

***The labour market and financial  
consequences of relationship breakdown  
and re-partnering for mothers with young  
children***

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# Background

- **22.5 % families with dependent children are single parent households (2006 Census)**
- **Single mothers - lower rates of employment than couples mothers**
- **Reasons for lower employment rates not particularly well understood**
  - ◆ Much of the existing work has been based on cross-sectional data & takes a “static” approach
- **Limited longitudinal analysis – often limited by relatively small sample sizes (e.g. HILDA)**
- **Little recent analysis of outcomes for those who leave single motherhood via re-partnering**



# Background, cont ...

- **Paper uses LSAC to analyse:**
  - ◆ Relationship dynamics for mothers with young children
  - ◆ Impact of relationship changes on paid employment
  - ◆ Impact of relationship changes on financial wellbeing
  - ◆ Impact of relationship changes on reliance on government benefits
- **Dynamic approach that takes account of “inflows” & “outflows” into the single mother population**
- **Sometimes argued that re-partnering is the best way out of poverty for lone mothers**
  - ◆ An issue examined in this paper



# Family transitions considered

- **Couple family wave 1**
  - single mother family wave 2
- **Single mother family wave 1**
  - couple family wave 2
- **Single mother family wave 1**
  - single mother family wave 2 [no transition]
- **Couple family wave 1**
  - couple family wave 2 [no transition]



# Data

- **Wave 1 & 2 used**
- **1999-2000 (B) & 2003-2004 (K) birth cohorts used**
- **Restricted to non-attriting sample**
  - ◆ may be selection issues due to initial non-response to LSAC & selective attrition
- **Estimates produced using weighted data**
- **Families excluded from analysis:**
  - ◆ headed by adults who are not the child's parents (eg, grandparents)
  - ◆ single father families (small sample sizes)



# Measures & definitions

- **Family type**

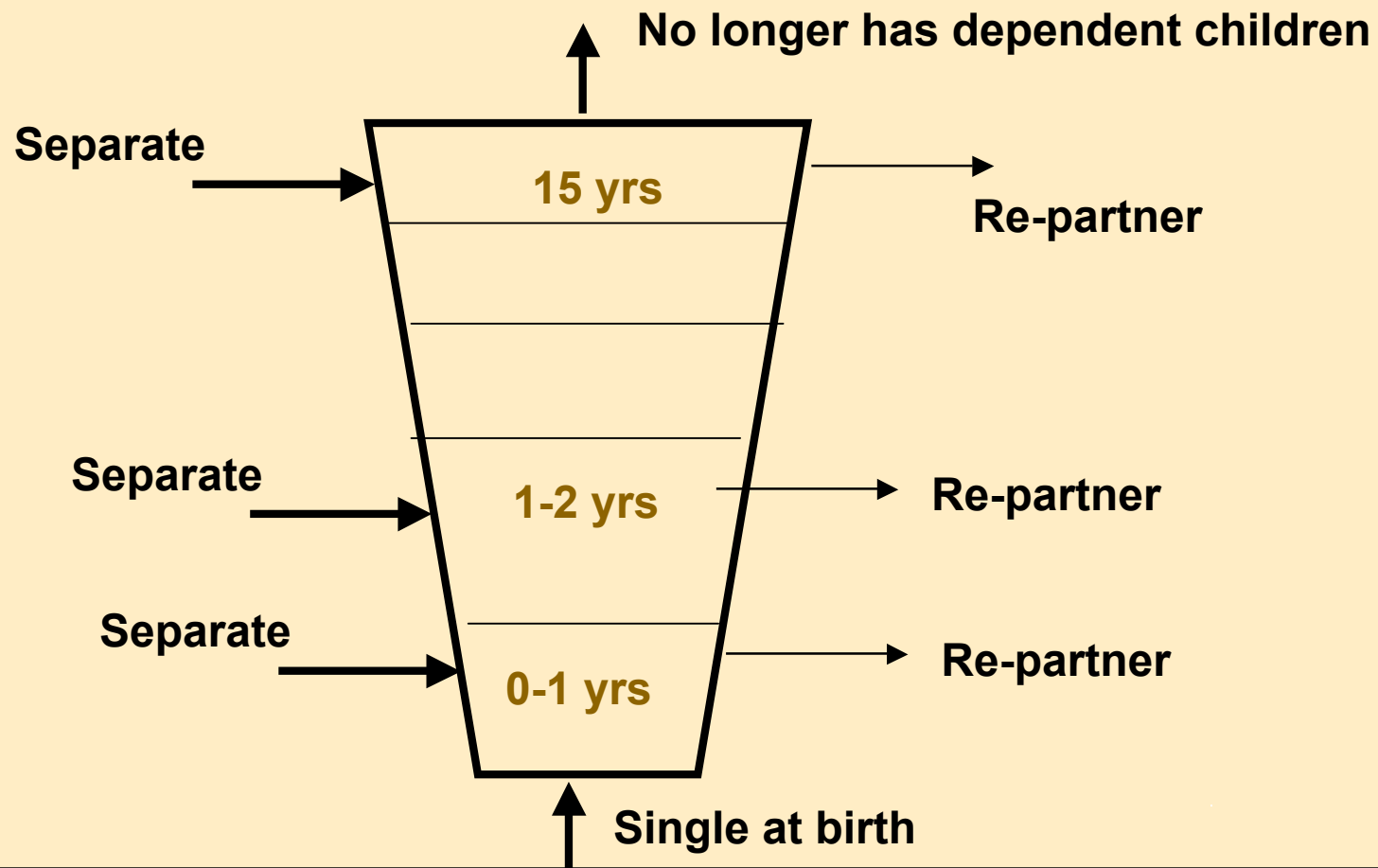
- ◆ Defined by whether mother (with whom the study child lives) lives with a partner

