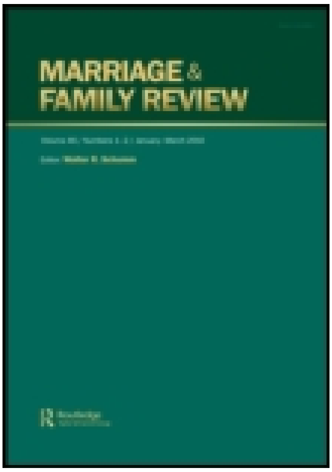

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"How Can You Retire When You Still Got a Kid in School?": Economics of Raising Grandchildren in Rural Areas

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"How Can You Retire When You Still Got a Kid in School?": Economics of Raising Grandchildren in Rural Areas

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Increasingly, grandparents are being called on to rear their grandchildren when parents are unable or unwilling to fulfill their parenting role. These grandparent caregivers often find themselves in an economic bind. Financially, most are at a stage in life where they are looking toward retirement and reduced family spending and are unprepared for their new economic reality as second-time-around caregivers. Here, we use a framework of family financial well-being to examine the economic consequences of rearing grandchildren. Based on family life interviews with 26 grandfamilies residing in Montana, we explore the challenges grandparents experience generating and shifting income streams in later life, the variability in received income, and the array of expected and unexpected expenses incurred as a result of taking in their grandchildren. As custodial grandparents strive for financial well-being, there are few resources—especially in rural areas—to help them navigate these new financial waters.

KEYWORDS *crisis in families, finances, grandparenting, parenthood/parenting*

INTRODUCTION

The number of grandparents solely responsible for the care of their grandchildren has been on the rise over the past two decades (Bryson, 2001; Kreider, 2008), with current estimates totaling 2.5 million (U.S. Census,

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2009). Most of these grandparents are rearing grandchildren not by choice or tradition but as the result of family crises that necessitated grandparent intervention (Bachman & Chase-Lansdale, 2005; Emick & Haslip, 1999). These family crises may have resulted from parental substance abuse, chronic physical or mental illness, teen pregnancy, abandonment, death, incarceration, or military deployment, among other reasons (Bullock, 2004; Cox, 2003). The number of grandparents rearing grandchildren (GRGs) will likely continue to increase as a result of the ongoing financial hardships associated with the recession of 2007–2009 coupled with the passage of the 2008 Fostering Connections Act, which requires states to look first to kin placements when a child is removed from the home for abuse or neglect (Livingston & Parker, 2010).

When grandparents intervene on behalf of their grandchildren, they often find no systematic response to help them or their grandchildren cope with family adjustments (Wallace, 2001). This lack of systemic response is because most custodial grandparents provide care in informal, private care arrangements outside of the child welfare system (Ehrle, Geen, & Clark, 2001; Jantz, Geen, Bess, Andrews, & Russell, 2002). These "informal" kin caregivers, as compared with nonkin foster parents, are more likely to be older, single, less educated, in poor mental health, and living on income less than 100% of the federal poverty line (Ehrle & Geen, 2002). Furthermore, even though children living with kin are more likely to experience traumas associated with abuse, neglect, or parental abandonment, many do not receive or are ineligible for much needed services (e.g., specialized health, mental health and school-related services, supplemental payments for caring for children with special needs, clothing allowances; Geen & Berrick, 2002) because the grandparents are raising them outside of the formal foster care system. The grandchildren may not have a legal connection with their grandparents and therefore are not eligible for services. Without such assistance and services, many GRG households often provide for their grandchildren "out of pocket" and are rendered economically vulnerable if not financially insecure with the addition of their grandchildren into their households (Geen, 2003).

Household survey data speak to this economic vulnerability. In 2009, households with a biological parent and a biological child experienced a 16.1% poverty rate, whereas households with a child and grandparent present, but no parent, experienced a 25.8% poverty rate (Kreider & Ellis, 2011). Of all household types, households where a child and grandparent were present with no parent exhibited one of the highest poverty rates of any household type (Kreider & Ellis, 2011). Seventy-seven percent of the households with a grandparent and child with no parent present received public assistance, compared with 44.8% of households with a biological parent–child configuration (Kreider & Ellis, 2011). Data from the National Survey of America's Families indicated that poverty is greatest in single-grandmother-headed households.

Of the households where a grandmother was the only caregiver of grandchildren, 66.8% were at or under the poverty line and 42.4% were at or below 50% of the poverty line (Park, 2006). These statistics highlight how grandparents with limited resources are impacted when they become the sole provider for their grandchildren.

One group of caregivers that is particularly vulnerable economically are GRGs in rural areas (Allison, 2012). Rural living can be challenging because communities are geographically isolated, generally lack public transportation, and have fewer services (e.g., mental health, specialized medical practices, childcare centers, support groups, food banks) readily available for families as compared with urban dwellers (Probst, Moore, Glover, & Samuels, 2004). Such geographical isolation often requires grandparent caregivers to travel great distances to access services. Rural areas are also aging more rapidly than metropolitan areas as a result of "aging-in-place" and in-migration of older persons from metropolitan areas, straining community resources to provide needed health and social services (Economic Research Service, 2007). In addition to the "graying" of rural areas, these communities have also experienced job loss and out-migration of young adults as their economies have suffered in the changing global marketplace (Bullock, 2004). As these communities depopulate and age, there may be fewer resources for families to draw on in times of need (Bullock, 2004; Glasgow, Holden, McLaughlin, & Rowles, 1993). Although the younger generations are moving to more urban areas, grandparents are remaining in the rural areas even after taking on parenting a second time around.

