



RESEARCH NOTE

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Unemployment in Families with Children

Major Findings

- 225,000 children live in families where neither parent has a job but at least one parent wants to work.
- Over the past decade there has been an alarming increase in the incidence of unemployment among families with children, particularly couples with large families and single parent families.
- Although the overall population of children has risen by only 5 per cent over the past decade, the number of children living in unemployed couple familiesⁱ has risen by 22 per cent and the number of children living in unemployed single parent familiesⁱⁱ has risen by a dramatic 123 per cent.
- The unemployment rate for couple familiesⁱⁱⁱ with 4 or more children has almost doubled over the last decade from 5.0 per cent in August 1985 to 9.8 per cent in August 1995. The unemployment rate for single parent familiesⁱⁱⁱ has risen from 12.1 to 17.6 per cent over this period. These increases have occurred despite the fact that the overall unemployment rate in August 1985 and August 1995 was about the same.

Unemployment has a direct impact on close to half a million, or 9.9 per cent, of all Australian families. In other words, one in ten Australian families has at least one unemployed family member. The corresponding proportion is somewhat lower in couple families (9.0 per cent) but significantly higher in single parent families (14.6 per cent).

Of the half million families with an unemployed member, just over 200,000 have no family member at all who is in a job. These families represent around 4.2 per cent of all Australian families.

The number of children (aged under 15) living in families where neither parent has a job currently numbers around 680,000. About 225,000 of these children are in families where neither parent has a job and at least one parent is actively looking for a job (referred to in this Research Note as unemployed parent families). The table below shows how the number of children living in unemployed parent families has fluctuated with the unemployment rate over the past decade. It is interesting that while

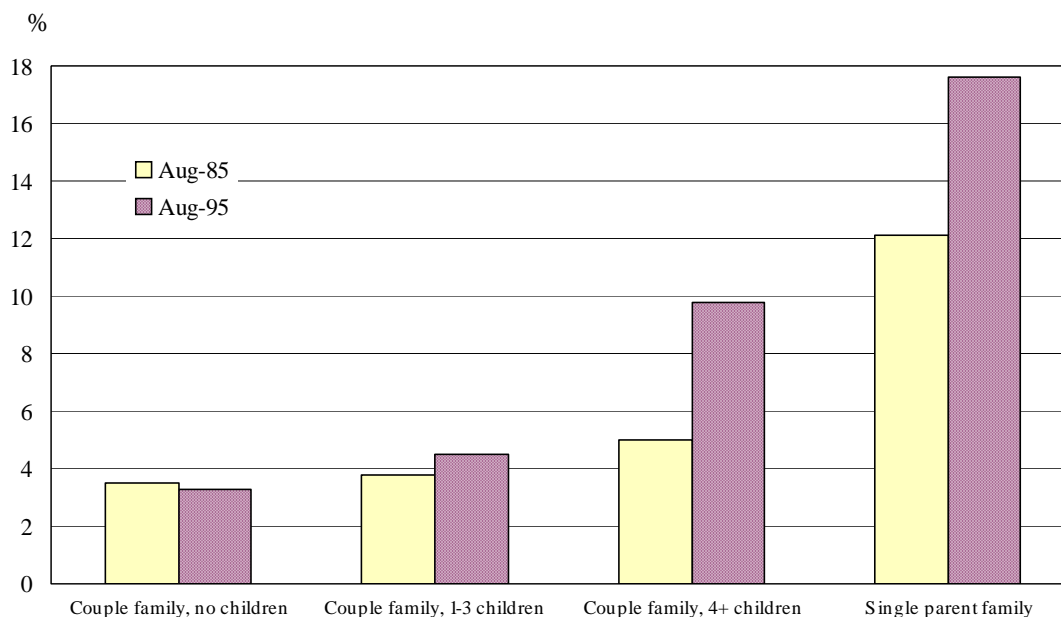
the unemployment rate is about the same as it was 10 years ago, the proportion of children living in unemployed parent families is considerably higher. This phenomenon is explained by a very substantial increase in the incidence of unemployment among families with children, in particular, couples with large families and single parent families.

Over the past decade there has been a dramatic rise in the number of single parent families—up 41 per cent compared with an increase of only 2 per cent in the number of couple families with children. In addition, the unemployment rate for single parent families has gone from 12.1 to 17.6 per cent, compared with an increase from

Children Of Families Where Neither Parent Has a Job and at Least One Parent is Looking for Work

	Children under 15 living in unemployed parent families		Overall unemployment rate %
	'000	% All Children Under 15	
Aug-85	162.7	4.3	7.9
Aug-86	175.3	4.7	8.0
Aug-87	182.6	4.9	7.8
Aug-88	163.7	4.3	6.8
Aug-89	133.9	3.6	5.7
Aug-90	166.2	4.3	7.0
Aug-91	226.0	5.9	9.5
Aug-92	245.5	6.2	10.5
Aug-93	290.3	7.4	10.7
Aug-94	244.2	6.2	9.2
Aug-95	223.5	5.6	8.1

Unemployment Rates for Different Family Types



4.2 to 5.1 per cent in the unemployment rate for couple families with children. The combined effect of an increase in the number of single parent families and an increase in the unemployment rate of these families has been a rise of 123 per cent (from 24,200 in August 1985 to 54,100 in August 1995) in the number of children living in unemployed single parent families. The corresponding increase in the number of children living in unemployed couple families has been less, but still substantial, at 22 per cent (from 138,500 to 169,500). By comparison, the overall population of children aged under 15 has increased only 5 per cent over the decade.

The increase in the unemployment rate for couple families with children has been

very substantial in the case of couples with large families. Between August 1985 and August 1995 the unemployment rate for couple families with 4 or more children almost doubled from 5.0 per cent to 9.8 per cent; the corresponding increase for couple families with up to 3 children was from 3.8 to 4.5 per cent. By comparison, the unemployment rate for couple families without children actually fell over the period from 3.5 to 3.3 per cent.

The fact that couples with large families and single parent families have experienced such significant increases in their unemployment rates over the past decade gives rise to some important questions. Are these increases due to a worsening of the employment potential of each

of these family types and if so why has this occurred? Alternatively, might the increases be due to a marked deterioration in the attractiveness of work as an alternative to remaining a social security recipient?

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- i Families in which neither parent has a job and at least one parent is unemployed.
- ii Families in which the single parent is unemployed.
- iii For each family type, the unemployment rate is defined as the number of families in which neither parent has a job and at least one parent is unemployed expressed as a proportion of the number of families in which at least one parent is in the labour force