

Wealthy parents increased spending on children during recession

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While a recession is typically a time when everyone from families to corporations tighten their belts, high-income parents actually increased spending on their children during the Great Recession, according to findings presented at the 2014 American Sociological Association conference.

Sabino Kornrich, assistant professor of sociology at Emory University, studied data from the Consumer Expenditures Survey, conducted by the U.S. Bureau of Labor Statistics, and discovered that parents from all income levels spent about the same or slightly less on expenses such as childcare, food, books, toys and clothing for their [children](#) during the [recession](#). But just one child-related expense saw a significant increase in spending among parents at the top income level (top 10 percent in the U.S.)—education.

"Parents are worried about their children's futures. The recession highlights this for parents and makes them want to invest more in their children's educations," Kornrich says.

Since the start of the recession, enrollment in high-cost, private middle schools and high schools increased, Kornrich says. And education spending also increased among wealthy parents with college-aged children.

"Potentially, parents are spending more after the onset of the recession to keep their kids in school longer due to the terrible job market. So it looks like wealthy parents are the ones with the resources to do that," Kornrich says.

The study also looked at parent spending on childcare and a range of goods and found that spending on those items remained relatively flat among all income levels and seemed somewhat recession-proof as parents cut expenses in areas that did not involve their children, Kornrich observes. But there were significant differences in what wealthy parents spent on their children and what lower-income parents were able to spend.

"Inequality already exists between [spending](#) at different income levels, and those inequalities didn't change much during the recession,"

Kornrich says.

Additionally, wealthy parents' ability to spend more in response to recession could help perpetuate educational and income inequalities among these children as they mature and become adults, Kornrich says.

"During the recent recession, inequalities in parental investment in children grew. So the recession looks like it's not just bad for current inequality but also inequality in the future," he says.

Provided by Emory University

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