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Economic Strain, Family Structure and Problems With Children Among Displaced Workers

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For a small sample of Indiana families that had recently experienced unemployment due to a plant closing, perceived economic strain was related to a larger number of academic and interpersonal problems for their oldest child at home, average age thirteen. The relationship between parental economic strain and children's difficulties lessened with the introduction into the analysis of selected parental psychological resources and coping strategies. Family structure was also related to children's problems, despite parental resources and coping strategies.

During the 1980s large numbers of otherwise stably employed Americans experienced involuntary job and income loss through layoffs and entire plant closures (OTA, 1986). The effects of such losses on individuals, especially men, have been addressed by diverse social science literatures. However, research on family coping with adversity seldom has unemployment as its context (McCubbin et al., 1980). And, although involuntary unemployment and income loss has been especially likely to occur among families with children (Moen, et al., 1983), there has been relatively little attention paid to impacts on children (for reviews see Madge, 1983; McLoyd, 1989, and Targ and Perrucci, 1991).

The present study placed income loss within the context of negative life event research and explored the relationship between economic strain subsequent to parental unemployment through a plant closure and family structure and selected characteristics of parents and their children for a small sample of Indiana families. The model of the stress process examined as possible stressors the level of economic strain perceived by the worker and the presence of only one parent in the family (Voydanoff, 1983). It was expected that all workers and their children were not equally vulnerable to negative life events because of

moderating variables; children were expected to be affected indirectly through their parents' responses to economic strain. For example, studies of income loss during the Great Depression documented the importance of changes in the father's disposition and disciplinary behavior for the child's development. The effect of such income loss on parent-child relations, moreover, appeared to vary by parental and child resources and family characteristics (Elder, et al., 1985; McLoyd, 1989). In the present study the research question is the relationship between perceived economic strain and family structure, moderated by the variables of (parental) psychological resources and family coping strategies, and negative experiences of displaced workers' children.

In almost all extant plant closing research, public notice of a shutdown was not given by the company beforehand so that researchers could collect adequate baseline data for comparative purposes. Such was the case for this closing. The focus of the larger study was to examine changes over time in displaced blue-collar workers' family cohesiveness in response to economic distress. Unfortunately, there was no control group or repeated measures of the variable "problems with children." However, economic strain was measured at the time severance pay was depleted and prior to problems with children (five months versus nine months after the closing).

In a similar plant closing study in a nearby community which did have a control group, displaced blue-collar workers were more economically distressed nine months after the shutdown than the comparison group of continuously employed workers at another plant, and reemployed workers continued to be as economically stressed as those still unemployed (Perucci, et al., 1988). In addition, that displaced blue-collar workers have tended to suffer economic losses in comparison to others, losses that were usually not recovered by reemployment, has been well-documented nationally (OTA, 1988). Economic strain, in turn, was the main mechanism through which unemployment affected displaced workers' psychological and physiological health (Kessler, et al., 1987).

Thus, whereas direct evidence was lacking, it seemed quite reasonable to presume that a considerable amount of the

economic strain being expressed by the displaced workers in this study was due to their unemployment and/or reemployment in lower-paying "new" jobs. And, given the paucity of information about economic strain in relation to contemporary children's lives, the present data were considered theoretically interesting.

Methodology

This paper reported part of an ongoing study of effects of a plant closing on displaced blue-collar workers and their families. About 240 midwestern workers lost their jobs on November 4, 1983, when a candy-producing plant that had been in operation for twenty-five years (since 1958) closed. A list of workers displaced by the closing was obtained from the president of the plant's union, Local 1976 of the Retail Wholesale Department Store Union AFL/CIO. After the shutdown, three waves of questionnaires were mailed to the 200 individuals who were still thought to be residing in the community, resulting in responses from 75 people (38 percent). These respondents were similar to the larger group on the two characteristics for which comparative information was available. This included tenure with the factory that closed and gender, which could be accessed relatively unambiguously from given names.

The Subjects

About half of all respondents (N=38) were parents, including those who were presently single (N=2), separated or divorced (N=8), and married (N=28). This parental group, the focus of this paper, was somewhat younger (36 vs. 40 years) but otherwise similar in composition to the larger respondent group. Four-fifths were women. On the average, they had a high school education and stable work careers. They were long-term residents of the county (30 years), and relatively long-term employees of the factory that closed (15 years). Their responses to the third and final questionnaire mailed almost nine months after the closing provided most of the individual and family data reported here. The exceptions were the following two variables: economic strain, which respondents reported in the

second questionnaire mailed five months after the shutdown; and family financial management, measured in an initial questionnaire one month subsequent to the closing.

