All in the Family:
Children, Race/Ethnicity, and Adult Wealth Accumulation

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March 2007

Word count: 8,429

***** We are grateful for comments from Doug Downey, Rachel Dwyer, Adrianne Frech, Lisa Keister, and Zhenchao Qian.

INTRODUCTION

No stratification indicator is more widely distributed than net worth, though some research posits income, expenditures, and material well-being as alternative indicators of economic inequality (Mayer and Jencks 1993). Nonetheless, these measures fail to capture growing economic stratification caused by rapidly expanding wealth inequality in America. As an overall trend, total wealth greatly increased since the middle of the 20th century. In 1950, Americans held net worth totaling $1.02 trillion and by 2006 these holdings swelled to $53.1 trillion (Federal Reserves 2006).[1] Importantly, only the top 1 percent of the wealth distribution increased their holdings between 1983 and 1998 (Wolff 2001). In contrast to the increasing prosperity for some, the proportion of Americans with zero or negative assets rose from 15.5 percent in 1989 to 18 percent in 1998 (Wolff 2001). Additionally, between 1979 and 1997, the number of personal bankruptcy filings increased by 400 percent (Sullivan, Warren, and Westbrook 2000). Further complicating this picture, income explains very little of the magnitude of the rising wealth. While total family income increased during the 1980s and 1990s, it did not increase at the rate of household wealth (Wolff 2001). Clearly, there is a growing disparity between the wealthy and the asset-deprived. Though sociologists have recently focused more attention on wealth accumulation, they have only begun to understand the processes driving such inequality.

Family characteristics have become increasingly important to researchers' understanding of how and why changes in wealth generate escalating inequality over time. Current wealth research briefly addresses the relationship between the number of children and adult wealth accumulation, but the little research done in this area remains largely descriptive in nature (e.g. Oliver and Shapiro 2006; Keister 2005; Yamokowski and Keister 2006). Most recent research on

[1] Figures are converted to 2006 dollars using the Consumer Price Index.

wealth inequality in the United States focuses on early childhood and adolescent traits that influence adult wealth accumulation (e.g. Keister 2003b). Certainly, these early life characteristics affect future financial trajectories, but more research needs to address important events in the adult life course. The number of children in a household occupies an important role for wealth accumulation because additional children may dilute family financial resources. This dilution not only may strain family finances, but may also affect children's life experiences. For example, smaller families may be better able to afford and facilitate cultural pursuits (Blake 1989, 1991; Downey 1995). Yet, current research on the effect of the number of children on family net worth reaches contradictory conclusions (e.g. Oliver and Shapiro 2006; Keister 2005). Children may be detrimental to family finances by overwhelming and exhausting family resources, but additional children may also serve as motivating factors to increase savings (Lupton and Smith 2003). Furthermore, the relationship between the number of children and family wealth may vary substantially by race and ethnicity. Minority families experience greater barriers to educational, occupational, and financial opportunities in comparison with Whites. As a result, minority families accumulate lower net worth (e.g. Conley 1999; Oliver and Shapiro 2006). Thus, when minority families begin to have children, they may be more likely to have lower net worth and fewer financial resources than White households.

To explore the relationship between children, race/ethnicity, and adult wealth accumulation we use the National Longitudinal Survey of Youth, 1979 cohort, because of its detailed asset and family questions. We use multi-level linear growth models to focus on wealth trajectories across life course events. Using multiple repeated measures, our strategy allows us to look at the time-variant effects of children on future wealth outcomes. Additionally, by using linear growth models, we employ a statistical method that explicitly models change in household

wealth over time. Finally, the ability to study wealth accumulation over time is especially advantageous because it allows us to investigate both the direct and long-term effects of the number of children. Therefore, we have the ability to focus on both short- and long-term consequences for wealth accumulation that may result from changes in household composition.

Household Wealth Accumulation

Number of Children

In one view, children may be seen as financial burdens as they consume both current financial resources and potentially diminish accumulated savings. For a two-parent family in the middle of the income distribution, the cost of raising a child to age 18 is nearly $200,000 (Lino 2002). If expenses such as a home computer, private schooling, and/or a college education are included, the cost is much higher. Moreover, this estimate can be viewed as conservative since it does not account for parental sacrifice such as lost wages and income (Klute et al. 2002; Raley, Mattingly, and Bianchi 2006). Due to the high expense of children, parents may be unable to save enough money to adequately finance the child. If savings from current income are not enough, parents may be forced to tap into other accumulated financial resources. When these resources still fall short, parents may also take on additional debt, which decreases their net worth (Sullivan et al. 2000). In this view, children stretch family budgets, drain savings, and potentially drive parents into debt. Thus, children negatively affect family wealth trajectories.

Alternatively, though children may be expensive, families may adjust their spending and saving habits to absorb this financial strain. A child's impending arrival might also serve as an impetus for families to begin or increase savings. Resources to finance children might originate from a variety of sources including savings, financial transfers from relatives, current income, and/or government assistance. Families may also draw upon relatives and friends for help with

expenses as well as depend upon their labor. For example, many parents receive gifts such as clothing, toys, and other child necessities, which help to defray future costs. Additionally, grandparents and neighbors may assist with childcare. Parents may also reduce consumption spending such as dining at restaurants. Importantly, many parents purchase homes. By owning a home, families transition rent money into wealth-enhancing equity. In sum, parents may employ resources that off-set the expense of children as well as adjust their spending and saving practices. This may allow parents to continue their current wealth trajectories, or at the minimum, to avoid financial set-backs.

Family resources are finite. As the number of children increases, each child consumes a share of the family's financial resources for education and other childhood activities. Moreover, family expenditures on children will certainly increase over the life course. Household wealth trajectories may rise to meet the financial demands of children or wealth trajectories may plummet from the resource strain. Current research reflects this ambiguous relationship between children and wealth by reporting mixed results. Some researchers note a positive relationship between children and family financial resources (Yamokowski and Keister 2006). Specifically, regression analysis reveals that families accumulate significantly more wealth with the second and third child (Keister 2005). In contrast, descriptive analysis suggests that the first child substantially hurts net worth, the second child has no effect, and additional children harm wealth (Oliver and Shapiro 2006). This same research, using regression analysis, reports no relationship between the number of children and net worth (Oliver and Shapiro 2006). Other research supports this null finding (Hurd 1990; Lupton and Smith 2003) or suggests a relationship that varies by the age of the children (Hao 1996). This inconsistency in previous research may reflect sampling and/or methodological differences. Yet, research using more stringent methods

suggests that families successfully manage the financial demands of children (Keister 2005). For example, parents may build savings to finance future adolescent activities such as sports and/or other extracurricular activities. Additionally, parents may invest in college savings plans to help with the increasing cost of a college education. Since parents may respond to an increasing number of children by accumulating financial resources, children can be seen as a savings and investment catalyst. Thus, we expect that as the number of children grows, families will increase their total net worth.

Despite families' efforts to accumulate financial resources, smaller families may be able to accumulate more assets than larger families. Yet, such a relationship is a point of contention in the literature. Some research posits that families with children accumulate less net worth than childless families (Wolff 2001). In contrast, other research finds a substantial net worth advantage for families with one to three children (Keister 2005). Similarly, families with two or three children are significantly different than families with no children, but there is no effect for families with four or more children (Keister 2005). This suggests a threshold effect. After the first child, economies of scale may benefit families' expenses for additional children. For example, when compared to families with two children, families with three children may not spend substantially more on food, transportation, housing, and miscellaneous costs such as clothing and toys. Families may also intensify savings and further cut spending. Nevertheless, at some point, additional children will tip families' financial situations from saving to dissaving.

Importantly, there may be a selection effect when families consider adding children to their household. As a reaction to the expense of more children, some families may be inclined to postpone consumption, save more, and have fewer children (Friedman, Hechter, and Kanazawa 1994). Yet, examining the number of children in households across the wealth distribution

reveals little variation. From the richest to the poorest families, the average number of children only varies between 1.6 and 1.9, respectively (Keister 2005).[2] There is also little variation within racial/ethnic categories. Black and Hispanic families average 1.91 and 1.93 children under age 18, respectively, while Whites average 1.80 (U.S. Census Bureau 2005). Certainly, the financial repercussions from a child in a family with zero assets will be different than a child in a family with substantial assets. As a general trend, though, families will be unable to increase or maintain their financial resources past a certain point. Thus, we expect the presence of a threshold effect. After a certain point, additional children will decrease net worth.