To date, a great deal of research has been conducted on the well-being of GRGs and the stresses of "off-time" parenting (e.g., Bailey, Letiecq, & Porterfield, 2009; Hayslip, Shore, Henderson, & Labert, 1998; Kelley, Whitley, Sipe, & Yorker, 2000; Waldrop & Weber, 2001); however, there remains a paucity of research investigating the economic realities of grandfamilies, especially those living in rural areas. Indeed, there are few, if any, frameworks available to inform studies of grandfamily financial well-being. This study attempts to address current gaps in the extant research in two ways. First, we present a framework of grandfamily financial well-being. Second, guided by this framework, we explore the income streams and expenditures of grandparents rearing grandchildren in Montana.

Grandfamily Financial Well-Being: A Framework

To guide our research on the economics of rearing grandchildren, we developed a grandfamily financial well-being framework (Figure 1). This framework includes a complex array of income streams often generated by GRGs as well as the expected and unexpected expenses incurred as a result of providing care for grandchildren that together influence GRG financial well-being. We use the definition of family financial well-being as articulated by

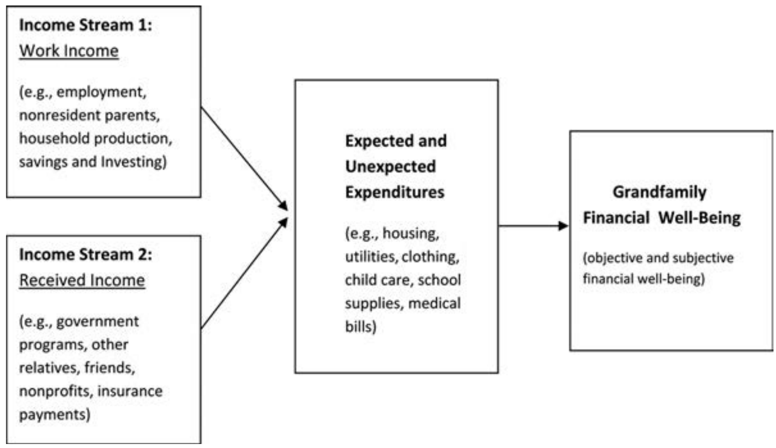

FIGURE 1 Grandfamily Financial Well-Being Framework.

Cox, Hooker, and Markwick (2009). Family financial well-being includes both subjective perceptions and objective indicators of one's financial situation. Subjective perceptions include how satisfied one is with their financial situation, whereas objective indicators include one's income in relation to debt and assets in relation to liabilities. Below, we review the literature in relation to our framework and then use the framework to guide our study of the economic impacts and challenges experienced by rural custodial grandparents.

Grandparents' Income Streams: Work Income and Received Income

There are two types of income streams available to GRG households: work income and received income. The most commonly understood type of work income is gained by trading time in the workplace for income. Grandfamilies may also receive work income from the grandchildren's nonresidential parents. A less commonly understood type of earning from work comes from doing household production; that is, purchasing raw materials and then combining those raw materials with human knowledge, energy, and time along with environmental energy and tools to produce a higher value product or service (e.g., home-cooked meals). Another type of earning from work is via investing and saving, which produces income that can be used for consumption purposes. A second stream of dollars to help provide income to GRG households is derived from money that is received from some source for which no work effort is required, which will be referred to as received income. One major source of received income or in-kind goods and services is from government programs. Other sources of received income include those from family, friends, nonprofits, and insurance payments. Grandparents use all these sources of income to create the income level needed to support their grandchildren.

Work Income From Employment

When grandparents take on the rearing of grandchildren, many experience work-related shifts. Wang and Marcotte (2007) found that grandparents caring for grandchildren in their homes were more likely to work and to work longer hours; however, grandparents' relationship to work varied by gender. Grandfathers were less likely to retire and more likely to stay in the labor force. Grandmothers were more likely to assume responsibility for child care and reduce time in the labor force to accommodate the added childcare needs of the grandfamily, indicating that grandmothers were more likely to generate household production with their time. However, according to Wang and Marcotte (2007), if another adult was available to supervise the grandchildren, grandmothers also worked longer hours in the labor market.

Work Income From Nonresident Parents

For some grandfamilies, another source of cash income is from nonresident parents. Using the National Survey of America's Families, Stewart (2010) examined nonresident parents and their support of their own children and found the relationships to be gendered. Children who lived with grandparents were significantly more likely to have seen a nonresident mother at least once in the previous year and were more likely to receive child support and more dollars than children living with a single father. However, children living with a grandparent or other relatives had fewer visits from their nonresident father and were less likely to receive child support or financial contributions than children living with a single mother. Given that grandchildren are more likely to reside with maternal grandparents than paternal grandparents, these arrangements may facilitate mother–child relations and the provision of mothers' financial support over that of fathers.

