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Three policies to improve economic outcomes for single mothers and their children across the United States

By Equitable Growth

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Single-mother households are becoming more common in the United States. Over the past 50 years, the [number of children](#) raised by single mothers has more than doubled. It is the [second most common](#) living arrangement for children in the United States; living with co-habiting parents is the only more common arrangement. More children in the United States are raised by [single parents](#), the majority of whom are single mothers, than in any other country in the world.

Single mothers and their children across the United States face particularly challenging economic circumstances. For instance, it is well-documented that single mothers, compared to mothers in co-habiting living arrangements, are at a [greater risk of living in poverty](#). According to the most recent [U.S. Census Bureau's Supplemental Poverty Measure](#), almost a quarter of single-female-headed households live in poverty, at 23.9 percent.

Moreover, economist Susan Harkness at the University of Bristol finds that in 12 countries with comparable economies, after accounting for demographic characteristics between single and married mothers, [single mothers in the United States](#) experience a 46 percent income penalty, on average, which is the highest penalty among all countries analyzed. This means being a single mother in the United States negatively impacts a woman's income to a greater degree than in countries with similar economies. The difference is attributable to the income support programs single mothers are able to access in other countries.

Like other economic outcomes, income penalties and wage discrimination intersect with race, in addition to gender. As City University of New York economist Michelle Holder [finds in her research](#), Black women face a double wage gap. That is, Black women are subject to at least two types of discrimination in wages—racial and gender—that totals \$50 billion in involuntarily forfeited earnings annually. For Black single mothers, who make up 16 percent of [all single mothers](#), as well as Latina single mothers, who make up 13 percent of all single mothers, the strains on income and wealth compound.

Despite these well-documented demographic and economic trends, U.S. economic policies have not evolved to adequately serve single mothers. As a whole, social policies in the United States may only modestly ameliorate the risk of poverty for single mothers and their children because targeted income support programs tend to be insufficient for lifting families out of poverty. To

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illustrate, when researchers analyze [the economic and social policies](#) of countries with similar economies, they find that if the United States increased its income supports to the mean across 18 similar countries, then the odds of single mothers in poverty would be between 3.8 and 4.5 times lower, all else being equal.

Put differently, the relative lack of robust income supports in the United States, when compared to countries with similar economies, is one of the most significant contributors to poverty for single-mother U.S. households. The consequences of these economic outcomes for single mothers are far-reaching.

Mounting evidence on [economic mobility](#), for example, suggests that parental financial investments are a key channel for their children's future economic mobility. When resources are constrained, so too are their children's chances of moving up the income ladder. For instance, research from Jacob Bastian at the University of Chicago's Harris School of Public Policy and Katherine Micheltore at Syracuse University demonstrates that the infusion of \$1,000 [in additional income](#) from the Earned Income Tax Credit for adolescents ages 13 to 16 had significant impacts on children's later-life outcomes. This infusion of funds increased the probability of high school graduation by 1.3 percent, the probability of college completion by 4.2 percent, the probability of employment as a young adult by 1 percent, and adulthood earnings by 2.2 percent.

Further, a recent [literature review of 54 peer-reviewed studies](#) by Kerris Cooper and Kitty Stewart of the London School of Economics examines the evidence for any potential causal relationship between household financial resources and children's health, cognitive, and socio-behavioral outcomes. In their review, they find that research confirms children's cognitive and educational outcomes are hurt by living in households with less income, which, in turn, affects economic outcomes later in their lives. There is a broad research consensus that parental investments of time and money—two resources that single mothers are often short on—are [important to children's economic outcomes](#).

To be sure, more recent policies that were briefly implemented in the United States have successfully buffered and reduced poverty for single mothers—most notably, the temporary expansion of the [Child Tax Credit](#) amid the COVID-19 pandemic. While the [success of this tax credit](#) points to a way forward for policymakers, strong evidence suggests there are additional levers policymakers can utilize to ensure robust economic security and thus more equitable economic growth. These include, but are not limited to, eliminating work requirements for income supports, providing wider access to income supports, and improving child care infrastructure. This column will now look at each in turn.

