Financial living standards after divorce

A recent snapshot

Bruce Smyth and Ruth Weston

Research Paper No. 23, December 2000

Australian Institute of Family Studies

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National Library of Australia
Cataloguing-in-Publication Data

Smyth, Bruce.
Financial living standards after divorce: a recentsnapshot.

Bibliography.
ISBN 0 642 39485 7.

1. Divorce settlements. 2. Divorce - Economic aspects. I. Weston, Ruth. II. Australian Institute of Family Studies. III. Title. (Series: Research paper (Australian Institute of Family Studies); no. 23).

362.8294

Designed by Double Jay Graphic Design
Printed by XL Printing

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Acknowledgments

We would like to thank the hundreds of respondents who volunteered much personal information about themselves and their post-divorce circumstances. Most respondents did so in the hope that this information would make a difference to the lives of others.

We would also like to acknowledge the late Dr Kathleen Funder, who was responsible for the conceptualisation and development of the Australian Divorce Transitions Project, on which this study is based.

We are indebted to Ann Harding, Anthony King and Alison McClelland for their comments on drafts of this paper. Several Institute colleagues also provided useful criticism and encouragement, particularly Belinda Fehlberg, Matthew Gray, Peter Saunders, Grania Sheehan and David Stanton, and we are also grateful to Jody Hughes for the voluminous amount of SPSS code that she wrote for key components of the dataset. We, of course, take full responsibility for any shortcomings in the paper.

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Abstract

A decade or so ago, mothers (and their children) in Australia were found to be at an economic disadvantage after divorce compared with fathers. Since the late 1980s, however, significant social and economic change may have improved the financial living standards of divorced women relative to divorced men. This change includes the introduction of the Child Support Scheme and substantial increases in government income support in tandem with the increasing availability of part-time and casual jobs for women.

Accordingly, several questions suggest themselves: Is there still a clear disparity between the post-divorce equivalent household incomes of men and women? Which family types are most likely to be in poverty post-separation? Does child support help to protect children from economic disadvantage, without compromising the economic wellbeing of payers? Does the subjective appraisal of financial circumstances map objective circumstances? While these questions are of significant import for family law and income-support policy, scant information specific to the divorce transition is available to answer them.

The data presented in this research paper are drawn from the Australian Divorce Transitions Project, a national random telephone survey of divorced Australians. This survey, conducted in late 1997 by the Australian Institute of Family Studies, sought to measure, among other things, the household income of post-divorce family units. On average, respondents had been separated for about six years.

On the basis of these data, two conclusions drawn from early Institute work continue to hold: in general, women and children are more likely than men to experience financial hardship after divorce; and repartnering remains a key way out of financial difficulties for many divorced women (and their children).

Financial living standards after divorce: a recent snapshot

Introduction

Divorce is a major emotional and economic setback for many families. In Australia, as elsewhere, the economic consequences of divorce continue to be an issue of concern especially in relation to children's wellbeing. Indeed, a fundamental insight provided by recent work suggests that – besides parental conflict – it is the economic fallout from divorce that drives many of the negative consequences of divorce for children (Ambert 1998; Duncan 1994).

The initial economic shock waves of marital separation can be felt in many ways. To begin with, two households are not as cheap to run as one. Marital separation typically creates an economic crisis since the money that supported one family is usually insufficient to meet the costs of two newly formed households, one of which often includes children. Further, legal costs can drain one or both partners' resources, as can the start-up costs of setting up somewhere new to live (Teachman and Paasch 1994). The full force of accumulated joint debts may also be felt, especially if they become the sole responsibility of one former spouse (see, for example, Fehlberg 1997a, 1997b).

Research conducted in Australia during the late 1980s suggested that mothers (and their children) were financially worse off than fathers following marital dissolution (Weston 1986, 1993). In particular, sole-parent families headed by mothers, and older divorced women living alone, typically experienced a drastic fall in financial living standards. Many of these women and their children became, and remained, financially disadvantaged. By contrast, men appeared to be as well off, or better off, than before they separated. Similar findings were evident in other developed countries (Holden and Smock 1991; Weitzman 1986).

International studies more recently suggest that the picture is less clear. While almost all report a decline in the financial circumstances of women post-divorce, the situation for men appears to be more varied. According to Bianchi, Subaiya and Kahn (1999), some studies find that men's circumstances improve markedly on divorce; some indicate only modest improvement; yet other studies suggest that both women and men experience a drop in living standards, with women faring worse than men (for example, see Braver 1999; Douglas and Murch 2000; Finnie 1993; Jarvis and Jenkins 1997; Perry, Douglas, Murch, Bader and Borkowski 2000; Peterson 1996; Pulkingham 1995; Smock 1994; Smock, Manning and Gupta 1999). Methodological differences partly underpin these varied outcomes for men[1], but the results for women appear to remain consistent regardless of research design.

1 Most studies use different measures of economic wellbeing (for example, family income versus income-to-needs), different data sources (for example, court records, tax files, survey data), different analytic designs (cross-sectional versus longitudinal), different periods of investigation (for example, pre- versus post-child support reform), and different sample selection criteria with respect to age, length of marriage, and time since separation.

Post-divorce income disparities – "the gender gap"

Women's apparent post-separation economic vulnerability can be attributed to a combination of social and economic factors. These factors include women's weaker position in, and attachment to, the labour market, and their lower earnings compared with similarly aged men (Bryson 1996; Dickinson 1996; Funder 1986).

Mothers typically take the major responsibility for raising children. In doing so, their job advancement is often put "on hold", while their husbands' careers continue to be enhanced. Indeed men have been shown to be advantaged in terms of career progression if they have a family (Bianchi, Subaiya and Kahn 1999; Nock 1998). Given the needs of children, and men's usually higher earning capacity, this arrangement may nonetheless work well – unless the marriage ends.

Following marital separation, children usually live with their mothers. Combining paid work and parenting is difficult when there is only one parent in the household, especially when children are young. Separation thus often exposes the economic vulnerability of women and children hidden by marriage (Arditti 1997; Neave 1995; Pulkingham 1995; Smock et al. 1999), although those with high education prior to separation appear to be less vulnerable than other women (Weston, Millward and Lazzarini 1995).

Financial support for children

Another key reason for post-divorce income disparities between women and men in the past is that most if not all of the regular financial support that fathers would have provided their children during marriage usually ceased upon separation. Child support enforcement has thus been a key public policy response to post-divorce economic inequities (Duncan and Hoffman 1985).

In Australia, child support reform has been predicated on the view that children whose parents have separated should themselves have a standard of living which reflects that of both their parents, not just the one with whom they usually live (see Section 4, Child Support Assessment Act 1989 (Cth)).

The critical reform juncture occurred in June 1988 with the introduction of Stage I of the Child Support Scheme (in essence, the collection framework), followed by the introduction of Stage II in 1989 (the administrative assessment framework).[2] Prior to this, the existing private or court-based discretionary system of assessment was producing typically low child maintenance amounts

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2 The scheme was introduced in two stages, the first of which commenced 1 June 1988. Stage One covers children born before 1 October 1989 whose parents separated before that date (unless these children have a sibling born on or after that date in which case Stage Two applies; see below). This first stage sought to improve the collection of maintenance covered by court orders.

Stage Two of the scheme came into effect on 1 October 1989. This stage applies to children whose parents separated on or after 1 October 1989, or who were born on or after 1 October 1989, or who have a sibling born after that day. Stage Two reforms specify the amount of child support to be paid according to an administrative formula. This administrative assessment is buttressed by the collection and enforcement powers of Stage One.

Whereas Stage One can be viewed as an administrative "transition" phase primarily aimed at the registration of existing court orders, the commencement of Stage Two marks a critical juncture in social policy in Australia insofar as the registration of child support liabilities converts "a personal obligation into a debt owed to the Commonwealth" (Harrison 1994: 178). In this paper, when we refer to "the Scheme" we are referring Stage Two, comprising both administrative assessment and collection.

that varied little according to capacity to pay and did not adjust for inflation (Harrison, Snider, Merlo and Lucchesi 1991).[3] Adjusting or enforcing maintenance through the court system was expensive and time consuming, and hence off-putting for resident parents to pursue. The limited or non-existent financial support not only compounded women and children's post-divorce economic disadvantage but also placed substantial economic pressure on government social security expenditure.

Central to the reform process was the creation of the Child Support Agency, which applies a formula to estimate the amount of child support that a non-resident parent is liable to pay. The formula is based on the number of children of the former marriage requiring support as well as the non-resident parent's capacity to pay.[4] (The formula does not take into account the costs of a dependent spouse or step-children.) To improve enforcement, the Child Support Agency was given the power to deduct child support directly from a liable parent's income and, in the case of arrears, to intercept a Tax Refund.

