



# Material Hardship Among Family Counts Families During COVID-19



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The Senator Walter Rand Institute for Public Affairs (WRI) at Rutgers University - Camden produces and highlights research leading to sound public policy and practice, and with that as a foundation, aims to convene and engage stakeholders in making the connections across research, policy, and practice in support of Southern New Jersey residents. From 2013 to 2022, WRI has conducted a comprehensive evaluation of the implementation of the Pascale Sykes Foundation's Whole Family Approach initiative across 12 nonprofit collaboratives in Southern New Jersey. The Whole Family Approach is a preventative, family-led strategy that provides adults and children tools to set, plan for, and achieve goals together. Collaborating agencies work together with families with two adult caregivers to develop long- and short-term goals to thrive. WRI's evaluation of the Whole Family Approach includes:

- A longitudinal, quasi-experimental evaluation of families' changes in forming healthy relationships, child wellbeing, and financial stability,
- A process evaluation to understand how the Whole Family Approach was implemented across collaboratives, including observations, interviews, focus groups, and document review, and
- Multiple focused evaluations that examine the impact of the Whole Family Approach in areas of interest including student social, emotional, and behavioral growth, service model delivery, family-community partner relationship development, and the cultural responsiveness of the Whole Family Approach.

This report uses Family Counts survey data and the survey's material hardship scale, a measure of basic needs insecurities, to examine families' changing financial situations during the first year of the COVID-19 pandemic. This report outlines the experience of material hardship among Family Counts families during the initial phase of COVID-19, which could have implications for families' experiences of poverty and provide insights for how and where to best allocate resources moving forward.

As part of the financial wellness construct of the Family Counts survey, and one of the three main pillars of the Whole Family Approach of financial stability, the material hardship scale was used throughout the evaluation in the main adult survey questions. Material hardship is a consumption based measure of economic prosperity that refers to current resources available, and the ability to manage those current resources effectively to meet basic needs (Ouellette et al., 2004; Pilkauskas, Currie, & Garfinkel, 2012). In short, material hardship is the "ability to meet basic needs."

The multidimensionality of experiencing poverty suggests that other factors contribute to the experience of material hardship, and many factors during COVID-19 may have contributed to the experience of material hardship during this time. Studies relying solely on poverty rate or income accounts for just one dimension of economic hardship, and material hardship assesses economic hardship through a consumption based measure, as respondents apply their limited resources to fill objective concrete needs (i.e. paying rent, paying a utility bill, buying groceries) (Ouellette et al., 2004; Pilkauskas, Currie, & Garfinkel, 2012). Material hardship in the Family Counts survey is derived from the Fragile Families and Child Wellbeing Study (FFCWS), and is defined as how much a person experienced various challenges, such as not being able to pay a utility bill or accepting free food, because of monetary constraints within the past 12 months (CRCW, 2013; CRCW, 2019, p. 33). Higher levels of material hardship indicate lower ability to meet basic needs.

The 13 material hardship items used in the FFCWS are derived from the “Basic Needs – Ability to Meet Expenses” section of the Survey on Income and Program Participation (SIPP) 1996 Panel, the 1997 and 1999 New York City Social Indicators Survey (SIS), and the 1999 Study of Work, Welfare, and Family Well-Being of Iowa Families (IOWA) (Bauman, 1998; Bauman, 1999; CRCW, 2013; CRCW, 2019; Social Indicators Survey Center, 1999; Survey on Income and Program Participation: 1996 Panel Wave 8 Adult Well-Being Topical Module Questionnaire, 1998).

In the FFCWS questionnaire, each of the 13 items asks if the respondent has experienced the hardship in the prior 12 months, with the answer options being yes/no (CRCW, 2013, p. 128; CRCW, 2019; Pilkauskas, Currie, & Garfinkel, 2012). The answers to yes/no are cumulative, ranging from a material hardship score of 0 to 13 (or 13 to 26), 13 indicating the most “yes” answers, and therefore the greatest extent of material hardship (CRCW, 2013; CRCW, 2019; Pilkauskas, Currie, & Garfinkel, 2012).

Despite the frequent use of material hardship as a measure of economic well-being in past research, there is no standard measure of material hardship across the United States (Ouellette et al., 2004; Schwartz-Soicher, Geller, & Garfinkel, 2011; Short 2003). As such, there is much variety in the specific indicators (i.e. food security, housing quality and stability) researchers have used in prior material hardship indices (Ouellette et al., 2004). Differences among material hardship indices makes it difficult to compare results across studies, and the material hardship index is often used as a complement or alternative to other income and income-related (i.e. federal poverty line) indicators (Beverly, 2001; Mayer & Jencks, 1989; Ouellette et al., 2004; Rector, Johnson, & Youssef, 1999).