- **Not employed includes**

- ◆ Unemployed
- ◆ not in labour force
- ◆ on long-term leave (eg maternity leave)



# Dynamics of the single mother population



# Changes in mothers relationship status between wave 1 & 2 by age of study child

	Relationship status 2006		
	Partnered	Single	Number of observations
<b>Relationship status 2004</b>			
	<b>Infant cohort</b>		
Partnered	<b>95.3</b>	4.7	4,202
Single mother	21.0	<b>79.0</b>	367
	<b>4-5 year old cohort</b>		
Partnered	<b>95.7</b>	4.3	3,847
Single mother	13.3	<b>86.7</b>	518



# Differences in characteristics by relationship transitions (%)

	Bachelor degree or higher (mother)	Poor or very poor health (mother)	Owns or buying own home		Partner employed		Cohabiting	
			W1	W2	W1	W2	W1	W2
Couple W1 & W2	35	6	76	79	91	90	13	13
Couple w1, single w 2	20	11	53	33	82		43	
Single w 1, partnered w2	7	12	14	33		83		54
Single both waves (separated after birth )	18	14	34	37				
Single both waves (single at time birth child )	10	11	16	18				



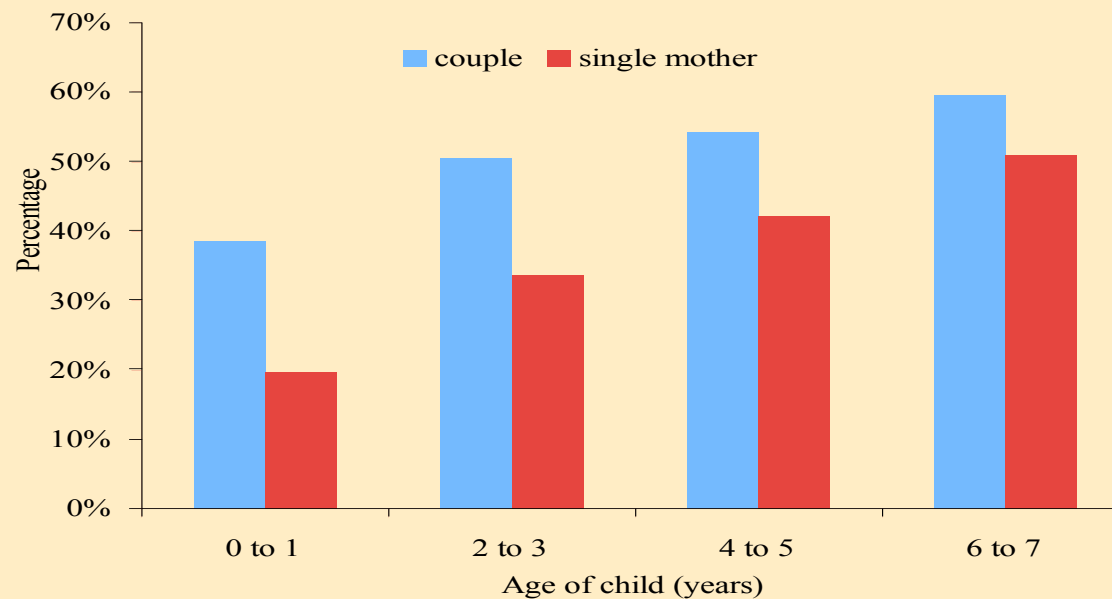
# Labour force participation



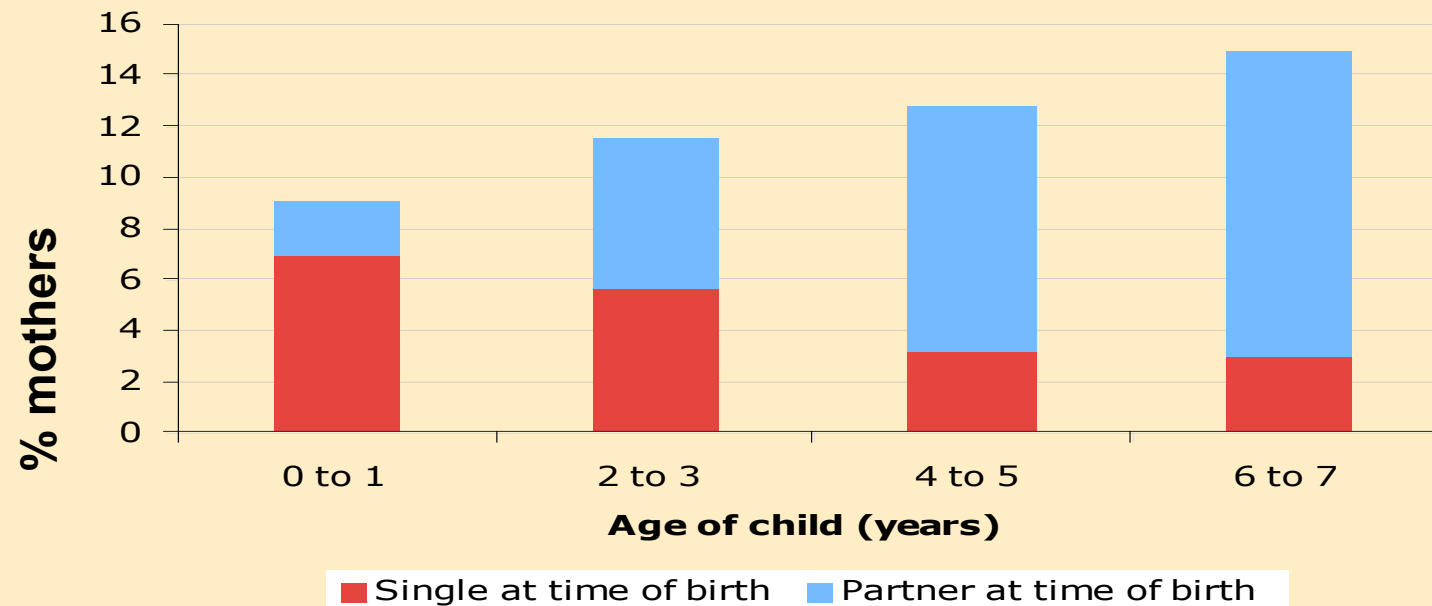
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# Maternal employment by age of study child & family type



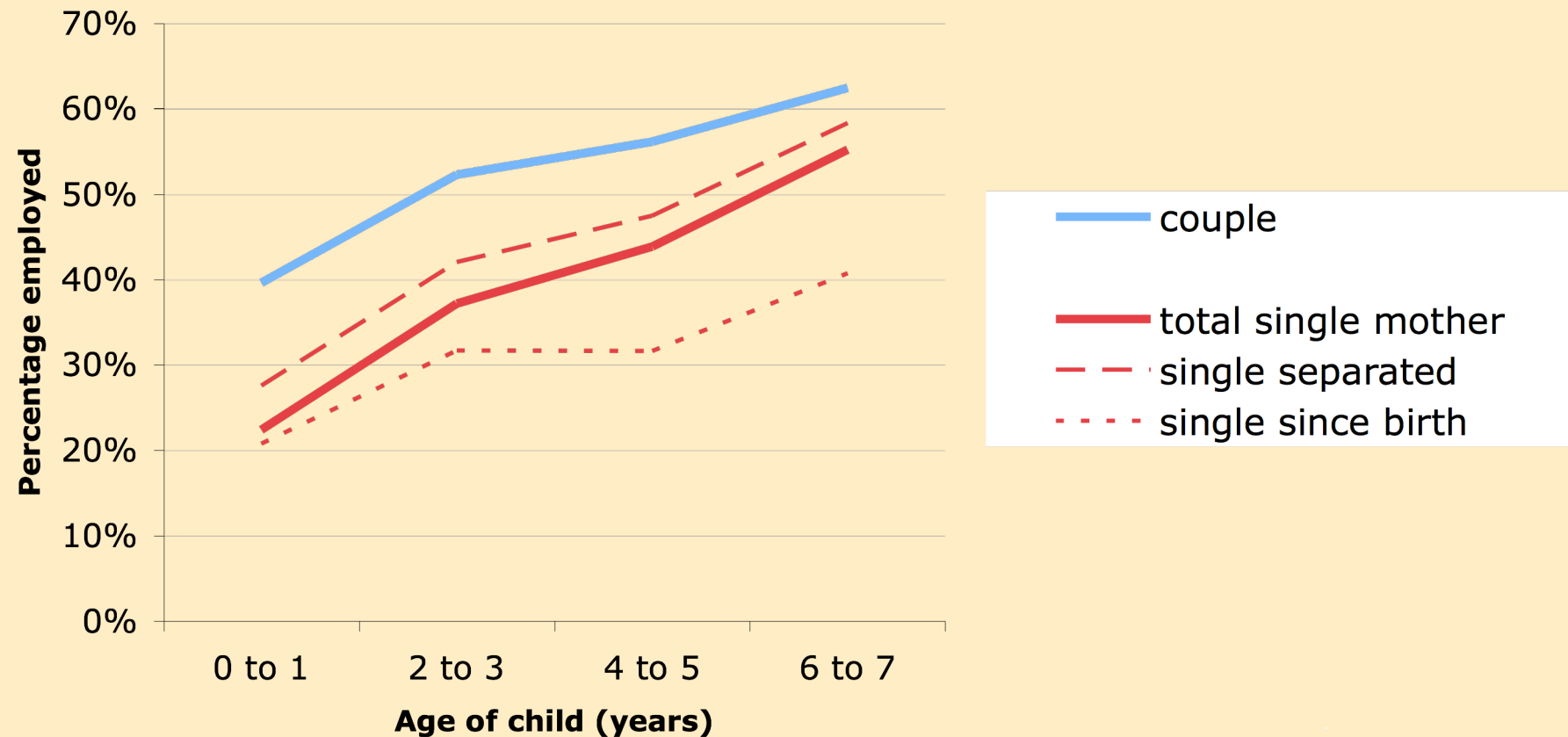
# Path into single motherhood by age of the study child (% of all mothers)