The upshot of this reform is that sizeable regular (potentially long-term) cash transfers can occur under the Child Support Scheme. Indeed, significant gains have been made in the collection rate, and amount, of financial support paid for children since the Scheme's introduction (Funder 1997). Certainly there has been a marked increase in the proportion of sole parents in receipt of social security who report receiving child support (from 26 per cent in 1988 to 44 per cent in1998) (Department of Social Security 1998: 159). There is also evidence that the Scheme has helped to reduce the rate of poverty among children from sole-parent families (Harding and Szukalska 2000). The Child Support Scheme may thus represent an important transfer of resources from non-resident parents (mostly men) to resident parents (mostly women) for the wellbeing of the children of the former marriage.

There are limits, however, to the extent that child support can be an economic buffer. Since marriage breakdown appears to be more common among those with a relatively weak economic base (Conger, Reuter and Elder 1999; Kinnunen and Pulkkinen 1998; Teachman and Paasch 1994), the amount of child support may be low or non-existent because the non-resident parent may not have the capacity to provide financial support. Further, in the case of sole parents who rely on social security, money received in child support to some extent offsets their pension/benefit (thereby containing Commonwealth social security expenditure).[5] In short, for some women and children there are circumstances where child support would provide little, if any, shield from the economic fallout of divorce.

All things being equal, earning capacity is probably the most important of each spouse's personal resources on divorce. Earning power, of course, is a function of "human capital" (such as work experience and occupation backed up by qualifications). Since the level of human capital varies between men and women,

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3 The relatively low amounts of child maintenance awarded pre-1988 is likely to have been influenced by the "free area" for those receiving the Sole Parent pension. Courts may have awarded amounts that did not reduce the maximum rate of pension for the resident parent.

4 A cap on non-resident parents' income is set on the amount of support payable. In addition, resident parents are allowed to earn a certain amount before their income is taken into account by the formula.

5 It should be noted, however, that income in the form of child support is assessed separately from other income for social security purposes. At the time of the survey, child support income above a certain "free-area" reduced Family Payment (but not other payments) by 50 cents in the dollar. This approach still holds.

it is not surprising that early research found that for women, repartnering was the most likely pathway to post-divorce economic recovery, whereas for men the absence of any children in their household was the decisive factor (Weston 1986, 1993). Similar conclusions have been reached by others (Draughn, LeBoef, Wozniak; Lawrence and Welch 1994; Holden and Smock 1991).

Subjective financial wellbeing

People's conceptions of how well they are doing financially do not necessarily run parallel with their objective circumstances. Individual differences (such as personality, past experiences, personal aspirations and expectations, values, beliefs, and coping strategies) can lead to marked variations in the ways people interact with and evaluate the same circumstances (Diener, Suh, Lucas and Smith 1999; Lazarus and Folkman 1994).

Following divorce, some individuals might thus seem happier about their financial situation than might be expected on the basis of the actual flow of income into the household. Financial circumstances may be getting better with time, other aspects of life may be so much better than before, and/or there may be improvements in control over finances–particularly for divorced women (Finnie 1993). Conversely, others may be less happy than might be expected on the basis of their household income. They might have been much better off materially when they were married, they might perceive their former spouse to be far better off than they themselves are, or current pressures or grief over the loss of family life might colour perceptions of finances and other life domains.

The subjective assessment of financial wellbeing along with actual income contribute to the financial decisions that people make, and can influence perceptions of fairness across a range of post-divorce financial and emotional issues. For instance, unhappiness about financial circumstances could lead to resentment about having to pay a certain level of child support, particularly if such payments are already perceived as unfair. It may also have flow-on effects for interpersonal relationships as in the case, for example, where non-resident parents have little or infrequent contact with children because of the perception that they cannot afford the costs of contact. To get a more rounded picture, it is therefore important to capture subjective assessments of financial wellbeing when examining financial living standards.

Aims

This research paper focuses on the following issues:

- *Gender disparities*. Is there still a clear disparity between the post-divorce equivalent household incomes of men and women?
- *Family type disparities*. Which family types are most likely to be in difficult financial circumstances post-separation?
- *Child support*. Does child support help to protect children from economic disadvantage? Does it compromise the economic wellbeing of non-resident parents who are paying it?
- *Satisfaction with income*. Who is inclined to be satisfied with their financial circumstances post-divorce? Does this subjective appraisal map objective circumstances?

It is timely to look at these issues because there has been little empirical work undertaken over the past decade despite significant social and economic change, including the introduction of the Child Support Scheme, substantial increases in government income support (Harding and Szukalska 1999), and the increasing availability of part-time jobs for women.

By focusing on a specific subset of the population – namely, families who have experienced divorce – this study differs from most large-scale studies of poverty which focus more generally on sole mother families (including those divorced, widowed or never married) and couple families (where couples are continuously married or repartnered) (King 1998; Harding and Szukalska 1999). Income data specific to post-divorce family units have much policy relevance for family law in particular and the income support system more generally.

At the outset, it should be noted that this paper focuses on the financial circumstances of divorced parents rather than on changes in circumstance since separation.[6]

Australian Divorce Transitions Project

Data presented in this paper are drawn from the Australian Divorce Transitions Project, a national random telephone survey of 650 divorced Australians conducted in late 1997 by the Australian Institute of Family Studies. The survey examined the post-divorce circumstances of parents (n=513) and of a group of older men and women, most of whom had children (where the couple had been married for at least 15 years and the wife was at least 45 years old at the time of separation) (n=137). This latter group, although numerically smaller, was chosen because their circumstances and potential economic vulnerability might require special provisions (Funder 1993). All respondents had separated after 1988 (on average, respondents had been separated for six years).

A subset of 474 respondents (39 per cent men, 61 per cent women) was selected from the original sample of 650 respondents. Respondents who were self-employed were excluded (the income of the self-employed is difficult to establish),[7] as were those who lived in households that contained more than two adults (household costs may be shared by the different "economic units"), and those who were unable to provide complete information about their income. See Appendix Tables 1 and 2 for a more detailed description of the socio-demographic profile of respondents in the sample.

Text for the income questions is provided in Appendix A. These questions concerned sources of personal income, main source of income, and the amount of personal and household annual income from all sources. Other questions related to household costs – for example: the number of people in the household dependent on the income; family type; and workforce status.

Methodological problems and conceptual issues

Several methodological and conceptual matters warrant mention. First, a number of contentious issues surround the measurement of financial living standards, in general, and the arbitrary nature of estimating poverty lines in

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6 The study on which this paper is based did not collect information on the pre-separation income of divorcing couples. Pre- and post-separation income change (the so-called "gender gap") could thus not be estimated, nor controlled statistically. This means that the economic impact of separation cannot be explicated in this analysis. Thus instead of asking the question, "What are the economic consequences of divorce?", following Pulkingham (1995: 6), this paper asks: "What are the financial circumstances of divorced parents?".

7 While there are good grounds for excluding the self-employed respondents, Saunders (1996: 266) has pointed out that there is a strong need for research into the financial living standards of the self-employed, since it is difficult to distinguish those with apparently low incomes who are struggling from those who are simply minimising their taxation. This problem is particularly relevant to "fair" payments of child support.

particular. Second, there are also specific issues surrounding the design of the study.

Measuring financial living standards

Financial living standards can be defined and measured in many ways. As King (1998) notes, estimates of financial living standards – and hence the various dimensions of poverty – are usually based on income. Consistent with most other studies in Australia, the present analysis used the net (after tax) household income relative to a measure of standard costs as an indicator of financial living standards (discussed below). In this paper, household income refers to a single income unit[8] – whether a single person or a family (including a couple with or without dependent children, or a sole parent with children). Household income included any child support received from the other parent, and subtracted any child support paid by the respondent.[9]

Henderson's (before housing) poverty line, as updated by the Melbourne Institute (1997), was used in the present analysis (Commission of Inquiry into Poverty 1975). The Henderson poverty line is based on a set of "equivalence scales". These scales estimate the relative "needs" of families of different size and composition in order to assess the amount of money required by all types of families to experience a similar standard of living.

Although the Henderson approach continues to be used by most key Australian research organisations (King 1998), it is not without its problems (Harding and Szukalska 1999; King 1998; Stanton 1980; Whiteford 1985). One important criticism of the Henderson poverty line is that it has become increasingly generous over time due to the way it is updated relative to an indicator of community incomes (King 1998; see also Saunders 1996).

