American families with young children have experienced significant financial challenges since the coronavirus pandemic began. Many caregivers have lost their jobs and many more have reduced their work hours due to childcare centers and schools closing.

The resulting income losses have led millions of American families to experience material hardships, such as difficulty paying bills and rent, and providing food for their families. In this fact sheet, we provide data on trends in rates of material hardship over the past year, and we
explore the relationship between material hardship and its impact on well-being for caregivers and children over the past year of our survey. We define material hardship as difficulty paying for at least one area of basic needs (e.g., food, rent/mortgage, utilities). Our data illustrate the chain reaction of hardship that has played out, in which caregivers’ experiences of material hardship have negatively impacted their, and in turn their children’s, well-being.

While American families from all groups have experienced the cascading negative effects of the pandemic, the weight of material hardship over the last year has been heavier for some. Black and Latinx families have reported more financial challenges and emotional distress than White families. Lower income families have faced similar challenges (although our data show that higher income families have also felt the financial and emotional strain of the past year).

Our data show that material hardship weighs families down and that when the weight is lifted, families do better. Family emotional distress increases during times when hardships are greater. In contrast, when parents are not straining to keep their family afloat, their emotional well-being improves, and their children benefit as a result.

### MATERIAL HARDSHIP RATES AMONG FAMILIES WITH YOUNG CHILDREN ROSE.

During the pandemic, material hardship rates among families with young children rose, from just under 1 in 4 in April of 2020 (when our survey began) to a high of more than 1 in 3 families during the summer, fall, and winter. Rates have been declining in recent months, although 1 in 4 families is still reporting difficulty paying for basic needs.

*Note
To examine trends across our year of survey data, we used statistical modelling to confirm specific time points when rates of material hardship changed.
Hardship rates were significantly higher across time among Black and Latinx households than White households. We also found that hardship rates were significantly higher across time for lower income individuals, and higher for single-parent households and households with special needs children.

**MATERIAL HARDSHIP CAUSED GREATER EMOTIONAL DISTRESS.**

When caregivers reported that they couldn’t afford basic needs for their families, their emotional well-being suffered. As the areas in which material hardship increased, so did parents’ reports of their own emotional distress (a composite of depression, anxiety, stress, and loneliness), and their children’s emotional difficulties (a composite of fear/anxiety and fussy/defiant).

“We are about 3 months behind on rent. We very nearly had our lights cut off. I’ve never been this terrified of being kicked out of our home before.”
Parent from Texas

Level of parent/child emotional distress by the number of material hardships
WE CAN DIVIDE THE MATERIAL HARDSHIP DATA INTO FOUR DISTINCT TIME PERIODS.

1. Between early April and late May 2020, rates of hardship were stable.
   - As the pandemic began, Americans experienced unprecedented levels of unemployment. Although pandemic unemployment and stimulus payments prevented rates of material hardship from increasing during this time, more than 1 in 4 families reported being unable to pay for basic needs. "My husband is still working through all of this. Also the stimulus check and unemployment are helping a lot especially since I'm pregnant and lost my job." Parent from Texas

2. From early June to early September 2020, rates of hardship increased reaching rates of more than 1 in 3 families.
   - During this time, the CARES Act ended (in late July), which had been providing Pandemic Unemployment to millions of families. "The extra $600 is what is keeping our heads above water but I am not sure how we will make it once that extra payment stops... in July." Parent from California
3. From early September to mid January 2021, rates of hardship reached their peak and levelled off.

- Rates of hardship remained fairly constant during the summer, fall, and early winter.
- Consistently during this time, 1 in 3 families experienced at least one area in which paying for basic needs was difficult.

4. Between mid-January and April 2021, hardship rates decreased — returning to April 2020 levels.

- As rates of material hardships declined, emotional distress also decreased for parents whose economic circumstances have improved.
- The timing of these decreases coincides with when families were receiving the new stimulus payments and other pandemic relief measures.

“[The stimulus] helped catch up on rent, utilities, and I gave my son a good 2nd birthday party.”
Parent in Tennessee

“Every week money gets tighter and it becomes harder to pay for basic needs. It’s getting colder so that is going to increase our electric bill... We had been hoping a second stimulus payment would make it for the holidays but every day that goes by feels more and more like the government doesn’t care.”
Parent from Kansas

“When [unemployment benefits] end, then it will dramatically reduce my income and we will struggle.”
Parent from Illinois
Summary and conclusions

Rates of material hardship among households with young children were stable at the beginning of the pandemic. These rates (more than 1 in 4 households) were cause for concern, but the fact that they did not increase as COVID rates surged in spring 2020, perhaps due to the initial federal and state relief measures put in place, is noteworthy.

Rates of hardship increased as months passed and financial relief measures ended. Although we cannot make causal statements about the positive impact of relief measures on hardship, statements from families in our survey around this time suggest strong connections.

After peaking at over 1 in 3 families during the midsummer and through early winter, rates of material hardship started to decline in January of 2021, returning to levels observed in April of 2020.

Throughout the pandemic, those experiencing hardship have been more likely to report emotional distress in themselves and their children.

The more areas of material hardship, the greater the emotional distress for both parents and children.

Notably, those experiencing less hardship in recent months are also reporting decreases in emotional distress.

These data provide evidence of the pandemic’s impact on household well-being associated with material hardship. The fact that governmental relief measures at the beginning of the pandemic and in recent months coincides with protection from material hardship suggests the positive impact of these measures.

As our survey continues, we will track the impact of additional federal measures — including the Child Tax Credit and components of the American Rescue Plan — as well as state and local initiatives on households with young children.
The RAPID-EC project is an early childhood family well-being survey designed to gather essential information in a continuous manner regarding the needs, health promoting behaviors, and well-being of children and their families during the COVID-19 outbreak and recovery in the United States. The survey focuses on better understanding child development (and parents’ concerns about development over time), caregiver mental health and well-being, and caregiver needs and utilization of resources.

RAPID-EC collects data from 1,000 caregivers in all 50 states twice per month. The survey collects snapshots of data across time with the ability to assess trends longitudinally.

Twice per month, the team posts analyses of survey findings, including policy recommendations and resources for additional reading.

RAPID-EC is under the Direction of Philip Fisher, PhD, Director of the Center for Translational Neuroscience at the University of Oregon.