Eliminating work requirements for income supports

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Policymakers and economists have long believed mistakenly that an intractable trade-off exists between income supports on the one hand and labor force participation on the other. Most recently, national policy debates on the removal of work requirements in the [2021 enhancements to the Child Tax Credit](#) and the imposition of additional ones in the [2023 debt ceiling negotiations](#) were animated by this misplaced belief that income supports discourage beneficiaries from seeking employment.

One of the most pernicious myths based on this misperceived trade-off was the so-called [welfare queen](#), a racist stereotype portraying a single Black woman who, in this characterization, has as many children as possible to receive maximal benefits. This myth was promoted during the Reagan administration as justification for reducing income supports and expanding work requirements.

Then, there's the more systemic racist basis for this myth. In a recent report published by *Nonprofit Quarterly*, Ife Finch Floyd of the Georgia Budget and Policy Institute and Suzanne Wikle of the Center for Law and Social Policy trace the ideological underpinnings of work requirements to [slavery and its afterlife](#), finding echoes of Jim Crow era vagrancy laws, which criminalized Black people who appeared not to be working, in today's work requirement policies.

In addition to being propped up by false and racist assumptions, work requirement policies do not achieve their own stated goal of incentivizing employment. For instance, Benjamin Sommers of the Harvard School of Public Health and colleagues examine the effects of Medicaid [work requirements implemented](#) in Arkansas in June 2018. Among other findings, they see no significant changes in employment or hours worked during and after the implementation of work requirements.

Yet they also find that those who lost Medicaid coverage during this period experienced adverse consequences. Fifty percent of respondents reported serious problems paying off medical debt, 56 percent reported delaying care because of the cost, and 64 percent reported delaying taking medications because of the cost. In short, work requirements failed to increase gainful employment while also harming the health and well-being of already-struggling Arkansans.

One primary reason work requirements do not actually increase employment is simply because work requirements rest on the false assumption that beneficiaries choose not to work. On the contrary, many of those who receive income supports do work and often need to supplement their incomes because of low wages and income volatility. A recent Kaiser Family Foundation analysis finds that more than [60 percent of Medicaid](#) recipients who are not elderly or disabled are employed either part time or full time.

In instances when work requirements have increased employment, it has been only modestly and not sustainably, as the effects erode over time. In a 2001 [National Evaluation of Welfare-to-Work](#)

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[Strategies analysis](#), for example, researchers find that of the 11 programs analyzed, only three increased the number of people who worked by more than 3 percentage points over a 5-year period, when compared to a control group not subject to work requirements.

Indeed, recent research suggests that income supports themselves facilitate employment. [A recent working paper](#) by economists Jason Cook of the University of Utah and Chloe East of the University of Colorado Denver examines how successfully applying to the Supplemental Nutrition Assistance Program affects employment. Similar to the Sommers study, the researchers find that accessing nutrition assistance did not affect the likelihood of working for the broad sample studied.

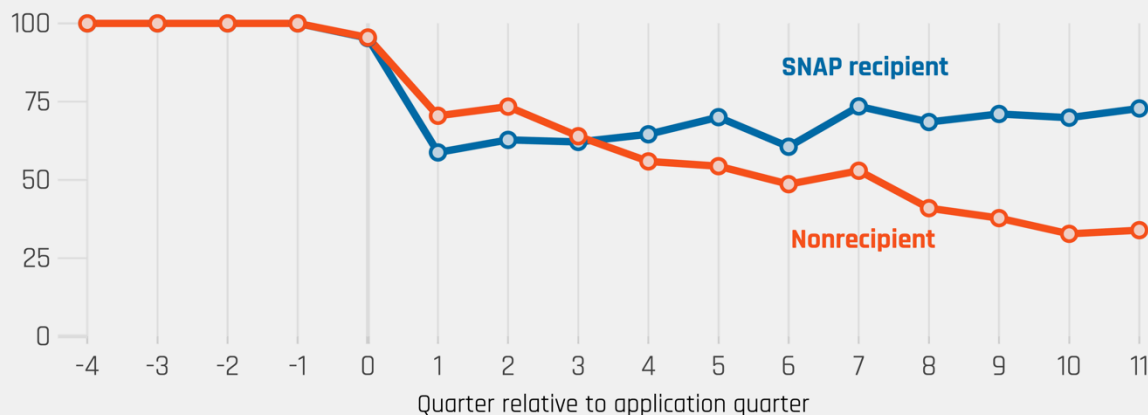
What's more, when Cook and East exclusively analyzed the applicants who worked a full year prior to applying to the program, they find that the applicants who successfully accessed nutrition assistance were 34 percentage points more likely to work after a 3-year post-application period than those who were not able to access SNAP benefits. This research suggests that the Supplemental Nutrition Assistance Program enables people to cushion the blow of unemployment and find gainful employment over the long term. (See Figure 1.)

