Dear Dr Dermody,

Please find attached the following publications by the Australian Institute of Family Studies, which we agreed to provide to the committee during the hearing held on 18 March in Melbourne.

1. de Vaus, D., Gray, M., Qu, L. and Stanton, D. (2007), **The consequences of divorce for financial living standards in later life**, AIFS Research Paper No. 38.
2. de Vaus, D., Gray, M., Qu, L. and Stanton, D. (2007), **The Economic Consequences of Divorce in Australia, International Journal of Law, Policy and The Family,** 28, 26–47.
3. Baxter, J. (2013) **Australian mothers' participation in employment: Analyses of social, demographic and family characteristics using the Household, Income and Labour Dynamics in Australia (HILDA) survey, AIFS Research Paper No. 52.**
4. Baxter, J. and Renda, J. (2015) **Review of government initiatives for reconciling work and family life, AIFS Research Paper No. 34.**

The OECD publication "Closing the Gender Gap", which is useful for international comparisons of the gender gap and women's retirement outcomes can be accessed at: http://www.oecd.org/gender/closingthegap.htm

Yours sincerely,

Diana Warren

Australian Government

Australian Institute of Family Studies

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The Institute promotes the identification and understanding of factors affecting marital and family stability in Australia by:

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The consequences of divorce for financial living standards in later life

RESEARCH PAPER NO. 38, FEBRUARY 2007

David de Vaus, Matthew Gray, Lixia Qu and David Stanton

Australian Institute of Family Studies

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A previous version of this report was presented to the 13th International Research Seminar on Issues in Social Security, "Social Protection in an Ageing World", organised by the Foundation for International Studies on Social Security, Sigtuna, Sweden, 16–18 June 2006. Valuable comments on the earlier version of this report were provided by Alan Hayes, Boyd Hunter, Prem Thapa and Peter Whiteford.

Abstract

As the first generation that experienced high rates of divorce reaches retirement age, the number of older Australians who have experienced divorce at some point in their lives will increase dramatically in coming decades. There is very little empirical evidence in Australia on the financial consequences of divorce for older people. This report begins to fill this gap by providing some of the first estimates of the financial consequences of divorce for Australians aged 55 to 74 years. Using data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey, it was found that, on average, having been divorced had negative consequences for income in older age for both men and women. However, the negative financial impacts of divorce were substantially reduced by remarriage. For some measures of financial circumstances, those who had remarried following divorce were very similar to the married and never-divorced. Older divorced single Australians were much more likely to experience material hardships and to report having a lower level of prosperity than the married and never-divorced. The divorced and single were more reliant on the public pension than those who had not divorced. This will have important implications for the financing of retirement incomes in Australia in coming decades and the extent to which the taxpayer will have to bear the costs of providing for retirement incomes.

Summary

As the first generation that experienced high rates of divorce reaches retirement age, the number of older Australians who have experienced divorce at some point in their lives will increase dramatically in coming decades. The effect of the increase in divorce rates in the mid-1970s is compounded by the structural ageing of the Australian population, with the first of the "baby boomers" (those born between 1946 and 1965) turning 60 in 2006. This means that not only will larger numbers of people be entering older age, but also that a much greater proportion of these people will have experienced divorce at some point in their lives.

Divorce is relatively unlikely to occur in older age, with the most common age for divorce being in the late twenties to early forties. Although most divorces occur before people enter later life, this does not mean that these earlier divorces are without consequences for people later in life. One potential impact is financial. There is very little empirical evidence in Australia on the financial consequences of divorce for older people. This report begins to fill this gap by providing some of the first estimates of the financial consequences of divorce for Australians aged 55 to 74 years.

A number of measures of financial living standards are examined, including:

- annual household income;
- housing tenure;
- superannuation;
- receipt of income support payments;
- per capita net household assets;
- perceived prosperity; and
- experience of financial hardships.

The analysis reveals that, on average, having been divorced has negative consequences for income and financial circumstances in older age. However, the negative financial impacts of divorce are substantially reduced by remarriage. For some measures of financial circumstances, the divorced and remarried are very similar to the married never-divorced.

Home ownership

- Home ownership rates of both the divorced and remarried and the divorced singles were lower than the rate of those who were married and had never-divorced.
- Three-quarters of the married never-divorced men owned a home outright, compared to just 40.9 per cent of the divorced single men and 57.8 per cent of the divorced and remarried men.
- The pattern was similar for women. The main difference between men and women following divorce is that older divorced single women had higher rates of outright home ownership (49.4 per cent) than older divorced single men (40.9 per cent).

- Divorced and remarried people, especially men, were the most likely to be purchasing a home.
- Those who were divorced and single were substantially more likely to be renting than the married (ever- and never-divorced). Of the divorced single men, 49.4 per cent were renting, compared to just 20.9 per cent of the divorced and remarried men and 15.0 per cent of the married never-divorced men.

Assets

- Divorced single men and women had lower median levels of per capita household assets than those who were married and never divorced ($199,900 and $178,300 respectively).
- For both men and women, per capita assets of the divorced and remarried and the married never-divorced were similar. Taken overall, it appears that remarriage following divorce returned men and women to a similar net asset position as the married never-divorced.

Superannuation

- Married never-divorced older women were substantially less likely to have had superannuation (37.8 per cent) than divorced and single women (49.3 per cent) and divorced and remarried women (46.4 per cent). However, the divorce history of women makes relatively little difference to their average amount of superannuation.
- Older divorced single men were less likely than either divorced remarried men or married never-divorced men to have superannuation (43.6 per cent, 57.5 per cent and 57.9 per cent respectively). Divorced singles also had much lower levels of superannuation assets ($44,600) than the other groups. Remarried divorced men had the highest amount of superannuation ($128,300), with the married never-divorced having an average amount of superannuation of $100,000.

Income

- For older men, the median household equivalent income (household income adjusted for household size and composition) was lowest for divorced single men ($15,500), followed by married never-divorced men ($24,500), and was highest for those who had divorced and remarried ($28,900).
- For women, there was no relationship between marital history and median incomes (ranging from $22,000 for divorced singles to $22,900 for married never-divorced women).
- Divorced and single men and women received higher levels of income support payments (including the age pension) than either the divorced and remarried or the married never-divorced.

Perceived prosperity and material hardships

- Older divorced single Australians are much more likely to experience material hardships than the married never-divorced.
- For men, the divorced and remarried are more likely to report having experienced financial hardship than the married never-divorced, but less likely than the divorced and single. For women, no difference in the rates of experiencing financial hardship were found between the divorced and remarried and the married never-divorced.

- For both men and women, the divorced and single reported having a lower level of prosperity than the married never-divorced. The self-reported prosperity of the divorced and remarried and the married never-divorced were similar.

Differences in the educational, employment and other characteristics between the groups did not appear to explain these relationships between marital history and financial circumstances.

The finding that divorced singles were more reliant on the public pension than those who had not divorced has important implications for the financing of retirement incomes in Australia in coming decades and the extent to which the taxpayer will have to bear the costs of providing for retirement incomes.

While the Australian age pension system offsets some of the financial disadvantages faced by divorced older people who are single, the lower level of financial living standards experienced by those who have been divorced could be reduced by encouraging greater levels of labour force participation among divorced women prior to retirement age. Other strategies could involve assisting the divorced to obtain further education or retraining, and delaying retirement. However, increased labour market earnings alone will almost certainly not completely offset the negative financial consequences of divorce in older age.

1 Introduction

As the first generation that experienced high rates of divorce reaches retirement age, the number of older Australians who have experienced divorce at some point in their lives will increase dramatically in coming decades. Due to the sharp increase in divorce in the mid-1970s, there is a "divorce bulge", where an increasing number of divorced people are now reaching later life.[1] The effect of this divorce bulge is compounded by the structural ageing of the Australian population, with the first of the "baby boomers" turning 60 in 2006.[2] This means that not only will larger numbers of people be entering older age, but also that a much greater proportion of these people will have experienced divorce at some point in their lives. Other countries have also experienced very substantial increases in divorce rates (see section 2) and will also have an increasing proportion of their older age population who have been divorced at some point in their lives.

While divorce can occur at any age, it is relatively unlikely to occur in older age, with the most common age for divorce being in the late twenties to early forties (Appendix, Figure A1). Although most divorces occur before people enter later life, this does not mean that these earlier divorces are without consequences for people later in life. This report focuses on the implications of divorce, occurring at any point in adulthood, for people's financial wellbeing in later life.

There is an extensive literature on the impact of divorce on the specific financial circumstances of women. Studies from a number of countries have found that women experience a decline in financial circumstances following divorce.[3] What has received less attention is the lifetime financial consequences of divorce.[4] There is little Australian research on the financial consequences of divorce in older age (retirement age). Whiteford and Stanton (2002) reported that divorced, separated and never-married women were less likely to have assets than widows, who, in turn, were less likely to have assets than married women. Overall, around 45 per cent of divorced or separated age pensioners had less than $5,000 worth of assets (Whiteford & Stanton, 2002).

This report extends our understanding of the consequences of divorce in older age using a new longitudinal Australian survey, the Household, Income and Labour

1 The divorce rate of married Australian men and women increased from 2.8 per 1,000 married couples in 1961 to 18.5 in 1976 and has been stable at around 13 per 1,000 since the mid-1980s. These figures only describe formal divorce and not the ending of de facto relationships.

2 The "baby boom" generation is generally defined to have been those born between 1946 and 1965.

3 Examples of international research in this area include Jarvis and Jenkins (1997), Perry, Douglas, Murch, Bader, and Borkowski (2000), Pulkingham (1995), and Smock, Manning, and Gupta (1999). Australian research includes Funder, Harrison, and Weston (1993), Kelly and Harding (2005), McDonald (1986), Sheehan and Hughes (2001), and Smyth and Weston (2000).

4 An example of a study that does this is Davies, Joshi, Rake, and Alami, (2000), who estimated the consequence of divorce for the lifetime income of women in the United Kingdom.

Dynamics in Australia (HILDA) Survey.[5] HILDA is Australia's first nationally representative large-scale household-based panel. It contains detailed information on income and the type and value of both assets and liabilities. In this report, income levels, home ownership rates, value of superannuation and net household assets, reliance on government income support and the experience of financial stress of older Australians are examined. Using these measures, we compare the financial situation of older people who have ever divorced to that of older Australians who are married and have never divorced. Comparisons are also made between older Australians who have been divorced and are currently remarried and those who have divorced and are currently single.[6] The results in the paper provide some preliminary estimates of the likely impact of divorce on financial circumstances in older age. This is an area in which the authors intend to conduct further research, including using the longitudinal nature of the HILDA to extend the analysis presented in this report.

The focus on assets is important, given that asset ownership can confer a number of advantages on older people. Assets can be invested to produce an income or, in the case of home ownership, can reduce the need for income to pay rent. Assets can also be sold to meet consumption needs, including care (Whiteford & Stanton, 2002). Analysis of the range of financial variables available from HILDA provides a comprehensive picture of the financial position of older Australians who have been divorced, compared to older Australians who have never divorced.

The potential effects of divorce on retirement incomes and assets are complex and depend on a range of factors, including the effects on employment and retirement decisions post-divorce, the proportion of pre-divorce assets received by each partner, the stage of life at which the divorce occurred (including whether the couple had children), whether or not the divorced person remarried, the amount of child support received or paid, whether the couple had entered the housing market, and whether additional government benefits were received.

There are good reasons for expecting divorce to have a negative effect on retirement incomes. These include the effects of divorce on asset accumulation, the impact of legal fees incurred in negotiating property settlements, and the increases in living costs when a family separates (related to the loss of economies of scale). It is generally argued (supported by the limited data available) that the negative impact is greatest for women who have had children, since these women are the least likely to have a strong labour market position to enable them to recover financially. It is expected that the negative financial impact of divorce on women would be ameliorated if they repartnered with someone who had similar financial assets and earnings as their first husband. On the other hand, divorce may prompt an increase in labour force participation for financial reasons (in the economic literature, termed an "income effect").

The remainder of this report is structured as follows. Section 2 describes divorce rates across a number of countries. In the third section the Australian system of

5 The Household, Income and Labour Dynamics in Australia (HILDA) Survey, a longitudinal survey funded by the Commonwealth Department of Families, Community Services and Indigenous Affairs, is conducted by a consortium comprising the Melbourne Institute of Applied Economic and Social Research, University of Melbourne (the lead agency), the Australian Institute of Family Studies, and the Australian Council for Educational Research.