Disaggregating Net Worth – Financial and Non-fungible Wealth

There is reason to believe that total net worth is not the best measure to accurately capture family financial resources (Oliver and Shapiro 2006). Within net worth are two important and distinct concepts: financial/fungible wealth and non-financial/non-fungible wealth.[3] Financial wealth is composed of assets that can be converted into cash relatively easily and quickly such as savings accounts and stock investments. Financial debts may include credit card balances, personal loans, and outstanding debts. Non-fungible assets consist of homes, cars, and/or other investments that are not readily converted into cash. Non-fungible debts may entail mortgages and car liens. It is important to consider these two wealth components separately because they signify different resource pools that affect families in different ways.

Financial wealth plays an important role within the family because it indicates command over future resources (Oliver and Shapiro 2006). Whereas homes and vehicles certainly confer benefits, their equity is less likely to be liquidated for children's expenses. More immediate uses of financial wealth may include financing educational expenses and/or cultural pursuits such as

[2] The mean number of children across the entire wealth distribution is 1.8 (Keister 2005).
[3] Financial wealth is the total value of liquid assets less liquid debts while non-fungible wealth consists of non-financial assets and debts.

travel or private lessons. Beyond immediate uses, financial wealth may underwrite important life course events when children reach adulthood such as college educations, marriages, and first home purchases. In one view, children may encourage savings behaviors because they represent future needs. Parents may anticipate future expenses and save appropriately in order to meet these future costs. Yet, current research finds a negative relationship between the number of children and financial wealth (Oliver and Shapiro 2006). Families may be able to successfully finance children with current income, but they may choose to transfer any additional savings into home or vehicle payments. This may help explain why some research reports no negative effect of children on overall net worth (Oliver and Shapiro 2006). Additionally, families may be limited in the amount of financial resources – both through income and other sources – that they can draw upon to finance children. Spending might increase with credit card debt bridging the gap between consumption and income. Thus, following previous research, we expect that as the number of children grows, financial wealth will decrease.

Non-fungible wealth represents a distinct financial resource that provides more readily apparent benefits. For example, families with children may purchase more economical and child-friendly vehicles. Some families may buy vacation property as a means to socialize their children into travel and allow them to experience different settings. Yet, the most common investment for the average American family, and the most substantial non-fungible investment, is the family home. Homeownership is an essential part of non-fungible wealth in numerous ways. For instance, homes can be viewed as forced investments because they require monthly mortgage payments (Oliver and Shapiro 2006). Through mortgage payments, families build equity and invest in an asset with potential market appreciation. Additionally, parents may move to neighborhoods with advantageous features such as desirable school districts. Neighborhoods

with attractive schools or other valued amenities are often more affluent. Consequently, houses in such neighborhoods may appreciate at faster rates. Therefore, we hypothesize that as the number of children grows, families will increase their non-fungible wealth.

As with net worth, additional children may encourage greater investment in non-fungible wealth to a point. After a threshold, though, the ability of parents to save and invest may diminish. Families may be unable to meet mortgage payments, increasing the amount of outstanding debt. Some families may take out second mortgages or lines of credit against their homes. These secondary loans may finance a number of expenses related to children such as college educations. Yet, no matter how the additional monies are distributed, the debt counts against the home and non-fungible wealth. Other families may be forced into expensive purchases such as larger vehicles with comparably larger monthly payments. If families grow too large for their current homes, they may upgrade houses. This home switching may entail great cost if families purchase more home than they can afford (Sullivan et al. 2000). Though the equity from the current home may be used for the ensuing downpayment, future mortgage payments may still be high. Besides mortgage payments, other expenses such as property taxes, utilities, and general maintenance may also increase. Thus, we again expect a threshold effect. After a certain point, additional children will decrease non-fungible wealth.

Racial /Ethnic Differences

Race/ethnicity will affect the relationship between the number of children and family wealth in different and substantial ways. A plethora of research identifies that minority families experience greater barriers to educational, occupational, and financial opportunities than White households. As a result of these impeded and/or blocked opportunities, minority families accumulate lower net worth (e.g. Conley 1999). Part of this disadvantage is because Black

households receive less financial assistance from relatives than White households (Hao 1996; Oliver and Shapiro 2006; Shapiro 2004). Additionally, Black households devote a greater percentage of their wealth to non-fungible assets (Oliver and Shapiro 2006; Shapiro 2004). Black households invest 73 percent of their total wealth in non-fungible assets, while White households only invest 49 percent (Oliver and Shapiro 2006). Though Black households are building equity, homeownership is a conservative wealth accumulation strategy. Since White households invest a smaller proportion of their financial resources in non-fungible assets, they have greater resources to invest in high-risk, high-return investments such as the stock market. This more risky wealth accumulation strategy allows White households to acquire net worth more quickly than Black households. Therefore, not only do White households receive more financial assistance from their parents, but their ability to invest greater financial resources in more lucrative investments compounds this initial advantage. Though not as prevalent as Black-White household wealth studies, some research finds similar differences for Hispanic-White household wealth (Campbell and Kaufmann 2006; Eller and Fraser 1995; Grant 2000).

With both financial and non-fungible assets, minorities have difficulty accessing financial investments. Though there are numerous processes that disadvantage minority efforts to acquire financial investments, we highlight several prominent barriers. First, investment differences in financial assets may arise from a lack of initial investment money, knowledge, or opportunity. For instance, children mimic their parents' investment behavior and build similar financial portfolios (Charles and Hurst 2003). Thus, children of families who do not invest in financial assets such as stocks and mutual funds will not have ideal opportunities to learn about investing or have an example to emulate in their adult lives. Second, minorities have been historically denied access to housing markets. Present and historic practices such as redlining, discriminatory

mortgage rates, and real estate agent steering prevent minorities from buying homes in more affluent areas (Conley 1999; Krivo and Kaufman 2004; Oliver and Shapiro 2006; Wilson 1996). Due to these practices, minorities often buy homes in areas that do not appreciate in value as quickly as homes in White neighborhoods (Conley 1999). Furthermore, Blacks and Hispanics tend to rent at much higher rates than Whites (Massey and Denton 1993; Wilson 1996). While their White peers build equity in their personal homes; high rates of renting further diminish minority wealth. Fourth, due to historic racism, minority families receive fewer and less valuable intergenerational financial transfers - both traditional inheritances and inter vivos - because their parents accumulated less wealth (Keister 2005; Oliver and Shapiro 2006; Shapiro 2004). Fifth, families without savings often pay, or pay more, for basic financial services that are commonplace to families with savings (Caskey 1994). Finally, savings habits may differ by race. Blacks save proportionately more than Whites as income increases; however, at lower income levels, Whites save several times the amount of Blacks (Oliver and Shapiro 2006). Yet, other research does not find racial savings differences (Conley 1999). In sum, the potential savings differences and the above processes combine to suppress the savings and investment abilities of minority households. It follows that when minority families begin to have children, they will have lower levels of net worth and fewer financial resources to draw upon. Therefore, we expect the relationship between the number of children and family wealth to vary by race.

Continuously Married Households and Marital Duration

Net worth is a household-level measure. Some research focuses on specific household structures such as single females (Yamokowski and Keister 2006) or unwed mothers (Conley 1999), but too often net worth is confounded across individual- and household-level distinctions. Additionally, time-constant measures of marital status that capture household formation in a given year fail to adequately model the benefits of marriage over time. In this study, we focus on continuously married households.[4] It is important to measure marital status over time because marital transitions at different points during the life course will carry sizeable and lasting financial implications for the individuals involved (Oppenheimer, Kalmijn, and Lim 1997). Moreover, length of marriage contributes to wealth accumulation (Hao 1996; Waite and Gallagher 2000). Couples married at younger ages will have substantially more time to accumulate wealth than couples married at older ages. Notably, these financial trajectories will be moderated by other factors such as educational attainment. Multiple studies highlight the positive wealth effects of bachelors and advanced college degrees (e.g. Keister 2005). Since college educated individuals marry at later ages (Teachman, Tedrow, and Crowder 2000; Shafer and Qian 2006), they may begin their marriages with less wealth than couples who marry at younger ages. Though educated couples may enter into their marriages with an initial disadvantage, they will quickly begin to accumulate wealth. Indeed, wives with higher educational attainment substantially increase their husbands' earnings (Loh 1996). Observing marriage over time allows the relationship between continuously married households and wealth to be assessed over many years instead of capturing wealth disparities in a given year.