Figure 1

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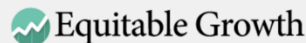
U.S. workers who access nutrition assistance boost their long-run rates of employment

The difference in employment rates for those in the Supplemental Nutrition Assistance Program and those who are not, 2012–2016



Source: Jason Cook and Chloe N. East, "The Effect of Means-Tested Transfers on Work: Evidence from Quasi-Randomly Assigned SNAP Caseworkers" Working Paper (Washington Center For Equitable Growth 2023).

Note: General track recipients are generally of working age, but a small number may be older or younger. The sample excludes applicants assigned to case workers who handled very few applications or were extremely likely to accept or deny applications. The sample is restricted to applicants with data on employment outcomes for the full four-year study period. Random assignment of applicants to case managers is used to generate causal estimates.



In a comprehensive review of recent empirical studies of the 80-hour-a-month work test for those in the Supplemental Nutrition Assistance Program, researchers at the Center for Economic and Policy Research note that [only three studies find a positive impact on employment](#). Seven other studies find no impact, and every study they reviewed finds a significant negative impact on participation in the program caused by the implementation of the work test, leading to a reduction in access to SNAP benefits. The takeaway is that work requirements severely undermine the health and nutrition goals of the Supplemental Nutrition Assistance Program.

The upshot: Attaching work requirements to income support programs does not result in increased labor force participation. Rather, it introduces increased complexity, increased bureaucracy, and an increased likelihood of losing those income supports. Applying for and receiving income supports are already challenging, and when the many complexities single mothers face are thrown into the mix, finding gainful employment is even more difficult. Making the process of accessing income supports more streamlined can buffer against the risks of economic insecurity and lead to positive long-term economic outcomes.

Streamlining income supports

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Barriers to accessing income supports are well-documented. In a [recent analysis](#) of the 2020 Coronavirus Aid, Relief, and Economic Security, or CARES, Act, economists Eliza Forsythe and Hesong Yang of University of Illinois, Urbana-Champaign find that while there was an improvement in the percent of eligible persons collecting Unemployment Insurance, this increase merely went from 27 percent in 2018 to 36 percent in 2020–2021. Forsythe and Yang find that the major reason workers did not collect the UI benefits owed to them was workers not knowing they were eligible. They also find that both living below the poverty line and experiencing high levels of stress were associated with a substantially decreased likelihood of collecting Unemployment Insurance.

For single-mother households, the impacts of poverty and high levels of stress are especially significant. As stated above, almost a quarter of single mothers live in poverty, according to the most recent [Census Bureau’s Supplemental Poverty Measure](#). Regarding stress, survey [research demonstrates](#) that single mothers report stress levels that are more than 2.5 times higher than partnered parents. Research [measuring cortisol levels](#)—a standard proxy for stress—finds that when compared to mothers who were married, mothers who were not married had significantly higher chronic stress. Additionally, single mothers are particularly at risk of facing the challenges of receiving income supports.

Participation rates for other income supports, such as Temporary Assistance for Needy Families, also tend to indicate eligible beneficiaries do not receive the support they are owed. For instance, [recent estimates find](#) only 24 percent of eligible families receive the maximum potential temporary income support they are owed, and only 18 percent of eligible families receive any benefits at all. Families who qualify for this temporary assistance and similar income supports are not guaranteed to receive it, due to funding restrictions, partially explaining the low participation rate.

The Supplemental Nutrition Assistance Program is different. It is guaranteed for eligible households. Yet even this program does not have full participation among those who are eligible, with participation rates around [84 percent](#). Although an important factor, funding is not the sole reason for a less-than-perfect participation rate.

Alexander Hertel-Fernandez of Columbia University [conducted a survey in January 2024](#) of individuals applying for nutrition assistance to assess potential burdens in the SNAP application process. He finds that two-thirds of respondents agreed that the application experience was stressful, including 36 percent of respondents who strongly agreed. In particular, Black and especially Hispanic individuals were more likely to strongly agree that the experience was stressful, at 41 percent and 47 percent, respectively.