The Henderson approach has been criticised on several other grounds. The equivalence scales, on which the poverty line is based, are particularly problematic. Henderson based these scales on a "Family Budget Standard" that was developed for New York in 1954. As Stanton (1980) noted, it is unlikely that the needs of families in 1950s New York bear much resemblance to the needs of Australian families decades later. This poses difficulty for comparing people in different family types at a single-point-in-time or comparing the same people across time as they change family type (as is usually the case after divorce). This issue remains unresolved.

The Henderson approach also fails to take into account non-cash income or reduced costs and some debt burdens experienced (such as the costs involved in setting up a new household). Moreover, a small change in the Henderson poverty line or social security payments can result in a large change in the rate of poverty because low incomes tend to straddle the poverty line (King 1996). Thus small changes to the Henderson measure can lead to quite a different story (King and Landt 1997). One way around this particular difficulty is to use more stringent thresholds based on the Henderson approach, though this strategy does not circumvent the other difficulties just discussed.

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8 An income unit refers to single financially independent people who are not sharing their income with other members in the household, or a family group in which income is typically shared (for example couple living alone or couple with dependent children). Whether living with or apart from their parents, non-dependent children are treated as separate income units.

9 Strictly speaking, child support is financial support for children. However, such specific forms of support are likely to be mixed with other sources of income (that is, income pooling).

More recent approaches to measuring financial wellbeing include the budget standards method (Saunders 1998) and estimates that take into account non-cash income (Johnson 1998). However, these approaches are still gathering momentum in applied research settings. So in many respects, as noted by Manning and de Jonge (1996: 351), the Henderson poverty line remains a "much-criticised but never-replaced devil".

Research design issues

Aside from the vagaries of measuring financial living standards, methodological issues surrounding the design of the study also warrant brief mention.

First and foremost, common to studies of divorce based on self-reports, the accuracy of respondents' answers (especially in relation to financial matters) depends on a range of factors, including knowledge, recall, and candour. An on-the-spot response over the telephone is particularly problematic for these issues, and is likely to have led respondents to round their income substantially. Social security recipients, in particular, are likely to appear below certain thresholds of disadvantage, since the survey did not allow for the probing of supplementary benefits such as Rent Assistance, and Family Allowance, although total income from all sources was sought.[10] Further, parents were not prompted for estimates related to parent-child contact or to specific forms of non-periodic child support. These often hidden costs can add up (see, for example, Braver 1999).

Second, the focus of the Institute's Australian Divorce Transition Project was on those who had experienced divorce; data were not collected from those who had been in defacto relationships. No assumption is made that our results generalise to cohabiting relationships.

Third, the unit of analysis was a former spouse from a dissolved marriage. In no instance were both ex-spouses interviewed. Thus, no information was obtained about the incomes of respondents' former spouses. Moreover, the (often complex) relationship between "need" and "capacity to pay" support cannot be examined.

Fourth, the data collected are from a single-point-in-time: at interview late 1997. The financial circumstances of resident and non-resident parents, however, often vary over time with changing relational and life circumstances, policy shifts and the dynamics associated with the broader economic context, and these are likely to be missed by a cross-sectional snapshot.

Finally, since not everyone is accessible by telephone, the omission of certain groups of people in the population not available through telephone surveys sets limits on the generalisations that can be made from the data to the Australian population at large. Among those who are often systematically excluded in such surveys are the very poor, those with unlisted numbers, and those who have hearing or English language difficulties.

Findings

Findings are structured around four main issues: (1) the continuing presence of gender disparities in post-divorce equivalent household incomes; (2) the extent to which some types of families are worse off than others; (3) the impact of child support; and (4) personal satisfaction with household income. Since there are likely to be important differences in the financial living standards of divorced younger and older men and women, these groups were examined separately across all analyses. (There are also complex technical arguments around

10 Eight general sources of income were mentioned (see Appendix A).

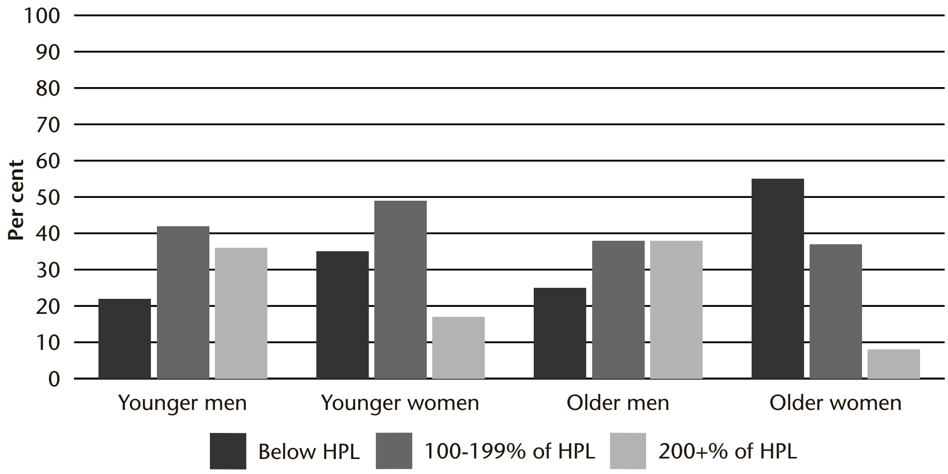
sampling that impede simply combining samples with different selection attributes to increase the size of groups.[11]) This means that the size of some of the groups is small.

Is there a clear gender disparity?

Figure 1 shows the distribution of equivalent household income of the older and younger men and women (see Appendix Table 3 for percentages, tests of statistical significance and subsample numbers). Three income categories are used, with the lowest referring to incomes below the Henderson poverty line, and the highest to incomes that are at least double the amount specified by this line.

Given the numerous problems with the Henderson poverty line, respondents with incomes below the line are classified in this analysis as having “low incomes” or as experiencing “financial disadvantage” rather than as being “poor”.

Figure 1. Percentage of respondents with different equivalent household incomes by sample and gender



Notes: HPL = Henderson poverty line;
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

There was a statistically significant relationship between gender and financial living standards – though the small number of older respondents should be noted (40 men, 62 women) (see Appendix Table 3). For both older and younger groups, women were more likely to be financially disadvantaged than men. Older women seemed to be the most disadvantaged: more than half had low incomes (and only 8 per cent had incomes at the highest level shown). The second most disadvantaged group appeared to be younger women, of whom 35 per cent had low incomes (and 17 per cent had incomes at the highest level).

The patterns for the older and younger men were similar: 22 to 25 per cent had low incomes (while more than one third had incomes at the highest level). Thus both groups of women were more likely to be in the lowest than highest income group, while the opposite was the case for both groups of men.

Given the many concerns expressed about use of the Henderson poverty line (as discussed earlier), two thresholds of disadvantage below the Henderson poverty line were derived: 85 per cent and 73 per cent of the Henderson line. This approach follows that adopted by Harding and Szukalska (1999). These thresholds loosely approximate half the mean and half the median equivalent

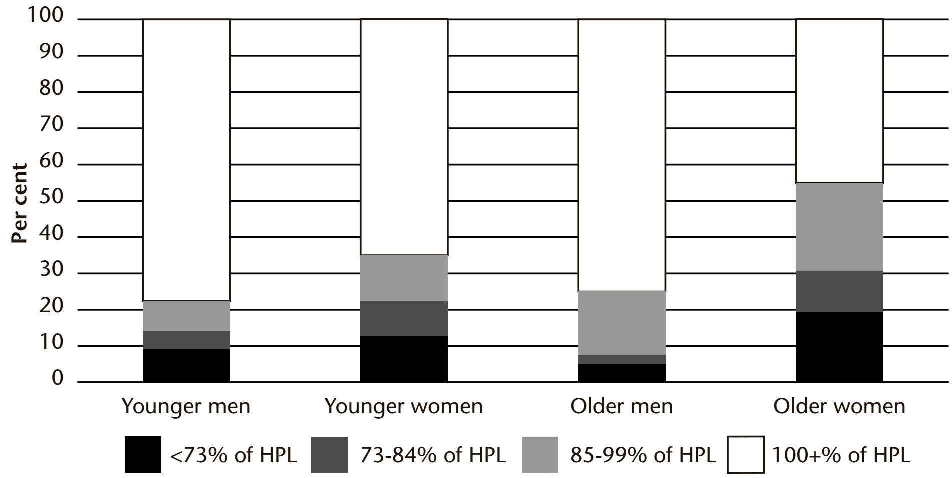
11 While each sample is drawn from a population, it cannot be assumed that these populations are the same.

family disposable incomes of all Australians, including the self employed, in 1995–96. According to Harding and Szukalska (1999), the 85 per cent threshold provides a reasonable current estimate of poverty given the apparent increasing generosity of the Henderson line.