[4] Certainly, the number of children in non-married households poses important and interesting questions, especially when considering race/ethnicity, but this extension is beyond the scope of this paper. In future research we plan to explore the relationship between number of children and different family formations such as single, divorced, cohabitating, and remarried households.

Marital Stability and Household Wealth Accumulation

Married households are more likely to accumulate greater wealth due to a variety of factors including a joining of assets, dual incomes, and lowered expenses from economies of scale. Importantly, married couples are in a unique position to capture both the benefits of financial and non-fungible wealth. Married couples accumulate greater wealth for several important reasons. First, a dual income household may be better positioned to make larger monthly mortgage payments, purchase more valuable cars, and/or invest in real estate such as vacation homes. Additionally, married couples may have more disposable income for lucrative investments such as the stock market. In families with a stay-at-home parent, benefits may arise from savings in areas such as child and home care. Second, the families of both parents may provide assistance with various payments and/or future financial transfers (Hao 1996; Waite and Gallagher 2000). Finally, mortgage payments are tax-deductible and some financial investments are tax-free. Not only do deductions and tax-exempt investments reduce taxable income, but they free investment money for additional mortgage payments and/or other investments. By transferring these advantages into larger downpayments, mortgage payments, and other investments, married couples build wealth more quickly than non-married individuals. Thus, we expect that, over time, marital duration will increase total wealth as well as both individual wealth components.

DATA AND METHODS

Data

To examine the effects of the number of children, we use the National Longitudinal Survey of Youth, 1979 cohort (hereafter NLSY79). The NLSY79 is a nationally representative panel survey that began in 1979 with 12,686 men and women aged 14-22.[5] Until 1994, the survey interviewed respondents annually, but afterwards switched to a biennial interview pattern. Due to the longitudinal structure as well as the depth and breadth of questions, the NLSY79 are excellent data for the study of wealth accumulation. These unique features allow us to follow the respondents across important life events such as education, marriage, and childbirth as well as observe essential economic indicators such as income, assets, and employment. Central to our study, wealth questions entered the survey in 1985 when all respondents were at least 20 years old. The wealth questions follow the general collection pattern except for 1991 and 2002 when asset or debt questions were not included.

We limit our sample to households who were married in 1985, the year wealth questions were introduced, or later. This allows us to analyze the relationship between children and wealth accumulation trajectories without confounding our results across household structure. Married households stay in the sample from their first year of marriage until the dissolution of their marriage or the end of our data in 2004. Thus, each household has a varying number of years of continuous marriage. For our analyses, our sample size is 6,196 married households. These households contribute 33,129 person-years of continuous marriage.

Dependent Variable

Our primary dependent variable is net worth. Net worth is measured as the total value of assets less the total value of debts. We also model two additional dependent variables by

[5] In 2004, the respondents are aged 39 to 47 years.

disaggregating the net worth variable into its two component parts: financial and non-fungible wealth. These variables replicate the construction of the net worth variable, but only measure the pertinent assets and debts. In our analyses, we allow the dependent variables to vary between 1985 and 2004. This allows us to model the accumulation or loss of wealth over time. Financial assets include the value of holdings such as checking and savings accounts, Individual Retirement Accounts (IRAs), 401ks, trusts, tax-deferred accounts, stocks, mutual funds, bonds, Certificates of Deposit, insurance policies, retirement accounts, and government securities. Financial debts primarily include personal debt such as outstanding bills to credit cards, hospitals, stores, doctors, banks, student loan debts, and balances borrowed against retirement assets. In contrast, non-fungible assets consist of the current market values of the primary residence, investment real estate, automobiles, personal businesses, farms, and valuable possessions and collections. Debts include mortgages against the primary residence and other real estate property, liens against any real estate, and balances remaining on automobiles.

Independent Variables

To capture the effects of the number of children, we use repeated measures, which are time-varying in nature. First, for number of children, we include a continuous variable measuring the number of children (biological, step, and adopted) currently living in the household per survey round.[6] Second, we include a squared term to capture any potential curvilinear relationship between number of children and wealth accumulation. Third, we interact number of children with Black and Hispanic to model the different effects of children by race/ethnicity. Fourth, we interact Non-Hispanic Black and Hispanic with number of children-squared to assess

[6] Children are household members as long as the dwelling is considered their permanent address (NLSY79 2002). In our sample, 234 couples had a pre-marital childbirth. Though these households are relatively few, we created a dichotomous variable (1=pre-marital childbirth) and explored its effect in additional analyses. We found pre-marital childbirth to negatively affect household net worth, but this effect was non-significant. Therefore, we excluded it from our analyses.

potential curvilinear relationships across race and ethnicity. To measure race, we include a three-category dichotomous variable. Non-Hispanic White is the reference category with Non-Hispanic Black and Hispanic as the alternate categories.

Control Variables

Following current sociological wealth research (e.g. Keister 2005), we include an extensive set of control variables. These control variables capture personal and family background characteristics, educational attainment, adult family traits, and inheritances. Importantly, we extend current wealth research by employing an extensive set of time-varying variables, which allow us the flexibility to model changes in wealth over time.

Background Characteristics

First, we include controls for personal and family background characteristics. For gender, we create a dichotomous variable with male as the reference category. In addition, recent research identifies a relationship between childhood religious affiliation and adult wealth accumulation (Keister 2003a). We include categories of Jewish, Catholic, Mainline Protestant (omitted category), Evangelical Protestant, Black Protestant, other religion, and no religious affiliation.

Second, we control for respondents' childhood family structure and size. Childhood family structure is a four-category dichotomous variable with a two-parent family as the reference category. A step-family, single-parent family, and an aggregate grouping of other family combinations complete the variable. Childhood family structure signifies potential resources, both material and non-material, that could be used to meet potential needs. Next, we include a continuous measure of the number of siblings. Previous research shows that siblings reduce adult wealth accumulation (Keister 2003b).

Finally, we include a rough proxy of parental socioeconomic status to control for family financial resources.[7] We measure both parents' educational attainment with a five-category dichotomous variable capturing the highest degree achieved. Categories include no high school

[7] Unfortunately, the NLSY79 does not contain measures of parental net worth.

degree (omitted category), high school degree, some college, bachelors degree, and an advanced degree. Family income captures financial resources in 1978, the year prior to the first round of the survey. We log this variable in our analyses to correct for positive skew. We also include a variable for respondents who do not report their family's income. Respondents who refused, did not know, or invalidly skipped the family income question are included in this variable with those who reported income as the reference category. This variable controls for patterns that might be specific to those who did not answer the income question (Sandefur and Wells 1999). Additionally, we measure work status for each parent. These dichotomous variables have parents who did not work full-time as the reference category.

Adult Family Traits

First, to capture the respondents' positions in the life cycle, we include a continuous measurement of age.[8] Second, to control for adult educational attainment, we include variables identifying the highest degree completed. We include a five-category dichotomous variable measuring the highest degree achieved. Categories include the reference category of no high school degree, high school degree, some college, bachelors degree, and an advanced degree. Third, previous research suggests that wealth accumulation levels vary geographically (Hao 1996). To control for potential geographic advantage, we include a rural/urban dichotomous variable with rural as the reference category. Respondents are considered urban residents if they live in an urbanized area or in a location with more than 2,500 residents (NLSY79 2002). We also include a series of four regional dichotomous variables. We control for the Northeast region (omitted category), North Central, West, and South. Both geographic measures are time-varying. Finally, we control for adult family financial resources. We include a time-varying dichotomous

[8] We do not include the square of age because wealth accumulation does not follow the curvilinear path of income (Keister 2005). Moreover, since this cohort is relatively young in their financial trajectories, they exemplify a linear path.

measure of the respondents' statuses as entrepreneurs. It is important to control for entrepreneurs because of their unique wealth accumulation patterns and high net worth (Keister 2005). Lastly, we include a lagged and logged time-varying variable that controls for total family income.

Inheritance

Depending on the operationalization of financial transfers, inherited wealth accounts for 20 percent to 80 percent of total wealth (Menchik and Jianakoplos1997). Since there is much debate in the economic literature as to the magnitude of inheritances, we include two control variables. These variables capture both traditional inheritances and other financial transfers (inter vivos). The first variable measures if respondents have ever received an inheritance. The second variable is time-varying and measures the value of any financial transfers. This variable is logged to correct for positive skew.