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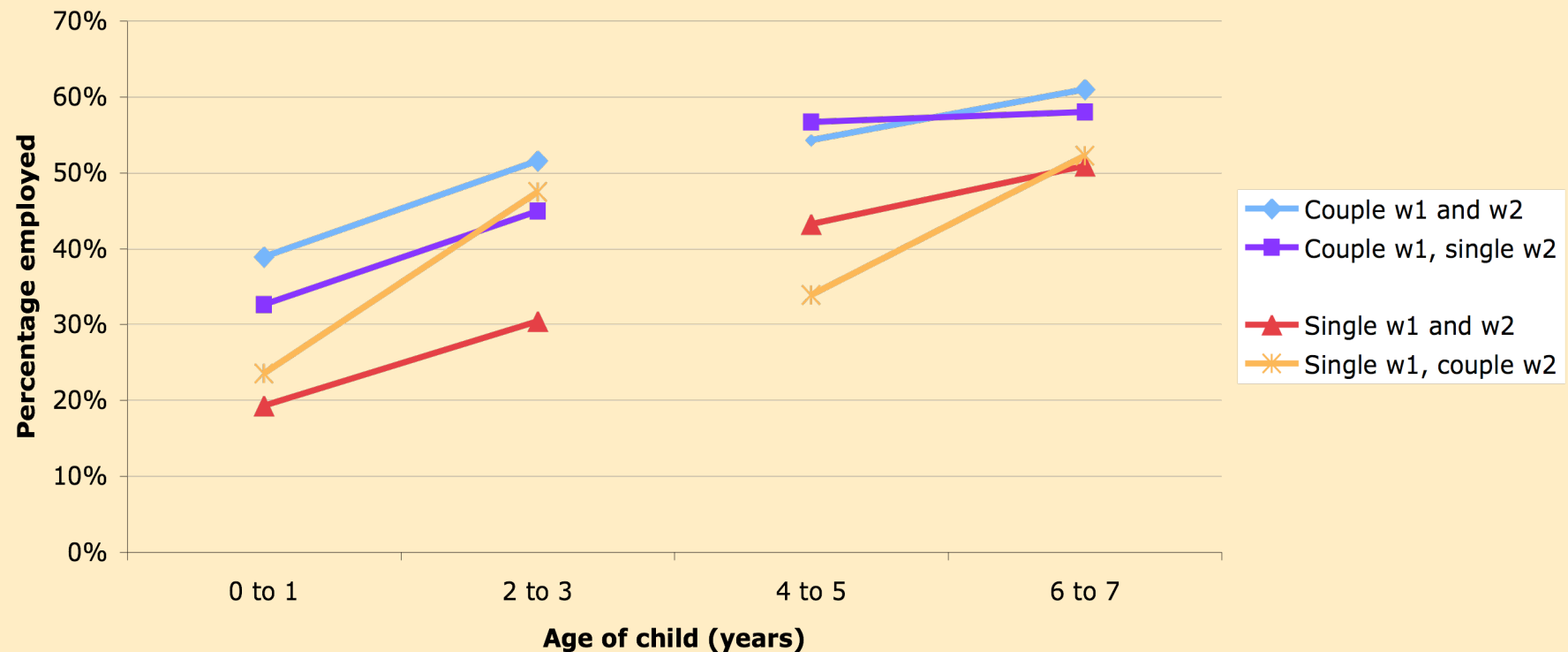
# Maternal employment rates by age of study child & relationship status (%)



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# Maternal employment & relationship changes



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# Changes in family type & maternal employment, 2004 to 2006 (summary)

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	<b>Employment rate</b>		
	<b>Wave 1</b>	<b>Wave 2</b>	<b>Change</b>
Couple w1 and w2	46%	56%	10%
Couple w1, single w2	44%	51%	7%
Single w1 and w2	34%	43%	9%
Single w1, couple w2	28%	50%	21%

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# Measures of financial wellbeing

- **not just income**
  - ◆ from a child development perspective material and social deprivation important)
- **Perceived prosperity**
- **Number of hardships**
- **Gross parental income (not adjusted for household size)**
  - ◆ \$ per week
  - ◆ Parental **not** household income



# Parental Income



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# Gross parental income by family type