Thresholds of disadvantage – gender and life stage

Figure 2 shows the proportions of all younger and older men with incomes below the Henderson poverty line, and below the more stringent thresholds of 85 per cent and 73 per cent of that line (see Appendix Table 3 for percentages, tests of statistical significance and subsample numbers). For visual clarity, those with incomes above the Henderson poverty line are combined in this figure. To assess the statistical relationship between economic disadvantage and gender/life stage, all incomes above the threshold of interest were combined, as were all incomes below that threshold.[12]

Figure 2. Three thresholds of disadvantage in equivalent household income: Percentage of respondents below each threshold by sample and gender



Notes: HPL = Henderson poverty line;
The three shaded categories together refer to the percentages of men and women with incomes below the HPL, depicted in Figure 1 as a single category; the two darkest categories together reflect the percentages of men and women with incomes below 85% of the HPL; the darkest category depicts the percentage with incomes below the 73% threshold;
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

Once again, for both groups, women were more likely to be financially disadvantaged than men – trends that remained statistically significant across all three thresholds of disadvantage with one exception: the relationship between gender and equivalent household income was not statistically significant for the younger men and women at the 73 per cent mark of the Henderson poverty line. Nonetheless, those most likely to be disadvantaged after divorce were older women, followed by younger women.

For men, the relative pattern of results changes slightly with the application of the various thresholds of disadvantage: much the same proportions of older and younger men were financially disadvantaged according to the Henderson threshold (22 per cent and 25 per cent), but most of the older men had incomes close to this threshold.

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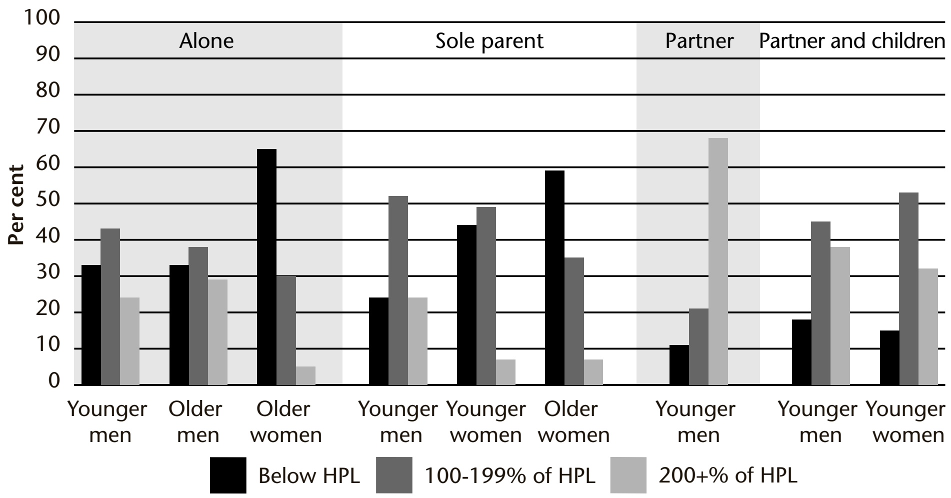
12 Chi-square tests were computed for the new categories accordingly. Combining those with incomes above the threshold of interest minimised the influence of incomes of 200 per cent or above, the strength of which would mask any threshold effects at lower levels of family income.

Are some types of families worse off than others?

Given the apparently gendered nature of financial living standards, it makes sense next to examine the configuration of the post-divorce family units that might be contributing to these patterns. The sub-samples of younger and older men and women were divided into four key family types – living alone, sole parent, couple without children, and couple with children. Since children typically remain in the major care of their mother after parental separation, and the likelihood of repartnering tends to diminish with age (Hughes 2000), some sub-groups comprised few respondents (for example, younger women living alone, and older men and women who had repartnered).

In Figure 3, patterns of equivalent household income are presented for sub-groups comprising at least 20 respondents – younger men in all four sub-groups, younger women who were sole parents or living with a partner and children, older men and women who were living alone, and older women who were sole parents (see Appendix Table 4 for percentages, tests of statistical significance and subsample numbers). These results should be interpreted with caution given the small number of respondents in most of the family types (all the family type groups, except for the 155 younger sole mothers, comprised 20–59 respondents).

Figure 3. Percentage of respondents with different equivalent household incomes by family type, sample and gender



Notes: Missing cases = 44; HPL = Henderson poverty line;
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

A clear pattern emerges when the highest and lowest income groups (the clear and darkest bars respectively) are examined across relationship status (singles on the left, couples on the right). Respondents who were single appeared to be more financially disadvantaged than those who had repartnered. Two possibilities – not mutually exclusive – suggest themselves: those with higher incomes are more likely to repartner; and/or repartnering confers economic benefits (see Hughes 2000).

The relationship between family type and income was statistically significant for both men and women (examined separately). However, for men, this relationship largely reflected the apparently stronger position of repartnered men with no children (all of whom were younger) as compared to the other groups of men (and women). Two thirds had incomes at the highest level, and only 11 per cent had low incomes.

Younger couples with children in the household were the next most likely to have incomes at the highest level, followed by the three other groups of men – younger men living alone, older men living alone, and younger men living as sole parents. Less than 10 per cent of all households headed by women had incomes at this level.

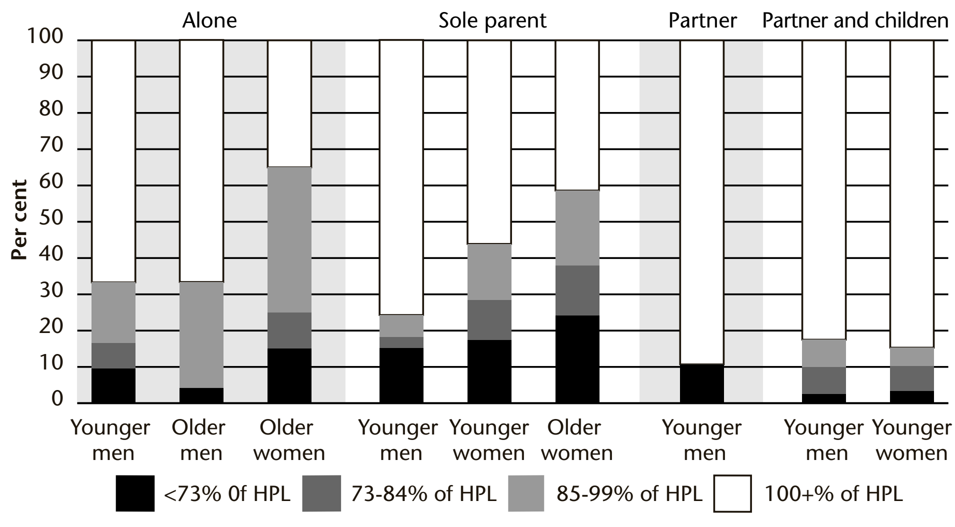
The apparent post-divorce economic disadvantage experienced by older women highlighted in Figure 1 is clarified by their living arrangements: most lived either alone or as sole parents. Between 59 and 65 per cent had low incomes (the darkest bars). In addition, a disproportionate number (44 per cent) of younger sole mothers were in the same position. This is by far the largest of all groups in the sample (*n*=155). It is noteworthy that, like the patterns for women, the most disadvantaged men were those living alone (both older and younger groups) or as sole fathers (all of whom were in the younger group). Indeed one third of the older and younger men living alone, and one quarter of the sole fathers, had incomes below the Henderson poverty line.

Thresholds of disadvantage – family type

To explore the relative depth of financial disadvantage, the proportions in each family type with incomes below the three thresholds of disadvantage used earlier – the Henderson line, the 85 per cent, and the 73 per cent lines – were derived. These proportions are shown in Figure 4 (see Appendix Table 4 for percentages, tests of statistical significance and subsample numbers). As before, for visual clarity, those with incomes above the Henderson poverty line are combined in this figure. To assess the statistical relationship between economic disadvantage and family type, all incomes above the threshold of interest were combined, as were all incomes below that threshold.[13]

The relationship between financial living standards and family type remained statistically significant for women when the two more stringent thresholds were

Figure 4. Three thresholds of disadvantage in equivalent household income: Percentage of respondents below each threshold by family type, sample and gender



Notes: Missing cases=44; HPL = Henderson poverty line
The three shaded categories together refer to the percentages of men and women with incomes below the HPL, depicted in Figure 3 as a single category; the two darkest categories together reflect the percentages of men and women with incomes below 85% of the HPL; the darkest category depicts the percentage with incomes below the 73% threshold.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

13 Again, chi-square tests were computed for the new categories accordingly. Combining those with incomes above the threshold of interset minimised the influence of incomes of 200 per cent or above, the strength of which would mask any threshold effects at lower levels of family income.

applied.[14] However, for men, this relationship washed away with all three thresholds of disadvantage (once those with incomes above each threshold were combined). This confirmed that much of the family type-income relation for men was driven by the relatively high family incomes (that is, incomes of more than 200 per cent of the Henderson line) of younger repartnered men with no children.

