



The Economic Mobility of Families with Children in Puerto Rico: Employment Barriers

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What is the Socioeconomic Survey of Families with Children in Puerto Rico (ESeFaM)?

Families with children face personal and systemic challenges that prevent them from moving toward economic mobility. In Puerto Rico, there is a lack of data on these challenges, which in turn limits the ability to articulate viable solutions. Faced with this shortcoming and convinced that data should guide the development of public policies, the Instituto del Desarrollo de la Juventud (IDJ, by its Spanish acronym) commissioned the 2022 Socioeconomic Survey of Families with Children in Puerto Rico (ESeFaM, by its Spanish acronym). ESeFaM was conducted between December 2022 and February 2023, and was carried out through home visits in collaboration with Ipsos, a polling firm.

The sample is representative of the families with children ages 0-17, with an annual income of \$35,000 or less, and with a head of household under age 60. Participants were selected using stratified multistage cluster sampling: (1) families with incomes below \$35,000 and (2) children ages 0-17. The size of the sample is 804 households, and the margin of error is +/- 3.46%.

What are the most common characteristics of low-income families with children in Puerto Rico?

In general, we found that low-income families in Puerto Rico are headed by women who work and participate in social protection programs. However, they have difficulties making ends meet.



Seventy-nine percent (79%) of households are single-parent households, and of those, 85% are headed by women.



The vast majority of the families (71%), are made up of 3 or fewer individuals.



The heads of households are working or want to work.



Fifty-two percent (52%) of the heads of households are employed, and 56% of households have at least one person in the labor force.



Part-time work is common among the employed: Forty-eight percent (48%) work less than 35 hours per week, while 52% work full-time.

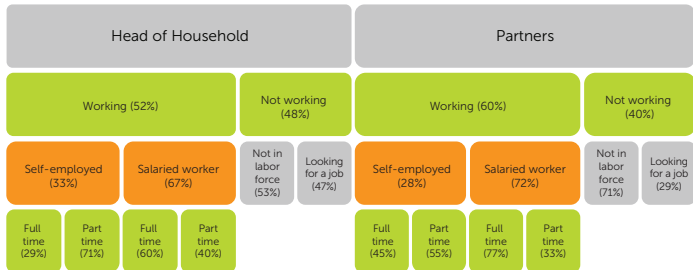


Eighty-five percent (85%) of those not employed reported a desire to work, and 66% of those working part-time would work more hours if their current workplace offered them the opportunity.



Among the unemployed, 62% say they have taken steps to find work in the past 4 weeks.

Employment Status of the Heads of Households and their Partners



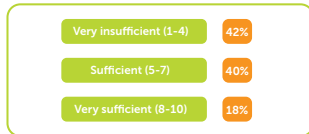
The social protection system is important for low-income families in Puerto Rico, but some programs appear to be underutilized.

- More than **80%** of the families participate in Plan Vital and/or Nutritional Assistance Program (NAP), and **55%** live in public or subsidized housing.
- Despite the high number of heads of households who have children and low incomes, only **6%** participate in the Temporary Assistance for Needy Families (TANF) program, and only **1%** report receiving childcare vouchers.

Despite high participation in the social protection system, incomes are not sufficient to cover basic needs.

- Forty-two percent (42%) of families indicate that their income was insufficient to meet their needs.
- Fifty-one percent (51%) of households did not have enough food to last the whole month several times in the last 12 months.

In a scale from 1 to 10, is the income received sufficient to cover their needs?



What are the most common barriers to economic security and mobility?

Having a quality job is key for the economic security of families and finding opportunities that allow them to move out of poverty. This survey provides us with data to better understand the barriers that families with children in Puerto Rico face in earning additional income through employment and working their way out of poverty.

The most common barriers to moving from part-time to full-time work are a lack of available hours at their workplace and difficulties in accessing childcare services for their children.



More than one in three part-time workers (**36%**) say their employer does not offer them more hours.



Twenty-nine percent (**29%**) say lack of access to, or the high cost of childcare is a barrier to working full time.

Barriers to employment reported by families are varied, but lack of childcare, varying schedules, and low wages stand out.

Reasons that limit access to work:



Seventy-five percent (**75%**) report that the lack of childcare is a major problem that impacts their ability to work.

Seventy-two percent (**72%**) report that lack of after-school childcare is a major problem impacting their ability to work.

Mothers with preschool-age children are more likely to face childcare problems than mothers with school-age children (**82% vs. 70%**).

Inconvenient, varying, or unpredictable schedules also present a major problem; **71% to 74%** of households report this reason as a major obstacle to work.

Heads of households also cited low wages as one as a major problem in trying to join the workforce (**70%**).

Access to jobs, either because of lack of transportation or because workplaces are too far away, is a major problem for **two out of three** non-working heads of households.