Despite the fact that some children living with grandparents do maintain relationships with their biological parents and receive child support and other financial contributions from nonresident parents, many children do not (Sousa & Sorensen, 2006). Roe and Minkler's (1998/1999) research suggests that the financial states of the nonresident parents are often dismal. As mentioned earlier, the factors leading up to familial crises and grandparent intervention, including parental drug and alcohol abuse, divorce, death, military deployment, teen pregnancy, and incarceration, can be economically devastating to parents, rendering them unable (or, in some cases, unwilling) to provide financial support to their children.

Work Income From Household Production

The study of household economics has historically included household production in the economic model describing how households produce satisfaction (utility). Household economics posits that households derive utility from the consumption of goods and services and from leisure. Goods and services can be produced through exchanging time for money in the workplace and then exchanging the money for goods and services that are marketplace produced. Goods and services can also be produced through combining time, skill, and raw materials into household produced goods and services. This notion is called household production (Bryant & Zick, 2006).

Kinship care substantially revolves around household production because care involves the production of goods and services such as meals, laundry, cleaning, shopping, financial management, child transportation, emotional support, help with school work, and other educational activities. No studies document these activities in terms of the time required, the physical labor involved, or the degree to which grandparents purchase goods and services from the marketplace versus producing them at home. One qualitative study of 23 Black grandmothers who were receiving Temporary Assistance for Needy Families (TANF) payments does indirectly shed some light on grandparent household production (Stevenson, Henderson, & Baugh, 2007). In a section of the study examining personal esteem, one grandmother stated she could make a meal out of very little. This is an example of household production that may be of high value to the household because the skill is combined with limited food resources to produce something valuable—an inexpensive meal. In the same study, another grandmother expressed her pleasure at being able to spend time with grandchildren doing things she hadn't been able to do with her own children. This time investment in children is a type of household production that provides socioemotional benefits to both grandchildren and grandparents. In rural communities, such investments in household production may be even more common and of value than in urban areas, given the geographical challenges in accessing consumable goods and services.

Work Income From Saving and Investing

Few studies have examined the use of saving and investing assets from the grandparent household as a source of current income. One such study, conducted by Park (2006), found that in skipped-generation households where only the grandmother took care of children, pensions and annuities, which are forms of saving and investing assets, comprised roughly 3% of household income. In comparison, partnered grandmothers in three-generation households with a least one parent present received the highest level of income from saving and investing at 7%. The Park study was limited because grandparents aged 65 and over were not included in the sample, but it does provide some indication of income from saving and investing by grandfamily household type. Another study by Kelley et al. (2000) found that approximately 20% of African American grandmothers in their sample received income from Retirement, Survivor's and Disability Insurance funds (a federal program) or from retirement accounts. The commingling of the two types of funds confounds the ability to know how much income was from the grandmother's saving and investing; nevertheless, a fifth of income from these sources is significant.

Received Income From Government Programs

An important source of income for many GRGs is from government programs, both at the state and federal levels. The major government programs used by grandparent caregivers include TANF and foster care payments through the child welfare system (Park, 2006). Additionally, programs such as Section 8 housing, the Supplemental Nutrition Assistance Program (food stamps), Supplemental Security Insurance, and public health insurance programs (e.g., Medicaid or Senior/Children's Health Insurance Program) can be important resources to grandparents; however, research suggests that uptake of these programs by kin caregivers is low (Gladstone, Brown, & Fitzgerald, 2009).

Data from the Survey of Income and Program Participation indicated that 17% of children living with two grandparents received TANF compared with 34% of children living with a single grandmother only (Brandon, 2005). Eight percent of children living with two grandparents received food stamps compared with 34% of children living with a single grandmother only. Children in grandmother-only households were most likely to be poor, but they were not the children that had the highest probability of receiving welfare. Children in households with single mothers or with grandparents in three-generation households were most likely to receive TANF.

A significant barrier to TANF uptake by grandparent caregivers is often linked to work requirements. Many grandparents find the work requirement difficult because of their older ages or limited work experience (Kirby & Kaneda, 2011). Only six states administer exemptions from work requirement or time limitations to custodial grandmothers under age 60 (Hutson, 2002). A second TANF program for children only can also assist grandfamilies, but TANF child-only offers lower monthly benefits and uptake is also low (Sakai, Lin, & Flores, 2011).

When a child is placed with a grandparent within the child welfare system, grandparents can apply to become licensed foster parents and receive foster care payments for the children. These payments are substantially more than TANF child-only funds. However, many GRGs do not elect to become licensed for a complex array of reasons, including childcare burdens, program restrictions, and the time commitment to attend training

(Letiecq, Bailey, & Porterfield, 2008). Many states are also implementing subsidized guardianship or other programs to help caregivers who are relatives to provide care to children (Park, 2006). Yet even with public assistance, the benefits provided by the programs may not be enough to bring these families above the official poverty threshold. Park found that 66.8% of single grandmothers were at or below the poverty level before public transfers were considered. After the transfers, 55.8% were at or below the poverty level. For grandmothers with partners, 41.2% of households were at or below the poverty level pretransfer and 33.6% were at or below the poverty level post-transfer.