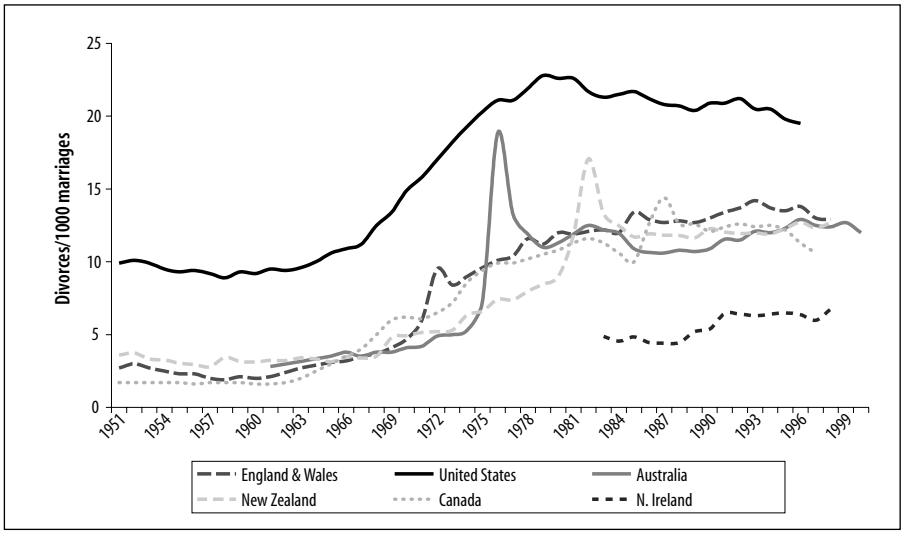
6 The analysis in this report is restricted to those who have ever been married. Older Australians who have never been married but have previously been in a cohabiting relationship are excluded from this analysis. This is because it is difficult to determine the "seriousness" of cohabiting relationships using the HILDA Survey. The number of older Australians who have never been married but have previously been in a cohabiting relationship is small and our results are not sensitive to the exclusion of these respondents from the analysis.

provision for retirement incomes is outlined, and in the fourth the data used to analyse the impact of divorce on financial living standards in older age are described. In section 5 the socio-economic and demographic characteristics of older Australians who have been divorced are compared to those who are married and never divorced, and in section 6 the effects of divorce on financial circumstances are analysed. In the final section concluding comments are made.

2 International trends in divorce rates

Australia is not alone in confronting the dual impact of the baby boom and the rapid increase in divorce rates. In English-speaking OECD countries, at least, there was a divorce boom between the late 1960s and the mid-1980s. Although the precise timing of the divorce boom varied between countries, the pattern of a rapid and substantial increase in divorce was common among most English-speaking OECD countries. Figure 1 shows the pattern in six such countries.

Figure 1 Annual divorce rates for six English-speaking OECD countries, 1951–1998



In England and Wales, rates started to climb slowly in the early 1960s, but rose sharply in 1971 following the 1969 *Divorce Reform Act*, which included "no-fault" grounds for divorce. Similarly, in Australia, the divorce rates started to climb from the mid-1960s and rose very sharply following the introduction of the *Family Law Act 1975* that introduced no-fault divorce. The sharpness of the divorce peak in 1976 was partly due to a backlog of long-term marital separations for which the end of the marriage was formalised as soon as the new Act came into effect. Following the 1976 peak, the divorce rate subsequently declined and has since been stable, but at a much higher level than prior to the introduction of the new Act.

New Zealand exhibited a very similar pattern a decade later, again with a pattern of gradual increase in divorce rates, and a sharp rise in 1981 following the introduction of no-fault divorce in the same year.

The pattern in the US is also similar to these countries. The rise in divorce began in the mid-1960s, but rose strongly from 1969 through to 1979. The first US no-fault

divorce was introduced in 1969 in California under Governor Ronald Reagan. The rate of the US increase in divorce was less steep and more prolonged than in the countries discussed above, as over the decade no-fault divorce was only introduced gradually in its different state jurisdictions.

The Canadian pattern is a little different. The increase in divorce came in two waves. There was an initial rise in the early 1960s, followed by the passing of the *Divorce Act* in 1968, and there was another rise in 1986 due to further changes to the *Divorce Act* in the same year.

All these countries, and no doubt many other OECD countries, will now be experiencing a substantial increase of older people who at some earlier point in their lives have been divorced. High annual rates of divorce translate eventually into large numbers and high percentages of older people having experienced divorce. In Australia it is estimated (depending on the method of estimation) that between a third and 45 per cent of people who marry will divorce. The US has higher rates of people who ever divorce. We can therefore expect that, in many countries, up to half of the people who are entering later life, either now or in the future, will have been divorced at some point.

As governments explore ways of managing the financial consequences of structural ageing and seek to encourage financial self-sufficiency of older people, they will need to be aware of any financial consequences of divorce earlier in life on financial wellbeing and self-sufficiency in later life.

3 The Australian system of provision for retirement incomes

In order to understand the potential impact of divorce in Australia on assets and income in older age, it is necessary to understand the Australian system of provision for retirement incomes. This system differs in some important respects from that of many other OECD countries.[7]

The Australian system of provision for retirement incomes can be characterised as a three-pillar model.[8] The three pillars are:

1 a flat-rate, means-tested pension financed from general government revenue (the age pension);

2 compulsory saving through an employment-based system, known as the Superannuation Guarantee; and

3 voluntary superannuation, assisted by tax concessions or other private saving, particularly housing.

The first pillar was introduced in Australia at the beginning of the 20th century. The second pillar of compulsory saving through the Superannuation Guarantee was introduced much more recently, during the 1990s, and now covers the majority of the employed population. However, it will take many years before those reaching retirement age will have had paid sufficient compulsory superannuation throughout their working lives to make a significant difference to their retirement incomes. The policy intention is that the mandatory second pillar and voluntary third pillar will reduce the pressure on the government of providing direct financial support for retirement incomes.

7 This section draws heavily on Whiteford and Stanton (2002).
8 The three-pillar model terminology was coined by the World Bank (1994).

3.1 The age pension

A feature of the Australian system is that public spending on age pensions is low compared to most other OECD countries. Nevertheless, coverage is comprehensive, and the system appears to be highly redistributive to groups often poorly served by social insurance systems, such as women, those with long-term disabilities, low-wage earners and others with marginal or incomplete attachment to the labour force.[9] Indeed, the Australian pension system has been described as "radically redistributive" (Aaron, 1992). Males aged over 65 are eligible to receive the age pension subject to income and asset tests. The age at which females are eligible to receive the age pension depends on when they were born and ranges from 60.5 years for those born before 31 December 1936 to 65 years for those born after 1 January 1949.

The Australian age pension is income-tested. Income above a specified amount (the "free area" or income disregard) reduces the amount of age pension received. For single age pensioners, each dollar of income above $128 per fortnight decreases the amount of pension received by 40 cents. For married (partnered) age pensioners, each dollar above $228 per fortnight reduces the amount of pension received by 20 cents (see Table 1 for details). The amount of private income at which the age pension cuts out is $1,423 per fortnight for single age pensioners and $2,381 per fortnight for (married) couples.

Table 1 Payment rates of the Australian age pension system, September 2006

	Value in $A at September 2006	
Standard (single) pension rate	$512.10 per fortnight (plus $18.20 pension supplement)	
Married pension rate (each)	$427.70 per fortnight (plus $15.20 pension supplement)	
Supplementary Rent Assistance	Up to $103.20 per fortnight for singles, $97.40 per fortnight for couples	
Pharmaceutical Allowance	$5.80 per fortnight (single and combined)	
Income allowed before pension is reduced (free area or income disregards)		
Single Combined Married	$128.00 per fortnight $228.00 per fortnight	
Withdrawal rate	40% for single and 20% for each of a couple	
Cut-out points		
Single Combined Married	$1,422.75 per fortnight $2,381.00 per fortnight	
Assets test	***Allowable assets****	***No rate paid above:***
Single home owners	$161,500	$334,250
Single non-home owners	$278,500	$451,250
Married home owners	$229,000	$516,500
Married non-home owners	$346,500	$633,500

Notes: * Assets over this amount reduce the pension received by $3 per fortnight for every $1,000 above the limit.

Source: A guide to Australian Government payments, 20 September–31 December 2006.

9 Hutton and Whiteford (1992), using data from the Luxembourg Income Study, showed that the Australian public pension system was more "pro-female" than any insurance system in operation at that time (although women were still much worse off than men).

In addition to the income test, there is an assets test applied to the receipt of the age pension. The rate of pension is calculated under both the income and assets tests, with the test that results in the lower rate being the one applied. The age pension is indexed twice each year, in line with the Consumer Price Index (CPI). The Australian Government also maintains the single rate of pension at a minimum of 25 per cent of male total average weekly earnings (MTAWE), and this flows on to the married pension rate.

The assets test thresholds are very high and exclude the value of the family home. Rather than being a residual system targeted only to the very poor, the Australian pension system is designed to exclude the relatively well-off. The extent to which the income test targets only the well-off is illustrated by the fact that nearly 80 per cent of older Australians receive at least a part pension. Indeed, a couple could still receive some pension even when their private income in retirement exceeds average male earnings.

In addition to the basic rates of payment set out in Table 1, pensioners may qualify for additional assistance, depending on their circumstances. This includes Rent Assistance, Pharmaceutical Allowance, Telephone Allowance, Remote Area Allowance and pension concession cards. Concession cards entitle the holder to Commonwealth health concessions, such as low-cost pharmaceuticals. State-based concessions may include reductions in property and water rates, reductions in energy bills, reduced fares on public transport, reductions on motor vehicle registration, and other health, household, educational and recreational concessions. Concession cardholders are also more likely to receive free medical care under "bulk-billing" arrangements, although this is at the discretion of private doctors. In addition, many private sector companies provide discounts to concession card holders.

3.2 Superannuation

The proportion of employees with superannuation increased from 55 per cent in 1988 to 91 per cent in 2000 (Australian Bureau of Statistics [ABS], 2002). The amount of superannuation held is closely linked to the value of contributions made to superannuation over time. In 2000, the median total superannuation assets for employees aged 15–64 years was $10,200 and the median balance for male employees was more than double that of female employees. Data from the Australian Bureau of Statistics for 2000 reveal that "the difference between the superannuation balances of male and female employees increased with age to the point where male employees of retirement age (55–64 years) had more than twice the amount of superannuation of female employees ($44,700 compared with $19,800)" (ABS, 2002, p. 178).

A number of papers have discussed differences between men and women in amounts of superannuation accumulated over their working lives (Jefferson & Preston, 2005; Kelly, Percival, & Harding, 2002). In particular, there has been discussion on the impact on superannuation of broken work patterns and low earnings (both because of low hourly wages and because of part-time employment), which are much more common for women than men. The assumption that is often made is that the much lower levels of superannuation that will be accumulated by women who have had children will be compensated for by higher levels of superannuation accumulated by their partner, and that this superannuation is shared. While this

is probably true while a couple remains married, it usually breaks down following divorce.

Superannuation fund assets increased from only 3 per cent of GDP in 1972 to 19 per cent in the early 1980s, and in 1999 were equivalent to 70 per cent of GDP (Whiteford & Stanton, 2002). Government estimates suggest that by 2020, fund assets could approach 120 per cent of GDP (Tinnion & Rothman, 1999). While the new compulsory superannuation system has grown rapidly in significance, it will be many years before the system is mature. As a result, the living standards of current pensioners are largely influenced by the public pension system and its interaction with private sources of income and wealth. The largest part of superannuation payouts is in the form of lump sums, which people then use in retirement as they see fit.

Divorce may have an impact upon financial circumstances (current financial living standards and net assets) in a number of ways. These include the following:

- Divorce will normally result in the creation of two households rather than one. This may lead to a decline in living standards and to the loss of economies of scale, which in turn will make it more difficult to save and accumulate assets.
- Divorce may affect labour force participation. In some cases, it may lead to withdrawal from the labour force (for example, to enable a lone parent to care for children or qualify for financial assistance or reduce the non-resident parent's liability for child support). In other cases, divorce may require a person to re-enter the workforce or to stay in the workforce longer than they may have intended so that they can accumulate sufficient funds for retirement.
- The amount of age pension (and most other government income support payments) depends upon relationship status.

Following marriage breakdown, a couple's assets need to be split. If the couple is unable to agree on how to do this, the Family Court (or Federal Magistrates Court) decides.[10] The general approach used by the Family Court is to identify what each spouse owns and owes, the contributions made by the respective members of the couple during the course of the marriage and future requirements. There is no assumption that the starting position should be a 50–50 split. The Court considers both the financial and non-financial contributions made by each spouse.

In 2002, amendments to the *Family Law Act* gave courts the capacity to treat superannuation assets in the same way as any other form of property. The 2002 amendments require that superannuation assets be disclosed to the Court and that their value be taken into account when determining each member of the couple's entitlements to assets.

Research by Sheehan and Hughes (2001), using data from the Australian Divorce Transitions Project collected by the Australian Institute of Family Studies in 1998, reported that, on average, 55 per cent of property and financial resources at the time of distributing assets following divorce was received by the wife and 45 per cent by the husband. In 42 per cent of cases, respondents reported that the wife received 60 per cent or more of the property. Twenty-nine per cent of respondents reported receiving the middle range of 40–59 per cent each, and 29 per cent reported the wife receiving less than 40 per cent of the property. Focusing on property only, Sheehan and Hughes (2001) found that 59 per cent of women received 60 per cent or more of the property.

10 For de facto couples, property disputes are resolved in state or territory courts.

4 Household, Income and Labour Dynamics in Australia (HILDA) Survey

4.1 Overview of HILDA

This analysis of the effects of divorce on the incomes, assets and living standards of older Australians is based upon the HILDA Survey. The HILDA Survey has a number of advantages for studying this issue. These advantages relate to its detailed information on current marital status and marital history, the size and national representativeness of the sample, the household nature of the survey and its detailed information on household wealth.

The annual survey, which commenced in 2001, tracks all members of an initial sample of 7,682 households across Australia. The HILDA Survey collects data in three main areas: economic and subjective wellbeing, labour market dynamics, and family dynamics. This report uses data from the second wave of the survey that were collected in 2002—the only wave to date that collected detailed information on household wealth.

Within each household, interviews were sought from all members aged 15 and older. In wave 1, face-to-face interviews were conducted with nearly 14,000 household members and further information was obtained from self-completed questionnaires from 13,055 of these household members. Watson and Wooden (2004) provide a detailed discussion of the design of the survey. The rate of attrition between wave 1 and 2 was 13.2 per cent, with 86.8 per cent of respondents in wave 1 successfully re-interviewed in wave 2 (Watson & Wooden, 2004).