Sixty-one percent (**61%**) report that the suspension of government benefits if employed is a major problem to access work.

Low-income families have some characteristics that make it difficult to become employed and to access quality jobs.



Sixty-one percent (**61%**) do not have college degrees or post-secondary technical degrees.



A high percentage lacks recent work experience: forty-eight percent (**48%**) of the unemployed have been out of the formal job market for three or more years.



Fifty-one percent (**51%**) report that not speaking English is a major obstacle to obtaining employment.



In **92%** of households, the head of household has not taken any job training courses in the last three months.



Public policy implications

The results of the Socioeconomic Survey of Families with Children in Puerto Rico validate and reinforce the need to prioritize the following recommendations by Instituto del Desarrollo de la Juventud to significantly reduce child poverty within ten years outlined in the study *A Future of Child Poverty in Puerto Rico: How Much It Costs and What We Can Do About It*.

1 Ensure access to preschool education and development programs

ESeFaM validates what we had already seen in other indicators that were previously analyzed by the IDJ: Current preschool and early childhood education and development programs are not being used by all families with children who could benefit from them.

In addition, it is confirmed that the lack of affordable childcare is an obstacle to the economic mobility of families. In Puerto Rico, there are currently two government-sponsored programs through which low-income families can access early childhood services that simultaneously facilitate job placement, and promote important developmental experiences: Head Start (including Early Head Start) and Child Care. The study *Hanging by a Thread: Puerto Rico's Social Protection System and Household Economic Mobility*, published by the Instituto del Desarrollo de la Juventud in 2021, found that access to both programs could be improved. For example, the report found that only 31% of children ages 0 to 5 living in poverty participate in the Head Start program.

Awarded for three consecutive years to Puerto Rico by the federal Administration for Children and Families, the Pre-School Development Grant Birth Through Five Grant (PDG B-5) is a step in the right direction. This grant is intended to help jurisdictions coordinate and strengthen existing childcare and early education programs, with a focus on empowering the childcare workforce.

As part of the efforts to strengthen the childcare infrastructure, the Government of Puerto Rico should consider the following:

- The Government of Puerto Rico, within the public policy framework of Law No. 84 of December 31, 2021, known as *“Ley para combatir la pobreza infantil y la desigualdad social”* (“Act Against Child Poverty and Social Inequality”), may **allocate supplemental funding for child care vouchers, focusing on municipalities with high levels of poverty and low levels of access to child care** or early education, which would be administered by those municipalities.
- **The government of Puerto Rico must enforce Law No. 84 of 1999**, which mandates agencies, corporations, and other public instruments to establish childcare centers on their premises or nearby areas.
- Beyond local efforts, **adequate access to mandated funds from the Child Care and Development Fund for Puerto Rico must be ensured at the federal level**. Territories received a temporary expansion in 2021, through the *American Rescue Plan Act* (ARPA). The impact of these investments on access to childcare in the archipelago should be evaluated in order to develop a proposal that demonstrates the importance of these funds in expanding access to care and early education on a permanent basis.

IDJ, in collaboration with the Administration for Integral Child Care and Development (ACUDEN, by its Spanish acronym), is exploring the regions where there are “preschool service deserts.” In this analysis, we consider the barriers that providers and families face in accessing preschool services to formulate recommendations for public policy and implementation.

2 Expand afterschool programs for children and adolescents ages 5 to 17 in all public schools.

ESeFaM shows that not having access to after-school childcare is a barrier to employment. The addition of afterschool programing was included in the government’s current platforms and was implemented as the Extended Academic Enhancement (RAE, by its Spanish acronym) program. According to data received by the IDJ from the Department of Education, 78,079 students, or 31%, and more than 600 schools participated in the program. Currently, there is no public information on the progress of this program or whether it has achieved its participation goals. In addition, it is important to emphasize that this program receives federal funding from the Elementary and Secondary School Emergency Relief Fund (ESSER), which will expire in 2024. In order to carry out an analysis of barriers and challenges to optimizing the service model, **we recommend specifying impact indicators on participation and academic performance**. Finally, we recommend **implementing a planning process to identify recurring funds and potential partnerships** with nonprofit organizations to ensure continuity, quality and a broader reach.

3 Revitalize programs aimed at obtaining post-secondary education, focusing on heads of households.

Post-secondary education, whether a college degree or a technical degree, is key to the economic mobility of individuals and their families. However, ESeFAM data shows that most heads of low-income households have not completed post-secondary studies. Improving access to and success in post-secondary education for heads of household in both private and public universities requires a focus on two elements: (1) flexibility to meet the needs of heads of households; and (2) strengthening the content of their academic programs so that these degrees translate into greater employability.