Some of the groups who appeared to have low incomes in Figure 3 tended to have household incomes closer to the Henderson line than others. Thus when the more stringent thresholds are used, a number of respondents in these groups no longer appear to be financially disadvantaged. This is particularly the case for older men living alone, followed by older women living alone. Nevertheless, older women living alone continued to be among the most disadvantaged when the more stringent thresholds of disadvantage are used. While younger men with a partner and no children were the least likely to be disadvantaged when the Henderson line was used, those in this group with incomes below that line also had incomes below the most stringent threshold of disadvantage.

One quarter of older women who were sole parents had incomes below the most stringent threshold. At this level, rates of disadvantage for younger sole fathers (15 per cent) are much the same as those for younger sole mothers (17 per cent) and for older women living alone (15 per cent). Most of the men and women with incomes below this mark relied on social security as their main source of income. Those most likely to escape this level of disadvantage were younger men and women with partners and children, and older men living alone (3 to 4 per cent had incomes below the most stringent threshold).

Thus the most stringent threshold highlights an economic vulnerability that some sole fathers share with women that is not obvious with the conventional benchmark of disadvantage, the Henderson line.[15] Nevertheless, these conclusions should be treated with caution, given the small numbers of men and women in most of the family types.

Housing costs

The costs of home ownership and other forms of housing tenure represent another facet of financial living standards that has received a great deal of attention. People purchasing their own homes or renting privately typically have higher housing costs than those who own their home outright or who are renting public housing. Individuals with similar incomes can thus have very different financial living standards depending on their housing costs (King 1994).

The Henderson approach provides two estimates of poverty lines against which different income estimates can be compared: total net income and net income after housing costs. These estimates often yield a different pattern of disadvantage.

The present analysis was restricted to "before housing" costs because the housing data collected by the survey were selective and therefore incomplete in

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14 At the 73 percent mark, there were too few women in two of the groups (older women living alone and older sole mothers) to test the relationship between the four family types and financial disadvantage for women (25 per cent of the cells in the table had expected frequencies below five). A crude way around this was to run two separate analyses excluding one of the two small groups each time. Both results remained significant.

15 Younger sole fathers versus younger sole mothers:- 100 per cent threshold : χ^2 (1) = 4.35, p<.05; 85 per cent threshold : χ^2(1) = 1.45, p>.05; 73 per cent threshold : χ^2(1) = .10, p>.05.

terms of the information needed to estimate “after housing” costs equivalence scales (for example, no information was collected on property rates).

Some consideration of housing costs can nonetheless strengthen the present analysis. Of interest here are those with incomes below the Henderson poverty line. Fifty-nine per cent of older women in this situation owned their own home outright, while another nine per cent were in public housing. Thus, the majority in this group appeared to have had relatively low housing costs. By contrast, less than half the younger men and women with incomes below the Henderson poverty line owned their own homes (31 per cent and 19 per cent) or were in public housing (13 per cent and 28 per cent). (There were too few older men with incomes below the Henderson line to assess housing tenure trends for this group.) These differentials in tenure should be borne in mind when interpreting the results on equivalent household income. Even though older women were the most likely to be financially disadvantaged, they were also significantly more likely than the other financially disadvantaged men and women (virtually all of whom were in the younger sample) to have low housing costs.[16]

The impact of child support

The analysis of financial living standards in this paper is based on household income adjusted for child support (that is, including any child support received from the other parent, and subtracting any child support paid by the respondent). There has been mounting concern in recent years about the extent to which child support might be driving payers into poverty (Joint Select Committee 1994). A key question is: Does the Scheme help to protect children from poverty, without compromising the economic wellbeing of non-resident parents who are paying child support? This question can be explored by comparing the equivalent household incomes of parents before and after child support is paid or received.

Two groups from the younger sample are the focus of this analysis: wage and salary earners who paid or received child support, and women relying on social security who received or did not receive child support. These groups were selected because they provide relatively focused lenses through which the impact of child support payments can be assessed. Respondents from the older sample were not examined because many (63 per cent) did not have children under 18 years of age at the time of interview and analysis of those who did have dependent children would not be meaningful given the small sample sizes.

Wage and salary earners

The wage and salary earners group comprised 100 respondents (41 per cent of younger men, 18 per cent of younger women) who (a) relied on wages or salaries as their main source of income, (b) separated after the introduction of Stage II of the Child Support Scheme in October 1989,[17] and (c) were paying or receiving regular child support (all the men in this sub-sample were payers; all the women were payees, and most (62 per cent) had not repartnered).

Of the 58 younger men in this analysis (about 10 per cent of whom had children in the household from a new union), the proportion with incomes below the Henderson line increased from three per cent before child support was deducted to seven per cent after payments were made. (The proportion of those with incomes below the 85 per cent threshold increased from two to three per cent.) Thus child support payments did not appear to be creating financial hardship

16 χ^2 (6) = 31.66, p<.0001.

17 Thirty per cent of the sample separated before the establishment of Stage 2 of the Child Support Scheme (when the formula for setting payments was applied).

for the majority of these wage-earning men. This is not surprising given that child support is based on the principle of capacity to pay.

The women's data tell a different story. Without child support, 24 per cent of those women (and children) whose main source of income was wages (n=42) would have been living below the Henderson poverty line (with 14 per cent having incomes below the 85 per cent cut-off). With child support, 10 per cent appeared to be living below the Henderson poverty line (with no women having incomes below the more stringent 85 per cent cut-off). Thus in the absence of gaining further income from other sources, child support helped around 14 per cent of these families to avoid living below the Henderson poverty line.

By and large then, the economic viability of non-resident fathers in this small and restricted sample did not appear to be threatened by the Child Support Scheme. In the case of resident mothers, for one in eight, this transfer lifted their financial resources above the Henderson poverty line.

Women relying on social security

The second group examined, women relying on social security, comprised 47 younger women who (a) relied on social security (specifically Parenting Payment - Single) as their main source of income, and (b) separated after the introduction of Stage II of the Child Support Scheme. Just on half (51 per cent) reported receiving regular child support.[18] The pensions of those who received child support would have been offset to some extent by this source of income, in line with social security requirements.

Financial living standards appeared to vary according to whether or not child support was received: those in receipt of child support were significantly less likely than those not in receipt of support to have incomes below the Henderson poverty line (50 per cent versus 78 per cent).[19] Similar patterns held for the more stringent thresholds (33 per cent versus 57 per cent at the 85 per cent mark; 21 per cent versus 39 per cent at the 73 per cent mark), though these differences were not statistically significant.[20]

It should be noted that for both sets of analyses, numbers were too small to control for the effects of part-time work. Nonetheless, these crude results provide tentative support for the notion that child support helped improve the living standards of children of separated parents. This interpretation is consistent with the results of a much larger study concerning the impact of child support on rates of child poverty conducted by Harding and Szulkalska (2000).

Perceptions of financial circumstances

As noted earlier, objective indicators of financial circumstances do not necessarily correspond with people's sense of their financial wellbeing. Subjective assessments take into account personal aspirations and expectations, which are influenced by several factors including personality, values, general morale, past personal circumstances and the perceived circumstances of others. These assessments can influence perceptions of fairness across a range of post-divorce financial and emotional issues, and affect financial decisions and the quality of post-divorce relationships. Assessment of both objective and subjective indicators thus provides a more comprehensive picture of financial wellbeing than objective measures alone.

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18 Around one in five of the 47 sole mothers supplemented their incomes with paid work, with half of these mothers also receiving child support. Social security pensions would have been reduced if it exceeded the "income-free area".

19 χ^2 (1) = 4.07, p<.05.