For this evaluation, the Family Counts Survey modified the material hardship scale from 13 to 12 questions, and changed the time frame of the questions from “in the past 12 months” to “in the past 6 months.” Additionally, a question about lending money to family or friends was added, and the question, “In the past 6 months, was service disconnected by the telephone company because payments were not made?” was added into the

Family Counts survey’s material hardship scale. Three questions from the FFCWS material hardship scale were not included (1. “In the past 12 months, did you not pay the full amount of the gas, oil, or electricity bill?,” 2. “In the past 12 months have you cut back on buying clothes for yourself?,” and 3. “In the past 12 months have you worked overtime or taken a second job?”).

Assessing levels of material hardship during the pandemic further contextualizes the experiences of families from existing research, and can serve as a supplement to WRI’s prior reports and studies during the pandemic as a part of this evaluation (e.g., COVID impacts, supporting collaboratives: A qualitative evaluation of collaboratives’ work with the Whole Family Approach during the COVID-19 pandemic, 2020).

## **METHODS**

The data used for this report was from March 2, 2020 until April 30, 2021. Adults participating in the Family Counts survey completed self-report surveys once every six months around several components of the three pillars of the Whole Family Approach, one pillar being financial stability. A composite score of material hardship was also created to help understand the overall basic needs insecurities that families were experiencing during this time (minimum 12 maximum 24). Variables were reverse coded where needed. We broke down the time period to see differences in material hardship at baseline, 6 months, 12 months, 18 months, and 24 months. Data points for the data used in this report are presented from adults split by time period - baseline, 6 months, 12 months, 18 months, or 24 months. Due to the rolling basis nature of entrance into the survey and follow-up data collection, some adults have multiple responses/data points across the selected time frame. Frequency and descriptive data analysis were conducted.

## **FINDINGS**

For the composite material hardship variable, among baseline adults during COVID-19, the average experience of material hardship was 12.96 (minimum 12, maximum 16). This average indicates that adults in the survey at this time overall experienced minimal levels of material hardship.

The adults measured at the 6 month follow-up had the highest reports of experience of material hardship at 14, with the lowest experience of material hardship at baseline, 12.96, which may suggest material hardship increased or exacerbated as the pandemic continued.

*“The material hardship data supports the rise in food insecurity during this time, as many respondents reported accessing free food and meals to help their families.”*

Time Period	n	Minimum	Maximum	Mean
Baseline	31	12	16	12.96
6 months	7	12	19	14
12 months	10	12	16	13.6
18 months	16	12	15	13.19
24 months	39	12	16	13.1

	% Baseline	% 6 months	% 12 months	% 18 months	% 24 months
n	31	7	10	16	39
In the past 6 months, did you receive free food or meals?	38.70%	28.60%	40%	37.50%	41%
In the past 6 months, did your (child/children) go hungry?	3.20%	0%	0%	0%	0%
In the past 6 months, did you go hungry?	3.20%	14.30%	0%	0%	0%
In the past 6 months, were you [not] able to pay the full amount of rent or mortgage every month?	9.70%	42.90%	30%	31.30%	23.10%
In the past 6 months, were you evicted from your home or apartment for not paying the rent or mortgage?	0%	14.30%	0%	0%	0%
In the past 6 months, was service turned off by the gas or electric company or did the oil company not deliver oil?	0%	0%	0%	0%	0%
In the past 6 month, was service disconnected by the telephone company because payments were not made?	0%	14.30%	20%	6.30%	10.30%
In the past 6 months, did you borrow money from friends or family to help pay bills?	3.20%	28.60%	50%	12.50%	5.10%
In the past 6 months, did you lend money to friends or family to help pay bills?	19.40%	28.60%	10%	31.30%	15.40%
In the past 6 months, did you move in with other people (even for a little while) because of financial problems?	6.50%	28.60%	0%	0%	5.10%
In the past 6 months, did you stay at a shelter, in an abandoned building, an automobile, or any other place not meant for regular housing (even for one night)?	0%	0%	0%	0%	2.60%
In the past 6 months, was there anyone in your household who needed to see a doctor or go to the hospital but could not go because of the cost?	12.90%	0%	10%	0%	5.10%

Among specific basic needs hardships, the most common across all timepoints was receiving free food or meals; however, very few participants reported themselves or their children going hungry, suggesting that available food resources and social service agencies may have helped fill this basic need during the first 14 months of the pandemic. In New Jersey, a report by the Community FoodBank of New Jersey (CMFBNJ) projected food insecurity (unstable access to healthy foods) during the pandemic to increase over 56% of pre-pandemic levels for New Jerseyans, with a disproportionate increase (75%) in child food insecurity (2020). The material hardship data supports the rise in food insecurity during this time, as many respondents reported accessing free food and meals to help their families.