Several efforts are currently underway to address these factors. In terms of program flexibility to meet the needs of heads of households, there are several initiatives at public and private universities to reach and support more low-income and "non-traditional" students. As for the University of Puerto Rico, Rio Piedras Campus, Certification No. 50 was approved in 2013 to reach more students from impoverished communities. Other universities have programs, such as *AVANCE* at the Inter American University of Puerto Rico, which are geared toward adult students and provide flexibility. These are positive programs and approaches, and **we recommend establishing formal ties and agreements** between programs that serve heads of households, such as the Public Housing Administration, the Department of Health's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Puerto Rico Department of the



Family' TANF program, and the recently opened ACUDEN 2Gen centers. These agreements should ensure that participating families have better access to post-secondary programs and better guidance on university education offerings, available scholarships, and the admissions process.

Beyond promoting access and flexibility for heads of households, it is essential to increase employability resulting from these post-secondary degrees. Recently, Puerto Rico's Department of Economic Development and Commerce (DEDCE) launched the *21st Century Techforce* program, which aims to help colleges and universities integrate stackable credentials that are aligned with the needs of employers. This program is expected to impact 50,000 students over a 10-year period. This is the kind of change necessary to strengthen university programs, **but there is an urgent need to achieve a larger-scale impact that also takes into account and considers integrating non-traditional students, such as heads of households.** The Instituto Tecnológico de Puerto Rico, part of the Puerto Rico Department of Education, offers technical and associate degrees aligned toward specific industries, but they are currently available in only three municipalities and their offerings are limited.

We strongly encourage the evaluation of these programs and if favorable to broaden their scope.

4 **Develop sector-based work training programs**

Sector-based work training strategies are those that actively integrate employers in the design

and implementation of training programs. The current *Workforce Innovation and Opportunity Act* (WIOA) state plan (2020-2023) aims, among other things, to establish a framework for a workforce development system driven by jobs and includes the development of sector-based training strategies. A 2022 J-PAL study that compiled the most rigorous evidence on sector-based work training programs, titled *Sectoral Employment Programs as a Path to Quality Jobs: Lessons from Randomized Evaluations*, suggests that these programs can have a major impact on the education and economic security of low-income adults who are trying to enter and grow in the job market. **These programs must incorporate the needs of the most disadvantaged populations, such as the heads of low-income households.** These programs should focus on jobs that offer good salaries and possibilities for upward economic mobility. In addition to WIOA funds, Community Development Block Grant-Disaster Recovery (CDBG-DR) funds have become an important resource in the area of workforce development, but little is known about their results and their alignment with employers and sectors in high demand. **We recommend that the Special Commission for the Eradication of Poverty requests an Investigative Resolution to learn more about job training initiatives.**

5 **Adopt two-generation models to provide services for families**

These models provide services for the whole family (i.e., guardians and their children). Many families face multiple barriers to employment, such as lack of transportation, childcare, or post-secondary education. As a result, this affects children as well. Centered on service integration

and intentionality, two-generation models initiatives are a promising framework for fostering the economic mobility of families. Using the aforementioned PDG B-5 federal grant, ACUDEN has opened 13 two-generation centers throughout Puerto Rico to provide this type of service. In addition, these two-generation models could be integrated into the services provided by the Department of Housing, the Department of Education, and the Department of Health. **Beyond its implementation, it will be key to allocate resources for their evaluation and to ensure that they are extended to all families in need.**

6 Reinforce tax credit policies for the economic security of families.

Results from the ESFaM survey indicate that a large proportion of families do not have sufficient income to meet their basic needs. In addition, heads of households also expressed that low wages are a barrier to employment. This is why tax credits are key, as they not only help to mitigate economic insecurity but, as studies have shown, they can also incentivize work.

Both the Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC) extension have had a major impact on the economic security of low-income families. In its 2022 study titled *The Child Tax Credit in Puerto Rico*, IDJ estimates that the extension of the CTC through ARPA in 2021 reduced child poverty from 55% to 39%. The 2021 CTC represented a boost for the economic mobility of low-income families with children. Sixty percent (60%) of families either saved the money received from the CTC or used it to pay debts. While the federal CTC rules changed in 2022, the extension of the credit for



families with 1 and 2 children remained in effect; the amount they are eligible for is lower and the eligibility criteria does not favor lower-income families, as it is tied to their Social Security and Medicare taxes. Under these criteria, child poverty is estimated to be reduced by only 1%.

The IDJ recommends the development of a local CTC in order to supplement the federal CTC. There are currently 12 states that have implemented a supplemental local CTC program. More details on this proposal will be published by IDJ in the near future.

In addition to these six recommendations, IDJ will continue to develop detailed recommendations from the results of ESFaM geared toward the private sector. Specific solutions will be explored for public policy mechanisms and practices to address the challenges in labor insertion and economic mobility related to work schedules, lack of transportation, and the perception of how employment impacts the loss of government assistance.



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