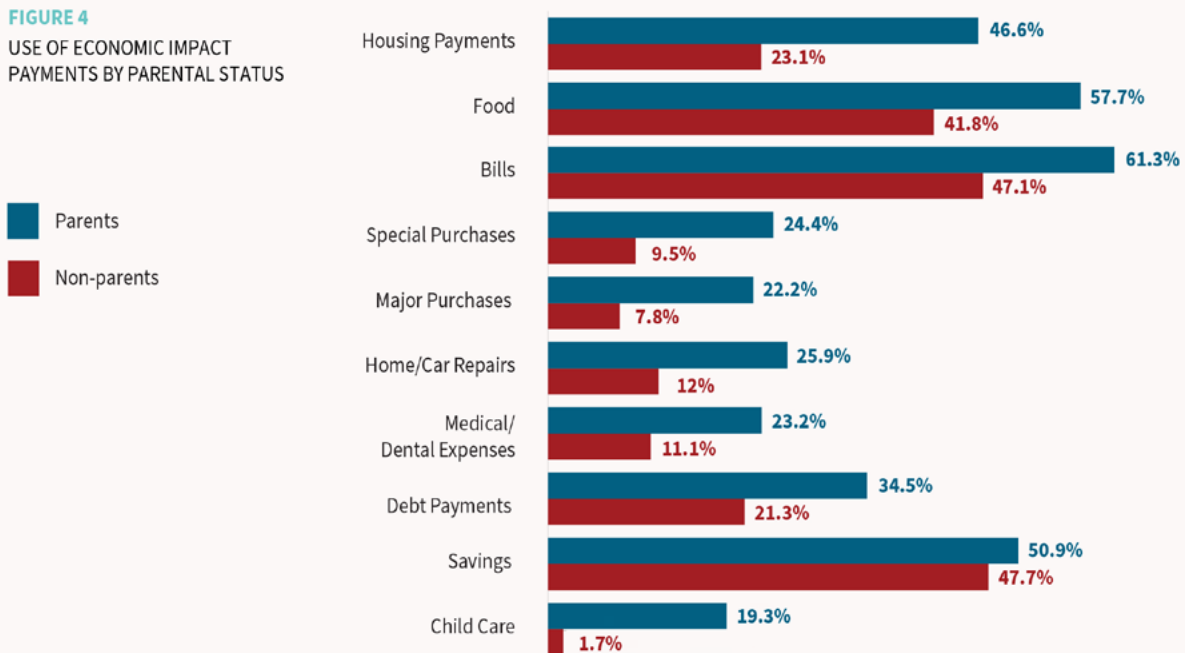
With COVID-19 protocols limiting social gatherings and schools moving to online learning mode, it is unsurprising that 50.1% of households with children saw an increase in their children’s screen time. Fewer single parent (46.9%), Black (47.0%), Hispanic (48.4%), and very low-income (44.6%) families saw an increase in screen time since the pandemic. More households with a bachelor’s degrees (55.0%) and high-income households (57.3%) saw an increase in screen time.



As a supplemental analysis, we investigated the relationship between changes in children’s activities and reported changes in children’s mental/physical health. In many cases, we found strong and significant associations between activity changes and these health measures, including:

- Decreased time outdoors was strongly associated with declines in children’s perceived physical health.
- Decreased time on extracurricular activities was strongly associated with declines in children’s perceived physical health.
- Decreased time spent with friends was strongly associated with declines in children’s mental health.

FIGURE 4
USE OF ECONOMIC IMPACT
PAYMENTS BY PARENTAL STATUS



PARENTS’ USE OF CARES ACT STIMULUS FUNDS

Though many households faced a high degree of economic and social volatility due to the pandemic, parents were in many ways uniquely exposed to the pandemic’s effects. As noted above, many households had to give up jobs and income streams due to a lack of suitable child care for their children, which was associated with the experience of hardships like food insecurity. However, as part of the relief efforts for households during the pandemic, the federal government sent out economic impact payments as part of the CARES Act in April 2020. These payments offered most parents \$1,200 for every adult in the household and \$500 for every child. In Figure 4, we investigate how parents reported using these funds compared to non-parents.