Analytical Method

To investigate the relationship between the number of children and wealth accumulation, we use linear growth models of wealth trajectories across life course events.[9] These models can be applied to longitudinal data where households are repeatedly interviewed and allow for the assessment of household change over time (Raudenbush and Bryk 2002). We employ a hierarchical strategy, where we nest time (Level 1) within households (Level 2). This allows us to assess time-variant and time-constant effects on wealth trajectories over time. Our predictors are fixed so as to capture within-individual change and describe individual growth. Thus, in our analysis, the fixed effects quantify the effects of the predictors on wealth (Raudenbush and Bryk 2002; Singer and Willett 2003). Furthermore, the use of fixed-effects in the models is

[9] Due to the relatively young age of the NLSY79 respondents, their wealth accumulation trajectories are modeled linearly (e.g. Keister 2005). Though we report final results from linear growth models, in preliminary analyses we tested a quadratic, or growth curve, model. The quadratic marital duration term was consistently insignificant in all specifications of the model.

advantageous because it allows us to establish causal links between household composition and changes in wealth. Allowing wealth and the effect of marital duration to randomly vary allows us to assess whether wealth varies between and within households over time. Therefore, the model takes the following form:

$$Y_{ti} = \pi_{0i} + \pi_{1i} a_{ti} + e_{ti}$$

$$\pi_{0i} = \beta_{00} + \sum_{q=1}^{Q_0} \beta_{1q} X_{qi} + r_{0i}$$

$$\pi_{1i} = \beta_{10} + r_{1i}$$

Where π_{1i} is the growth for person *i* across time points and is the expected change for every year continuously married. The parameter for the intercept, π_{0i} , represents household wealth in the first year of marriage when $t = 0$. The intercept and growth parameters are allowed to vary within households, at Level 2, as a function of time-constant characteristics. Time-constant characteristics are entered as a predictor of the intercept, wealth at $t = 0$. Thus, X_{qi} is a time-constant predictor, β_{pq} represents the effect of X_q on the growth parameter, and r_{0i} represents the random effect for variation across-household variation in wealth. For the linear growth term, π_1, we include a random effect, r_{1i}, for within-household variation in wealth.

The effect of number of children varies across different types of wealth. Thus, we test our hypotheses by estimating three to four models for each of our three dependent variables. Across the three dependent measures, the first models report the direct effect of number of children on wealth. We include the quadratic form of this variable, number of children-squared, in the second set of models to test for curvilinearity and a threshold in the number of children on wealth. In the third set of models, we capture potential racial and ethnic differences in the effect of the number of children on wealth. Here, we include interactions between the number of

children in the household and the non-Hispanic Black and Hispanic variables. For total net worth and non-fungible wealth we include a fourth set of models which tests for differences in curvilinearity by race and ethnicity with interactions between non-Hispanic Black and Hispanic with the quadratic form of number of children. Finally, in each of our models we control for multiple time-constant and time-variant characteristics which are associated with wealth accumulation.

RESULTS

Descriptive Statistics: Children and Wealth

Table 1 reports descriptive statistics for our independent variables used in the linear growth models. In our sample of continuously married couples, households average 1.6 children. Importantly, the descriptive results suggest that the number of children in a household increases wealth accumulation and varies significantly by race and ethnicity. The unadjusted estimates in Table 2 provide evidence that, over time, the number of children enhances family total net worth, financial wealth, and non-fungible wealth. For non-Hispanic Whites, net worth increases with the first and second child. For non-Hispanic Blacks, net worth increases with the first child but then decreases with each additional child. Contrary to the above pattern, there is a fairly consistent downward trend in net worth for Hispanics with additional children. Importantly, mean non-fungible wealth generally increases when households add a child, but the pattern of mean financial wealth is inconsistent for non-Hispanic Whites and Blacks and downward for Hispanics. This result provides evidence that families concentrate their savings in non-fungible assets.

TABLE 1 ABOUT HERE

Since mean estimates are positively skewed, Table 2 also includes median measures. For both the median total net worth and median non-fungible categories, wealth increases substantially for the first child among non-Hispanic Whites and Blacks. Specifically, median net worth increases by more than $600 for non-Hispanic Whites and almost $9,000 for non-Hispanic Blacks. Median non-fungible wealth increases by slightly over $4,600 for non-Hispanic Whites and $7,100 for non-Hispanic Blacks. For Hispanics, median net worth decreases by more than $4,000 with the first child and increases only slightly for non-fungible wealth. In contrast, financial wealth decreases with the first child for non-Hispanic Whites and Hispanics, but increases for non-Hispanic Blacks. Importantly, as minorities increase their number of children median financial wealth trends toward zero. The pattern for White households decreases as well, but not as drastically as minority households. These results suggest that the majority of families do not maintain financial reserves, even with children present in the household. Thus, for family wealth, the descriptive results indicate that families concentrate their savings in non-fungible wealth and not in financial wealth. Families may choose to focus their available investment monies into their non-fungible assets, however, these results could also point to the fixed costs (i.e. mortgage, vehicle payments) associated with non-fungible assets.

TABLE 2 ABOUT HERE

Yet, the relationship between number of children and wealth accumulation appears to be curvilinear. In all three wealth measures, there is a substantial decline after two children across all racial and ethnic categories. For non-Hispanic Whites, median net worth begins at $52,852 for households without children, peaks at $72,622 for two children, and then declines to $59,908 with the addition of the third child. Comparable trends are observed for non-Hispanic Blacks and Hispanics. Similarly, both mean financial and non-fungible wealth also peak at two children

before declining for the third child. As a general trend, both median and mean values approximate each other on either side of the second child. For example, family wealth for the first child is similar to that for the third child. Taken together, these results suggest a threshold effect. Each additional child, until the third, increases family wealth measures, but subsequent children diminish wealth.[10]

TABLE 3 ABOUT HERE

Linear Growth Models: Continuously Married Households

We use linear growth models to assess the impact of the number of children on household wealth accumulation. Since our sample consists of continuously married households, the following results should be interpreted as the independent variable's effect on net worth, financial wealth, or non-fungible wealth with each additional year of marriage. Table 1 reports that mean marital duration, the measurement of time in our sample, is 6.5 years. Across all of our models, we confirm that wealth significantly increases with length of marriage (Hao 1996). For total net worth, presented in Table 4, we find that each additional year of marriage is associated with between a $5,300 and $5,600 increase in net worth. In Tables 5 and 6, we find that the average increase in financial and non-fungible wealth for each additional year of marriage is about $2,600.

Linear and Curvilinear Effects in Number of Children on Total Net Worth

We predicted that the number of children in a household positively affects total net worth. Turning to Model 1 in Table 4, where net worth is the dependent measure, we find that the number of children in a household has a positive and significant ($p<.05$) effect on total net worth. Each additional child is, on average, associated with an increase in net worth of $3,902. We hypothesized, however, that any gains in net worth are not a linear function of the number of

[10] Table 3 contains the exogenous control variables used in our analyses.

children. Rather, we argued that the positive effect of the number of children on net worth is contingent upon how many children are present in the household. In Model 2 of Table 4, we find that the quadratic form of number of children is significantly negative ($p<.05$). This finding represents a threshold for net worth. Consistent with previous research, we find that after three children there is a downward turn in net worth (Keister 2005).[11] Thus, the positive effect of children on wealth is constrained to families with one or two children.

TABLE 4 ABOUT HERE

Children and Wealth Accumulation: Financial and Non-Fungible Wealth

We find that the effect of number of children differs by type of wealth when disaggregating net worth into its two component parts, financial wealth and non-fungible wealth. Moreover, most of the increase in wealth associated with additional children can be linked to substantial growth in non-fungible wealth. Following Oliver and Shapiro (2006), we hypothesized that an increase in number of children would be negatively associated with financial wealth. The results presented in Model 1 of Table 5 indicate that this relationship is in the expected direction. Yet, we do not find that an increase in the number of children has a significant negative effect on financial wealth. Similarly, we find no quadratic effect of number of children for financial wealth, as reported in Model 2 of Table 5.

In contrast, we do find evidence for our hypothesis that children significantly ($p<.001$) increase non-fungible wealth. According to Model 1 in Table 6, each additional child is associated with an approximately $6,000 increase in non-fungible wealth with every year of marriage. Furthermore, we also find that the threshold effects in total net worth are driven primarily by investment and return in non-fungible wealth. Turning to Model 2 in Table 6, we

[11] Keister (2005) measures the influence of number of children through the use of dichotomous variables. We measure this through a continuous measure coupled with a quadratic term to more accurately capture the threshold effect.

find a significant ($p<.05$) negative effect of the quadratic term for number of children on non-fungible wealth. Similar to our finding for total net worth, the results suggest that after a threshold of three children, the return on non-fungible wealth is negative.