Indices of Independent Variables

Economic strain was the sum of eight items which asked whether workers had difficulty acquiring both necessary and more optional consumer items—food, clothing, housing, furniture, car, leisure—as well as paying bills in general (Pearlin, et al., 1981). Scores ranged from 0–8, with higher scores indicating greater economic strain. Cronbach alpha was .86.

Family structure referred to parents' self-reports of their marital status as to whether they were currently single, divorced or separated, on the one hand; or married, on the other. Family structure was constant over the nine month period of study.

Moderating Variables

Two family coping strategies were considered as potential moderating variables. An economic coping strategy, family financial management, was measured using a subscale of ENRICH (Olson, et al., 1982). Ten items, each scored 1–5, had a possible range of 10–50, with the higher scores indicating more attempts at handling financial matters. Respondents were asked to indicate their agreement or disagreement with ten items such as the following: "We are both aware of our major debts, and they are not a problem for us." Cronbach alpha was .74.

The second, an internal family coping strategy through redefining or reframing the situation was measured using a subscale of F-COPES (McCubbin, et al., 1982). Eight items, scored 1–5, assessed coping through redefining the situation. The range of possible scores was 8–40, with higher scores indicating more efforts at reframing. Respondents were asked to assess their families on items such as the following: "Defining the family problem in a more positive way so that we do not become too discouraged." Cronbach alpha was .88.

Three parental psychological resources were considered as potential moderating variables. First, to assess parental well-being, the depression scale was adapted from research by Pearlin and associates (1981). This was a nine-item scale with a possible range of scores from 9–27, in which high scores indicated

greater depression. Respondents indicated, for example, "During the past week, how often did you feel bored or have little interest in doing things?" Cronbach alpha was .89.

A second psychological well-being variable, parental hostility, was measured using a subscale of the SCL-90 (Derogatis, 1977). The six items to which displaced workers responded, scored 1-3, measured frequency of occurrence of hostile thoughts, feelings, and actions. The possible range of summary scores was 6-18, with the higher scores indicating greater anger-hostility. Cronbach alpha was .84.

Third, to measure mastery, or a feeling of control over one's future, displaced workers were asked how strongly they agreed or disagreed with seven questions developed by Pearlin and associates (1981) such as the following: "There is little I can do to change many of the important things in my life." Summary scores for these items, each scored 1-4, had a possible range of 7-28, with higher scores indicating higher sense of mastery. Cronbach alpha was .81.

Dependent Variable

Displaced workers were asked to recall whether each of seventeen specific difficulties began to be experienced by the oldest child living at home during the period from five to eight months following the plant closing.¹ These negative experiences are most pertinent to school-age children and pertain to school performance, psychological disturbance, interpersonal relationships, and familial relationships. The children were typically school age, the range being five to nineteen years, and the average age being thirteen. Cronbach alpha for the difficulties was .7.

Table 1 shows Pearson zero order correlations, means, and standard deviations for all variables in this study.

Findings

Economic strain has been related to a number of negative impacts for displaced workers' families (Perrucci, et al., 1988). In this study the greater the workers' perceived economic strain, the more problems they reported for their oldest child ($r=.49$, $p<.004$). When the data were examined for the six items for which at least one-fifth of the children had the problem,

economic strain was highest in families in which there were problematic relationships between the oldest child and its siblings ($r=.42$, $p=.01$). Economic strain was less strongly related to the child's problems with his/her mother ($r=.28$, $p=.04$); to the child's failure to keep up with school work ($r=.08$, $p=.32$); the child's failure to accept parental rules ($r=.22$, $p=.09$); the child's short temper with its father ($r=.14$, $p=.22$); or the child's teasing of other children ($r=.18$, $p=.13$). Such characteristics of children cannot be attributed unambiguously to problems from economic stress *per se*. Nevertheless, these data do tell us something about the quality of family life for children of these blue-collar workers.