4.2 HILDA measures of income, wealth, financial hardship and prosperity

Wave 2 of the survey contained detailed information on income and wealth. The following financial variables are analysed for this report:

- annual household income;
- annual household income adjusted for household size and composition (equivalised household income[11]);
- housing tenure (own house without debt, purchasing house, other housing tenure (mainly rental));
- whether a person had superannuation, and the value of that superannuation;[12]
- whether a person was in receipt of a government income support payment (including the age pension); and
- per capita net household assets[13] (net assets in household divided by number of adults in the household).

11 The new OECD equivalence scale gives the first adult in the household the value of 1. The second and subsequent adults each add 0.5, and each child adds 0.3 to the equivalence scale.

12 The value of superannuation assets excludes the income generated from superannuation, which is included in the household income measure.

13 Total household assets include: equity investments (shares, managed funds, property trusts); cash investments; trusts; own bank accounts; joint bank accounts; children's bank accounts; redeemable insurance policies; retirees' superannuation; non-retirees' superannuation; home value; other property value; collectibles (substantial assets such

A significant proportion of respondents were unable to quantify the value of one or more of the types of assets or liabilities. Taken overall, total net household wealth could not be directly determined for just over 39 per cent of all wave 2 responding households (Watson & Wooden, 2004). For individual respondents with missing information on assets or liabilities, a set of variables that imputed the missing information was included with the data set (see Watson and Wooden (2004) for a detailed description of the imputation process used). The analysis in this report uses measures of wealth that include imputed data; for individuals with missing information on income, the imputed income variable is used.

Although the proportion of respondents with imputed values for one or more types of assets or liabilities was relatively high, in many cases the missing information was restricted to only one or two of the asset and liability items.[14] After a comprehensive assessment of the quality of the assets and liabilities data in wave 2 of HILDA, Watson and Wooden (2004) concluded that "overall, it is our assessment that the HILDA Survey has done a reasonable job in measuring total household wealth. Nevertheless, net worth is almost certainly overstated. This reflects both under-reporting of debts and, though more speculative, over-reporting of assets" (p. 24). They also emphasised that the main weakness associated with imputing missing data was that "even if imputation does generate unbiased cross-section estimates, estimates of change are unlikely to be so well behaved" (p. 24).

While income and assets provide measures of financial circumstances, the welfare or poverty consequences of a lack of income depend upon a range of factors, including individual consumption preferences and budget constraints, and can only be drawn with reference to a set of prices (Mayer & Jencks, 1989; Travers & Richardson, 1993). Consequently, we include subjective measures of financial stress and wellbeing. In the HILDA Survey, respondents were asked the question: "Given your current needs and financial responsibilities, would you say that you and your family are prosperous, very comfortable, reasonably comfortable, just getting along, poor, or very poor?" We term this measure "perceived prosperity".

The HILDA Survey also contains questions on financial difficulties. Respondents were asked whether any of the following things had occurred in the previous 12 months due to a shortage of money: could not pay electricity bills, gas or telephone bills on time; could not pay the mortgage or rent on time; pawned or sold things; went without meals; was unable to heat their home; asked for financial help from friends or family; or asked for help from welfare/community organisations. Given the relatively low incidence of these financial hardships for older Australians, the measure used in this report is whether or not the respondent had experienced one or more of these hardships in the previous 12 months.

4.3 Characteristics of the sample for analysis

Our analysis is restricted to males and females aged 55 to 74 years who were married at the time of the interview or who had previously been married. This age grouping was chosen in order to obtain a sufficient sample size of older Australians

as antiques, works of art, other collectibles); businesses; and vehicles. Total household debts include: property debt; business debt; total credit card debt; HECS debt; and other debt.

14 The missing information on assets and liabilities ranges from a low of 2.1 per cent in the case of credit card debt up to a high of 29 per cent in the case of trusts. For superannuation, 10.5 per cent of the respondents had missing information (Watson & Wooden, 2004, p. 21).

to allow an analysis by gender.[15] The age of 55 is also the age beyond which labour force participation rates drop substantially.

According to the HILDA Survey, 17 per cent of males aged 55 to 74 years who had ever been married had divorced in the past but were remarried at the time of interview, and 9 per cent were divorced and single at the time of interview. Overall, almost 26 per cent had ever divorced, 72 per cent were married and had never divorced and 3 per cent were widowed. For females, 11 per cent had been divorced but were remarried at the time of the interview, and 11 per cent were divorced and single at the time of interview. Overall, 22 per cent had ever divorced, 62 per cent were married and had never divorced and 16 per cent were widowed.

5 Socio-economic and demographic characteristics by marital history

There were a number of important differences in the characteristics of men and women who had divorced and remained single, who had divorced and remarried, and who were married and had never divorced (Table 2).[16]

The most important of these differences were:

- On average, men and women who had divorced and remained single became divorced more recently than those who had divorced but remarried. Men who had remarried became divorced, on average, 20.4 years ago, and those who were single became divorced, on average, 14 years ago. Women who had remarried became divorced, on average, 26.3 years ago and those who were single became divorced, on average, 16.6 years ago.[17]
- Men who had ever divorced (regardless of whether they remarried) had similar levels of education to those who were married and had never divorced. There are, however, big differences within the divorced group. Men who had divorced and remarried had higher levels of education (21.6 per cent with a degree or higher-level qualification) than those who had divorced but remained single (4.1 per cent). Men who had divorced but never remarried had the lowest level of education of the three groups of men.
- Among women the opposite pattern held. Divorced women who remained single had the highest level of education among the women. Twenty-six per cent of divorced but single women had a degree, compared to 12.7 per cent of the divorced and remarried women, and 8.1 per cent of the married and never-divorced women.
- Divorced women who remained single had a much higher level of education (26.0 per cent with a degree) than divorced men who remained single (4.1 per cent).

15 Respondents aged 75 years and older are excluded for several reasons. First, only a small proportion of those aged over 75 years have ever been divorced and thus reliable estimates of the effects of divorce for this age group are not possible. Second, income and assets are related to age (even within the older population) (Dolan, McLean, & Roland, 2005). The widowed are excluded from the analysis in this report, given its focus on the effects of divorce. Nonetheless, a comparison of the financial circumstances of the widowed with the married, never divorced and divorced would be interesting. While a number of women aged 55 to 74 years are widowed, few men in this age group are.

16 The divorced and remarried group includes a small number of couples who are currently not married but are in a cohabiting relationship.

17 For the small number of respondents who had been divorced more than once, remarriage since the most recent divorce is used.

Table 2 Selected characteristics by marital status and gender, aged 55–74 years, Australia, 2002

	Divorced and single	Divorced and remarried	All divorced	Married and never divorced
			Men	
Age (mean)	62.7	61.8	62.1	63.4
Years since divorce (mean)	14.0	20.4	18.3	
Highest education attainment				
Degree or higher	4.1%	21.6%	15.8%	13.1%
Some post-school qualification	42.5%	40.2%	40.9%	40.0%
Year 12 or less	53.4%	38.3%	43.3%	46.9%
Employment status				
Employed	33.4%	45.9%	41.7%	39.6%
Not employed	66.6%	54.1%	58.3%	60.4%
Number of children (mean)	2.7	2.8	2.8	2.9
Country of birth				
Australia	70.3%	60.8%	64.0%	61.0%
Other mainly English-speaking countries	18.7%	19.6%	19.3%	15.1%
Non-English speaking countries	11.0%	19.6%	16.8%	23.9%
Number of observations	**98**	**201**	**299**	**853**
			Women	
Age (mean)	61.9	61.2	61.5	63.0
Years since divorce (mean)	16.6	26.3	21.6	
Highest education attainment				
Degree or higher	26.0%	12.7%	19.0%	8.1%
Some post-school qualification	21.6%	19.8%	20.7%	19.1%
Year 12 or less	52.4%	67.5%	60.3%	72.8%
Employment status				
Employed	44.2%	32.9%	38.3%	22.2%
Not employed	55.8%	67.1%	61.7%	77.8%
Number of children (mean)	2.5	2.7	2.9	3.0
Country of birth				
Australia	70.5%	61.5%	65.8%	69.3%
Other mainly English-speaking countries	18.6%	25.9%	22.4%	11.5%
Non-English speaking countries	10.8%	12.6%	11.8%	19.2%
Number of observations	**140**	**144**	**284**	**800**

Notes: The divorced and remarried category includes a small number of respondents who were cohabiting at the time of the interview. Estimates are based on weighted data.

Source: HILDA, wave 2, 2002.

- Men who were divorced but remarried had the highest rate of employment (45.9 per cent), while men who had remained single had the lowest rate of employment (33.4 per cent). Among women, the reverse was true: 32.9 per cent of remarried women were employed, compared to 44.2 per cent of divorced single women.

Taken overall, women who divorced and remained single had better education and employment rates than married women (both ever- and never-divorced), while the reverse was true for divorced and single men. These men were less advantaged than both married men (ever- and never-divorced) and divorced single women.

The fact that divorced and remarried men had a higher level of human capital than divorced single men, and the reverse pattern was found for divorced women, is consistent with research into partnering patterns. This research shows that women tend to marry men with a higher level of education, labour market earning capacity and assets than themselves, whereas men tend to marry women with the same or lower levels of educational attainment, labour market earning capacity and assets than themselves (Birrell & Rapson, 1998). This may be particularly pronounced for second marriages. The pattern in which men and women with similar characteristics tend to marry each other is referred to as assortative mating and the tendency for men to have educational and labour market capacity at least a little higher than their partners is called the marriage gradient.

6 The effects of divorce on financial circumstances in older age

In this section, the level of income, assets and reliance on government income support of ever-divorced Australians aged 55 to 74 years is compared to that of those who have never divorced. The effects of remarriage are also analysed. In section 6.1, financial circumstances of the ever-divorced are compared with those of the never-divorced. In section 6.2, the question of whether remarriage impacts upon the financial effects of divorce in older age is addressed. The level of financial hardship and perceived prosperity according to marital history is explored in section 6.3.

The differences in characteristics such as education between those who divorced and remarried, those who divorced and remained single, and those who married and never divorced are likely to have an impact on financial circumstances in older age. This should be borne in mind when interpreting the information in section 6.3 on financial circumstances by marital history and financial hardship and perceived prosperity that do not take account of these differences in characteristics.

Section 6.4 presents the relationship between divorce and financial circumstances in older age, after adjusting for differences in the economic and socio-economic characteristics of the divorced single, divorced and remarried, and married never-divorced. Regression (multivariate) analysis is used to adjust for these differences in characteristics. While the regression analysis does go some way towards controlling for differences in characteristics according to marital history, it is unlikely that the characteristics available from the HILDA Survey are all of the relevant characteristics. Therefore, the possibility that differences in financial and income situation according to marital status are explained by selection effects cannot be discounted. The HILDA data does not, in most cases, provide information on the characteristics of ex-partners (unless the relationship breakdown occurred during the period covered by the HILDA Survey).

6.1 Financial circumstances according to whether ever-divorced

In this section, the overall differences between older Australians who had ever divorced and the married and never-divorced are described (Table 3). Males who had ever divorced had much lower rates of home ownership than currently married and never-divorced males. Of married never-divorced males, 74.7 per cent owned a home outright (that is, had no debt), compared to just 52.2 per cent of ever-divorced males. Ever-divorced men were more likely to be purchasing a home (17.5 per cent) compared to married and never-divorced men (10.3 per cent). Men who had been divorced were twice as likely as the never-divorced neither to own nor be purchasing a home. The pattern and levels of home ownership for women was similar to that of men.

Ever-divorced men and women had fewer assets than the married never-divorced. Married and never-divorced men had median assets to the value of $199,900, compared to $169,500 for the ever-divorced men. The pattern for women is similar, with median assets of $178,800 and $153,800 respectively. Ever-divorced men had assets with a higher median value than ever-divorced women ($15,700 more). Similarly, never-divorced men had $21,100 more in assets than never-divorced women.

Table 3 Financial circumstances by marital history and gender, aged 55–74 years, Australia, 2002

	Men		Women	
	Ever divorced	Married and never divorced	Ever divorced	Married and never divorced
Housing tenure				
Own house outright	52.2%	74.7%	55.9%	73.4%
Purchasing house	17.5%	10.3%	17.9%	7.6%
Other tenure	30.3%	15.0%	26.2%	19.0%
Annual household equivalent income				
Median	$23,000	$24,500	$22,100	$22,900
Mean	$37,200	$33,700	$29,800	$31,800
Per capita household net assets				
Median	$169,500	$199,900	$153,800	$178,800
Mean	$321,100	$308,400	$262,800	$310,100
Superannuation				
Has superannuation	52.9%	57.9%	47.8%	37.8%
Amount	$100,600	$100,000	$37,800	$42,800
Income support payment (including age pension)				
Receives income support	47.7%	48.6%	53.3%	56.1%
Amount received per week (mean)	$91.00	$78.90	$96.40	$87.80
Number of observations	**299**	**853**	**284**	**800**

Notes: Estimates are based on weighted data.
Source: HILDA, wave 2, 2002.

Men who had ever divorced had similar rates of superannuation coverage as married and never-divorced men, and had superannuation assets of the same level.[18] Ever-divorced women were substantially more likely to have superannuation than those who had never divorced. This is a reflection of the fact, shown in Table 2, that ever-divorced women had higher rates of employment (38.3 per cent) than women who had never divorced (22.2 per cent).