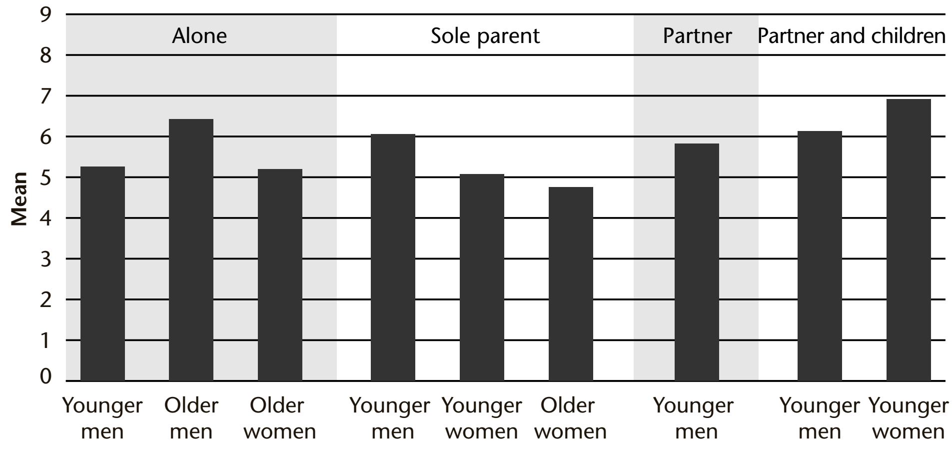
20 χ^2 (1) = 2.55, p>.05; χ^2 (1) = 1.88, p>.05, respectively.

In this study, respondents were asked to indicate how satisfied they felt with a range of domains, including their family income. Items were rated on a nine-point scale ranging from "terrible" (1) to "delighted" (9), with high scores indicating high satisfaction.

Older women were significantly less satisfied than older men with their family income (Mean=4.98 vs Mean=6.25). The mean satisfaction ratings by younger men and women did not differ significantly (Mean=5.79 vs Mean=5.57) (see Appendix Table 5 for descriptive statistics).

The data for family type are a little more complicated, and are presented in Figure 5 (see Appendix Table 6 for descriptive statistics).

Figure 5. Mean family income satisfaction ratings by family type, sample and gender



Note: Missing cases = 46.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.Studies 2000.

Repartnered younger women with children appeared to be the most satisfied group (Mean=6.92) and had significantly higher mean ratings than younger and older sole mothers (Mean=5.07, Mean=4.76) and older women living alone (Mean=5.20). One likely reason for the relatively high satisfaction of repartnered women with children is that many had probably experienced a period of financial hardship as sole parents. In comparison with such circumstances, these women are likely to have felt well off.

Objective versus subjective financial wellbeing

An important question is the extent to which objective financial circumstances match subjective financial wellbeing. While some consistency is likely, objective-subjective disparities can highlight issues of concern for some post-divorce family units.

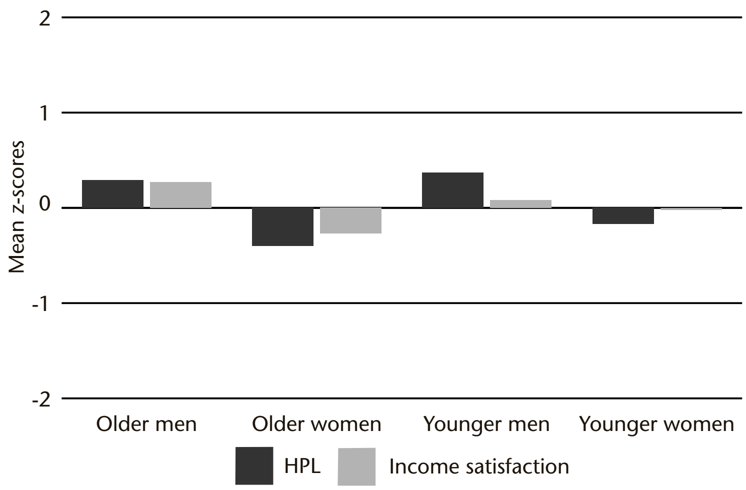
Since both sets of data are measured on different units, a transformation is required to standardise these units. Accordingly, the following analysis uses standard scores (z-scores[21]) to explore the fit between post-divorce objective financial circumstances and subjective financial wellbeing. First, gender and age are examined, followed by family type.

Figure 6 plots the mean standardised scores for equivalent household income (dark bars) and satisfaction (light bars) for older and younger men and women (see Appendix Table 7 for descriptive statistics). The horizontal line in the middle of the graph is set at zero (the mean score on both measures for the total sample).

21 The z-score (or standard score) is the number of standard deviations that a score is away from the mean of scores for all respondents. Z-scores have a mean of zero and a standard deviation of one.

Put simply, in terms of satisfaction, bars above the line depict higher than average satisfaction, while bars below the line depict lower than average satisfaction. The same holds for the bars depicting equivalent household income. If income and satisfaction with income go hand-in-hand (that is, those with much higher than average income also have much higher than average satisfaction), then relatively little difference between the dark and light bars would be evident. However, as noted above, income satisfaction does not necessarily correspond with income. Some people may be unhappy with their higher than average income, for various reasons (for example having experienced far better financial circumstances previously). If this happened for a group, the income bar would be notably higher than the satisfaction bar.

Figure 6. Mean standard scores for equivalent household income and income satisfaction rating by sample and gender



Note: HPL = Henderson poverty line.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

For older men and women, trends for satisfaction with family income corresponded with those suggested for objective circumstances. By contrast, despite having higher than average incomes, younger men's satisfaction was close to the average for the total sample (Mean z-score=.37 versus Mean z-score=.08). Conversely, despite having lower than average incomes, younger women's satisfaction was close to the average for the total sample (Mean z-score=-.17 versus Mean z-score=-.02). Although statistically significant, this difference for younger women may not be meaningful because of the large sample size.[22]

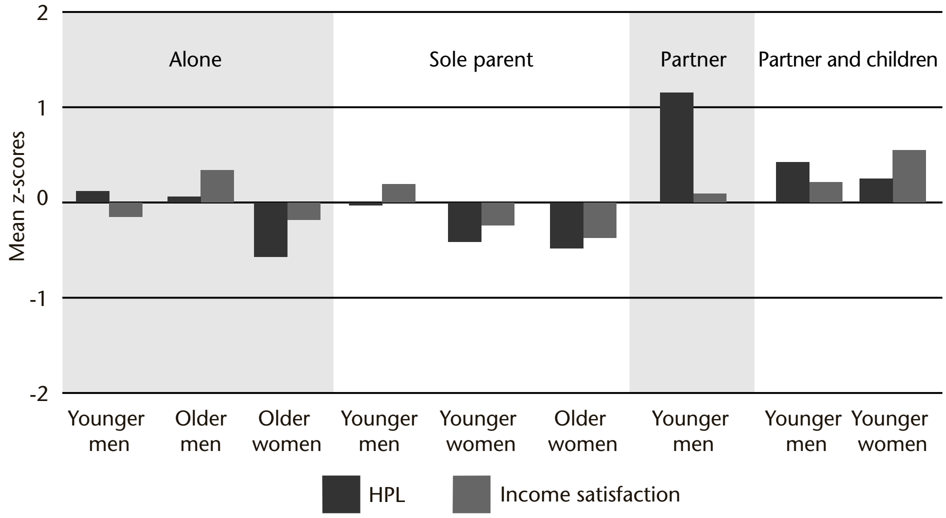
Analysis of family type clarifies the apparent discrepancy between objective and subjective financial wellbeing for younger men (Figure 7; Appendix Table 8). The younger repartnered men with no children in the households largely appear to be driving this disparity: the average score for income satisfaction for this group was significantly lower than that for equivalent household income.[23] Given the small number of repartnered men without children in the sample (*n*=28), it is unclear whether this objective-subjective mismatch is a statistical aberration or indeed taps financial concerns for these men – concerns that are not apparent with exclusive attention to objective financial wellbeing. One possibility is that some

22 With large samples, small differences become statistically significant though they may have little practical meaning (see Tabachnik & Fidell, 1989: 37).

23 These men expressed high satisfaction with life overall, thus ruling out a "spillover mood" effect. They were also no more likely to be paying child support than other groups of non-resident men (apart from older men living alone). Nor were they paying significantly higher amounts of financial support than other groups of payers.

of these men and their partners may have been contemplating having children together and living on the men's income (mean personal income=$41,000). However, this is speculation and warrants a more fine-grained investigation.

Figure 7. Mean standard scores for equivalent household income and income satisfaction rating by family type, sample and gender



Note: Missing cases=46; HPL = Henderson poverty line.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

The analysis of family type also clarifies the apparent mismatch between objective and subjective financial wellbeing for younger women – specifically single and repartnered mothers with children in the household. Both groups of women were significantly happier with their income than might be expected on the basis of their financial living standards. Although statistically significant, the difference for sole mothers may not be meaningful because of the large sample size (*n*=155). [24] For the repartnered group at least, many of these women are likely to have experienced financial deprivation as sole parents after separation and this experience is likely to provide a clear baseline against which to compare improved material circumstances.