Received Income From Other Relatives, Friends, and Nonprofits

Although few studies have documented actual cash contributions to GRGs, several studies have determined that close relatives (other than the nonresident parents), friends, and nonprofit organizations (especially churches) provide in-kind income through goods and services (Stevenson et al., 2007). In-kind dollars transferred to grandfamilies include gently worn clothing, holiday gifts, transportation, child and respite care, and child activities. Financial support was also provided by sons and daughters (other than the grandchild's nonresident parent), other family members, friends, and the grandmother's employer and landlord (Stevenson et al., 2007). These types of transfers are likely vital in rural areas where it is more challenging to access goods and services in the marketplace.

Received Income From Insurance Payments

Insurance can be valuable to a household in the event of a catastrophic expense. One of the most important types of insurance for both grandparents and grandchildren is health insurance. Many studies cite both the physical and mental health challenges faced by grandparent caregivers (e.g., Kelley et al., 2000). GRGs are older than "on-time" parents and suffer health issues (e.g., cardiovascular illness, cancer, vision problems, diabetes, and hypertension) that can diminish their effectiveness in parenting (Little, 2007). Further, the stress of raising grandchildren can result in psychological distress (Kelley et al., 2000; Letiecq, Bailey, & Kurtz, 2008). Grandchildren also present health concerns, both physical and emotional. Although grandparents 65 and older may be covered by Medicare, grandchildren are not eligible. Working grandparents may have their own employer-based health insurance, but unless legal custody has been established, these plans may not cover resident grandchildren. Generally, all children being reared by grandparents should be eligible for Medicaid, but as with other antipoverty programs, uptake is low (Whitley & Kelley, 2007). Even when grandchildren are covered by Medicaid, access to health care in rural areas is limited.

Impact of Grandchildren on Grandparents' Spending: Expected and Unexpected Expenditures

Grandparent household spending is surely influenced by having a grandchild present in the household. Food, housing, child care, clothing, transportation, insurance, school supplies, educational products and services, gifts, and other items are required and desired to support grandchildren. A few studies documented issues such as housing and food security for these households. For example, Baker and Mutchler (2010) found that children living in three-generation, skipped-generation, and single-parent households were more likely to experience a higher risk of housing and food insecurity than children in two-parent families. Another study found that fewer grandmother and foster caregivers were financially able to provide items such as books or toys or to bring children to museums or to have a membership in organizations encouraging sports, music, or art than the general population of nonpoor mothers (Dolan, Casanueva, Smith, & Bradley, 2009). However, no studies were identified that specifically documented the change in spending patterns—those expected and unexpected expenditures—due to the addition of grandchildren in a skipped-generation household.

Purpose of Current Study

In this study, we assert that finances are a foundational resource supporting the physical, social, emotional, and intellectual well-being of both grandparents and grandchildren. Thus, understanding the economics of rearing grandchildren is critical to understanding their well-being generally (Downie, Hay, Horner, Wichmann, & Hislop, 2010). Although a few studies have touched on many aspects of grandparent caregivers' income streams and expenditures, there is a dearth of research on GRGs financial experiences in rural areas. Guided by our financial well-being framework, this exploratory study of grandfamilies in Montana attempts to fill in some of the gaps by examining the impacts of rearing grandchildren on the family's sources of income and expenditures—both expected and unexpected.

METHODS

Sample

This study used qualitative data based on life history interviews that were conducted with grandfamilies in southwest Montana. Twenty-six face-to-face interviews were completed with a grandparent ($n = 19$) or with a married couple dyad ($n = 7$) including 23 grandmothers and 10 grandfathers. Grandparents ranged in age from 36 to 71 years, with a mean age of 56 years. Most participants (69%) were married at the time of the interview. The remainder was single, separated, divorced, or widowed. Grandfamilies in this study cut across all income levels, with annual household incomes ranging from less than $15,000 to more than $70,000. Participant education levels were also diverse, with 4 grandparents having less than a high school diploma, 9 having a high school diploma or general equivalency diploma, and 20 having some postsecondary education. Grandparents had been the primary caregivers of their grandchildren for an average of 5.5 years, ranging from 5 months to 24 years. The sample was primarily White, with the exception of one Native American grandparent.

Of the 26 grandfamilies interviewed, most ($n = 18$) had informal or private care arrangements. Of these families, 10 had hired attorneys to draw up documents establishing guardianship of the grandchildren in their care (but had not gone to court), 5 had no legal ties to their grandchildren, 1 couple had privately adopted their grandchild, and 2 had "mixed" informal arrangements, where 1 couple had privately adopted their granddaughter and had no legal ties to two other grandchildren under their care and 1 couple had legal guardianship of two grandsons and no legal ties to another grandson under their care. The remaining eight grandfamilies were involved in the formal child welfare system as kin foster families, but only one couple had gone through foster care licensure.

Procedure

The family life history interviews were guided methodologically by the work of Goodley, Lawthom, Clough, and Moore (2004) and were conducted to better understand how grandparent caregivers came to be, the quality of their intergenerational relationships, and how they navigated social systems (e.g., health care, schools) to meet the needs of their grandchildren. Interview questions also documented financial issues facing grandparents, child welfare involvement, and receipt of state-based financial assistance and services. Purposive and snowball sampling strategies were used to recruit grandparent caregivers. The geographical distance between the location of the grandparents and the university housing the research team was limited to approximately 90 miles because of resource and time constraints.