As expected, a higher proportion of men than women aged 55 to 74 years had superannuation. The much higher value of the superannuation of men reflects the higher lifetime employment rate and the fact that, until recently, superannuation assets were not generally redistributed as part of divorce settlements.

There were a number of respects in which ever-divorced and married and never-divorced people were indistinguishable. For example, among both men and women, the ever-divorced had very similar levels of receipt of income support payments. Furthermore, men and women who had ever divorced had a similar equivalent median family income to the married and never-divorced group.[19]

6.2 Does remarriage following divorce make a difference?

So far, we have distinguished between the financial circumstances of the ever-divorced and the married and never-divorced. However, the ever-divorced group consists of two very different types of people—the divorced who have remarried and those who have remained single. Table 2 has already shown that these two types of ever-divorced people have quite different characteristics (for example, in education and employment), which in turn may affect their financial circumstances in old age.

The analysis that is presented in Table 4 compares the financial circumstances of older men and women who had divorced and remarried with those who had divorced and remained single and those who were married and had never divorced.

The home ownership rates of both the divorced and remarried and the divorced singles were lower than the rate of those who were married and had never divorced. To reiterate, three-quarters of married and never-divorced men owned a home outright (that is, had no debt), compared to just 40.9 per cent of the divorced single men and 57.8 per cent of the divorced and remarried men. The pattern was similar for women. The main difference between men and women following divorce is that divorced single older women had higher rates of outright ownership (49.4 per cent) than divorced single older men (40.9 per cent). This probably reflects the patterns of allocation of property following divorce, with women often getting a greater share of property (Sheehan & Hughes, 2001).

Divorced and remarried people, especially men, were the most likely to be purchasing a home. The married and never-divorced were relatively unlikely to be purchasing, since three-quarters had already achieved outright ownership. The divorced singles were unlikely to be purchasing a home, but were in the "other tenure" category. Most people in this category were renting their house and were thus not accumulating housing equity. Those who were divorced and single were substantially over-represented among both male and female renters, particularly

18 The measure of superannuation used in this report is individual superannuation rather than total family superannuation.

19 Among men, however, the ever-divorced had a higher mean income than the never-divorced men, suggesting some outliers in this group of ever-divorced men. Given the skewed distribution of income, we focus on the median income measure.

Table 4 Financial situation by detailed marital history and gender, aged 55–74 years, Australia, 2002

	Men			Women		
	Divorced and single	Divorced and remarried	Married and never divorced	Divorced and single	Divorced and remarried	Married and never divorced
Housing tenure						
Own house outright	40.9%	57.8%	74.7%	49.4%	61.8%	73.4%
Purchasing house	9.6%	21.3%	10.3%	15.2%	20.4%	7.6%
Other tenure	49.4%	20.9%	15.0%	35.5%	17.8%	19.0%
Annual gross household income						
Median	$19,700	$51,000	$41,400	$26,900	$40,800	$35,900
Mean	$29,900	$75,500	$60,800	$33,300	$52,400	$55,800
Annual household equivalent income						
Median	$15,500	$28,900	$24,500	$22,000	$22,500	$22,900
Mean	$24,200	$43,600	$33,700	$26,800	$32,500	$31,800
Per capita household net assets						
Median	$130,400	$200,000	$199,900	$130,100	$178,300	$178,800
Mean	$233,500	$364,500	$308,400	$231,700	$291,300	$310,100
Superannuation						
Has superannuation	43.6%	57.5%	57.9%	49.3%	46.4%	37.8%
Amount	$44,600	$128,300	$100,000	$35,700	$39,700	$42,800
Income support payment (including age pension)						
Receives income support	58.6%	42.2%	48.6%	57.6%	49.3%	56.1%
Amount received per week (mean)	$125	$74	$79	$116	$79	$88
Number of observations	**98**	**201**	**853**	**140**	**144**	**800**

Notes: The divorced and remarried include a small number of respondents who were cohabiting. Estimates are based on weighted data.

Source: HILDA, wave 2, 2002.

the males. Of the divorced single men, 49.4 per cent were renting, compared to just 20.9 per cent of the divorced and remarried men and 15.0 per cent of the married and never-divorced men. Among women, the divorced singles had double the rental rate (35.5 per cent) of those who had divorced and remarried (17.8 per cent).

It is clear therefore that the divorced single men in particular, followed by divorced single women, were in the worst situation as far as housing equity was concerned. This has important financial implications, because the primary residence is excluded from the assets test for the age pension, which, in turn, means that holding wealth in this form can be financially advantageous. Home ownership also is important in providing housing security and eliminating the need to pay rent (although home owners do have to pay various charges associated with owning a home and maintenance costs). In addition, in recent years, the value of housing in Australia has increased substantially.

As expected, the median total annual gross household income was lowest for divorced single older men and women and higher for those who were married (both ever- and never-divorced). This probably reflects divorced singles' lower levels of assets that generate an income stream (including superannuation), lower employment rates and the fact that their households, on average, had fewer members.

The median total household incomes for older men and women were higher for the divorced and remarried group than for the never-divorced. This probably reflects the higher employment rates among the divorced and remarried and higher incomes that may flow from their relatively higher levels of education.

Total household income can be adjusted for household size and composition using an equivalence scale. For older men, the median household equivalent income was lowest for the divorced single men ($15,500), followed by the married and never-divorced men ($24,500), and was highest for the divorced and remarried men ($28,900). For women, no pattern was apparent in median incomes according to marital history (ranging from $22,000 for the divorced singles to $22,900 for the married and never-divorced women). As expected, the mean equivalent incomes were higher than the median equivalent incomes, an indication that the distribution was skewed. When mean equivalent incomes are considered, divorced single older women had a lower equivalent income ($26,800) than the divorced and remarried ($32,500) and the married and never-divorced ($31,800).

Overall, men aged 55 to 74 years lived in households with a higher median level of per capita assets than women. However, divorced single men and women had nearly identical levels of per capita assets ($130,400 and $130,100 respectively). Divorced single men and women had lower median levels of per capita household assets than both men and women who had married and never divorced ($199,900 and $178,300 respectively). Per capita assets were similar for both divorced and remarried men and married and never-divorced men. Similarly, the per capita assets of the divorced-remarried women were similar to those of the married and never-divorced women. Taken overall, it appears that remarriage following divorce returned men and women to a similar net asset position as the married and never-divorced.

Ever-divorced older women were substantially more likely to have had superannuation than married women who had never divorced. This is a reflection of the higher employment rates of ever-divorced compared to married and never-divorced women. However, the divorce history of women makes relatively little difference to their average amount of superannuation. Divorced single women had, on average, $7,100 less superannuation than married never-divorced women.

Older divorced but single men were less likely to have superannuation than either the divorced and remarried men or the married and never-divorced men (43.6 per cent, 57.5 per cent and 57.9 per cent respectively). The divorced singles also had much lower levels of superannuation assets ($44,600) than the other groups. Divorced and remarried men had the highest amount of superannuation ($128,300), with the married and never-divorced having an average amount of superannuation of $100,000.

The differences in the levels of assets, income and employment rates between the different groups are associated with the receipt of income support payments (including the amount received). Older divorced single men had a higher rate of receipt of income support payments than the other groups of men. The income testing of the Australian age pension means that the age pension tends to offset the financial disadvantages of divorce, albeit it to a limited extent. This is evident

in the HILDA data, with divorced single women and men receiving a higher average amount of income support payment than other groups.

6.3 Financial hardship and perceived prosperity

To assess the link between divorce history and subjective living standards in later life, we examine the extent to which respondents had recently experienced financial difficulties and saw themselves as prosperous or otherwise.

Older ever-divorced men were more likely than married and never-divorced men to report having experienced at least one financial hardship in the previous 12 months. Consistent with the effects of divorce on income and assets, divorced single older men were more likely to report a financial hardship than divorced and remarried men (25.6 per cent and 15.9 per cent respectively). Just 10.1 per cent of married and never-divorced men reported having experienced a financial hardship.

Divorced but remarried older women had similar levels of financial difficulties to the married never-divorced women (8.1 and 8.4 per cent respectively). Older divorced single women had the highest rates of having experienced a financial hardship (33.3 per cent).

The response to the question about how the respondent and their family was getting along financially (perceived prosperity) revealed that older divorced single men and women had the lowest levels of perceived prosperity. They were much more likely than those who were married (both ever- and never-divorced) to say that they were "just getting along", "poor" or "very poor". Correspondingly, the divorced singles were less likely to say that they were reasonably comfortable. For example, 61.6 per cent of older divorced single women said that they were "just getting along", "poor" or "very poor", compared to 28.3 per cent of the married never-divorced women, and 32.7 per cent of the divorced and remarried women.

Table 5 Financial hardship and perceived prosperity by detailed marital history and gender, aged 55–74 years, Australia, 2002

	Men			Women		
	Divorced and single	Divorced and remarried	Married and never divorced	Divorced and single	Divorced and remarried	Married and never divorced
In previous 12 months:		*Per cent*			*Per cent*	
Experienced financial hardship	25.6	15.9	10.1	33.3	8.1	8.4
Perceived prosperity						
Prosperous/very comfortable	10.1	12.1	12.9	6.1	10.0	12.9
Reasonably comfortable	37.4	56.8	57.9	32.3	57.3	58.8
Just getting along/ poor/very poor	52.6	31.1	29.2	61.6	32.7	28.3
Number of observations	**86**	**185**	**791**	**133**	**136**	**740**

Notes: The divorced and remarried include a small number of respondents who were cohabiting at the time of the interview. Estimates are based on weighted data. Sample sizes differ slightly from those in previous tables because of the exclusion of cases with missing information on financial hardship and perceived prosperity.

Source: HILDA, wave 2, 2002.

6.4 Multivariate analysis

As discussed, some of the differences identified in the previous section between the financial situation of the groups of men and women according to their divorce history may be attributable to other characteristics associated with each of these groups (see Table 2). In order to control for differences in the characteristics (for example, education and employment levels) of the different groups, regression (multivariate) analysis was used. A series of regression models were estimated for a range of measures of the financial circumstances analysed above.

For binary variables (receipt of a pension, owning home outright and having superannuation), a logistic model was used. For continuous variables (value of assets and equivalent income), ordinary least squares (OLS) was used. The full estimation results are provided in the appendix. The explanatory variables included were age and age squared (age squared was included to control for a possible non-linear relationship between age and financial circumstances), educational attainment, number of children, employment status and country of birth. The effects of marital history and current marital status were estimated using measures of being divorced and remarried, divorced and single, and married and never divorced. The regression models were estimated separately for men and women. The omitted category in these estimates was married and never-divorced.

These regression results were then used to calculate the effect of divorce status for a hypothetical ("base case") older person on the variable of interest, holding constant the effects of all other variables. The resulting effects are presented in Table 6. This method of presenting the results of regression analysis is often termed "marginal effects". The marginal effects show the effects of being divorced and single and being divorced and remarried on each measure of financial circumstances *relative to being married and never divorced*, holding constant the effects of the socio-economic demographic characteristics included in the statistical modelling. We have chosen the "modal" value for categorical variables and the mean for continuous variables as the base case. The base case was married and never divorced, was 63 years old, had no post-school qualification, was not employed, had three children, and was born in Australia. The base case values were the same for men and women.

Table 6 Effects of divorce on financial assets, and marginal effects on various financial measures by gender, aged 55–74 years, Australia, 2002

	Men		Women	
	Divorced and single	Divorced and remarried	Divorced and single	Divorced and remarried
Own house outright	–35%*	–14%*	–24%*	–11%*
Annual household equivalent income	–$9,000*	$6,000	–$12,300*	–$3,400
Total net assets per person in the household	–$56,000	$19,000	–$156,800 *	–$44,000
Has superannuation	–21%*	–12%*	–6%#	–2%
Amount of superannuation	–$51,200*	$1,700	–$26,700*	–$11,800
Receiving any government pension or benefit, including age pension	9%#	3%	17%*	3%
Amount of government benefit or pension per week	$37.30*	$10.00	$61.30*	$10.00

Note: * Indicates the underlying coefficient in the multivariate analysis is different from the reference group of the currently married and never-divorced at 5% significance level. # Indicates significance at the 10% level.

Source: Derived from Appendix, Tables A1–A7.

An example may assist in interpreting the marginal effects. For the base case older man, being divorced and remarried was estimated to reduce the likelihood of owning a home outright by 14 percentage points compared to being married and never divorced (Table 6). Being divorced and single was estimated to reduce the likelihood of the base case man owning a home outright by 35 percentage points compared to being married and never divorced. The underlying coefficients are statistically significant.

Similarly, being divorced and single reduced the probability of the base case woman owning a home outright by 24 percentage points compared to being married and never divorced, while being divorced and remarried reduced the probability of outright home ownership by 11 percentage points. The underlying coefficients are statistically significant. The relatively large negative effect on home ownership of being divorced and single for men most probably reflects the outcomes of post-divorce property settlements and suggests that on this criterion divorce affects single men's home ownership levels particularly severely.

Among men, the divorced singles had the lowest levels of household equivalent income. After controlling for characteristics for the base case man, being divorced and single was estimated to reduce equivalent incomes by $9,000 compared to being married and never divorced. The underlying coefficient is statistically significant. However, for men, being divorced and remarried was estimated to increase equivalent income by $6,000 compared to being married and never divorced, although the underlying coefficient is not statistically significant. This higher level of income for the remarried men, after controlling for education, workforce participation and other characteristics, is interesting and may reflect an increased incentive to catch up or recover from the financial impacts of divorce.