TABLE 5 ABOUT HERE

TABLE 6 ABOUT HERE

Racial and Ethnic Variation in Total Net Worth

In Model 3 in Table 4, we include race and ethnicity interactions with number of children for total net worth. First, the magnitudes of both our linear and quadratic measures of number of children remain similar to those estimated in Model 2. The interaction terms reveal substantial racial and ethnic variation in total net worth by number of children. An increase in the number of children is associated with a significant ($p< .05$) loss of wealth for minority families. In comparison with Non-Hispanic Whites, each additional child is associated with an $8,307 decrease in net worth for Non-Hispanic Blacks and a $9,790 decrease for Hispanics. Furthermore, the inclusion of these interactions into the model appears to account for some of the initial racial/ethnic differences in net worth found in Model 1 of Table 4. Comparing Models 1 and 3 shows the magnitude and statistical significance of the direct effects of non-Hispanic Blacks is reduced. Thus, racial and ethnic differences in total net worth are moderated when we include the interaction between number of children and race/ethnicity. Importantly, the direct effect of Hispanic not only deceases in magnitude, but loses significance as well. This suggests that the number of children is an important predictor of initial racial and ethnic differences in wealth—though sizeable racial and ethnic wealth disparities remain.

We initially found a curvilinear effect in number of children on total net worth for all households in the sample. Yet, the quadratic term for number of children loses significance in

Model 3 of Table 4 when interaction race/ethnicity with number of children. In order to test whether the initial curvilinear effect found in Model 2 results from linear differences between non-Hispanic Whites and minority families, we interacted our race/ethnicity variables with the quadratic form of number of children. In Model 4 of Table 4, we find that there are no significant curvilinear effects for these interactions. Consequently, we find no variation by race and ethnicity in the curvilinear relationship between number of children and total net worth. This null finding confirms that the curvilinearity observed in Model 2 of Table 4 was due to linear racial/ethnic differences in the relationship between the number of children and net worth.

Racial and Ethnic Variation in Financial and Non-Fungible Wealth

We find little racial and ethnic variation in financial wealth by number of children. The results presented in Model 3 of Table 5 show no significant differences between non-Hispanic Blacks and Non-Hispanic Whites in this relationship. Yet, we find that Hispanics have significantly less financial wealth than Non-Hispanic Whites. On average, Hispanics experience a $4,845 loss in financial wealth per child per year of marriage, compared with Non-Hispanic Whites. In results not presented here, we find no curvilinear variation in household financial wealth by race and ethnicity. This is not unexpected, given we find no overall quadratic effect of number of children in Model 2 of Table 5.

Mirroring our previous findings, racial and ethnic comparisons suggest that investment and return on non-fungible wealth substantially affects total net worth. Model 3 of Table 6 reports some significant variation in non-fungible wealth by race and ethnicity. We find significant differences between non-Hispanic Blacks and non-Hispanic Whites ($p<.01$), but no statistically significant difference between non-Hispanic Whites and Hispanics. For non-Hispanic Blacks, each additional child is associated with a near $8,600 loss in non-fungible

wealth, in comparison with Non-Hispanic Whites, for each additional year of marriage. Finally, because we found a curvilinear relationship between the number of children and non-fungible wealth, we again tested if it is a function of racial and ethnic differences. As shown in Model 4 of Table 6, we find no significant differences in the quadratic effect of number of children by race and ethnicity.

Demographic Influences on Wealth Accumulation

Several important demographic influences affect household wealth trajectories across our three dependent measures. Consistent with prior research (e.g. Conley 1999; Keister 2005), we find significant differences in wealth by race and ethnicity. Non-Hispanic Blacks and Hispanics both have lower total net worth and non-fungible wealth than non-Hispanic Whites. Specifically, non-Hispanic Blacks have about $49,000 less net worth and $42,000 less non-fungible wealth than non-Hispanic Whites. Hispanics have nearly $27,000 less net worth and non-fungible wealth than non-Hispanic Whites. In contrast to prior research, there are no significant racial differences in financial wealth (Oliver and Shapiro 2006). In addition, we highlighted above that when we included interactions between race/ethnicity and number of children in our models, the direct effects of race and ethnicity on total net worth and non-fungible wealth reduce both in magnitude and significance, highlighting the importance of family processes in racial and ethnic wealth disparities.

DISCUSSION AND CONCLUSION

Since the middle of the 20th century, the United States has experienced substantial increases in net worth. Much of this wealth gain remains concentrated at the top of the wealth distribution because, during this time, the population of asset-deprived individuals also increased. In an effort to understand the processes behind this wealth inequality, recent sociological research has largely examined early childhood characteristics (e.g. Keister 2003b). Though this research provides valuable information about adult wealth inequality, little research examines events in adult life that affect wealth accumulation. In this study, we use the National Longitudinal Survey of Youth, 1979 cohort, to consider the effects of the number of children in a household on adult household wealth trajectories. Importantly, we extend current wealth research by disaggregating net worth into its two components: financial and non-fungible wealth. This allows us to explore these two unique financial resources for families, which both provide distinct advantages. We hypothesized that the effects of the number of children would vary by the specific type of wealth. By disaggregating net worth in our analyses, we identify non-fungible wealth as the driving force behind net worth inequality. In our analyses of the number of children, non-fungible wealth explains much of the total net worth disparities. Though research acknowledges the central importance of home equity for families' net worth (Conley 1999; Keister 2005; Krivo and Kaufman 2004; Oliver and Shapiro 2006), we capture important family processes that contribute to increasing investments not only in home equity, but in other components of non-fungible wealth including vehicles, businesses, and valuable possessions.

In this study, we tested multiple hypotheses that explored the complicated relationship between the number of children in a household, race/ethnicity, and different measures of wealth accumulation. First, we argued that children encourage families to increase their wealth

accumulation. For net worth, the number of children was significant and positive across all models. Second, we argued for a net worth threshold. Our results indicated that additional children increased family net worth until the third child. After the third child, family net worth decreased. Third, we extended current wealth research by disaggregating net worth into financial and non-fungible wealth. For financial wealth, we found neither a linear nor a curvilinear effect for the number of children. This finding contrasts with previous research that found a significant negative relationship between children and financial wealth (Oliver and Shapiro 2006). This counter-finding could be due to our sample construction, more rigorous analytical methods, and/or our more extensive set of controls. For non-fungible wealth, we argued that this wealth accumulation pattern would resemble the pattern for overall net worth. As with net worth, we found a curvilinear relationship. Children increased families' non-fungible wealth until the third child, but then additional children harmed families' wealth trajectories.

Finally, we argued that the effect of the number of children on family wealth would vary by race and ethnicity. For net worth, including the race/ethnicity interactions yielded significant and negative results. Interestingly, the squared term, which suggested a threshold, lost significance. This provided evidence that the curvilinearity observed without the race/ethnicity interaction terms reflected a mis-specified relationship. When we controlled for the race/ethnicity interactions, we found a positive and linear relationship for White children, but a negative, linear relationship for minority children. For financial wealth, we found no direct effect of children. Yet, when we included the interaction terms for minorities, we found that children significantly and negatively affect Hispanic household financial wealth accumulation when compared to White households. There were no differences between White and Black households for financial wealth. This suggests that the large number of households without financial assets created little

variation within this wealth category, regardless of the number of children. Lastly, for non-fungible wealth, we observed a significant and negative interaction effect for Black households. Unlike the results for net worth, the squared term for children remained significant. This suggested a curvilinear relationship for White households. Children increased non-fungible wealth in White households until the fourth child, but the first and any subsequent children decreased non-fungible wealth in Black households. There were no significant differences in the effects of children on non-fungible wealth between White and Hispanic households.