Previous research has shown that whether and to what extent economic strain adversely affected displaced workers *themselves* depended importantly on the presence of individual and familial resources and coping strategies (Perrucci and Targ, 1988). In this study, ideally, the association between parental economic strain and children's problems would be examined by step-wise multiple regression in which main and interacting effects could be determined independently. Unfortunately, interaction terms were so highly intercorrelated with other variables (.9) as to preclude such an analysis. Alternatively, the potentially moderating variables were added to the multiple regression equation one at a time to assess their contribution.

When children's problems were regressed on parental economic strain, the beta was .49 ($p < .004$), adjusted R^2 being .22. When the parental psychological resource of lack of depression was added to the equation, its beta was .36 ($p=.04$) and R^2 increased to .30. In this expanded equation the beta for economic strain and difficulties of the oldest child dropped from .49 to .32 ($p=.07$).

A second potential modifying variable was angry-hostile thoughts and actions, which have been found among individuals' reactions to unemployment and economic strain (Ridley and Wilhelm, 1988). There have been suggestions in the literature, for example, that some unemployed men became abusive husbands and fathers (Parke and Collmer, 1975; Broman, et al., 1989).

On average (mean), the level of hostility among the displaced workers in this study was eight on a scale ranging from six to eighteen. According to their self reports, fewer than 10% often or occasionally had "urges to beat, injure or harm someone"; or "urges to break or smash things." Fifteen percent shouted or threw things. About one-fifth (21%) got into frequent arguments; and one-quarter (25%) had temper outbursts they could not control. On the other hand, almost two-thirds (62%) often or occasionally felt "easily annoyed or irritated." These percentages were similar to the formal norms regarding percentage reporting each symptom for a non-patient normal sample of males (N=493) and females (N=480), a stratified random sample from a single county in a large eastern state (Derogatis, 1977:30-31). On the other hand, these levels of general hostility were higher than scores on a similar measure of hostility which was directed specifically at spouses and children according to self-reports of blue-collar auto workers in Michigan (Broman et al., 1989).

Hostility was related to worker's economic strain; the greater the perceived economic strain, the more angry and hostile the displaced workers were ($r=.39$, $p=.03$). Parental hostility was also related to children having problems; the more hostile the parent, the more troubled the oldest child at home ($r=.56$, $p=.001$). This is consistent with findings of Great Depression era research regarding the negative impact on children of fathers who became punitive as a result of income loss. When parental hostility was added to the regression of children's problems on parental economic strain, the beta dropped from .49 to .32 ($p=.04$), with adjusted R^2 increasing from .22 to .36.

Family Structure and Children's Problems

Job and income loss have been found to influence family structure, particularly if the marriage was already weak prior to a spouse's unemployment (Moen, et al., 1983). This sample of displaced workers reported a high level of marital happiness,² and such happiness and stability in family structure over the nine month period subsequent to the plant closure (Perrucci and Targ, 1988).

Rather than conceptualizing family structure as a moderating variable, it was treated as an independent variable in this study. Of the thirty-eight respondents who were parents, twenty-eight lived in two-parent households. For both the women and men, previous employment had had similar meaning and their unemployment had had similar individual impacts (Perrucci and Targ, 1988). Therefore, to the extent that children's responses to unemployment were conditioned by their parent's responses, children were expected to be similarly affected by maternal and paternal job loss. Indeed, among the married workers with children there was no difference in problems for oldest child for displaced women's families ($\underline{M} = 2.7$) in comparison to displaced men's ($\underline{M} = 2.7$).

Among the single parent families in this study, as nationally, ninety percent were headed by a woman (i.e., only one was not female-headed). Interestingly, these single parents' children experienced more problems ($\underline{M} = 5.3$) than did married parents' children ($\underline{M} = 2.1$), on the average [$t(31)=2.71, p<.05$].³

Conditions of life in female-headed families have often included fewer financial resources, greater economic strain and greater psychological strain following job and income loss (Rosen, 1988; Schlozman, 1979). For the respondents in this study, economic strain was perceived to be greater for displaced workers living in single in contrast to two-parent families ($r = -.54, p = .001$). When workers' children's problems was regressed on family structure, the beta was $-.41$ ($p = .02$), with adjusted R^2 being $.14$. The beta changed to $-.28$ ($p = .09$) by the introduction of the parental psychological resource of lack of depression, and adjusted R^2 increased to $.29$.