Once educational, employment and other characteristics were held constant, older single divorced women had a much lower level of household equivalent income than did comparable married and never-divorced women ($12,300 less). The underlying coefficient is statistically significant. For the base case older woman, the divorced and remarried had a $3,400 per annum lower equivalent income than the married and never-divorced, although the underlying coefficient is not statistically significant.

Where total net household assets per person are concerned, for women, being divorced and single had a substantial negative impact compared to being married and never divorced. For the base case woman, being divorced and single was estimated to reduce net per capita assets by $156,800 compared to being married and never divorced. Divorced and remarried women were just $44,000 worse off than their never-divorced counterparts. The underlying coefficient is not statistically significant.

For men, the effects on per capita net household assets of being divorced and single are not nearly as strong as for women and are not statistically significant. For the base case older man, being divorced and single was estimated to reduce assets by $56,000 compared to being married and never divorced (although the underlying coefficient is not statistically significant).

Divorce is strongly linked to superannuation levels, especially for men. For the base case older man, being divorced and single was estimated to reduce the probability of having superannuation by 21 per cent compared to being married and never divorced.[20] For men, being divorced and single was also found to have negative

20 The proportion of men aged 55 to 74 years without superannuation seems relatively low given that, at the time of writing, a high proportion of employees have superannuation. While the HILDA data does not allow the reasons for the relatively low superannuation coverage in this age group to be identified, the explanation is probably related to the

effects on their amount of superannuation compared to being married and never divorced ($51,200 less). Divorced single women also did less well than married and never-divorced women. Being divorced and single was estimated to reduce the probability of having superannuation by 6 per cent for the base case compared to being married and never divorced (the underlying coefficient is significant at the 10 per cent confidence level). It was also estimated to reduce the amount of superannuation held by $26,700 compared to being married and never divorced.

Even when divorced men remarried, they were worse off than married and never-divorced men in relation to superannuation. The base case divorced but remarried man was estimated to be 12 per cent less likely to have superannuation than the married and never-divorced. However, no effect from being divorced and remarried compared to being married and never divorced was found on the amount of superannuation.

For base case men and women, being divorced and single was estimated to increase the likelihood of receiving government income support by 9 and 17 percentage points respectively compared to being married and never divorced. Being divorced and remarried for men and women had little effect on the levels of government income support compared to being married and never divorced. Similarly, the divorced and single were estimated to receive considerably higher amounts of government income support than the never-divorced group.

In summary, the multivariate analysis shows that once the different characteristics of the groups were taken into account, divorce and marital history still had a considerable impact on financial circumstances in later life. Both men and women who had divorced and remained single were consistently worse off than their married and never-divorced counterparts.

Remarriage was associated with a considerable improvement in the financial situation of both older men and women, but did not always restore their financial situation to that of married and never-divorced men and women. Remarried divorced men had a higher estimated level of home ownership than divorced singles, but a level that was still worse than married and never-divorced men. Remarried men also had lower rates of superannuation coverage. However, older divorced and remarried men had comparable levels of net household assets, similar levels of government income support and similar amounts of money in superannuation to never-divorced men.

Remarriage among divorced women was still linked with lower levels of home ownership. On most other measures, remarried divorced women had slightly poorer financial situations than married and never-divorced older women, but these differences are not statistically significant.

Although the marginal effects show the effects of divorce on financial circumstances, taking account of the effects of a range of observable socio-economic and demographic characteristics, the cross-sectional nature of the analysis means that it was not possible to interpret the results with confidence as showing the causal effects on financial circumstances of divorce. In order to identify the causal effects on financial circumstances of divorce, longitudinal data covering a significant period of time will be required. The HILDA Survey will provide this opportunity over time.

fact that superannuation coverage was much lower until relatively recently and so some of the men in this age group would not have been employees during the period of high coverage of superannuation. Also, some of the men may have had superannuation that by the time of the HILDA Survey had been entirely spent.

7 Concluding comments

The increase in the divorce rate since the mid-1970s means that many Australians now reaching later life have been divorced. The effect of this divorce bulge is compounded by the structural ageing of the Australian population, in which the first of the baby boomers turn 60 years of age in 2006. This means that not only are larger numbers of people entering older age, but also that a much greater proportion of these people have experienced divorce at some point in their lives. The increase in the numbers of people entering older life who have been divorced is also taking place in a number of other countries.

There is very little empirical evidence in Australia of the financial consequences of divorce in older age. This report uses data from an Australian longitudinal survey (HILDA) to provide some of the first estimates of the financial consequences of divorce for Australians aged 55 to 74 years.

The analysis in this report demonstrates that, on average, having been divorced has negative consequences for income in older age. However, the negative financial impacts of divorce are substantially reduced by remarriage. For some measures of financial circumstances, the divorced and remarried are very similar to the married and never-divorced.

A challenge that needs to be addressed when estimating the effects of divorce on living standards is that those who divorce may have systematically different characteristics that are related to both the probability of divorce and income-earning capacity. Similarly, whether or not a person remarries following divorce may be related to factors that influence earning capacity (such as education level). While the analysis in this report does go some way towards controlling for possible selection effects to explain differences in characteristics according to marital history, it is unlikely that the characteristics that are available from the HILDA Survey capture all of the relevant characteristics. Therefore the possibility that selection effects explain the differences in financial and income situation according to marital status cannot be discounted.

An implication of the results of this report is that older Australians who have been divorced and are single in older age will have lower incomes and fewer assets than they would have had if they had remained married. Older divorced single Australians are much more likely to experience material hardships and report having a lower level of prosperity than the married and never-divorced. The divorced and single are more reliant on the public pension than those who do not divorce, and this will have important implications for the financing of retirement incomes in Australia in coming decades and the extent to which the taxpayer will have to bear the costs of providing for retirement incomes.

While the Australian age pension system offsets some of the financial disadvantages faced by divorced older people who are single, the lower level of financial living standards experienced by those who have been divorced could be reduced by encouraging greater levels of labour force participation prior to retirement age among divorced women, assisting in obtaining further education or retraining following divorce, and delaying retirement. However, increased labour market earnings alone will almost certainly not completely offset the negative financial consequences of divorce for older people. The best way to offset the financial consequence of divorce for retirement living standards will almost certainly continue to be to remarry.

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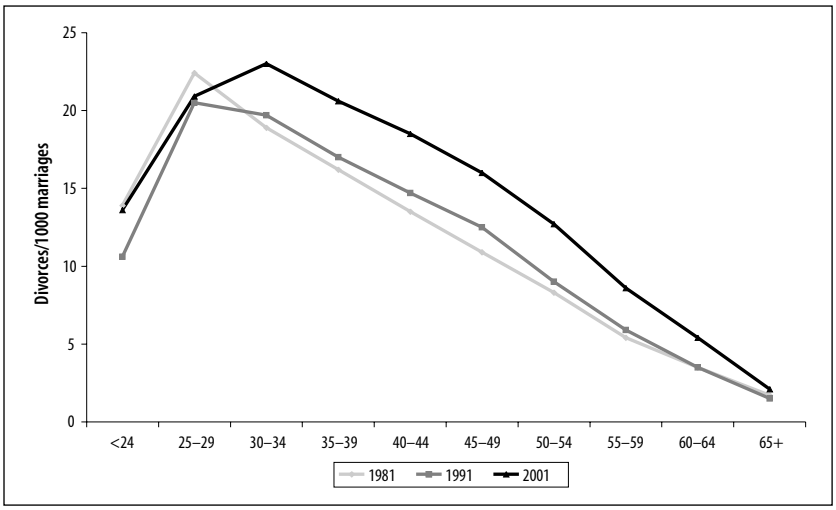
Appendix

Figure A1 Age-specific divorce rates, Australian males, 1981–2001



Source: Australian Bureau of Statistics (2004).

Table A1 Determinants of probability of owning house outright, logit model

	Men		Women	
	Coefficient		Coefficient	
Current marital status				
Divorced and remarried	–0.729	***	–0.550	*
Divorced and single	–1.599	***	–1.149	***
Widowed and never divorced	–		–0.121	
(Married and never divorced)				
Age[a]	0.088	*	0.067	**
Age squared	–0.005		–0.007	**
Educational qualification				
Degree or higher	0.161		0.033	
Some post-school qualification	0.292	*	0.143	
(No post-school qualification)				
Employed	–0.235		–0.079	
Number of children	–0.132	*	–0.199	***
Country of birth				
Other mainly English-speaking countries	-0.226		-0.015	
Non-English speaking countries	-0.609	**	-0.499	
(Australia)				
Intercept	1.803	***	1.967	***
Chi-square	107.48	***	70.43	***
Number of observations	**1152**		**1290**	

Notes: (a) * p<0.1; ** p<0.01; *** p<0.001. (b) For binary explanatory variables, the omitted (reference) category is in bracket. [a] age is centred at 63.

Source: HILDA, wave 2, 2002.

Table A2 Determinants of receiving an income support payment, logit model

	Men		Women	
	Coefficient		Coefficient	
Current marital status				
Divorced and remarried	0.182		0.154	
Divorced and single	0.507	*	1.242	***
Widowed and never divorced			0.968	***
(Married and never divorced)				
Age[a]	0.121	***	0.140	***
Age squared	0.005		–0.007	*
Education				
Degree or higher	–1.530	***	–1.162	***
Some post-school qualification	–0.279		–0.677	***
(No post-school qualification)				
Employed	–2.684	***	–2.104	***
Number of children	0.026		0.145	**
Country of birth				
Other mainly English-speaking countries	0.080		0.308	
Non-English speaking countries	0.408		0.593	*
(Australia)				
Intercept	0.750	***	0.560	**
Chi-square	266.86	***	286.58	***
Number of observations	**1152**		**1290**	

Notes: (a) * p<0.1; ** p<0.01; *** p<0.001. (b) For binary explanatory variables, the omitted (reference) category is in bracket. [a] age is centred at 63.

Source: HILDA, wave 2, 2002.

Table A3 Determinants of having superannuation, logit model

	Men		Women	
	Coefficient		Coefficient	
Current marital status				
Divorced and remarried	–0.481	*	–0.144	
Divorced and single	–0.852	**	–0.377	*
Widowed and never divorced			0.112	
(Married and never divorced)				
Age[a]	–0.100	***	–0.127	***
Age squared	–0.004		–0.005	
Education				
Degree or higher	0.990	***	1.111	***
Some post-school qualification	0.320	*	0.709	***
(No post-school qualification)				
Employed	1.569	***	2.280	***
Number of children	–0.135	**	–0.121	*
Country of birth				
Other mainly English-speaking countries	–0.310		0.080	
Non-English speaking countries	–1.089	***	–0.692	*
(Australia)				
Intercept	0.476	*	–0.727	***
Chi-square	216.2	***	289.1	***
Number of observations	**1152**		**1290**	

Notes: (a) * p<0.1; ** p<0.01; *** p<0.001. (b) For binary explanatory variables, the omitted (reference) category is in bracket. [a] age is centred at 63.

Source: HILDA, wave 2, 2002.

Table A4 Determinants of equivalent household income ($'000), ordinary least squares

	Men		Women	
	Coefficient		Coefficient	
Current marital status				
Divorced and remarried	5.98		–3.41	
Divorced and single	–8.98	**	–12.34	***
Widowed and never divorced	–		–3.38	
(Married and never divorced)				
Age[a]	–1.02	***	–1.13	***
Age squared	0.03	*	0.08	**
Education				
Degree or higher	14.50	***	13.17	***
Some post-school qualification	0.30		6.96	**
(No post-school qualification)				
Employed	15.59	***	13.30	***
Number of children	–1.43	*	–0.82	
Country of birth				
Other mainly English-speaking countries	0.58		–1.66	
Non-English speaking countries	–5.66	*	–3.41	
(Australia)				
Intercept	30.2	***	27.3	***
R-squared	0.131		0.129	
Number of observations	**1152**		**1290**	

Notes: (a) * p<0.1; ** p<0.01; *** p<0.001. (b) For binary explanatory variables, the omitted (reference) category is in bracket. [a] age is centred at 63.

Source: HILDA, wave 2, 2002.

Table A5 Determinants of per capita net household wealth ($'000), ordinary least squares

	Men		Women	
	Coefficient		Coefficient	
Marital status				
Divorced and remarried	19.00		–44.45	
Divorced and single	–56.20		–156.77	***
Widowed and never divorced			35.60	
(Married and never divorced)				
Age[a]	0.05	***	2.16	
Age squared	0.00	***	–0.51	
Education				
Degree or higher	307.44	***	212.46	***
Some post-school qualification	76.93	***	104.24	***
(No post-school qualification)				
Employed	112.63	***	119.02	**
Number of children	–24.28	***	–27.93	***
Country of birth				
Other mainly English-speaking countries	–21.53		–50.96	*
Non-English speaking countries	–120.68	***	–53.78	
(Australia)				
Intercept	330.63	***	363.15	***
R-squared	0.122		0.07	
Number of observations	**1152**		**1290**	

Notes: (a) * p<0.1; ** p<0.01; *** p<0.001. (b) For binary explanatory variables, the omitted (reference) category is in bracket. [a] age is centred at 63.

Source: HILDA, wave 2, 2002.