Moreover, 42 percent of individuals reporting a disability and 39 percent of parents with children in the household strongly agreed that applying to the Supplemental Nutrition Assistance Program

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was stressful. When identifying the sources of stress, Hertel-Fernandez finds the strongest predictor of stress was challenges communicating with program staff, including long wait times. Other frequent sources of stress included a complicated application process and burdensome documentation requirements.

Some states have begun attempts to streamline their income support systems, but that varies greatly from state to state. Often, this streamlining takes the form of information sharing between agencies, such as between Unemployment Insurance and Medicaid programs. For instance, in Maryland, beneficiaries may opt in to having their data shared between the state [Department of Labor and the health insurance exchange](#), which enables the exchange to send information about free or low-cost health care.

There is an urgent need to streamline and simplify the process of receiving income supports nationwide. As single mothers tend to face greater levels of psychological stress and greater strains on resources, making income support more accessible can help bolster their economic security. Based on his survey, Hertel-Fernandez offers several recommendations, among them:

- Simplifying or eliminating burdensome documentation requirements and improving application design
- Ensuring that communities that experience higher levels of administrative burdens have access to appropriate application assistance and interventions
- Developing and incorporating better measures of psychological burden and beginning-to-end time costs

Hertel-Fernandez also recommends that the U.S. Department of Agriculture, working together with state-level SNAP agencies, target application assistance to communities most impacted by stress during the application process, such as Black and Hispanic applicants, applicants with disabilities, and applicants with children. These recommendations would help ensure people are receiving the income supports to which they are entitled and can help alleviate the burdens often faced by single mothers.

At the federal level, action was taken during the Biden administration to identify and reduce administrative burdens for accessing income supports, including an [Executive Order](#) aiming to minimize “time taxes” and similar burdens in accessing government benefits and services. In April 2022, the White House Office of Information and Regulatory Affairs [launched an initiative](#) with federal agencies in order to “more completely and transparently articulate burdens and associated costs experienced by the public when accessing essential public benefits programs, and ... use that analysis to minimize the Federal information collection burden, with particular emphasis on those individuals and entities most adversely affected.”

While it is beyond the scope of this column to comprehensively detail these efforts and others, including but not limited to more than [100 initiatives from 20 agencies](#), some common strategies

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include “reducing ... additional documentation or paperwork to continue receiving benefits or services; simplifying forms ... by eliminating unnecessary questions, and allowing online form submission; [and] providing government services and benefits in more languages tailored to local community needs.” However, with the return President Donald Trump to the White House in 2025, further progress on these efforts beyond what the Biden administration was able to implement will likely be stalled.

Improving child care infrastructure

Researchers, policymakers, and advocates have long known the broad benefits of improving child care infrastructure across the country. Those benefits include improved [child cognitive development](#), improved long-term [economic mobility](#), and stronger [economic growth](#). While early care and education provides a context for children’s development, it can also provide temporary relief to parents in need of child care, allowing them to secure employment.

Indeed, increased access to affordable child care increases parents’ labor force participation, particularly among single mothers. For instance, a review of [the labor effects of child care](#) estimates that a 10 percent decrease in child care costs would lead to a 0.25 percent to 1.25 percent increase in parental labor force participation in general.

One way of lowering costs is through child care subsidies. [Prior research](#) indicates that a \$100 increase in child care subsidies could increase employment among single mothers by 2 percentage points.

Improving child care infrastructure can help single mothers in less direct ways as well. It is well-documented, for example, that employers who worry about employees not having stable access to child care [discriminate](#) against parents in their hiring decisions, which makes securing employment [even more difficult](#) for people with children.

Researchers have identified a persistent “motherhood penalty” in employers’ hiring decisions, in which mothers, but not fathers, are perceived to be less competent and committed to their work, resulting in fewer opportunities for women. For instance, in an [audit study of employers](#), researchers from Cornell University find that childless women were 2.1 times more likely to be called back by an employer after applying for a job than women with children. The researchers also did not find any statistically significant discrimination with fathers and parental status.