In sum, average satisfaction with income did not always go hand in hand with average financial living standards. In particular, financial living standards appeared to be a poor predictor of income satisfaction for younger repartnered men without children in the household (who seemed less satisfied than might be expected on the basis of this objective indicator of financial wellbeing), and younger single and repartnered mothers with children in the household (who seemed more satisfied than might be expected).

Summary

A maxim in the field of financial living standards research is that there is no clear threshold below which families descend into poverty – all thresholds have arbitrary elements. Consistent with most other studies of living standards in Australia, this analysis has used the Henderson framework. As noted earlier, the Henderson poverty line has been criticised partly because it has become increasingly generous over time due to the way it is updated in relation to community standards.

24 As explained above, with large samples, small differences become statistically significant though they may have little practical meaning.

Nevertheless, even when more stringent derivatives of the Henderson line are adopted, clear gender divisions remain: the financial vulnerability of women post-divorce continues to be apparent. For older women at least, this vulnerability is not solely a function of the presence of children in their households: those living alone also had a relatively high rate of financial disadvantage. (There were too few younger women living alone to assess trends in equivalent household income.) It is important to note, however, that unlike younger men and women who were financially disadvantaged, the majority of older women with incomes below the Henderson poverty line had low housing costs.

One group of men stood out in terms of financial living standards: the repartnered men without children in the household. Just over two-thirds of these men had household incomes that were at least 200 per cent of the Henderson poverty line – a situation that applied to less than half of men (and women) in all other family type groups.

However, patterns of disadvantage for men varied according to the threshold adopted. With the most generous threshold (the Henderson poverty line), older and younger men living alone appeared to be the most disadvantaged. But this effect washed away with the application of the more stringent derivatives. With the most stringent threshold, rates of financial disadvantage for younger sole fathers and sole mothers were very similar.

One-third of younger men living alone had income below the Henderson poverty line. It is possible that the financial disadvantage evident for such fathers was compounded by the costs of contact with children. Recent work by Murray Woods and his associates (1999) found that, regardless of income levels, non-resident parents who had contact with their children typically created an infrastructure to facilitate contact, consisting of accommodation with a separate bedroom, household items bought specifically for contact, clothing and food purchases, health care and entertainment. While these infrastructure costs can add up,[25] they are nonetheless often hidden and hard to estimate (Braver 1999).

Somewhat more transparent are child support transfers. However, little empirical data have been available to assess the influence of child support transfers on the financial circumstances of resident and non-resident parents, and their children. Data from a small, selective subset of cases in the present study suggest that the economic viability of wage earning non-resident fathers paying child support was, by and large, not threatened by the scheme, while child support lifted the financial resources of one in eight resident mothers in paid work beyond the Henderson poverty line. (It goes without saying that sole mothers relying on social security and receiving child support also seemed to fare better in terms of financial living standards than sole mothers relying on social security not receiving any child support.) These data are more suggestive than conclusive given the small numbers and somewhat restricted sub-samples on which the analysis is based.

At the broadest level then, the results in this paper suggest that, while financial disadvantage has a presence that can transcend gender, in the main, post-divorce economic circumstances still appear to be different for men and women – with divorced women faring worse economically than divorced men in the short- to medium-term at least.

25 Indeed, the need for greater recognition of the costs of contact incurred by non-resident parents was one of the rationales for a recent Federal Government proposal to reduce child support payable by non-resident parents who had contact with their children for between 10 and 30 per cent of nights per year (see Schedule 1 of the Child Support Legislation Amendment Bill No 2 2000 (Cth)). Even though this proposal was defeated at the Bill's Second Reading in the Senate, discussions about linking contact and child support are likely to continue (Fehlberg and Smyth forthcoming).

Gender differences also emerged with subjective evaluations of financial circumstances. Men had higher family incomes than women, and subjective evaluations of income were more positive for men than women. However, this was not the case for all family types. Repartnered mothers with children were the most satisfied on average, but they were not the most well off financially. On the other hand, repartnered men without children in their household tended to be the most well off financially but were no more satisfied than average. These patterns highlight the fact that evaluations of personal circumstances cannot be inferred purely on the basis of objective circumstances.

Conclusion

Two conclusions drawn from early Institute work continue to hold: in general, women are more likely than men to experience financial hardship after divorce; and repartnering remains a key way out of financial difficulties for many divorced women (and their children).

These conclusions, however, must be tempered by the very small subsamples on which this study was based. They are nonetheless not surprising. As regards the gender income gap, children usually live with their mother after marital separation and mothers typically have a lower earning capacity than fathers. This situation often creates an income shortfall for divorced women given their household needs. Child support can fill some, but not all, of this shortfall.

As for the economic benefits of repartnering, simple arithmetic suggests that two incomes are better than one, that one (solid) income is better than none, and that living as a couple is less expensive than living as one. Yet non-financial considerations (such as personal emotional wellbeing and that of children) along with practical matters may be good reasons why many divorced people do not repartner, despite the economic benefits it might confer.

The financial circumstances of post-divorce family units often vary over time with changing relational and life circumstances, policy shifts and the dynamics associated with the broader economic context. Accordingly there is a clear need for ongoing research into the financial circumstances of parents and their children after marital separation. There is also a need for research into the costs of contact for non-resident parents and the ways in which these costs might affect those borne by resident parents (Fehlberg and Smyth forthcoming). Greater appreciation of the economic consequences of divorce relies on more encompassing ways of measuring the full costs of caring for children post-divorce.

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Appendices

Appendix A: Income questions

The main income questions in the survey on which the analysis was based were:

> Q354. People get income from a number of sources. Could you tell me if you received income from any of the following: (1) Wage or salary; (2) self-employed earnings or proceeds of business; (3) investments (such as shares, bonds, trust, rent); (4) regular income from superannuation; (5) sole parent pension; (6) other government or social security pension, benefit or allowance; (7) child support; (8) any other income.
>
> Q355. Which one of these is your main source of income?
>
> Q365A. What is your total personal income from all sources before tax, including child support if received?
>
> Q369. Thinking now about everyone who contributes income to your household: would you mind telling me your household's total annual income from all sources before tax? This includes child support received for any children living in the household.

Appendix Table 1: Demographic profile by sample and gender

	Younger sample (*n*=372)		Older sample (*n*=102)	
	Men (*n*=143) %	Women (*n*=229) %	Men (*n*=40) %	Women (*n*=62) %
State / Territory				
VIC	29	31	30	37
NSW	32	34	33	31
QLD	20	21	20	13
SA	13	8	13	11
TAS	3	4	3	5
ACT	3	1	0	3
NT	1	1	3	0
Geographical location				
City* (including ACT)	62	60	63	61
Country (excluding NT/TAS)	38	40	37	39
Age				
25-34	13	17	0	0
35-44	51	61	2	2
45-54	31	21	28	61
55-64	4	1	43	31
65+	1	0	28	7
Education				
Year 10 or below	18	32	40	36
Year 11-12	24	29	20	21
Diploma/Vocatn'l training	37	17	20	19
Degree	20	22	20	24
Employment status				
In full-time paid work	72	36	43	26
In part-time paid work	9	34	5	32
Not in paid work#	20	31	53	42
Main source of income				
DSS recipient	16	36	33	39
Not a DSS recipient	84	64	68	61
Marital status				
Single	52	73	68	79
De facto	18	14	18	10
Re-married	29	14	15	11
Housing tenure				
Own	17	19	43	50
Purchasing	48	40	33	32
Rent - private	27	26	18	11
Rent - public	6	13	5	5
Other	2	2	3	2
Children's residency				
Resident parent	18	86	9	55
Non-Resident parent	63	4	24	2
Split residence of siblings	11	7	0	2
Independent	8	4	68	41
Family type				
Live alone	29	5	60	32
Sole parent	23	68	8	47
Repartner (no children in h/h)	20	2	28	15
Repartner (children in h/h)	28	26	5	7
Length of marriage				
1-5 yrs	25	19	0	0
6-10 yrs	25	27	0	0
11-15 yrs	29	30	10	3
16-20 yrs	16	16	18	14
21-25 yrs	5	6	18	49
20+ yrs	0	1	55	34
No. of years since separation				
1-3 yrs	12	18	23	30
4-6 yrs	47	36	25	30
7-9 yrs	41	46	53	41

Notes: * Major metropolitan cities were defined in line with Australian Bureau of Statistics Statistical Divisions;
includes those looking for work.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

Appendix Table 2. Demographic profile by sample and gender: Measures of central tendency