Participants were solicited through local newspaper ads, radio stations, and support groups. Other grandparents then heard about the study by word of mouth and contacted the research team. Inclusion criteria stated that grandparents were the sole, full-time care providers of their grandchild(ren) and biological parents of the grandchildren did not reside in the grandparent's home. Only one interested grandparent was not included in the study because she provided part-time care for her grandchildren. All interviews were conducted by two trained interviewers, were held in the grandparents' home, and lasted about 2 hours. Participants received $100 for their time. This study was approved by the university's institutional review board.

Data Analysis

Data were analyzed using an analytic induction approach. According to Patton (2002), qualitative research can be deductive in nature, where the researcher analyzes data to confirm or verify an existing theoretical framework. As Patton noted, qualitative analysis can first be deductive followed by (or alongside) an inductive process. Here, a researcher begins by examining the data in terms of "theory-derived sensitizing concepts" or applying an existing framework (p. 454). During this deductive phase, the researcher can simultaneously search for emergent patterns by using an inductive process. As a four-member team made up of two of the authors and two graduate research assistants, we used open coding to code and analyze the data in light of our financial well-being framework to explore sources of income streams, the unexpected expenses of raising grandchildren, and GRG's perceptions of their economic well-being. Open coding is a process in building theory whereby the researcher classifies concepts found in the interview text (Strauss & Corbin, 1990). We also coded the data for emergent patterns of economic opportunity or challenge that fell outside of our framework. The team met to discuss discrepancies in coding and through the process came to consensus on coding. All identifying information has been removed from participant quotes and pseudonyms have been assigned. Throughout the Results and Discussion, we offer quotes from GRGs that elucidate our framework in rural areas and use grandfamily pseudonyms to ensure participant anonymity.

RESULTS AND DISCUSSION

In many ways, regardless of geographical location, custodial grandparents are confronted with significant economic challenges when they take in their grandchildren and make efforts to meet their needs. However, rural living can pose additional financial challenges for GRGs. In this exploratory study, we were guided by our framework detailing the economics of rearing grandchildren as we sought to better understand how rural GRGs navigated their economic landscape. Results revealed multiple economic issues impacting rural grandfamilies, including the generation of income streams, especially after retirement, and the unexpected expenses of rearing grandchildren, as these families worked to hold the line economically and achieve their familial goals of financial well-being.

Challenges of Generating and Shifting Income Streams

Because of the added demands of rearing their grandchildren, many rural grandparent-headed families in our study were forced to reevaluate their economic situation and make substantial changes regarding their outside generating monetary income for the household and their inside generating household production. However, these shifts were at times complicated by geography as the following narratives suggest.

Generating More Income From Paid Work

For most GRGs in our study, taking in their grandchildren meant reestablishing income streams from paid employment or searching for additional work hours to increase their income. For coupled grandparents, it was not unusual for us to hear "gendered" stories about a grandfather either returning to the labor market or upping his participation, whereas a grandmother stepped out of the labor market to take over household production and the full-time care responsibilities of the grandchildren.

This particular pattern is evidenced by Sam's grandfamily story. At 57 years of age, Sam and his wife found themselves providing primary care to their three school-aged grandchildren, each of whom experienced a great deal of trauma and neglect. As Sam shares, he increased his paid work hours to meet the needs of his new family configuration while his wife departed from her job:

> I work six days a week because my wife no longer works. I work 10-11 hours a day, and there are times when I work seven days a week. We just try to get by. We were not in a position financially to lose that income [that of his wife] and we have bill collectors still to this day. We're okay, we'll get through it. We have faith in all that but the reality is … I am emotionally run out.

This pattern was also exemplified by Joe, a grandfather who worked 6 days a week to make ends meet while his wife Janet was a full-time homemaker and caretaker for the grandchildren. When asked about what might help their situation, he shared, "I'd say daycare would be nice, you know, that's the main thing. I mean, and you know, with me with—I'm having to work so many hours just to keep up right now. That's why I work until this time of night every night, because with her [grandmother] not working, you know, [we call] on nobody." For most of these families, additional income from paid work was needed to meet the additional monthly costs of raising their grandchildren.

Shifting to Unpaid Household Production

Income can be generated not only from paid employment but also from unpaid household production such as providing meals, home maintenance, scheduling, and family nurturing. Like Sam's wife above, some grandmothers in the study quit their jobs or retired early because of the emotional and/ or physical needs of their grandchildren. One grandmother who was a radiology technician at a local hospital left her full-time job to care for her grandchildren ages 10, 8, and 5. She stated, "When we got the kids there was no way we could leave them with anybody due to the trauma they had experienced." Others who were already homemakers or retirees also provided unpaid resources for the grandchildren, or as this 71-year-old grandmother shared, increased her production with the addition of her two teenaged grandsons:

> A lot of work. A lot of extra work. They shower and change clothes everyday of course. So there's been a lot of washing, and the cooking. When they first came here they didn't eat breakfast, and I got them up for school and "What do you guys want for breakfast?" "Oh, we don't eat breakfast," and I says "You're going to sit down and eat breakfast." I said, "I don't care if it is cold pizza. You're going to sit down and eat breakfast before you go."