	Gross parental income (\$ per week)			
	W1	W2	W2-W1	% change W1 to W2
	<b>\$ per week</b>			
<b>Couple both waves</b>	1375	1679	304	22%
<b>Couple W1, separated W2</b>	1121	646	-475	-42%
<b>Single W1, partnered W2</b>	493	1226	733	149%
<b>Single both waves (separated)</b>	545	596	51	9%
<b>Single both waves (single since birth)</b>	440	511	71	16%
<b>Total</b>	<b>1255</b>	<b>1523</b>	<b>268</b>	<b>21%</b>



# Changes gross parental income by family transitions & maternal employment transitions

<b>Maternal employment</b>	<b>W1</b>	<b>W2</b>	<b>W2-W1</b>	<b>% change W1 to W2</b>
<b>Couple W1 &amp; W2</b>				
Not working both waves	1202	1466	264	22.0%
<b>Not working W1, working W2</b>	<b>1272</b>	<b>1747</b>	<b>475</b>	<b>37.3%</b>
Worked W1, not W2	1501	1622	121	8.1%
Working both wave	1611	1933	322	20.0%
<b>Couple W1, Single W2</b>				
Not working both waves	995	501	-494	-49.6%
<b>Not working W1, working W2</b>	<b>989</b>	<b>693</b>	<b>-296</b>	<b>-29.9%</b>
Worked W1, not W2	1146	500	-646	-56.4%
Working both wave	1348	827	-521	-38.6%
<b>Single W1 &amp; W2</b>				
Not working both waves	413	434	21	5.1%
<b>Not working W1, working W2</b>	<b>429</b>	<b>595</b>	<b>166</b>	<b>38.7%</b>
Worked W1, not W2	543	451	-92	-16.9%
Working both wave	706	829	123	17.4%



# Government payments as main source of income by family transitions, 2004-2006

	Government payments main source of income					
	Mother		Father		Both parents	
	W1	W2	W1	W2	W1	W2
Couple both waves	42	37	5	4	4	4
Couple W1, single W2	56	59	14		13	
Single W1, partnered W2	86	57		14		13
Single W1 & W2 (separated after birth)	67	61				
Single W1 & W2 (single mother at birth)	87	80				
<b>Total</b>	<b>47</b>	<b>41</b>	<b>5</b>	<b>4</b>	<b>13</b>	<b>12</b>



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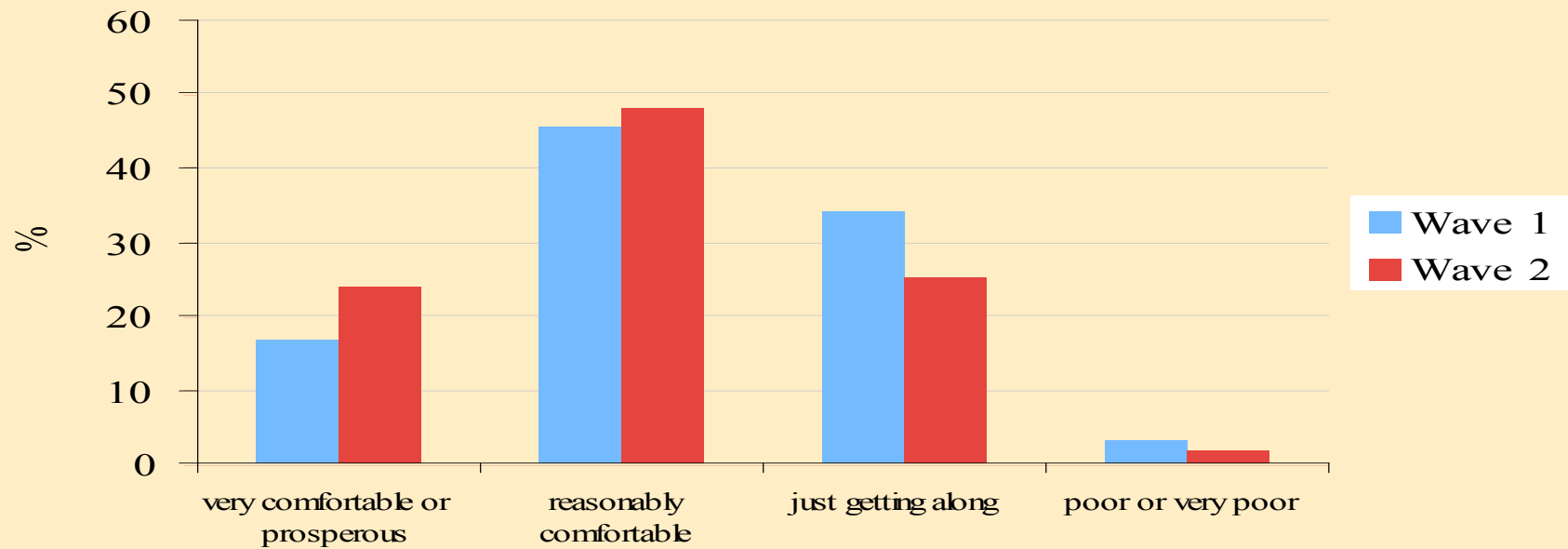
# Prosperity and the experience of hardships