Table A6 Determinants of amount of government pension/benefits per week, ordinary least squares

	Men		Women	
	Coefficient		**Coefficient**	
Current marital status				
Divorced and remarried	9.85		10.25	
Divorced and single	37.30	***	61.33	***
Widowed and never divorced			54.98	***
(Married and never divorced)				
Age[a]	1.46	*	4.26	***
Age squared	0.37	***	–0.06	
Education				
Degree or higher	–40.74	***	–37.76	***
Some post-school qualification	–13.36	*	–25.14	***
(No post-school qualification)				
Employed	–98.74	***	–78.03	***
Number of children	0.78		6.09	***
Country of birth				
Other mainly English-speaking countries	–4.37		11.63	
Non-English speaking countries	2.40		23.08	***
(Australia)				
Intercept	113.95	***	90.82	***
R-squared	0.353		0.403	
Number of observations	**1152**		**1290**	

Notes: (a) * p<0.1; ** p<0.01; *** p<0.001. (b) For binary explanatory variables, the omitted (reference) category is in bracket. [a] age is centred at 63.

Source: HILDA Wave 2, 2002.

Table A7 Determinants of amount of superannuation ($'000), ordinary least squares

	Men		Women	
	Coefficient		**Coefficient**	
Current marital status				
Divorced and remarried	1.72		–11.76	
Divorced and single	–51.22	***	–26.72	**
Widowed and never divorced			–15.54	*
(Married and never divorced)				
Age[a]	–3.73	***	–0.17	
Age squared	–0.32	*	–0.27	*
Education				
Degree or higher	172.06	***	56.24	***
Some post-school qualification	34.03	***	20.58	*
(No post-school qualification)				
Employed	31.09	*	30.33	*
Number of children	–5.74	*	–3.13	*
Country of birth				
Other mainly English-speaking countries	–32.71	***	–3.27	
Non-English speaking countries	–81.63	***	–11.31	
(Australia)				
Intercept	104.41	***	48.56	***
R-squared	0.147		0.061	
Number of observations	**1152**		**1290**	

Notes: (a) * p<0.1; ** p<0.01; *** p<0.001. (b) For binary explanatory variables, the omitted (reference) category is in bracket. [a] age is centred at 63.

Source: HILDA Wave 2, 2002.

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Article

The Economic Consequences of Divorce in Australia

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ABSTRACT

Divorce has become a key life-course risk that can have significant economic impacts. This article uses a new Australian data source that follows families over a 10-year period to estimate the impact of divorce on income and assets. There have been few longitudinal studies of the impact of divorce on assets and relatively few such studies of its impact on income. The article finds that divorce has a substantial negative impact upon the household income of women in the short term, but by 6 years after divorce income had largely recovered to what it would have been had they remained married. In contrast, men who divorce experience a substantially faster rate of increase in income post-divorce than had they remain married. The analysis of asset data reveals that while the gap between the value of assets of the divorced and non-divorced grows post-divorce, it appears that the growing disparity in assets largely reflects pre-divorce differences in assets. The results in this article clearly demonstrate the critical importance of using longitudinal data to estimate the economic and labour market consequences of divorce. While the economic effects of divorce on Australian women appear to be, on average, relatively short-run, the Australian social security system plays a crucial role in protecting the incomes of women post-divorce, particularly those with children.

I. INTRODUCTION

Divorce has become a key life-course risk that can have significant economic impacts. For example, the rate of poverty is higher in single-parent families in many Organisation for Economic Cooperation and Development (OECD) countries (OECD, 2008).[1] Across the OECD, a range of legal and institutional arrangements have been established to manage the process of divorce and to reduce its economic consequences. Examples of such policies include family law that governs the division

of assets following divorce and the social security system, which provides income support for those with a low income, including those with low income as a result of divorce. Estimates of the economic impact of divorce and the extent to which these impacts change in the years following divorce is important to assist the further development and evaluation of these policies.

Estimating the impact of divorce on economic wellbeing is complicated because we are not able to observe what a person's economic circumstances would have been had they remained married. While cross-sectional data can be used to compare the economic position of those who are divorced with that of non-divorced couples, these data do not indicate the extent to which the poorer income situation of divorced people is a cause or a consequence of their divorce (Amato, 2000). Longitudinal data on economic wellbeing both pre- and post-divorce is needed to estimate the causal impacts of divorce on economic wellbeing. This is because it allows changes in economic circumstances before and after divorce to be directly estimated at the individual level using data collected contemporaneously (rather than retrospective or recall data collected post-divorce). It also allows for differences in economic wellbeing that exist prior to divorce to be taken into account when estimating the economic impacts of divorce. While it is not possible to know what would have happened had the person not divorced (ie the counterfactual), one way of estimating what might have happened in the absence of divorce is to use information on changes in economic wellbeing of otherwise similar couples who do not divorce.

Much of the research on the economic consequences of divorce has been based upon cross-sectional data.[2] However, there are several studies now available which use longitudinal data to estimate the impact of divorce (eg Avellar and Smock, 2005; de Vaus et al, 2010; Fisher and Low, 2012; Gadalla, 2009; Gray and Chapman, 2007; Holden and Smock, 1991; Jarvis and Jenkins, 1999; Jenkins, 2009; Manting and Bouman, 2006). While it is clear from this research that income declines at least in the short term following divorce – especially for women with children – debate continues as to the degree of decline in income and the extent to which it reflects the selection or outcome effects of divorce. Debate also continues regarding the extent to which divorcing women experience income decline more than men (Hoffman and Duncan, 1988; McManus and DiPetre, 2001; Peterson, 1996). There has also been relatively little research into the lifetime financial consequences of divorce (Davies et al, 2000). Although the more recent research on the economic impact of divorce uses longitudinal data, there has to date been too heavy a reliance on cross-sectional and retrospective data. This article explores the significance of using the different perspective provided by longitudinal data.

Data from the first 10 waves of a longitudinal survey of Australian households – the Household, Income and Labour Dynamics in Australia (HILDA) survey – can now be used to conduct a longitudinal analysis of the financial consequences of divorce over the short to medium term, including pre- and post-divorce income and asset data. By using longitudinal data, this article examines changes in financial living standards following divorce. It is also able to look at changes several years after divorce so that the extent of financial recovery after divorce can be estimated. The analysis is presented separately for men and women. An understanding of gender-based differences in the economic impact of divorce is important because the majority of

children with divorced parents live entirely or primarily with their mother. There is thus historical interest in the impact of gender on economic circumstances and a continuing policy interest in the extent to which gender differences remain and whether these differences have been reduced by increased rates of female labour force participation and changes to the family law system (particularly where such policies are intended to result in a more equitable distribution of assets following divorce).

This article builds upon and extends the previous work of de Vaus et al (2010) in several ways. First, it provides a longitudinal analysis of the impact of divorce on assets. Second, it extends the length of time post-divorce for which the impacts of divorce on economic wellbeing are estimated. Third, it uses multivariate statistical models to provide more sophisticated estimates of the impact of divorce on income than has been the case in earlier articles. Fourth, the article provides a more detailed analysis of the impact of divorce on the different sources of household income. The remainder of the article is structured as follows. In Section II, an overview of the data used in the article is provided. In Section III, the estimates of the impacts of divorce on equivalized household income are analysed. Section IV focuses on the impact of divorce on employment, and Section V explores the effects of divorce on sources of household income, with a particular emphasis on the role played by government benefits. Section VI focuses on the effect of divorce on assets. The final section concludes.

II. DATA FROM THE HOUSEHOLD, INCOME, AND LABOUR DYNAMICS IN AUSTRALIA SURVEY

1. Overview of the HILDA Survey

HILDA is a longitudinal study that commenced in 2001 and tracks all members of an initial sample of 7,682 households across Australia each year. Within each household, interviews are sought from all members aged 15 and older. In Wave 1, face-to-face interviews were conducted with 13,989 household members. Watson and Wooden (2002) provide a detailed discussion of the design of the survey. The analysis in this article is based on data from the first 10 waves of the HILDA survey collected over the period 2001–2010. Of the 13,969 people interviewed in Wave 1, 9,002 were interviewed in Wave 10. The sample is extended each year to include any new household members resulting from changes in the composition of the original households. The original sample members form the initial group of permanent sample members, new children of permanent sample members and those who have a child with a permanent sample member also become permanent sample members, while all other new sample members only remain in the sample for as long as they live with a permanent sample member (Watson and Wooden, 2006). At each wave of the survey, detailed information on income, including amount of income by source, is collected. In addition, at Waves 2 (2002), 6 (2006), and 10 (2010) information about the type and value of assets and debts was collected. Detailed information on current relationship status and relationship history is also collected, meaning that the associations between divorce and financial circumstances can be estimated using the survey.

Table 1. Analytical sample of divorced and non-divorced respondents, by gender and whether living with dependent children, ages 20–54 years

	Men		Women	
	Living with dependent children	Not living with dependent children	Living with dependent children	Not living with dependent children
Non-divorced	1,021	465	1,191	583
Divorced	141	93	177	88

Source: HILDA, 2001–2010.

The sample used in this article is restricted to respondents who were aged 20–54 years in 2001. The analysis sample of those who divorced is respondents who were married (either in a de facto or legally married relationship) at Wave 1, and who separated between Waves 1 and 6. This means that we have a minimum of 4 years and a maximum of 9 years of data post-divorce, although in this article only the first 6 years after separation are considered due to there being limited cases with more than 6 years post-separation. The non-divorce analysis sample includes respondents who have participated in HILDA since Wave 1 and who did not divorce during the period covered by Waves 1–10. For the analysis of the effects of divorce on income, the counterfactual of what would have happened had the respondent not divorced is constructed using data from non-divorced couples for Waves 2–8.

A small number of respondents (before or after separation) who were living with their parents, in group households, as boarders, or attached to a household as other family members at the time of the interview are excluded, given the focus on household income and assets. Short-term childless relationships, which are not expected to have a major lasting impact on economic wellbeing, were also excluded. We define this as childless relationships that lasted less than 2 years.

Table 1 provides information on the analysis sample size for men and women according to whether they divorced and whether they were living with dependent children.

2. Measures of Financial Wellbeing

Two measures of financial wellbeing are examined – equivalent household income and net household assets. Equivalent household income is disposable household income (after tax) adjusted for number of household members and household composition using the current OECD equivalence scale (see Gray and Stanton, 2010 for an overview of the literature on equivalence scales).[3] Disposable household income is in 2010 dollars and includes any child support payments received from a non-resident parent.[4]

HILDA provides detailed information on wealth, which allows estimates to be generated of net household assets. A significant proportion of respondents were unable to quantify the value of one or more of the types of assets or liabilities. Taken overall, total net household wealth could not be directly determined for just over

39 per cent of all Wave 2 responding households (Watson and Wooden, 2004). For individual respondents with missing information on assets or liabilities, a set of variables that contained imputed information was included with the dataset. See Watson and Wooden (2004) for a detailed description of the imputation process used. A similar approach was taken for the asset and liability data collected in Waves 6 and 10.

Although the proportion of respondents with imputed values for one or more types of assets or liabilities was relatively high, in many cases the missing information was restricted to only one or two of the asset and liability items. After a comprehensive assessment of the quality of the assets and liabilities data in Wave 2 of HILDA, Watson and Wooden (2004) concluded that 'overall, it is our assessment that the HILDA survey has done a reasonable job in measuring total household wealth. Nevertheless, net worth is almost certainly overstated. This reflects both under-reporting of debts and, though more speculative, over-reporting of assets' (p. 24). The analysis in this article uses measures of wealth that include imputed data.

3. Demographic and Socio-economic Characteristics of Divorced and Non-divorced Couples

When estimating the impact of divorce on economic wellbeing it is important to take into account differences in demographic and socio-economic characteristics between divorced and non-divorced couples that impact upon income both before and after divorce. The key differences are that those who divorced were younger, had a lower level of educational attainment and were less likely to have dependent children than those who did not divorce (Table 2).

III. THE IMPACTS OF DIVORCE ON EQUIVALIZED HOUSEHOLD INCOME

This section focuses on the impact of divorce on equivalized household income over the first 6 years following divorce. It first describes the associations between divorce and equivalized household income followed by regression modelling that controls for demographic and socio-economic characteristics in constructing the non-divorced counterfactual.

As noted in the introduction, there are two broad approaches that can be taken to estimating the impact of divorce on equivalized household income. The first is to use longitudinal data to track the changes in income following divorce and compare the post-divorce economic position to the pre-divorce situation. The second approach is to compare the income of those who divorced and those who remained married. This approach is often implemented using cross-sectional data. Because divorce may impact upon income both via a change in equivalent household income compared to pre-divorce income and by affecting the income trajectory it is not possible to estimate the impact of divorce on income by simply comparing post-divorce income with pre-divorce income. Indeed average real incomes of the total working age population have increased strongly over the 10 years covered by HILDA, reflecting both strong macro-economic conditions that prevailed in Australia over the majority of this period, the growth in the real value of government payments to families with children (Australia's Future Tax System, 2008) and the fact that people accumulate

Table 2. Selected demographic and socio-economic pre-divorce characteristics, by gender and whether divorced, ages 20–54 years

	Men		Women	
	Non-divorced	Divorced	Non-divorced	Divorced
Age pre-divorce, years	41.6	37.6	40.3	37.3
	%		%	
Highest educational attainment pre-divorce				
University degree or higher	28.1	20.1	27.0	18.9
Other post-school qualification	42.1	42.3	22.1	36.2
No qualification	29.7	37.6	50.9	44.9
Country of birth				
Australia-born	75.3	76.5	75.9	78.1
Other main English-speaking countries	11.2	13.7	8.3	9.4
Non-English speaking countries	13.5	9.8	15.8	12.5
Living with dependent children pre-divorce	68.7	60.3	67.1	66.8
No. of respondents	1,486	234	1,774	265

Note: Percentages may not total exactly 100.0% due to rounding.
Source: HILDA, 2001–2010.

additional labour market experience over time, which increases their earning power. Failure to take into account the increases in real income that are likely to have occurred in the absence of divorce, results in the income costs of divorce being underestimated. The challenge in estimating the impact of divorce on income is that it is not possible to know what the household income would have been had the couple remained married.