Unpaid work was in the form of general household tasks, child care, and the provision of much needed daily parenting (e.g., consistent routines and nurturing) that the grandchildren had often not received from their biological parents. Regarding household production, more research would be useful in determining the change in grandparent household production activities before and after a grandchild joined the household. Time commitments to household production would be expected to rise substantially, which also means a commensurate increase in the level of goods and services provided by household production by grandparents.

Because rural GRGs have less access to respite services and support groups, those who are providing unpaid work to the family may be more vulnerable to fatigue and stress (Frontier Education Center, 2004). Yet, grandparents who are dealing with added stressors, grief, and guilt as a result of parenting a second time around may be hesitant to seek out whatever supports are available in rural communities because it can be difficult to keep family matters private (Hayslip & Kaminski, 2005). In low population communities, people tend to know most families in the area or at least know of them. This is coupled with service providers such as law enforcement or teachers who are members of the rural community and yet are the professionals involved in family crises. If GRGs are concerned with confidentiality and privacy, they may be reticent to go public with their familial challenges. Thus, they are vulnerable to bearing the burdens of household production and meeting the needs of their grandchildren in isolation.

Rethinking and Supplementing Retirement

Most grandparents in our study were taken by surprise and had not planned for the inclusion of grandchildren in their households full-time. For many, this meant putting on hold their plans for retirement or, like Sam, increasing income streams through paid work. As one grandmother shared, "I never planned on raising grandchildren, and when I retired, I had hoped to move south, well, at least part of the year, you know. I didn't really want to move back here when we lived in Arizona, but I did." Joan, a middle-aged grandmother, shared a similar narrative when she talked about her husband John's plans to retire 2 years ago and how that changed with the addition of their grandchildren into the household. She explained, "We are Colton's [her grandson] legal parents. We took him when he was 2 days old." Joan is disabled and taking on a baby in addition to Joan not being able to work meant that John would not be able to retire for a very long time.

Over and over, we heard grandparents having to reconsider their retirement plans, as they took an accounting of the ages and stages of their grandchildren as well as their capacity to generate income from paid work. Often, these discussions were riddled with ambivalence and uncertainties. The grandparents often did not know how long they would be parenting their grandchildren and what this would mean in terms of their financial ability to retire. As Mrs. McCormick, who was raising her 5-year-old granddaughter with her husband, stated: "Well, Summer is 5. If we get to kick her out of the house at 18, I'll be 70. If we have to wait, it could be 75 … we don't know. She may never leave." The grandfather asked, "I mean, how can you retire when you still got a kid in school?"

Other custodial grandparents discussed supplementing their retirement income with paid employment. For example, Laura, a grandmother, talked about her husband needing to take on a part-time position to make ends meet for his expanded family. "Like I say, we—well, he went to work, he has a part-time job. He's retired but he took on a part-time job just so we had a little extra for the kids and stuff." For many grandparents in our study, retirement became a distant or unreachable goal. They had planned for this phase of their life according to what should happen in the family life course normatively, only to find it washed away because of the unwillingness or inability of their adult children to parent.

Variability of Received Income

Received income sources were found to vary depending on whether or not the grandparents had legal custody or guardianship with the children or if they did not. There were differences between those families with informal versus formal care arrangements of the grandchildren. In general, the eight grandparent caregivers who were engaged with the child welfare system were more familiar with available economic resources and their connection to the system provided important linkages to services. The informal caregivers typically stepped into the parental role as a result of family crisis, where their adult child was unwilling or unable to care for their children. These grandparents often related stories of "falling through the cracks" and had limited knowledge of available economic resources from state and federal programs. One grandparent couple, unaware of their eligibility for Medicaid or TANF child-only grants, went through their entire savings to provide extensive dental care for their granddaughter.

Received Income From Government Programs

In our rural-frontier state, more than 6,600 grandparents are raising grandchildren, yet only an estimated 19% use the TANF child-only program (personal communication, Delores Bock, Department of Public Health & Human Services, December 6, 2011). In addition, only 198 children are in licensed kinship foster care homes (personal communication, Jackie Stoeckel, Department of Public Health & Human Services, November 28, 2011), suggesting less than 1% of all grandparent-headed households in the state are licensed kinship foster homes. The eight grandfamilies who were part of the formal system with child protective services were aware of services to assist their grandchildren. Additionally, some grandparents, because of their own financial status before parenting their grandchildren, had access to social services such as housing assistance. This grandmother, when asked about rental assistance, responded as follows:

> Yes, this is low-income so I only pay like just a little under $200 a month for this, and then I have my car insurance. I am lucky I had a little bit of savings so I was living pretty good up until Susan [her daughter]—I had to use it up on the baby and birth and Susan's shenanigans, but it's all gone now, so there's going to come a time where I'm going to have to cancel my cable and cancel my internet.

Those grandparents who were retired often relied on social service funds for the children and Social Security. The Hendersons were not well off but believed they were financially secure. Mr. Henderson stated the following:

> I have a pension and Social Security and I have retirement through the Teamsters, only $87 a month, and then, Jan's [his wife's] Social Security and then what the kids bring in, we are not hurting. Medicaid was the only thing we want to make sure of for the kids.