Another psychological resource which was examined in relation to children's problems was parents' sense of mastery over their fate in general (beta was $-.35, p = .05$). When added to the regression of children's problems on family structure, beta dropped from $-.41$ to $-.26$ ($p = .14$), while the adjusted R^2 increased from $.14$ to $.22$.

Regarding a third psychological resource, there was no significant effect of entering a coping strategy whereby the family redefined or reframed the situation to the regression of children's problems on parental economic strain.

Table 1
 Correlations, Means And Standard Deviations Of Study Variables (N=38)

	1	2	3	4	5	6	7	8	9
1. Gender									
2. Marital status	-.08								
3. Problems with child	-.41 ^a	.43 ^a							
4. Mastery		-.47 ^b	.49 ^b						
5. Economic Strain		-.49 ^b	-.45 ^b	.48 ^b					
6. Hostility			.18	.32	.51 ^b				
7. Financial management			.02	-.10	.18	.35			
8. Reframing			-.41 ^a	.43 ^a	-.54 ^c	.41 ^a	.33		
9. Depression				-.47 ^b	.49 ^b	-.23	.47 ^b	.36 ^a	
M	1.8	3.7	2.8	21.0	5.2	14.2	34.6	33.0	17.2
SD	.4	.6	2.4	3.9	2.5	4.4	6.9	5.1	4.6

^a P < .05
^b P < .01
^c P < .001

Summary

For a small sample of Indiana families that experienced unemployment due to a plant closing, parents' perceptions of the amount of economic strain they were undergoing was related to a larger number of problems (with schoolwork, parents and siblings) for their children. Children's difficulties were reduced if the parent had a low level of depression and hostility. Parental use of a financial management strategy, however, did not affect difficulties of children.

Family structure was also related to children's problems, with children in single-parent households experiencing more problems than those living with both parents. In two-parent families, children were equally troubled, whether it was the mother or the father who was unemployed. For children living with only one parent, their greater disadvantage was reduced if the parent (usually the mother) was not depressed, or had a sense of control over her life in general. Her attempts to define the situation in a more positive way, however, did not affect her perceptions of her children's problems.

Third, there was no significant effect of entering a family financial management variable, ENRICH, to the regression of children's problems on parental economic strain. Apparently, parents' efficacious handling of finances does not mitigate deprivations to which children are responding.

This research suggests that children of the 1980s, like children of the Great Depression, can suffer from the transformation of the American economy which is entailing mass unemployment and income loss (see, also, Flanagan, 1988a, 1988b). Such effects on children are also affected importantly by parental reactions to their situation. This study, in contrast to Depression-era studies, suggests that in contemporary two-parent families income loss of either the mother or the father can impact on the child.

There is reason for approaching these findings as preliminary. It is difficult to know with any certainty how closely the respondents represent the original population. The small number of respondents also limits the nature of data analysis that can be done.

Longitudinal studies with larger samples and control groups are needed to better determine causal effects of job and income loss on families. The nature of impact of maternal unemployment especially warrants further research as more mothers enter the labor force and are subsequently subject to insecure work, layoffs and plant closures. Moreover, as the number of single parent households continues to grow, (Moen et al., 1983) through economic insecurity, divorce or other routes, research is needed to understand factors that improve the quality of life for both the parent and her children.

Notes

1. A full listing of the items is as follows: doesn't keep up with school work; poor grades; has trouble getting along with others; often blows up easily with mother; often blows up easily with father; has money fears; often wakes up in a panic; doesn't get along with brothers and sisters; doesn't accept rules set by parents; chooses friends that parents don't approve of; teases other children; doesn't get along with other children at school; smokes; plays hookey from school; often plays alone; doesn't keep a friend very long; and trouble with the police.
2. Marital happiness was measured by a single item with response categories ranging from "Extremely Unhappy" to "Perfect" (dyadic satisfaction subscale of Dyadic Adjustment Scale developed by Spanier, 1976).
3. As was the case in this study, single-parent families are usually families in which divorce has occurred. Although no norms exist, children in such families typically have been found to experience more of a variety of problems, including psychological and interpersonal problems, than children in intact families. Such difficulties are hypothesized to arise for multiple reasons, including the usually greater economic hardship of single-parent families. Additional causes are thought to include the absence of one parent from the home and discord between the child's parents (Krantz, 1988).

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