



Financial Impact of Care for Disabled and Chronically Ill Children in Poor Families

Source: Lukemeyer, A., Meyers, M.K., & Smeeding, T. (2000). Expensive children in poor families: Out-of-pocket expenditures for the care of disabled and chronically ill children in welfare families. *Journal of Marriage and the Family*, 62, 399-415.

Although disability is not limited to any socioeconomic status, children in low-income families have been estimated to have as much as a 40% higher risk of being disabled than those who are more affluent. Possible explanations for this disparity include a lack of resources and inadequate health care in low-income families. Exacerbating the situation, a child's disability may further increase the chance that a family is poor. This research article examines private costs resulting from caring for children with disabilities among California families receiving Aid to Families with Dependent Children (AFDC; now Temporary Assistance for Needy Families, TANF), by using a human capital approach, which stipulates that care for children with disabilities imposes both direct costs to families in the form of child care, special services, hospitalization, etc, as well as indirect costs related to caregivers' loss of earnings because of the extra time they must devote to child care. Ramifications of the findings for public policy and the estimated 16% of welfare-recipient families who have a child with a disability are presented.

Participants in this study were a subset of a stratified random sample of single-parent and two-parent welfare (AFDC, now TANF) recipients in four California counties who, in 1995, had completed the second wave of the AFDC Household Survey, a research project conducted by the Department of Social Services of the state of California and the University of California Data Archive and Technical Assistance Program. Families in the current study were classified as having a disabled or ill child if the mother:

Answered 'yes' to any of three screening questions: whether any of their children (a) had a chronic health problem – physical, emotional, or mental – that limited the amount or kinds of things that the child could do; (b) had a disability or handicapping condition that limited the amount or kind of things the child could do; or (c) received SSI benefits. (p. 403)

The researchers also asked additional questions that allowed them to categorize participant families' children as having

Results	<ul style="list-style-type: none"> • Disabilities and chronic illness affect as many as 20% of children in the welfare population. • Nearly one half of families with special needs children reported that they incurred extra, out-of-pocket expenses related to the care of these children in the prior month. • Mothers of special needs children were less likely to be employed. • The more severe the disability, the more direct costs families incurred, and the more likely that mothers either didn't work or worked fewer hours. • Unless they were receiving SSI, families with special needs children were more likely to experience extreme poverty than those with healthy children – even before considering out-of-pocket disability-related expenses.
----------------	--

mild, moderate, or severe limitations. Furthermore, children's conditions were categorized according to the type of difficulty, including physical disabilities such as respiratory diseases, as well as behavioral and learning disorders and mental and emotional

illness. Finally, families were asked an array of questions relating to the amount and type of expenditures caused by children's disabilities, as well as the work history of caregivers. Many of the results are listed in the accompanying text box.

One particularly interesting finding was that in attempting to determine characteristics of children's disabilities that were predictors of special child-care expenses, only families with children who had visual or hearing impairments or children with mental or emotional illnesses were more likely to have incurred child-care costs.



DATA TRENDS: February, 2001 #22

Summaries of research on mental health services for children and adolescents and their families



Taken together, these findings provide useful information relating to public policy funding. For instance families who were receiving SSI were significantly less likely to be below the poverty line than other families with severely disabled children. Similarly, families receiving Medicaid were significantly less likely to have incurred out-of-pocket expenses and to have paid less for services than families without health insurance or with private health insurance. Programs such as TANF, SSI, and Medicaid serve vital roles in assisting low-income families who have children with disabilities. These findings are particularly important given time restrictions for aid enacted with TANF, as well as new, more stringent definitions of a disability that have limited the number of families who qualify for SSI. Without these services, families might very well slide into deeper poverty, increasing the risk for negative outcomes.

Prepared by the Research and Training Center on Family Support and Children's Mental Health, Portland State University, 1912 SW 6th, Rm. 120, Portland, OR 97201, (503) 725-4040 in collaboration with the Research and Training Center for Children's Mental Health, University of South Florida. Contact frieseb@rri.pdx.edu, or www rtc.pdx.edu.

Funds to support this activity come from the Child, Adolescent and Family Branch, Federal Center for Mental Health Services, Substance Abuse Mental Health Services Administration