This grandfamily also had children who participated in Head Start and the Women's Infants and Children program. Although the various social programs such as TANF child-only and Medicaid did not provide a great deal of income for the families, the contributions were welcomed by some. As stated earlier, others appeared to be more reticent to take up government-based resources even though nearly all grandchildren raised by grandparents qualify for TANF child-only funds and Medicaid. The rural ethos of hard work and self-reliance, especially in this older age cohort, is highly prevalent, posing challenges to increased GRG uptake.

Reliance on Family Members

A source of income that emerged was help from other relatives in caring for the grandchildren. Some grandparent caregivers sought assistance from other family members, such as this grandmother who was able to rely on her son [father of the grandchildren] and another adult daughter to help with the financial needs of the grandchildren. "Yes … .every month he gives money as does Susan. Susan [another daughter] watches my bank account. That's how she does it, and when it gets really low, she will call me and say, 'I deposited some for you today.'" In general, income from the grandchildren's parents was sporadic and not dependable. Some of the adult children provided goods such as diapers and formula; however, there was no consistency in the contributions. For some rural grandparents this was particularly frustrating, especially when they hear from others in the community that their adult son or daughter is frequenting bars or spending money on themselves.

Expected and Unexpected Expenditures

In addition to exploring rural GRG income streams, this study also examined the expected and unexpected expenditures experienced by custodial grandparents. Expenditures changed dramatically as grandparents went from living alone or with a spouse to again raising young children. Child care proved to be a significant expenditure and—unexpectedly—was often more costly than average because many grandchildren had emotional and/or physical needs that precluded them from center-based care. General household expenses also increased for these families, as did travel expenses related to accessing goods and services (e.g., activities and health care) for grandchildren.

Child Care

For grandparents still in the workforce or simply needing respite care, the cost of child care was shocking. Although many grandparents anticipated childcare costs, the current rates were much higher than when they had parented the first time. Managing work and family schedules, in addition to childcare costs, were challenging to most custodial grandparent in this study. The following quote from Heber, a grandfather of three, captures this:

> It's not about the money, but just like today or tonight, I was on the phone again with [the caseworker] back in South Dakota, and I've been after her to tell her, "You know, since we got these kids here, got about $600 and some bucks to get them in a daycare. The end of the month is coming, and it's going to be $800 for them plus for Sara." And we're not

> broke but it puts us in a bit of a bind plus with Sara. I can send my mother [the great grandmother] down the road if either one of us are going to be late to work or get there at 5:30. If our jobs are keeping us, my mom will go up and pick up Sara and bring her home. She can't do that with three kids, and just like today, I had a job going in [town]. My average time in an excavation, it's costing me about $75 or $80 an hour to leave the job early. I had to leave at 4:00 again today to be able to get out here, get home, get a vehicle that has three car seats in it to get down to daycare by 5:30 and pick these kids up.

Because of Heber's income, the family did not qualify for childcare assistance. He and his wife tried to juggle schedules and rely on Heber's mother to help with child care, but it was a struggle. In rural areas there are limited choices for child care and even more limitations when the care is needed for early morning or evening hours.

In another grandfamily, a grandmother was able to qualify for a childcare subsidy to help pay for the care when she was at work. The major difference between this situation and that of Heber's family is that the children here were under the supervision of child protective services:

> No, it just happened one day, one Saturday he [the grandson] shows up permanently and it was kind of a scramble to find a babysitter and all of that, and wondering about, you know, of course there was all of the financial stuff that went with that. I was lucky I had a very good caseworker who worked really well and who immediately started, you know, helped with daycare and stuff.

All Those Other Expenses

Clothing, food, utilities, furniture, and school supplies were expenses grandparents had to add to their budgets. One grandmother shared the following:

> We've got clothing every two to three months, shoes. We had to redo a whole bedroom in there for him to make it stay habitable. The State had to come out and check it out. The bedroom's a bedroom but we made it a kid room. We tore it all apart and redid the whole thing, walls, and floors. Yeah, you've got clothing, you've got diapers, you've got bottles, you've got everything that we've got no help for. There's all kinds of expenses. [break] Maybe I could go get a new pair of pants. That would be nice. Our expenses is—our needs are put aside again for David. Because everything's doubled, tripled the price since we've had kids.

Not only had prices increased since parenting the first time around, but the grandparents' income in many cases had been reduced due to retirement, semiretirement, and/or one grandparent leaving the workforce to care for the grandchildren. This is coupled with the limited availability of discount stores and thrift stores in rural areas where one can purchase such items at a lower price.

Finally, one hidden and unexpected cost incurred by many grandparents in this study related to traveling to access goods and services for grandchildren, particularly for families who resided in more isolated and geographically remote areas. In rural Montana, residents often can expect to travel 30 miles or more one way simply to reach a community of 2,000 where there are still very limited choices for basic family needs. In addition, it is not unusual to live in communities where there are few to no medical doctors. Families across Montana must travel upward of several hundred miles to access services provided by healthcare specialists for their grandchildren, which can increase their costs and interfere with a grandparent's ability to work and generate much needed income streams for their families. Distances from rural/frontier communities to major "cities" with hospitals housing specialists can range from 109 to 363 miles one way (Montana Department of Public Health & Human Services, 2011).