In this study, our sample consisted of continuously married households. Since wealth is a household-level measure, it is important to analyze household formation separately. This will help researchers avoid confounding wealth effects across household type. It is not enough to simply control for marital status in regression analyses because the financial processes within household formations that affect net worth are structurally different. Married households potentially benefit from numerous advantages such as dual income, economies of scale, family assistance, and other resources that are more limited or unavailable in other household formations. We argued that marital duration would increase net worth as well as both financial and non-fungible wealth. We found that each additional year of continuous marriage strengthens a household's financial position. Though alternative family arrangements merit future attention, our results confirm that marriage, as an institution, encourages wealth accumulation (Hao 1996).[12]

Despite our extensive modeling, there are several limitations to this study. Since the respondents were born between 1957 and 1965, they are considered a cohort. Moreover, by some

[12] There are certainly issues of selection when analyzing a unique subgroup such as the continually married. Yet, to avoid potential selection effects we must analyze multiple household formations within the same analysis. As we argue, this confounds the wealth measures across household formation. To assist with potential selection issues, we include a substantial number of control variables and specifically, we extend the wealth literature by including more time-varying control variables.

estimations, individuals from this time-period are considered a younger part of the baby boomers. Thus, their wealth accumulation trajectories could be unique and specific to their cohort. Recent research confirms that baby boomers are wealthier than their same-sex parents at similar stages in the life course (Keister and Deeb-Sossa 2001; Sabelhaus and Manchester 1995). The adult baby boomers' number of children and family structure could influence these wealth differences. Baby boomers disproportionately remain single, have smaller families, are more likely to remain childless, and are more likely to participate in financially thrifty household formations such as having roommates and cohabitation (Easterlin, MacDonald, and Macunovich 1990; Keister and Moller 2000). Nevertheless, the NLSY79 is a nationally representative data set and our findings are generalizable to this cohort. Despite potential cohort effects in the study of wealth, our core findings that the number of children affects wealth are indicative of processes that take place across all families. Though the exact threshold point in the number of children may vary based on particular household wealth accumulation patterns, additional children will financially harm families. Similarly, the magnitude of negative or positive effects from the number of children may differ within and across racial/ethnic groups.

Though we have analyzed a specific adult family event which influences wealth accumulation, data limitations prevent us from identifying the mechanisms behind household investment behavior. For example, we cannot confirm through our analyses what specific aspects of continuous marriage increase wealth accumulation. For the number of children, it is important to note that the children of our respondents are still young and the respondents themselves have relatively underdeveloped wealth trajectories when they become parents. Therefore, both our estimates of the cohort's wealth and the financial effects of children are conservative. As the children age and enter into more potentially costly stages of life such as higher education, their

expenses will certainly increase. Yet, at the same time, the respondents will be progressing in their wealth trajectories and possibly experiencing decreasing debts, realizing equity, and expanding their financial portfolios.

In addition to the above limitations, future research should address how the number of children vary across socioeconomic categories. Though we control for socioeconomic indicators such as work status, income, and education, further exploration of these areas is beyond the scope of this paper. Additionally, future research should explore the relationship between the number of children and wealth accumulation as it varies by race and ethnicity. In our analyses, we identify wealth differences for the number of children by race and ethnicity, but the processes creating these differences remain to be adequately explored. Furthermore, by including interaction terms between the number of children and race/ethnicity, the direct effects of race/ethnicity are substantially moderated for net worth and non-fungible wealth. Future research should focus on these relationships and explore why such movements occur.

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Table 1. Means and Standard Deviations for Independent Variables, 1979-2004

	Total Sample	White	Black	Hispanic
Marital Duration	6.545	6.586	6.042	6.823
	(4.630)	(4.641)	(4.552)	(4.594)
Median	5.0	5.0	5.0	6.0
Number of Children	1.649	1.551	1.745	1.943
	(1.200)	(1.146)	(1.273)	(1.282)
Median	2.0	2.0	2.0	2.0
Person-Years	33,129	22,302	5,029	5,798

Table 2. Descriptive Statistics for Wealth Measures by Number of Children and Race/Ethnicity, 1979-2004

	Number of Children (ever-had)				
	0	1	2	3	4+
Total Net Worth					
White	$135,611	$138,052	$181,383	$174,391	$209,969
	($297,523)	($325,352)	($408,592)	($435,683)	($472,978)
Median	$52,852	$53,476	$72,622	$59,908	$73,928
Black	$65,948	$70,638	$67,280	$45,513	$45,671
	($189,571)	($202,750)	($156,206)	($162,119)	($95,917)
Median	$17,457	$26,275	$23,300	$14,777	$14,453
Hispanic	$88,565	$79,591	$110,631	$87,072	$55,103
	($171,840)	($186,897)	($261,307)	($217,931)	($110,516)
Median	$34,527	$30,403	$32,386	$28,256	$16,500
Non-fungible Wealth					
White	$88,870	$93,163	$119,695	$114,993	$146,806
	($218,435)	($241,143)	($278,270)	($285,360)	($375,946)
Median	$37,244	$41,938	$56,084	$48,158	$55,021
Black	$46,685	$51,088	$46,799	$35,117	$35,934
	($150,076)	($170,804)	($108,379)	($80,906)	($66,346)
Median	$13,966	$21,129	$19,574	$13,464	$12,746
Hispanic	$59,440	$58,072	$72,348	$69,173	$46,829
	($108,374)	($126,198)	($148,338)	($145,452)	($83,905)
Median	$24,472	$24,791	$26,928	$26,015	$13,907
Financial Wealth					
White	$46,750	$44,889	$61,687	$59,398	$63,163
	($166,875)	($173,716)	($232,752)	($257,202)	($208,927)
Median	$6,536	$4,380	$6,144	$2,408	$4,570
Black	$19,263	$19,550	$20,482	$10,397	$9,737
	($82,254)	($82,303)	($92,298)	($102,527)	($61,862)
Median	$602	$872	$479	$0	$0
Hispanic	$29,124	$21,518	$38,283	$17,899	$8,274
	($105,882)	($103,401)	($177,319)	($133,842)	($46,867)
Median	$2,453	$1,204	$892	$30	$0

Table 3. Means and Standard Deviations for Exogenous Variables, 1979-2004

Variable	Mean (S.D.)	Variable	Mean (S.D.)
Personal Traits		*Worked Full Time*	
Black	0.152	Father	0.807
	(0.359)		(0.395)
Hispanic	0.175	Mother	0.422
	(0.380)		(0.494)
Age	33.455	*Respondent's Education*	
	(5.103)	High School	0.416
Female	0.515		(0.493)
	(0.500)	Some College	0.234
Family Background Characteristics			(0.424)
Family Income, 1978[a]	$40,361.41	College Degree	0.156
	($43,040.02)		(0.363)
Two-parent family	0.797	Advanced Degree	0.096
	(0.40)		(0.295)
Step-parent family	0.066	*Adult Family Traits*	
	(0.249)	Family Income	$78,208.89
Single-parent family	0.105		($129,489.90)
	(0.306)	Entrepreneur	0.052
Number of Siblings	3.262		(0.222)
	(2.448)	Received Inheritance?	0.454
College Graduate			(0.498)
Father	0.095	Amount of Inheritance	$1,947.99
	(0.293)		($31,883.63)
Mother	0.022	*Region of Residence*	
	(0.148)	Urban resident	0.716
Childhood Religion			(0.451)
Jewish	0.012	North Central	0.258
	(0.107)		(0.438)
Catholic	0.384	South	0.362
	(0.486)		(0.481)
Protestant	0.550	West	0.199
	(0.498)		(0.399)

[a] Income converted to 2004 dollars using the Consumer Price Index.