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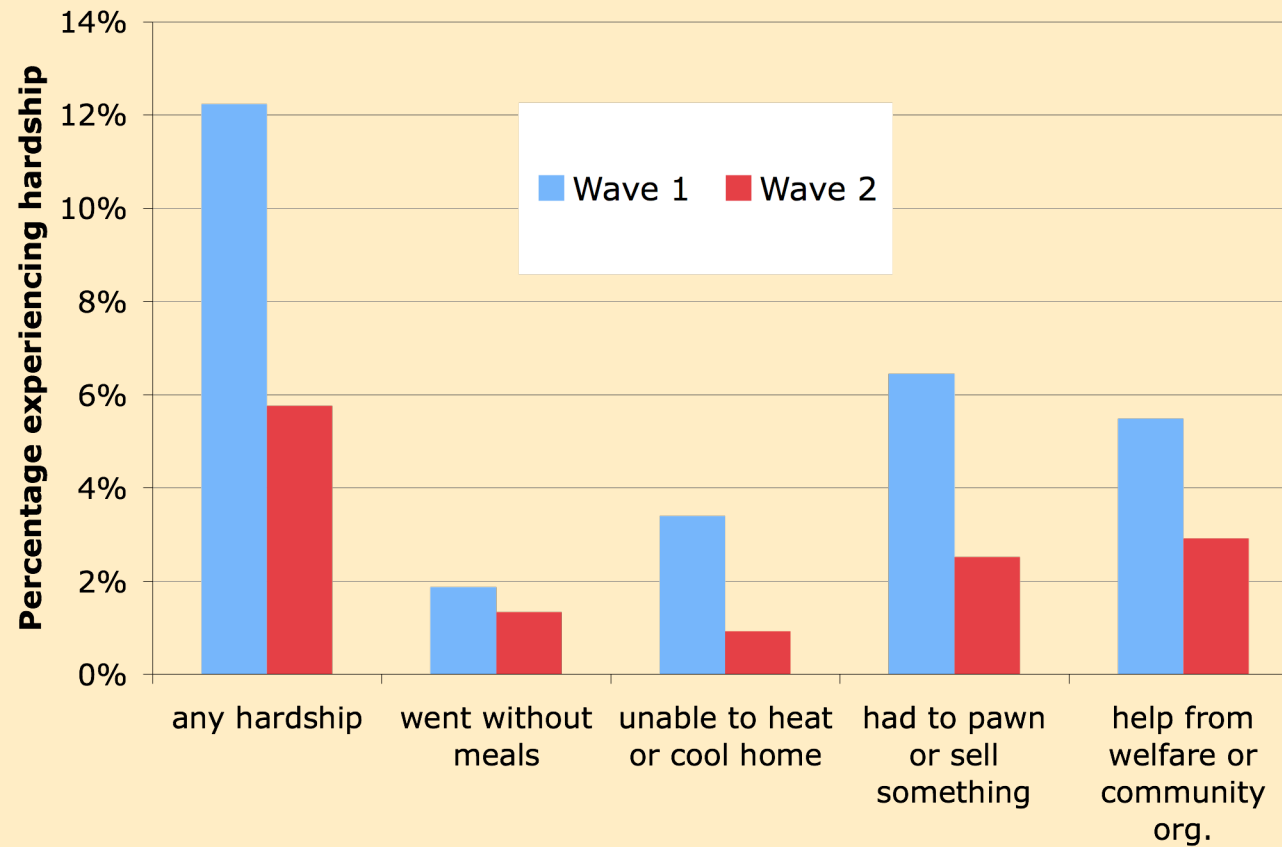
# Prosperity, 2004 & 2006



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# Hardships in last 12-months, 2004 & 2006



**Mean number  
of hardships**

**W1 = 0.16**

**W2 = 0.08**



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# Transitions in prosperity, 2004 to 2006

Perceived prosperity 2004 (wave 1)	Perceived prosperity 2006 (wave 2)			
	Very comfortable or prosperous	Reasonably comfortable	Just getting along	Poor or very poor
Very comfortable or prosperous	61	31	7	1
Reasonably comfortable	25	60	15	0
Just getting along	8	45	44	3
Poor or very poor	5	25	52	18
<b>Total</b>	<b>25</b>	<b>49</b>	<b>24</b>	<b>2</b>

*percentages add to 100% across*



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# Family type & financial wellbeing (%)

	Just getting along, poor or very poor		Poor or very poor		Experienced at least one financial hardship	
	W1	W2	W1	W2	W1	W2
<b>Couple both waves</b>	34	22	3	1	10	4
<b>Couple W1, separated W2</b>	48	51	5	7	24	25
<b>Single W1, partnered W2</b>	56	40	6	7	35	15
<b>Single both waves (separated)</b>	59	50	8	4	35	18
<b>Single both waves (since birth)</b>	54	51	8	5	36	25



# Conclusions

- Taking account of inflows and outflows into the single mother population crucial to understanding how the patterns of employment vary with the age of the children
- Single mothers with young children have lower rates of employment than couple mothers but have a similar rate of growth of employment
- Narrowing in employment gap between single and couple mothers largely a consequence of the changing composition of the single mother population
- Best ways to improve living standards for single mothers is to re-partner or to find employment.
- Re-partnering AND finding employment results in the biggest improvements