Striving for Financial Well-Being

Most grandparents in this study were beyond the crisis phase of rearing their grandchildren and were focused on stabilizing their families and shoring up their finances. By the time we conducted the interviews, some custodial grandparents had returned to work, some had returned home to care for their grandchildren, and some had learned about and had begun using child-only TANF and Medicaid programs. Still others—especially those within the formal child welfare system—had figured out how to access a host of services and financial assistance programs available to them. By accessing services and in some cases receiving support from their grandchildren's parents or other adult children, most were getting by but were no longer financially secure. Income and savings that had previously been adequate to support the grandparents were not adequate to cover the costs with the increase in household members. Indeed, regardless of their income streams, most grandparents were overwhelmed by the expenditures necessary to meet the needs of their grandchildren and were looking at the future with little chance of retiring—or retiring much later than they had originally planned.

An underlying assumption of our financial well-being framework is that grandfamilies need to have the financial capability to pay expenses, including fixed expenses such as housing costs and desired expenses such as leisure-time activities. Additionally, the grandparents need to feel satisfied with their financial situation. For most of the grandparent caregivers in this study, a level of financial well-being was now beyond their reach. Although they may have been able to make ends meet, for many, the financial security of savings, especially for retirement, was no longer available or potentially possible in the future.

Limitations and Future Research

Although this exploration of the economics of rearing grandchildren in rural locales offers new insights, this study is not without limitations. This study used qualitative data from life history interviews conducted with GRG households. These interviews did not focus solely on GRG income streams and expenditures; thus, we were limited in our ability to "test" or engage our framework fully. Future research in this area might be informed by our financial well-being framework, where the framework could be used as a guide to conduct a study of the specific income streams and expenditures of GRG households. Such research is needed if we are to better understand the ways in which financial well-being and/or financial insecurity and vulnerability impact GRG health and functioning generally and in rural communities.

Previous studies of kinship care economics focus on grandparents rearing grandchildren in limited resource households. Because of this focus, it is to be expected that few references or data collection efforts exist to determine the level of savings and investments that are expended on grandchildren as a source of current income for the households. However, in the full scope of households with custodial grandparents, using savings and investments in middle to later years of life is a substantial concern, as the opportunity to replace these dollars is limited for the grandparents. The dollars in savings and investments at this stage of life are likely thought to be resources for retirement and later years of life when the fear of outliving one's income is real. More research is needed on the full range of grandfamily households to see if savings and investments are being precariously drawn down to provide current income for child rearing.

CONCLUSIONS

Households where grandparents are rearing grandchildren are at higher risk for poverty, particularly in rural areas (Allison, 2012). Although the limited previous research has documented the economic vulnerability of these families, particularly for single grandmothers rearing grandchildren (Kreider & Ellis, 2011; Park, 2006), there is a dearth of information on how they piece together their economic resources and the impact of their resources on their current and future situation. This exploratory study sought to shed light on the various income streams and expenses of grandparents rearing grandchildren in a rural western state. As discussed, GRGs rely on many streams of support including paid work, government programs, insurance programs, family members, and friends for financial and in-kind goods and services.

The use of savings and investments or the contribution to saving and investing has not been documented but is surely affected by the addition of grandchildren. Although savings and investments were shared by a few GRGs in our sample, more data are needed. However, from the stories of the grandparents in this sample, we were able to see how changes in retirement plans and investment into retirement changed with the addition of the grandchildren. Certified family life educators and family financial counselors are well suited to assist GRGs as they adapt retirement plans and/or make decisions regarding the economic resources that are available to the grandfamily.

Compounding the economic challenges for these grandparents was the issue of rurality. Small communities mean fewer job opportunities for grandparents who need to reenter the workforce due to needs of their families. Fewer support services are also available, and often the grandchildren are in need of specialized services due to the neglect and/or abuse they experienced when living with their parents. Distances between communities, inclement winter weather, and lack of public transportation pose the challenge of reaching services such as medical specialists. Furthermore, resistance to accepting government support by some GRGs further disadvantages them. In many states, extension faculty are working with GRGs to provide information and support groups. This support can encourage reticent GRGs reach out for help.

Today, more grandparents are being called on to raise grandchildren than ever before. Kinship care—whether formal or informal—is typically desired by the families involved, by public policymakers, and by social services agencies, even though their resource base may be more limited than nonkin foster care (Harden, Clyman, Kriebel, & Lyons, 2004; Wilkerson & Davis, 2011). If grandfamilies are to thrive, more attention needs to be given to their financial needs. As illustrated in our life-history narratives, the addition of children to a household that has reduced income and spending significantly impacts family financial security. Prior savings were not enough to mitigate the financial impact. Government services such as TANF child-only grants, food stamps, and housing should be increased and income guidelines adjusted so that grandparents who were financially thriving before parenting again can maintain financial security. Without these supports, more children whose parents are unable or unwilling to care for them may end up in nonkin foster homes. Thus, understanding the finances of grandfamilies is critical, as finances are a foundational resource supporting the physical, social, emotional, and intellectual well-being of both grandparents and grandchildren.

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