Table 4. Linear Growth Curve Fixed-Effects Parameter Estimates of the Number of Children on Net Worth (in thousands), 1985-2004

	Model 1	Model 2	Model 3	Model 4
Marital duration	5.547 ***	5.384 ***	5.374 ***	5.375 ***
	(0.856)	(0.859)	(0.859)	(0.859)
Number of children	3.902 *	10.126 **	11.908 ***	12.720 **
	(1.802)	(3.657)	(3.725)	(4.785)
Number of Children^2	---	-1.674 *	-1.196	-1.441
		(0.857)	(0.857)	(1.260)
Number of children * Black	---	---	-8.307 +	-13.231
			(4.561)	(9.420)
Number of children * Hispanic	---	---	-9.790 *	-8.431
			(4.447)	(9.421)
Number of Children^2 * Black	---	---	---	1.238
				(2.136)
Number of Children^2 * Hispanic	---	---	---	-0.266
				(2.114)
Black	-49.503 ***	-49.257 ***	-37.915 **	-35.317 *
	(13.452)	(13.454)	(14.960)	(15.541)
Hispanic	-27.869 **	-27.699 **	-13.779	-14.822
	(8.798)	(8.780)	(10.933)	(11.884)
Personal and Family Background Traits				
Age	7.480 ***	7.586 ***	7.544 ***	7.544 ***
	(0.643)	(0.645)	(0.646)	(0.646)
Female	3.897	3.925	3.850	3.878
	(5.173)	(5.174)	(5.175)	(5.175)
Step-parent present	-5.480	-5.339	-5.741	-5.689
	(10.329)	(10.330)	(10.332)	(10.333)
Single parent	-8.482	-8.437	-8.154	-8.161
	(8.562)	(8.563)	(8.565)	(8.566)
Other family structure	-6.364	-6.550	-6.400	-6.440
	(14.104)	(14.106)	(14.107)	(14.108)
Number of siblings	-1.830	-1.843	-1.724	-1.710
	(1.139)	(1.139)	(1.141)	(1.141)
Childhood Religious Affiliation				
Jewish	111.845 ***	111.895 ***	111.931 ***	112.054 ***
	(25.163)	(25.167)	(25.170)	(25.173)
Catholic	6.637	6.452	6.139	6.155
	(7.688)	(7.690)	(7.692)	(7.693)
No religious affiliation	-5.683	-5.675	-6.039	-5.961
	(15.160)	(15.162)	(15.166)	(15.168)
Evangelical Protestant	-2.866	-2.984	-3.578	-3.571
	(8.120)	(8.122)	(8.126)	(8.127)
Black Protestant	14.538	14.312	14.031	14.150
	(15.125)	(15.127)	(15.129)	(15.131)
Other religious affiliation	27.558	27.367	26.111	26.677
	(17.528)	(17.530)	(17.534)	(17.536)
Family Financial Resources				
Family income, 1978, logged	0.001 ***	0.001 ***	0.001 ***	0.001 ***
	(0.000)	(0.000)	(0.000)	(0.000)
Missing family income, 1978	10.997	11.478	11.782	11.682
	(8.138)	(8.143)	(8.144)	(8.147)
Father full-time employed	-2.645	-2.794	-2.638	-2.634
	(6.901)	(6.903)	(6.904)	(6.904)
Mother full-time employed	-7.143	-7.144	-7.328	-7.314
	(5.317)	(5.318)	(5.319)	(5.319)

Table 4, continued.

Father's Education				
High school diploma	7.050	7.137	6.737	6.767
	(6.677)	(6.678)	(6.682)	(6.682)
Some college	13.254	13.164	13.184	13.276
	(10.085)	(10.087)	(10.008)	(10.090)
College graduate	3.883	3.962	3.844	3.994
	(11.080)	(11.081)	(11.087)	(11.091)
Advanced college degree	25.847 *	25.876 *	26.133 *	26.221 *
	(13.013)	(13.014)	(13.017)	(13.019)
Mother's Education				
High school diploma	-4.046	-4.051	-4.012	-4.016
	(6.712)	(6.713)	(6.714)	(6.715)
Some college	15.212	15.414	15.309	15.119
	(10.476)	(10.478)	(10.479)	(10.484)
College graduate	15.722	15.689	15.908	15.853
	(13.186)	(13.188)	(13.193)	(13.194)
Advanced college degree	19.511	19.498	19.456	19.297
	(18.935)	(18.938)	(18.942)	(18.945)
Adult Family Resources				
Family income, logged	19.025 ***	19.037 ***	19.057 ***	19.074 ***
	(1.472)	(1.472)	(1.472)	(1.473)
Entrepreneur	43.380 ***	43.336 ***	43.217 ***	43.237 ***
	(6.358)	(6.358)	(6.358)	(6.359)
Ever received inheritance	24.242 ***	24.401 ***	24.440 ***	24.461 ***
	(5.615)	(5.616)	(5.617)	(5.618)
Amount of inheritance, logged	4.413 ***	4.423 ***	4.440 ***	4.443 ***
	(0.581)	(0.581)	(0.581)	(0.581)
Respondent's Education				
High school diploma	9.213	8.702	8.026	8.022
	(8.129)	(8.134)	(8.153)	(8.155)
Some college	13.823	13.485	12.675	12.650
	(9.276)	(9.278)	(9.297)	(9.299)
College graduate	27.937 **	28.009 **	27.608 **	27.586 **
	(10.543)	(10.545)	(10.549)	(10.553)
Advanced college degree	40.779 ***	40.812 ***	40.380 ***	40.413 ***
	(12.059)	(12.060)	(12.068)	(12.070)
Region of Residence				
Urban residence	-8.400 *	-8.281 *	-8.149 *	-8.155 *
	(4.126)	(4.127)	(4.128)	(4.128)
South	-12.063	-12.084	-12.182	-12.200
	(6.579)	(6.580)	(6.580)	(6.581)
West	-1.918	-1.711	-1.411	-1.456
	(7.523)	(7.525)	(7.528)	(7.529)
North central	-18.812 **	-18.862 **	-19.191 **	-19.242 **
	(7.174)	(7.175)	(7.177)	(7.178)
Constant	-383.442	-389.322	-391.293	-391.815
N, person-years	33,129	33,129	33,129	33,129
N, respondents	6,196	6,196	6,196	6,196
Wald Chi-square	1495.39***	1500.57***	1508.62***	1509.12***

+p<.10; *p<.05; **p<.01; ***p<.001

Note: Standard errors are in parentheses.

Table 5. Linear Growth Curve Fixed-Effects Parameter Estimates of the Number of Children on Financial Wealth (in thousands), 1985-2004

	Model 1	Model 2	Model 3
Marital duration	2.625 ***	2.610 ***	2.621 ***
	(0.473)	(0.475)	(0.473)
Number of children	-1.235	-0.665	-0.17
	(1.009)	(2.087)	(1.267)
Number of Children^2	---	-0.153	---
		(0.492)	
Number of children * Black	---	---	-0.486
			(2.500)
Number of children * Hispanic	---	---	-4.845 *
			(2.443)
Black	-8.743	-8.718	-8.361
	(6.944)	(6.945)	(7.830)
Hispanic	-1.194	-1.177	5.937
	(4.540)	(4.540)	(5.781)
Personal and Family Background Traits			
Age	4.133 ***	4.142 ***	4.127 ***
	(0.344)	(0.345)	(0.344)
Female	-3.940	-3.937	-4.003
	(2.664)	(2.664)	(2.664)
Step-parent present	1.255	1.266	1.068
	(5.326)	(5.326)	(5.327)
Single parent	1.182	1.190	1.283
	(4.434)	(4.434)	(4.435)
Other family structure	0.889	0.873	0.852
	(7.318)	(7.318)	(7.318)
Number of siblings	-1.147 *	-1.147 *	-1.09
	(0.589)	(0.589)	(0.590)
Childhood Religious Affiliation			
Jewish	81.747 ***	81.749 ***	81.651 ***
	(12.889)	(12.890)	(12.890)
Catholic	-2.658	-2.675	-2.735
	(3.952)	(3.953)	(3.954)
No religious affiliation	6.631	6.630	6.308
	(7.798)	(7.798)	(7.800)
Evangelical Protestant	4.312	4.301	4.138
	(4.179)	(4.179)	(4.181)
Black Protestant	2.760	2.736	2.619
	(7.802)	(7.803)	(7.803)
Other religious affiliation	-3.321	-3.342	-3.500
	(9.073)	(9.073)	(9.075)
Family Financial Resources			
Family income, 1978, logged	0.001 ***	0.001 ***	0.001 ***
	(0.000)	(0.000)	(0.000)
Missing family income, 1978	3.208	3.250	3.298
	(4.194)	(4.196)	(4.195)
Father full-time employed	3.062	3.049	3.132
	(3.571)	(3.571)	(3.571)
Mother full-time employed	-5.548 *	-5.546 *	-5.603 *
	(2.738)	(2.738)	(2.738)

Table 5, continued.