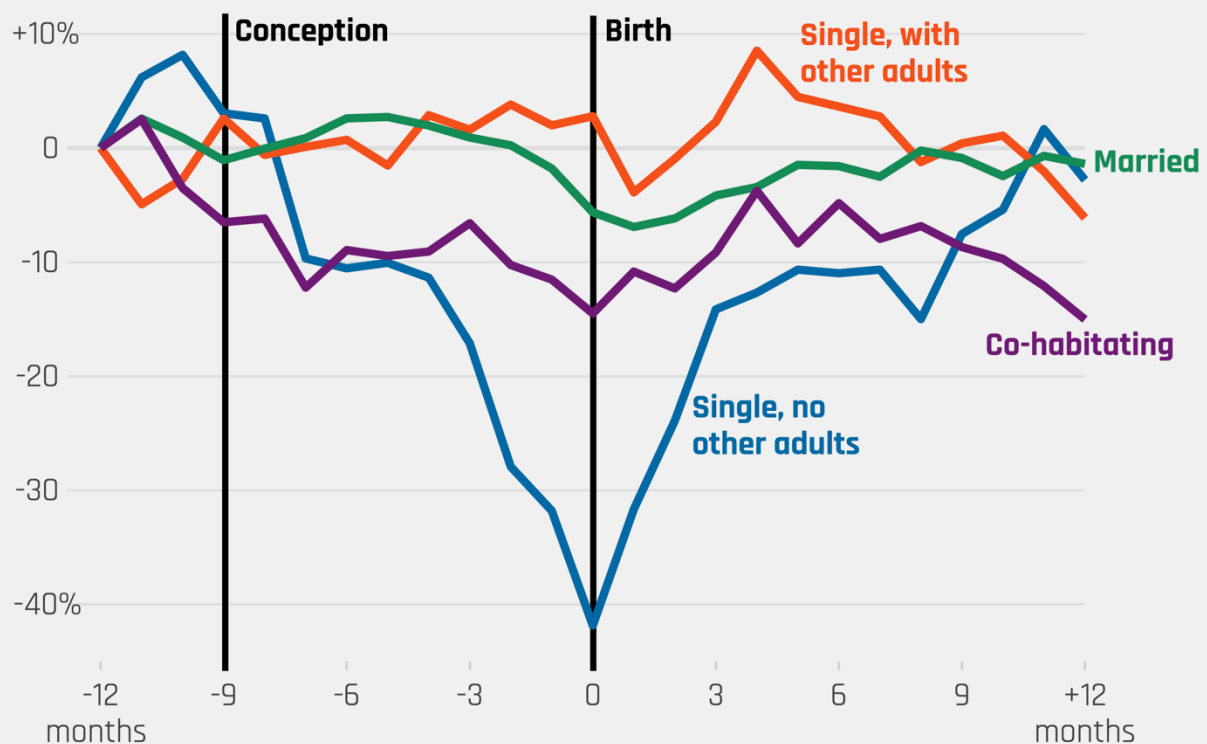
The motherhood penalty also extends to wages. In an [Equitable Growth working paper](#), former researcher Alexandra Stanczyk finds that 4 months before birth, gross household income declines sharply, and by the time of birth, gross household income is, on average, 10.4 percent below its value just 12 months prior. (See Figure 2.)

Figure 2

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Single mothers see the largest decreases in income near a birth

Percentage change in income, compared to 12 months prior to the birth of a new child, by family structure in the United States



Source: Stanczyk, Alexandra, "The dynamics of household economic circumstances around a birth." Working Paper [Washington Center for Equitable Growth, 2016].



What's more, researchers have also identified a "[single-motherhood penalty](#)," with single mothers having a 26 percent greater risk of experiencing poverty, compared to single fathers, as well as dual-earner households, in the United States. Improving access to child care would help mitigate this risk both directly and indirectly.

Conclusion

At present, single mothers across our nation are at particular risk of facing economic hardships. But this does not have to be the case. It is a matter of policy choices.

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Evidence from countries with similar economies to the United States demonstrate that robust income supports are essential for the economic well-being of single mothers. While more research on improving economic outcomes for single mothers is welcome, policy levers that strengthen these supports, such as removing work requirements, streamlining benefits processes, and improving child care infrastructure, are vital investments in single mothers and the economy as a whole.