A more common hardship included not being able to pay rent or mortgage at some point in the past six months, which would align with the loss of jobs and income during this time period. In April 2020, just over half of the February workforce (35% of all adults) lost their job, had hours reduced, took a pay cut, or were furloughed as a result of the coronavirus outbreak (Kaiser Family Foundation, 2021). This included three-fourths (76%) of those who were employed part-time, about two-thirds of hourly or contract workers (68%), and 65% of workers from lower-income households (those earning less than \$40,000 annually). By March 2021, 44% of adults reported that someone in their household lost their job or income since February 2020 due to the pandemic, with Black and Hispanic households disproportionately comprising almost half of households impacted (Kaiser Family Foundation, 2021). Respondents also reported experiencing disconnection from telephone/wireless service during this time, which could be related to transitions from work and school to home, and gaps in service connections.

Interestingly, respondents shared that they both borrowed and lent money to friends and family during this time as well, suggesting the reliance of social bonds during times of uncertainty and stress.

Respondents were least likely to report having stayed in a place not meant for regular housing, having gas or electricity shut off, or being evicted from their homes during this time. These low

reports may be related to the housing protections put in place during national/state emergency declaration. The New Jersey Governor placed a moratorium on evictions from March 2020 until December 2021 helping thousands of families remain stably housed during this time (State of New Jersey, 2020). Restrictions on utilities shutoff and internet shutoff (through Executive Orders 229 and 246) presumably helped thousands of families meet needs during this time through December 31, 2021 as well. Governor Murphy also signed a bill to extend the payment grace period for utilities until March 15, 2022 to prevent water and utility-shutoffs (Balcerzak, 2021; Burns, 2021).

Overall, low percentages of adults in the Family Count survey reported experiencing material hardship during this time, with most challenges arising around food insecurity, lower incomes and ability to make payments, and technology access. There may be other basic needs not captured through these survey questions that families struggled with during this time, and some of these basic needs are probably underreported.

## **DISCUSSION**

The pandemic's devastating effects severely limited many families' ability to meet their basic needs. Lost jobs, reduced hours, diminished income, and strained or incomplete access to resources left many families and individuals to make tough choices between basic needs such as food, utilities, and transportation (Walter Rand Institute for Public Affairs, 2021).

In 2020, according to the U.S. Census Bureau Household Pulse Survey, more than half of New Jersey residents (53%) reported loss of employment income since the pandemic's beginning and the majority of respondents (56%) reported difficulties paying for usual household expenses during the pandemic (Kapahi, 2020a; U.S. Census Bureau, 2019 & 2020a). By the end of 2021, the same survey revealed that 17% of New Jersey Residents continued to report loss of employment income, but 55% continued to report difficulties paying for usual household expenses (U.S. Census Bureau, 2021). These challenges were heightened for working families, exactly the families served through the Family Counts initiative.

In 2020, families with children were twice as likely (19%) compared to 2019 (10%) to report that it was “very difficult” to cover usual expenses during the last seven days as households without children (9%) (Kapahi, 2020b; U.S. Census Bureau, 2019 & 2020b). By the end of 2021, 16% of families with children still reported that it was “very difficult” to cover usual expenses during the last seven days, and these challenges have continued as the pandemic evolves into new variants and economic stressors remain (U.S. Census Bureau, 2021).

During the first few months of the pandemic, the Pascale Sykes Foundation provided collaboratives with additional cash funds to support their direct service provision work. The connections the adults from this survey and their families have with the PSF-funded collaboratives may have also provided opportunities to supplement income or receive gift cards to pay for needs such as groceries, internet access, or a tablet or laptop for work or for school. The additional

financial support not only provided resources and filled immediate, critical needs to dozens of families, but reflects a flexible approach in providing funds and resources to those in need during times of crisis.

## CONCLUSION

Overall, while social science measures of material hardship may measure specific areas and metrics, experience of material hardship day-to-day is immensely more nuanced and complex. Any experience of material hardship, as reflected in the data reported here, represents Southern New Jersey adults and their families not being able to make ends meet throughout COVID-19. The basic needs represented through the material hardship scale are the foundation for engagement towards healthy relationships, financial stability, and overall well-being. These provisions are essential and should be attainable by all families. Social service and assistance programs and protections can help ensure these needs are met, and continue to be met.

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