Father's Education			
High school diploma	-3.063	-3.056	-3.279
	(3.444)	(3.444)	(3.446)
Some college	2.550	2.542	2.465
	(5.187)	(5.188)	(5.188)
College graduate	3.432	-3.425	-3.696
	(5.683)	(5.684)	(5.687)
Advanced college degree	1.244	1.247	1.220
	(6.670)	(6.670)	(6.671)
Mother's Education			
High school diploma	-0.088	-0.088	-0.024
	(3.465)	(3.465)	(3.466)
Some college	2.748	2.765	2.817
	(5.393)	(5.393)	(5.394)
College graduate	17.131 **	17.128 **	17.385 **
	(6.754)	(6.755)	(6.757)
Advanced college degree	35.213 ***	35.208 ***	35.350 ***
	(9.698)	(9.698)	(9.700)
Adult Family Resources			
Family income, logged	6.179 ***	6.179 ***	6.173 ***
	(0.882)	(0.882)	(0.882)
Entrepreneur	0.114	0.107	0.082
	(3.854)	(3.854)	(3.854)
Ever received inheritance	11.811 ***	11.825 ***	11.842 ***
	(2.907)	(2.908)	(2.908)
Amount of inheritance, logged	2.957 ***	2.956 ***	2.962 ***
	(0.356)	(0.356)	(0.356)
Respondent's Education			
High school diploma	-2.099	-2.150	-2.734
	(4.337)	(4.340)	(4.350)
Some college	-6.156	-6.190	-6.84
	(4.930)	(4.928)	(4.940)
College graduate	6.675	6.678	6.360
	(5.559)	(5.589)	(5.592)
Advanced college degree	12.932 *	12.938 *	12.486 *
	(6.389)	(6.390)	(6.395)
Region of Residence			
Urban residence	-3.927	-3.914	-3.852
	(2.362)	(2.362)	(2.362)
South	-4.691	-4.693	-4.725
	(3.577)	(3.577)	(3.577)
West	-5.092	5.073	-4.859
	(4.060)	(4.060)	(4.061)
North central	-7.880 *	-7.882 *	-8.003 *
	(3.835)	(3.835)	(3.836)
Constant	-178.421	-178.945	-179.037
N, person-years	33,129	33,129	33,129
N, respondents	6,196	6,196	6,196
Wald Chi-square	1083.53***	1083.7***	1088.04***

*p<.05; **p<.01; ***p<.001

Note: Standard errors are in parentheses.

Table 6. Linear Growth Curve Fixed-Effects Parameter Estimates of the Number of Children on Non-fungible Wealth (in thousands), 1985-2004

	Model 1	Model 2	Model 3	Model 4
Marital duration	2.551 ***	2.385 ***	2.364 ***	2.363 ***
	(0.601)	(0.604)	(0.604)	(0.604)
Number of children	6.021 ***	12.542 ***	13.932 ***	15.121 ***
	(1.331)	(2.718)	(2.766)	(3.545)
Number of Children^2	---	-1.744 **	-1.400 *	-1.756 +
		(0.634)	(0.649)	(0.927)
Number of children * Black	---	---	-8.612 **	-14.371 *
			(3.364)	(7.020)
Number of children * Hispanic	---	---	-5.205	-4.7689
			(3.272)	(6.980)
Number of Children^2 * Black	---	---	---	1.460
				(1.590)
Number of Children^2 * Hispanic	---	---	---	-0.024
				(1.558)
Black	-42.408 ***	-42.117 ***	-29.668 **	-26.626 *
	(13.452)	(9.882)	(11.053)	(11.505)
Hispanic	-27.169 ***	-26.956 ***	-19.572 *	-20.132 *
	(6.452)	(6.454)	(8.114)	(8.849)
Personal and Family Background Traits				
Age	3.586 ***	3.693 ***	3.664 ***	3.664 ***
	(0.476)	(0.478)	(0.478)	(0.478)
Female	7.581 *	7.609 *	7.600 *	7.624 *
	(3.793)	(3.794)	(3.794)	(3.794)
Step-parent present	-5.249	-5.101	-5.275	-5.214
	(7.555)	(7.557)	(7.558)	(7.558)
Single parent	-9.288	-9.223	-9.049	-9.056
	(6.279)	(6.281)	(6.281)	(6.280)
Other family structure	-7.771	-7.967	-7.776	-7.813
	(10.333)	(10.335)	(10.335)	(10.335)
Number of siblings	-1.003	-1.005	-9416	-9.273
	(0.835)	(0.835)	(0.836)	(0.836)
Childhood Religious Affiliation				
Jewish	32.275	32.312	32.39	32.528
	(18.468)	(18.472)	(18.471)	(18.472)
Catholic	9.224	9.045	8.762	8.781
	(5.640)	(5.641)	(5.642)	(5.642)
No religious affiliation	-10.392	-10.369	-10.399	-10.338
	(11.132)	(11.134)	(11.135)	(11.136)
Evangelical Protestant	-6.938	-7.027	-7.478	-7.467
	(5.953)	(5.954)	(5.966)	(5.956)
Black Protestant	12.768	12.521	12.271	12.405
	(11.101)	(11.104)	(11.103)	(11.105)
Other religious affiliation	28.841 *	28.669 *	28.000 *	28.090 *
	(12.852)	(12.855)	(12.856)	(12.857)
Family Financial Resources				
Family income, 1978, logged	0.001 **	0.001 **	0.001 ***	0.001 ***
	(0.000)	(0.000)	(0.000)	(0.000)
Missing family income, 1978	9.563	10.038	10.276	10.181
	(5.962)	(5.966)	(5.966)	(5.967)
Father full-time employed	-5.788	-5.933	-5.852	-5.849
	(5.055)	(5.057)	(5.057)	(5.057)
Mother full-time employed	-2.539	-2.530	-2.644	-2.627
	(3.898)	(3.899)	(3.899)	(3.899)

Table 6, continued.

Father's Education				
High school diploma	10.234 *	10.322 *	10.137 *	10.161 *
	(4.894)	(4.895)	(4.897)	(4.897)
Some college	9.518	9.438	9.53	9.617
	(7.398)	(7.399)	(7.399)	(7.400)
College graduate	8.769	8.846	8.961	9.101
	(8.129)	(8.130)	(8.133)	(8.136)
Advanced college degree	25.707 **	25.730 **	26.012 **	26.097 **
	(9.559)	(9.561)	(9.562)	(9.563)
Mother's Education				
High school diploma	-3.152	-3.155	-3.185	-3.186
	(4.919)	(4.920)	(4.920)	(4.921)
Some college	14.369	14.571	14.373	14.184
	(7.688)	(7.690)	(7.690)	(7.693)
College graduate	1.248	1.212	1.125	1.081
	(9.677)	(9.679)	(9.680)	(9.681)
Advanced college degree	-12.614	-12.650	-12.848	-13.018
	(13.916)	(13.919)	(13.920)	(13.921)
Adult Family Resources				
Family income, logged	14.756 ***	14.759 ***	14.78 ***	14.799 ***
	(1.109)	(1.109)	(1.109)	(1.110)
Entrepreneur	46.300 ***	46.259 ***	46.143 ***	46.172 ***
	(4.821)	(4.820)	(4.820)	(4.821)
Ever received inheritance	12.396 **	12.559 **	12.589 **	12.599 **
	(4.119)	(4.120)	(4.119)	(4.120)
Amount of inheritance, logged	1.947 ***	1.959 ***	1.975 ***	1.979 ***
	(0.441)	(0.441)	(0.441)	(0.441)
Respondent's Education				
High school diploma	11.585 *	11.042	10.967	10.977
	(6.003)	(6.007)	(6.020)	(6.022)
Some college	22.054 ***	21.682 **	21.524 **	21.515 **
	(6.843)	(6.845)	(6.858)	(6.860)
College graduate	22.554 **	22.569 **	22.496 **	22.501 **
	(7.777)	(7.778)	(7.780)	(7.783)
Advanced college degree	32.285 ***	32.235 ***	32.235 ***	32.293 ***
	(8.866)	(8.867)	(8.872)	(8.874)
Region of Residence				
Urban residence	-4.443	-4.319	-4.223	-4.233
	(3.087)	(3.088)	(3.088)	(3.088)
South	-6.658	-6.579	-6.725	-6.747
	(4.879)	(4.880)	(4.880)	(4.880)
West	4.906	5.149	5.262	5.233
	(5.574)	(5.576)	(5.577)	(5.578)
North central	-11.411 *	-11.427 *	-11.669 *	-11.726 *
	(5.304)	(5.305)	(5.305)	(5.306)
Constant	-235.682	-241.719	-243.696	-244.418
N, person-years	33,129	33,129	33,129	33,129
N, respondents	6,196	6,196	6,196	6,196
Wald Chi-square	1120.14***	1128.44***	1136.92***	1509.12***

+p<.10; *p<.05; **p<.01; ***p<.001

Note: Standard errors are in parentheses.