In terms of basic needs, more parents spent their economic impact payments on housing (46.6%), food (57.7%), and bills (61.3%) compared to non-parents (23.1%, 41.8%, and 47.1%, respectively). In addition, parents were more likely to report using the payments to clear debt than non-parents (34.5% vs. 21.3%), while roughly half of both parents and non-parents reported savings at least some of the economic impact payment. Parents were roughly 2-3x more likely than non-parents to spend their payments on special things (24.4%), major purchases (22.2%), medical expenses (23.2%), and home/car repairs (25.9%).

Implications

As the numbers show, families with children faced unique challenges during the pandemic. Though these challenges were widespread, they were not distributed equally. Our data show that the pandemic is impacting already-vulnerable populations the most, which include parents of color, single mothers, and parents in extreme poverty. Moreover, these challenges were not isolated events; rather they also impacted family health and well-being.

Starting with education, almost one-quarter (22%) of families experienced job or income loss as a result of child care disruptions. This was especially prevalent in households with very low incomes (35%). Unsurprisingly, these families faced increased child food insecurity. Disruptions in education also posed unique challenges to learning and child development. For learning, roughly 36% of students only had an online option for learning, which was higher for Black and Hispanic households and was associated with a decrease in school quality and subsequent learning. Considering child activities and well-being, roughly 42% of respondents reported decreased time with friends and close to one-third reported decreased time with extracurricular activities, which were significantly related to worsening mental and physical health. Alternatively, over half of all respondents reported increased time on computers/smart phones for their children.

Nevertheless, it is important to note that many of the inequalities discussed here existed long before the pandemic. Thus, policy responses should also consider long-term mechanisms to improve family well-being and fight inequities. One such response is direct cash payments. The use of economic impact payments increased during the pandemic and could be maintained, or even expanded, in the future. For example, while the CARES Act was a direct response to COVID-19, the underlying mechanism (direct cash payments) could be considered a potential long-term response to poverty and inequity as well, especially as we saw particularly vulnerable populations using the economic impact payments for basic needs such as food and shelter throughout the pandemic. Given the relationships between job loss and food insecurity, Pandemic EBT, which provides food assistance to families that qualify for free or reduced-price school meals, could also be maintained or expanded in the future.

Perhaps the largest form of direct cash payments for families with children is the new Child Tax Credit (CTC). In March, President Joe Biden signed a bill that restructures the CTC for one year—making it larger (\$3,000 per child aged between the ages of six and 17, and \$3,600 per child under six), broader (gradual phase-outs start at \$75,000 for individuals and \$150,000 for those married filing jointly), and more periodic (monthly payments). This restructuring would allow the CTC to act like a child allowance, which has been used in a variety of other countries. Researchers from Columbia University estimate that the new CTC could cut child poverty by 45%—having the largest impacts on Black and Hispanic children².

Beyond direct cash payments, our results demonstrate that disruptions resulting from child care and school closures had significant effects on family well-being. Thus, policymakers should consider additional ways to help child care centers and schools reopen safely and ensure that they are well-prepared to provide high quality instruction—both now and for the next pandemic. Given the relationship between job loss and child care, policymakers should also consider ways of expanding child care services and making these services more affordable.

The pandemic caused immense challenges to families, exacerbated long-standing inequalities and had widespread effects on children's health, well-being, and development. However, it also demonstrated what is possible for policy. With some of the tools in hand, policymakers should consider how these innovative ways of supporting families during the pandemic can be used to ensure long-term prosperity.

The research within this brief does not reflect the views and opinions of the funders.

2 Center on Poverty and Social Policy, Columbia University. "A Poverty Reduction Analysis of the American Family Act." Poverty and Social Policy Fact Sheet. (2021). <https://www.povertycenter.columbia.edu/news-internal/2019/3/5/the-afa-and-child-poverty>