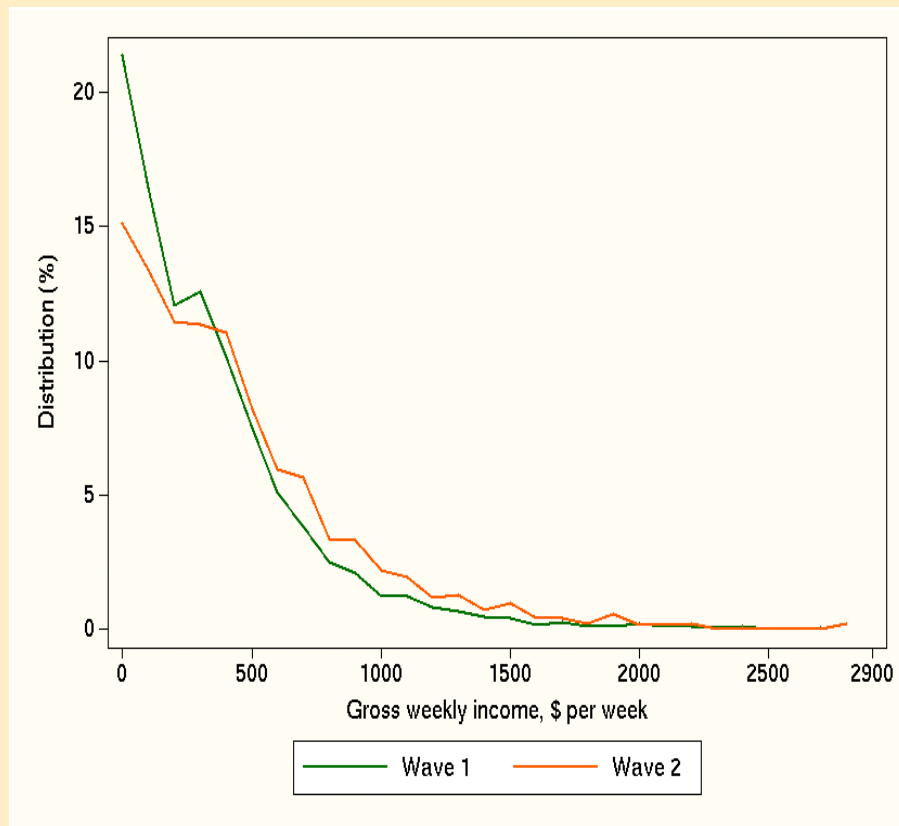
# Conclusions, cont ...

- Important for some purposes to distinguish between single mothers who had a partner when child was born and those who were single
- Few study children stay in households in which the perceived prosperity is poor or very poor over a two year period and most who experience hardships in one wave do not in the other wave
- Next step is to use regression analysis to model the transitions → allow for observable and unobservable differences (individual fixed effect) to be taken into account.