The approach taken in this article uses longitudinal data to track how economic circumstances are affected by divorce, but to also use the information of respondents who remain married in order to estimate what the trajectory of income or employment would have been for respondents who divorce had they remained married. Because the human capital and other characteristics of those who divorce differ (Table 2), on average, to those who do not divorce, it is probable that the income trajectories of these two groups will differ and so the approach of assuming that couples who divorce will have had the same increase in household income as couples who remain together is probably not valid. The approach taken here to dealing with this issue is to use regression analysis to 'hold constant' the effects of a range of observable characteristics (such as education) which are expected to impact upon changes in income.

Regression analysis is used as a way of comparing those who separate to otherwise similar people who remain married. The explanatory variables include whether the respondent divorced, a time trend (specified as a set of time-point dummy variables)

and pre-divorce demographic and socio-economic characteristics (ie education level, age, country of birth, and English-speaking background, whether had dependent children). The time-point dummy variables are interacted with the divorce indicator in order to allow the rate of change of income to differ between respondents who divorce and those who remain married. Thus the impact of divorce on equivalized household income is captured by the impact of the indicator for being divorced and the interactions of being divorced and time-point dummy variables. Separate regression models are estimated for men and women. The results of the regression models are used to predict equivalized household income trend profiles for those who divorce and what we estimate it would have been had they remained married.[5] These predictions are made using the average characteristics (such as age and educational attainment) for the divorced sample. A consequence of this empirical approach is that while the estimates in this article can be interpreted as estimates of the impact of divorce, they cannot be interpreted with confidence as estimates of what the consequences of divorce would be for those that do not divorce should they divorce.

The extent to which the economic effects of divorce differ according to whether the separating couple had dependent children at the time of the divorce are also analysed. Post-divorce, the majority of children live entirely or primarily with their mother, and while 'shared care' arrangements are becoming increasingly common, they still occur in only a minority of families (Kaspiew et al, 2011). In this article, the effects of having dependent children (and re-partnering) on the costs of living are taken into account through the use of equivalized household income as the measure of income.

This section presents estimates of the impact of divorce on equivalized household income, made using regression models that hold constant the effects of differences in demographic and socio-economic characteristics.[6] (The results of using the regression models to construct predicted income rather than the actual regression models are reported in the body of the article because the predicted incomes are easier to interpret.) Table 3 shows predicted equivalent household income profiles pre- and post-separation and what we estimate their equivalized household income would have been had they remained together. The table also shows the 'income gap' which is the difference in predicted equivalized household income for the divorced and non-divorced adjusted for the average difference in income pre-divorce.

Predicted equivalized household income prior to divorce is lower than that of couples with otherwise similar demographic and socio-economic characteristics who remain married.[7] The equivalent household income of couples who remain together increased, in real terms, by 18–19 per cent over the 7-year period, reflecting the strong growth in incomes that occurred in Australia over this period.

For women who divorce, equivalent household income fell sharply from $36,200 pre-divorce to $27,900 at the first interview after divorce. It then increased steadily to be $41,300 after 6 years (an increase of 14 per cent over the 7-year period). While this represents a recovery in real income after a short-term post-divorce decline, these women fell behind their married counterparts who did not divorce (who had an increase in real income of 19 per cent).[8] For men who divorced, equivalent household income increased in the year after divorce and grew by 29 per cent over the 7-year period, a much faster rate of growth than that experienced by couples who

Table 3. Predicted equivalized annual household income, Time 1–7, by whether divorced, ages 20–54 years

Change	Men			Women		
	$ per annum			$ per annum		
	Non-divorced	Divorced	Income change gap[a]	Non-divorced	Divorced	Income change gap[a]
Time 1 (pre-divorce)	39,900	38,000	–	38,900	36,200	–
Time 2 (post-divorce)	40,200	42,000	+3,700	39,800	27,900	–9,100
Time 3	41,100	43,000	+3,900	40,300	32,200	–5,400
Time 4	42,100	45,000	+4,800	42,100	35,600	–3,800
Time 5	44,800	42,000	–900	44,400	37,900	–3,700
Time 6	46,500	48,600	+4,000	45,500	41,000	–1,800
Time 7	47,200	48,900	+3,700	46,400	41,300	–2,400
% change equivalized household income (Time 1 to 7)	+18%	+29%		+19%	+14%	
Impact of divorce on equivalized household income over 6 years			+$19,300			–$26,300

Notes: [a]Income gap is adjusted for pre-divorce difference by adding the pre-divorce difference to the observed gap at any time point. The equivalent household income reported in this article is predicted from the regression models using the average characteristics of the divorced sample. Amounts are in 2010 dollars and rounded to hundreds.
Source: HILDA, 2001–2010.

remained together (whose income increased by 18 per cent in real terms over this period).

One way of understanding the average size of the impact of divorce on the equivalized household incomes of women is to sum the effect of divorce on equivalized household income for each of the first six years post-divorce. Equivalized household income is estimated to be reduced over the 6 years by $26,300 for women and increased by $19,300 for men compared to what it would have been had the couple remained married. While the equivalized household income of men increases post-divorce, further analysis indicates that gross household income also increases, but the increase is substantially less than we estimate it would have been had the couple not separated. For women, there is a decrease in both equivalized and gross household income.

Table 4 provides information on predicted equivalized household income according to whether the individual was in a family with dependent children pre-separation (or, if they remain in an intact couple, whether or not they had dependent children). Families with dependent children had a lower equivalized household income pre-separation than those without dependent children. For men, equivalized household income increased post-separation for both those living with dependent children pre-separation and those not living with dependent children pre-separation.

All women, whether living with or without dependent children, experienced an initial drop in income immediately following separation, but the drop was substantially larger, in percentage terms, for women living with dependent children than for those not living with dependent children. The equivalized household income of women not living with dependent children recovers relatively quickly and, by 6 years after separation, the gap in income compared to non-separated women is similar to what it was pre-separation. In contrast, for women living with dependent children, the recovery in income is much slower and the gap in income 6 years after separation is still substantially greater than what it was pre-separation.

IV. EMPLOYMENT RATES FOLLOWING DIVORCE

One of the potential reasons for the recovery in equivalized household income for women following divorce is that paid employment increases post-divorce (relative to what it would have been in the absence of divorce).

This section provides data on the rate of employment for men and women who divorce and those who remain married. The HILDA data can also be used to examine how employment rates change following divorce. Overall, men who divorce have a slightly lower employment rate than men who remain married (90 per cent cf. 93 per cent) (Table 5). Over the 7-year period examined, the employment rate of both divorced and non-divorced men fell by around three percentage points.

For women with dependent children, those who divorced had an employment rate pre-separation of 59 per cent, much lower than the rate of 67 per cent for women who remain married. Over the 7-year period, the employment rate of women who remain married increased by 13 percentage points from 67% to 80%. This is a substantial increase, but smaller than the increase for women who divorced, whose employment rate increased by about 17 percentage points over the same period. For

Table 4. Predicted annual equivalent household income, Time 1–7, by whether divorced and whether living with dependent children pre-divorce, men and women aged 20–54 years

	Living with dependent children pre-divorce		Not living with dependent children pre-divorce	
	$ per annum		$ per annum	
	Non-divorced ($)	Divorced ($)	Non-divorced ($)	Divorced ($)
Men				
Time 1 (pre-divorce)	35,400	33,000	50,000	46,400
Time 2 (post-divorce)	35,600	39,700	50,600	45,400
Time 3	37,200	34,000	49,300	47,900
Time 4	38,400	41,800	49,600	49,600
Time 5	41,000	40,200	52,300	44,000
Time 6	43,400	45,200	52,000	53,500
Time 7	44,400	46,900	51,900	51,100
% change (Time 1 to 7)	+26%	+42%	+4%	+10%
Women				
Time 1 (pre-divorce)	35,000	31,700	48,800	47,000
Time 2 (post-divorce)	35,500	24,700	50,800	35,500
Time 3	37,000	29,100	48,800	39,500
Time 4	38,700	31,800	50,600	44,500
Time 5	41,300	33,400	51,800	48,600
Time 6	43,100	37,400	51,500	48,900
Time 7	44,700	37,600	51,000	49,000
% change (Time 1 to 7)	+28%	+19%	+5%	+4%

Notes: The equivalent household income reported in this article is predicted from the regression models using the average characteristics of the divorced sample. Amounts are in 2010 dollars and rounded to hundreds.
Source: HILDA, 2001–2010.

women not living with dependent children, the pattern is quite different, with those who divorced having a substantially higher employment rate pre-divorce (86 per cent) than those who remained married (76 per cent), but then both groups experience a decline in their employment rate (by 11 percentage points for married women and 21 percentage points for divorced women). The decline in employment rate for later time points for both groups may reflect that some older women (eg those in their 40s and early 50s in 2001) retreat from labour force for various reasons such as early retirement or retrenchment, or having difficulty finding a job after losing a previous position.

These findings are very significant because they suggest that the lower employment rate of Australian single mothers is explained by a much lower employment rate pre-divorce rather than divorce being associated with a decline in employment rates. It does not support the hypothesis that the Australian social security system is acting to discourage single parents from taking up paid employment. The increase in

Table 5. Employment rate, Time 1–7, by whether divorced and whether living with dependent children, men and women aged 20–54 years

	Living with dependent children pre-divorce		Not living with dependent children pre-divorce		All	
	%		%		%	
	Non-divorced	Divorced	Non-divorced	Divorced	Non-divorced	Divorced
Men						
Time 1 (pre-divorce)	95.2	90.1	87.5	90.3	92.8	90.2
Time 2 (post-divorce)	94.9	90.1	87.2	88.2	92.5	89.3
Time 3	94.9	88.7	86.8	89.2	92.4	88.9
Time 4	94.8	86.6	86.0	87.8	92.0	87.0
Time 5	93.5	88.5	84.2	90.7	90.6	89.3
Time 6	94.2	87.5	81.3	90.3	90.2	88.5
Time 7	93.8	86.9	79.6	87.5	89.3	87.1
Women						
Time 1 (pre-divorce)	66.9	58.8	76.2	86.4	70.0	67.9
Time 2 (post-divorce)	67.8	63.3	71.9	83.0	69.2	69.8
Time 3	71.8	64.4	71.7	81.8	71.8	70.2
Time 4	74.5	65.5	70.9	83.3	73.3	71.5
Time 5	75.9	74.0	67.4	82.9	73.1	77.1
Time 6	77.3	77.4	65.4	75.6	73.3	76.8
Time 7	79.8	75.9	65.0	65.6	74.8	72.3

Source: HILDA, 2001–2010.

employment rates of women with dependent children post-divorce is consistent with the big increase in employment rates for single mothers in Australia during the 2000s.

V. DIVORCE AND THE SOURCE OF HOUSEHOLD INCOME

The main sources of household incomes are the labour market, business activity, investments, and government benefits.[9] Divorce generally means the loss of access to the income of an ex-partner, although if there are dependent children the ex-partner is generally required to make payments in the form of child support.[10] Divorce will often have an impact on income from investments, particularly if assets need to be sold or ownership is transferred, and it may alter the amount of government benefits received. This section provides information on the proportion of household income derived from the respondent's own earnings, their partner's earnings, other private sources of income (eg investments, gifts) and government benefits, and how the contributions to household income of the different income sources change following divorce.

When interpreting changes in the relative contribution of the different sources of income, it is important to bear in mind that household income often changes

following divorce, so a stable income from a particular source, such as labour market earnings, may contribute a greater share of household income if household income from other sources falls following divorce. For divorced women, 28 per cent of their pre-separation household income came from their own earnings, 53 per cent from their partner's earnings, 1 per cent from other private sources and 18 per cent from government benefits (Table 6). For men, the pre-separation pattern was similar, except that the relative contributions of their own earnings and their partner's earnings were reversed (57 per cent and 26 per cent, respectively). Similarly, a higher proportion of household income came from the male partner than from the female partner at Time 1 (and later times) for the non-divorced men and women. Nevertheless, the contributions of the different income sources at Time 1 differed for non-divorced couples, among whom a higher proportion of income derived from other private sources and labour market earnings, and a smaller proportion from government benefits.

Immediately following divorce, the proportion of household income derived from a new partner was close to zero (1 per cent for men and women), reflecting the fact that at that time, very few people have re-partnered. In the first year after divorcing, the proportion of men's income from their own earnings increased, and the proportion from government benefits declined. Over time, the proportion of income derived from their partner's earnings increased but remained much lower than what it was pre-divorce, and the proportion from government benefits increased a little, but 6 years after the divorce remained lower than it was pre-divorce.

Immediately after divorcing, the proportion of women's household income derived from their own earnings increased to 57 per cent and the proportion derived from government benefits increased to 34 per cent. Over time, the proportion of income derived by women from a partner's earnings increased to reach 20 per cent 6 years after divorce. At the same time (ie 6 years after divorce), the proportion of household income derived from government benefits decreased to 24 per cent, although this was still higher than just prior to divorce. For women who did not divorce, there was little change in the relative importance of the different sources of income over the 7-year period. Thus, for women, while equivalized household income largely recovered 6 years after divorce, a higher proportion of this income was from government benefits than it was pre-divorce. The implications of this for the total costs to the social security system are explored in a subsequent section.