	Older sample (*n*=102)						Younger sample (*n*=372)					
	Men (*n*=40)			Women (*n*=62)			Men (*n*=143)			Women (*n*=229)		
	Median	**Mean**	**SD**	**Median**	**Mean**	**SD**	**Median**	**Mean**	**SD**	**Median**	**Mean**	**SD**
Age (years)	59.5	59.7	7.7	53.0	53.9	5.56	42.0	42.5	7.2	40.0	40.1	6.07
Years of marriage	26.0	25.9	7.6	24.0	24.5	5.5	10.5	10.7	5.7	11.0	11.3	5.8
No. of years since separation	7.0	5.9	2.5	6.0	5.59	2.4	6.0	6.0	2.2	6.0	5.9	2.2
HPL	167.8	176.1	84.3	96.8	117.0	69.8	164.6	182.4	101.0	115.0	136.5	69.6
Personal gross income	$24,700	$26,246	$17,077	$14,280	19,358	$12,986	$35,500	$37,298	$22,568	$20,800	$24,820	$16,330
Household gross income	$26,598	$33,670	$26,609	$17,250	$23,907	$19,499	$45,000	$49,908	$33,456	$26,250	$34,196	$24,257

Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

Appendix Table 3. Equivalent household income by sample and gender

	Older sample (*n*=102)		Younger sample (*n*=372)	
	Men (*n*=40) %	Women (*n*=62) %	Men (*n*=143) %	Women (*n*=229) %
200% + of HPL	38	8	36	17
100-199% of HPL	38	37	41	49
<100% of HPL	25	55	22	35
Total	**100**	**100**	**100**	**100**
100%+ of HPL	75	45	78	65
<100% of HPL	25	55	22	35
Total	**100**	**100**	**100**	**100**
85%+ of HPL	93	69	86	78
<85% of HPL	8	31	14	22
Total	**100**	**100**	**100**	**100**
73%+ of HPL	95	81	91	87
<73% of HPL	5	19	9	13
Total	**100**	**100**	**100**	**100**

Notes: HPL = Henderson poverty line
3 x 2 table:
100% threshold - Older sample: χ^2 (2) = 15.76, $p<.001$; Younger sample: χ^2 (2)= 19.83, $p<.0001$.
2 x 2 tables:
100% threshold - Older sample: χ^2 (1) = 8.83, $p<.01$; Younger sample: χ^2 (1) = 6.60, $p<.05$;
85% threshold - Older sample: χ^2(1) = 7.70, $p<.01$; Younger sample: χ^2 (1) = 3.91, $p<.05$;
73% threshold - Older sample: χ^2 (1) = 4.23, $p<.05$; Younger sample: χ^2 (1) = 1.12, $p>.05$.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

Appendix Table 4. Equivalent household income by family type by sample and gender

	Alone (*n*=86)			Sole parent (*n*=217)			Couple - no children (*n*=28)	Couple & children (*n*=236)	
	Ygr men (*n*=42) %	Older men (*n*=24) %	Older women (*n*=20) %	Ygr men (*n*=33) %	Ygr women (*n*=155) %	Older women (*n*=29) %	Ygr women (*n*=28) %	Ygr men (*n*=40) %	Ygr women (*n*=59) %
200% + of HPL	24	29	5	24	7	7	68	38	32
100-199% of HPL	43	38	30	52	49	35	21	45	53
<HPL	33	33	65	24	44	59	11	18	15
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
100%+ of HPL	67	67	35	76	56	41	89	83	85
<100% of HPL	33	33	65	24	44	59	11	18	15
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
85%+ of HPL	83	96	75	82	72	62	89	90	90
<85% of HPL	17	4	25	18	28	38	11	10	10
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
73%+ of HPL	91	96	85	85	83	76	89	98	97
<73% of HPL	10	4	15	15	17	24	11	3	3
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Notes: Missing cases=44; HPL = Henderson poverty line
3 x 5 table (men) and 3 x 4 table (women)
100% threshold - Men: χ^2 (8) = 20.38, $p<.01$; Women: χ^2 (6) = 41.18, $p<.0001$.
2 x 5 tables (men) and 2 x 4 tables (women)
100% threshold - Men: χ^2 (4) = 6.80, $p>.05$; Women: χ^2 (3) = 25.23, $p<.0001$;
85% threshold - Men: χ^2 (4) = 3.46, $p>.05$; Women: χ^2 (3) = 10.43, $p<.05$;
73% threshold - Men: χ^2 (4) = 4.60, $p>.05$;
2 x 3 tables (women)
73% threshold - Women:- excluding older women alone χ^2 (2) = 8.93, $p<.05$; Women:- excluding older women sole parents χ^2 (2) = 7.16, $p<.05$.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

Appendix Table 5. Satisfaction with family income rating by sample and gender

	Older sample (*n*=102)		Younger sample (*n*=372)	
	Men (*n*=40)	Women (*n*=62)	Men (*n*=143)	Women (*n*=229)
Median	6.50	5.00	6.00	6.00
Mean	6.25	4.98	5.80	5.57
Standard deviation	2.18	2.49	2.25	2.38

Notes: Older sample: t (99) =2.62, p<.05; Younger sample: t (368) =.92, p>.05.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

Appendix Table 6. Satisfaction with family income rating by family type, sample and gender

	Alone (*n*=86)			Sole parent (*n*=215)			Couple - no children (*n*=28)	Couple & children (*n*=236)	
	Ygr men (*n*=42) %	Older men (*n*=24) %	Older women (*n*=20) %	Ygr men (*n*=33) %	Ygr women (*n*=153) %	Older women (*n*=29) %	Ygr women (*n*=28) %	Ygr men (*n*=40) %	Ygr women (*n*=59) %
Median	5.00	6.50	6.00	6.00	5.00	5.00	7.00	6.00	7.00
Mean	5.26	6.42	5.20	6.06	5.07	4.76	5.82	6.13	6.92
Standard dev'n	2.43	2.23	2.42	2.05	2.26	2.39	2.65	1.86	1.97

Notes: Missing cases=46;
Women: F (3,257) =11.05, p<.0001, Tukey post-hoc comparisons: Repartnered women with children > younger & older sole parents, and older women living alone (p<.05),
Men: F (4,162) =1.32, p>.05.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

Appendix Table 7. Mean standardised scores of family income (objective and subjective) and standard deviations by sample and gender

	Older sample (*n*=102)		Younger sample (*n*=372)	
	Men (*n*=40) z-score	Women (*n*=62) z-score	Men (*n*=143) z-score	Women (*n*=229) z-score
Objective				
Mean	.29	-.40	.37	-.17
Standard dev'n	.99	.82	1.19	.82
Subjective				
Mean	.27	-.27	.08	-.02
Standard dev'n	.93	1.06	.96	1.01

Notes: Objective versus subjective: two-tailed paired t-tests – Older men: t (39) =.14, p>.05; Older women: t (60) =1.04, p>.05; Younger men: t (142) =3.23, p<.01; Younger women: t (226) =2.25, p<.05.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

Appendix Table 8. Mean standardised scores of family income (objective and subjective) and standard deviations by family type, sample and gender

	Alone (*n*=86)			Sole parent (*n*=215)			Couple - no children (*n*=28)	Couple & children (*n*=236)	
	Ygr men (*n*=42) % z-score	Older men (*n*=24) % z-score	Older women (*n*=20) % z-score	Ygr men (*n*=33) % z-score	Ygr women (*n*=153) % z-score	Older women (*n*=29) % z-score	Ygr women (*n*=28) % z-score	Ygr men (*n*=40) % z-score	Ygr women (*n*=59) % z-score
Objective									
Mean	.12	.06	-.57	-.04	-.41	-.48	1.15	.42	.25
Standard dev'n	1.17	.84	.48	.77	.67	.60	1.43	1.09	.87
Subjective									
Mean	-.15	.34	-.18	.19	-.24	-.37	.09	.22	.55
Standard dev'n	1.03	.95	1.03	.87	.96	1.01	1.13	.79	.84

Notes: Missing cases=46; Objective versus subjective: two-tailed paired t-tests – Younger men alone: t (41) =1.84, p>.05; Older men alone: t (23) =1.12, p>.05; Older women alone: t (19) =1.66, p>.05; Younger men sole parents: t (32) =1.53, p>.05; Younger women sole parents: t (152) =2.12, p<.05; Older women sole parents: t (28) =.71, p>.05; Younger men repartnered without children: t (27) =4.40, p<.001; Younger men repartnered with children: t (39) =1.30, p>.05; Younger women repartnered with children: t (58) =2.49, p<.05.
Source: Australian Divorce Transitions Project, Australian Institute of Family Studies 2000.

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