# Mothers & fathers' income

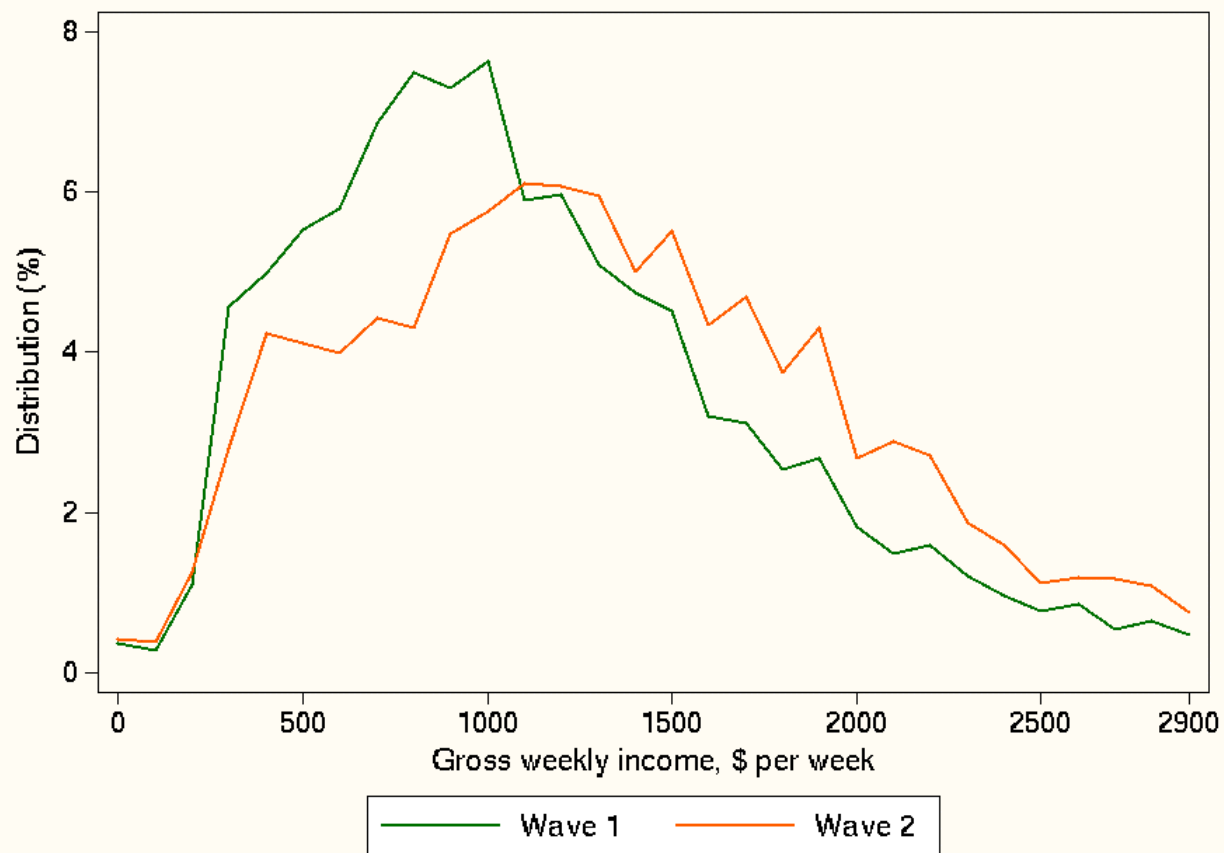
## Mothers' income



## Fathers' income



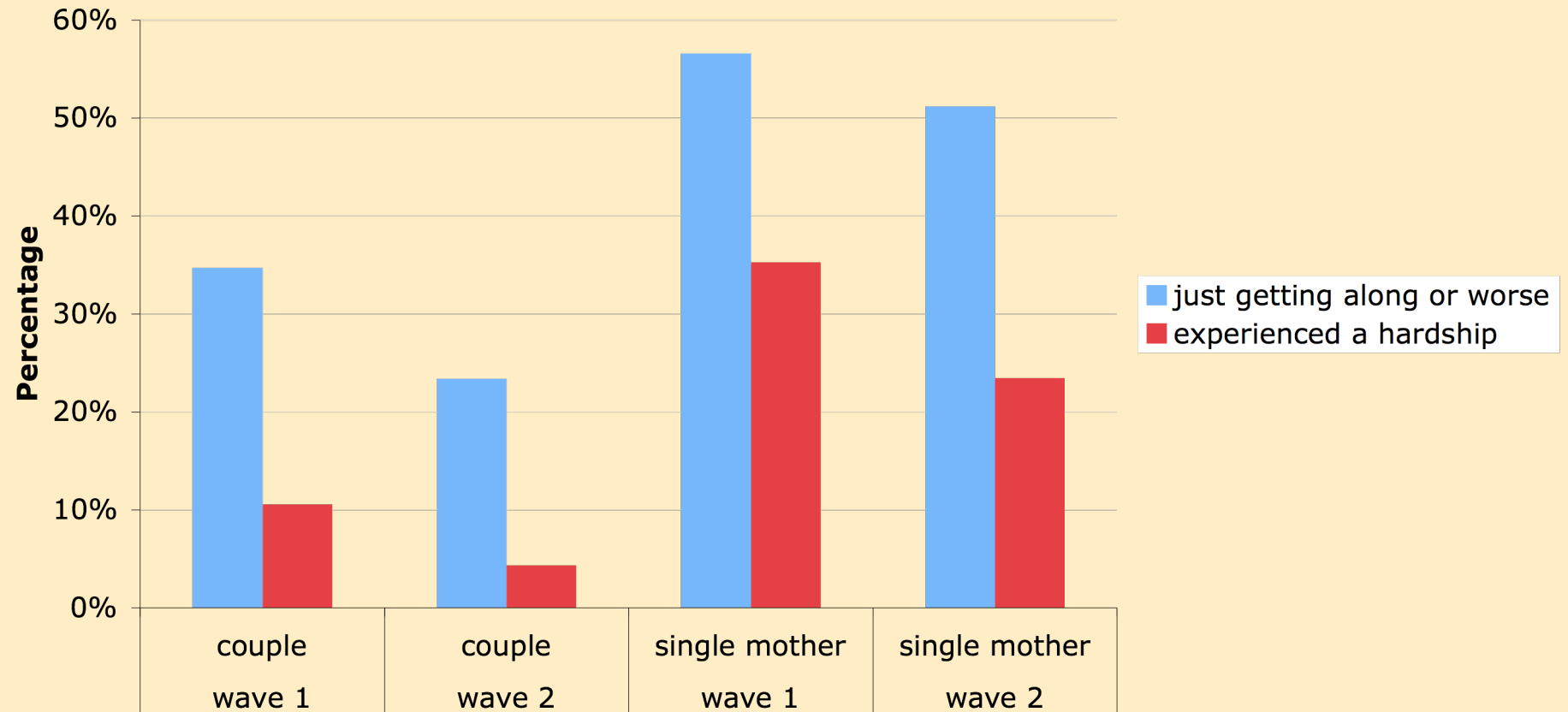
# Gross parental income, 2004 & 2006



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# Prosperity and hardships by family type, 2004 & 2006



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