The Australian social security system is more highly redistributive than those in most OECD countries, with Australia having the highest proportion of government benefits going to the quintile of the population with the lowest private incomes (Whiteford, 2010). The Australians system also transfers a relatively high proportion of total government benefits to families with children, compared to the OECD average (Whiteford, 2010). Government benefits are means tested and the Australian system is designed to offset some of the economic consequences of divorce for families with dependent children.

Table 7 provides information on the proportion of household income derived from government benefits for HILDA couples with and without dependent children at the time of the divorce. For women with children, there was a big increase in the proportion of government benefit-based income, from 23 per cent pre-divorce to

Table 6. Sources of household income, Time 1–7, by whether divorced, men and women aged 20–54 years

	Men				Women			
	%				%			
	Own earnings	Partner's earnings	Other private sources	Government benefits	Own earnings	Partner's earnings	Other private sources	Government benefits
Divorced								
Time 1 (pre-divorce)	56.5	25.8	1.6	16.1	28.4	52.6	1.1	17.9
Time 2 (post-divorce)	80.8	1.2	6.1	11.9	56.9	0.8	8.4	33.9
Time 3	76.2	5.9	4.9	13.0	51.9	8.2	7.3	32.7
Time 4	72.4	9.4	4.7	13.5	52.0	11.3	7.6	29.1
Time 5	71.5	10.5	3.3	14.7	50.7	14.6	7.5	27.2
Time 6	69.4	13.1	4.1	13.4	51.0	18.2	7.4	23.4
Time 7	69.5	13.1	3.6	13.8	48.8	20.4	7.4	23.5
Non-divorced								
Time 1	59.1	27.0	3.8	10.1	28.1	56.1	4.0	11.9
Time 2	59.9	26.5	3.6	10.0	27.8	57.1	4.0	11.2
Time 3	59.2	26.3	4.1	10.5	27.5	56.2	4.4	11.9
Time 4	58.8	26.1	4.4	10.7	27.6	55.2	4.9	12.2
Time 5	57.7	27.0	4.9	10.3	28.6	54.5	5.3	11.5
Time 6	57.0	26.9	5.8	10.3	29.1	53.4	6.2	11.4
Time 7	57.0	27.1	6.0	9.8	29.4	53.6	6.1	10.8

Note: Percentages may not total exactly 100.0% due to rounding.
Source: HILDA, 2001–2010.

Table 7. Proportion of household income derived from government benefits, Time 1–7, by whether living with dependent children and whether divorced, men and women aged 20–54 years

	Living with dependent children pre-divorce		Not living with dependent children pre-divorce	
	%		%	
	Men	Women	Men	Women
Time 1 (pre-divorce)	21.4	22.5	8.0	8.7
Time 2 (post-divorce)	14.0	42.5	8.6	16.7
Time 3	16.3	41.2	8.7	15.7
Time 4	17.3	35.4	7.2	16.3
Time 5	17.0	34.6	10.5	13.6
Time 6	16.1	27.5	8.6	15.9
Time 7	14.9	26.3	11.8	18.0

Source: HILDA, 2001–2010.

43 per cent immediately following divorce. The proportion of household income derived from government benefits then reduced gradually following divorce, though 6 years after divorce it remained a little higher than what it was pre-divorce (26 per cent, compared to 23 per cent). For women without children, following divorce the proportion of income derived from government benefits also almost doubled, from 9 to 17 per cent. In the following 5 years, it fluctuated but remained about double the pre-divorce level. For men who had dependent children at the time of their divorce, the proportion of household income derived from government benefits fell from 21 to 14 per cent, and then remained fairly stable over the subsequent 5 years. For men without dependent children at the time of their divorce, the proportion of household income derived from government benefits increased slightly.

VI. THE IMPACT OF DIVORCE ON ASSET VALUE

There has been very limited Australian research into the impact of divorce on the value of assets (eg de Vaus et al, 2007; Sheehan and Hughes, 2001). Until the conduct of the HILDA survey, Australia had not had longitudinal data that provided contemporaneous information on assets pre- and post-divorce, and so previous research was based on cross-sectional data. For the first time, HILDA has provided the ability to conduct an analysis of how divorce affects the value of the assets of divorced men and women and whether their assets recover in the initial period after divorce.

The median pre-divorce value of net household assets of those who divorce is much lower than that of couple families who never divorce (Table 8). The pre-divorce assets of those who divorced between 2002 and 2006 were valued at about $209,000 (men) and $190,000 (women) less than the assets of non-divorced couples.

For those who remained married, median household assets increased rapidly during the first decade of the 21st century, increasing in value by over $400,000. The

Table 8. Median net household and per capita assets, 2002–2010, by whether divorced, men and women aged 20–54 years

	Men			Women		
	$			$		
	Non-divorced	Divorced	Difference	Non-divorced	Divorced	Difference
Household assets						
Pre-divorce (2002)	337,000	128,000	−209,000	356,000	166,000	−190,000
Post-divorce (2006)	575,000	175,000	−400,000	586,000	206,000	−380,000
Post-divorce (2010)	779,000	308,000	−471,000	775,000	328,000	−447,000
$ change 2002–2010	+442,000	+180,000		+419,000	162,000	
% change 2002–2010	+131%	+141%		+118%	+98%	
Per capita assets						
Pre-divorce (2002)	169,000	65,000	−104,000	178,000	84,000	−94,000
Post-divorce (2006)	288,000	140,000	−148,000	294,000	172,000	−122,000
Post-divorce (2010)	392,000	170,000	−222,000	393,000	229,000	−164,000
$ change 2002 to 2010	+223,000	+105,000		+215,000	+145,000	
% change 2002 to 2010	+132%	+162%		+121%	+173%	

Source: HILDA, 2002, 2006, and 2010.

net household assets of non-divorced women, for example, increased by 118 per cent or $419,000, from $356,000 in 2002 to $586,000 in 2006 and $775,000 in 2010. Assets increased at a faster rate between 2002 and 2006 (65 per cent) than between 2006 and 2010 (32 per cent). The faster rate of increase in net household assets between 2002 and 2006 reflects the fact that asset prices rose much faster before 2006 than after 2006, when the 2007 global financial crisis affected asset values.

For both men and women who divorced, assets were higher in 2006 than 2002 but the dollar and percentage increases in the value of the assets were much smaller than for those who did not divorce. However, those who divorced between 2002 and 2006 then experienced a faster rate of growth of assets between 2006 and 2010. The net effect of this was that by 2010, the assets of men and women who divorced were $471,000 and $447,000 less than those who remained married, substantially more than twice the pre-divorce gap in assets. However, the percentage increase between 2002 and 2006 in the value of assets of those who divorced was closer to the increases experienced by those who remain married. By 2010, the assets of divorced women were 98% higher than they were pre-divorce (in 2002), which compares to non-divorced women, whose net household assets increased by 118% over the same period. On the other hand, divorced men had a larger percentage increase in the value of their assets over this period. The increase in the value of assets of the divorced between 2006 and 2010 is due, at least in part, to re-partnering. The per capita household assets of those who divorced increased at a substantially faster rate than it did for those who remained married, although the actual difference in per person household assets increased post-divorce compared to what it was pre-divorce.

These HILDA data reveal, as do cross-sectional data sources (de Vaus et al, 2007), that the value of the assets of the divorced are lower than that of the non-divorced. If a cross-sectional analysis were to be relied upon, the conclusion would be drawn that divorce has a very negative impact upon assets. What a longitudinal approach reveals, however, is that there is a very different asset base pre-divorce, and the gap in asset values between the divorced and non-divorced is largely a reflection of a not dissimilar rate of increase in asset values from very different starting points.

One final observation is that, unlike equivalized income, the asset value for divorced women is typically higher than that for divorced men. This is also true among non-divorced men and women. However, rather than reflecting any impact of divorce on gender differences in assets, the pre-divorce asset values indicates that the higher value of assets of women predates divorce.

VII. DISCUSSION AND CONCLUSION

This article has sought to understand better the economic impacts of divorce for individuals. The article has made use of Australian longitudinal data collected over the period 2001–2010 to estimate the economic consequences of divorce, including the impact on income, assets, paid employment, and receipt of social security payments.

Divorce has a substantial negative impact upon the equivalized household income of women in the short term, and while divorce continues to have a negative effect upon the equivalized household income of women over the 6 years after divorce, the

impact of divorce on income is relatively small by the end of this period. In contrast, men who divorce experience a substantially faster rate of increase in income post-divorce than had they remained married. The analysis of asset data reveals that while the gap between the value of assets of the divorced and non-divorced grows post-divorce, it appears that the growing disparity in assets largely reflects pre-divorce differences in assets. The poorer economic circumstances pre-divorce of those who go on to subsequently divorce is also apparent for employment rates. Both men and women with dependent children who divorced had a markedly lower employment rate pre-divorce than their counterparts who remained married. For women with dependent children, those who divorced experienced a substantially larger increase in their rate of employment than those who remained married. The large increase in the employment rate of mothers post-divorce is consistent with the substantial increases in the employment rate of single mothers in Australia that have occurred since the mid-1990s (Whiteford, 2009). This also points to a potential reinterpretation of the impact of single parenthood on employment rates. The findings in this article suggest that the differences in employment rates between single and couple mothers existed pre-divorce and that, in fact, divorce (at least over the medium term) has a positive impact upon employment.

The results in this article clearly demonstrate the critical importance of using longitudinal data to estimate the economic and labour market consequences of divorce. This is because people who divorce have substantially lower incomes, assets, and employment rates pre-divorce than people who remain married. Furthermore, the pre-divorce economic differences are only partially explained by differences in demographic and socio-economic characteristics. This means that while the application of regression models to cross-sectional data will produce estimates of the economic impact of divorce that are closer to what longitudinal data reveal, the estimates will still be quite misleading. Cross-sectional studies substantially overestimate the negative economic effects of divorce for women and underestimate the positive economic impacts for men. The use of longitudinal data that allow for pre-divorce differences in economic position to be taken into account, changes the conclusions about the rate of economic recovery following divorce and the extent to which divorce, on average, has long-term negative economic impacts. While the economic effects of divorce on Australian women appear to be, on average, relatively short-run, the Australian social security system plays a crucial role in protecting the incomes of women post-divorce, particularly those with children, and continues to do so for the 6 years after divorce.

NOTES

1. Throughout this article, the term 'divorce' is used in a broad sense to refer to both relationships that were legal marriages (de jure marriage) as well as de facto marriages (cohabiting relationships). Legal marriages and cohabiting relationships are in most respects treated equivalently under Australian law.
2. Kelly and Harding (2005) used panel data from the Household, Income, and Labour Dynamics in Australia survey to analyse the short-run (less than 12-month) impacts of divorce on income.
3. This equivalence scale takes the value of one for the first adult, and adds 0.5 for subsequent adults and 0.3 per child.

4. The income measure is for household income for a 12-month period. For the wave of HILDA immediately following the divorce, it will therefore comprise a combination of household income received pre- and post-divorce. The closer the divorce was to the date of the first interview post-divorce, the higher the proportion of income that was received pre-divorce. This resulted in equivalent household income being overstated at that interview and therefore the effect of divorce on equivalent household income at the first interview after divorce is underestimated.
5. The underlying regression models are provided in Appendix A.
6. The age of 55 years was chosen in order to restrict the sample to those of working age. The older members of the sample were around 65 years at the time of Wave 10, the final wave analysed. Also, the proportion of people aged 55 years or older who divorce in any given year is very small.
7. The pre-divorce difference in income between couples who divorce and those who remain together is larger when differences in demographic and socio-economic characteristics are not taken into account ($4,200 cf. $2,710).
8. This estimate is based upon the women who remained in the sample. The equivalent figure for men who remained in the sample is very similar at 18%. The difference between the estimates based on the samples of men and women is due to the higher rate of attrition of men than women following divorce.
9. The design of the Australian government income support (benefit system) differs substantially from the system operating in most other countries. Benefits are flat-rate and are paid from general government revenue and there are no earnings related features. Payments are made on a categorical basis and include payments for the unemployed, aged, disabled, and lone parents. There are additional payments that are made to many families with children in the form of the Family Tax Benefit (Australia's Future Tax System, 2008).
10. Spousal maintenance is very rare in Australia.

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APPENDIX A. REGRESSION MODELS

Table A1. Coefficients of clustered regression of natural log of equivalized household income ($'000), by whether living with dependent children at Time 1 and gender

Characteristics at Time 1 (pre-divorce)	Men		Women	
	Living with dependent children at T1	Not living with dependent children at T1	Living with dependent children at T1	Not living with dependent children at T1
Divorced	−0.0687	−0.0729	−0.1009**	−0.0354
Age (centred at 35)	0.0053*	0.0008	0.0116***	0.0015
Age square	0.0001	−0.0003	−0.0002	−0.0002
Education (ref. = university degree or higher)				
Other post-school qualification	−0.2926***	−0.3455***	−0.1681***	−0.2932***
No qualification	−0.3489***	−0.3317***	−0.2308***	−0.4747***
Country of birth (ref. = Australia-born)				
Other main English-speaking countries	0.0257	0.1261*	0.041	−0.0214
Non-English speaking countries	−0.1205***	−0.1572*	−0.126***	−0.2306***
Time trend				
Time 2	0.0057	0.0116	0.0139	0.0414
Time 3	0.0507***	−0.0144	0.0545***	0.0003
Time 4	0.0806***	−0.0081	0.101***	0.0364
Time 5	0.1471***	0.0443	0.1654***	0.0597
Time 6	0.2031***	0.0385	0.2085***	0.0538
Time 7	0.2272***	0.0368	0.2436***	0.0447

(*continued*)

Table A1. Continued

Characteristics at Time 1 (pre-divorce)	Men		Women	
	Living with dependent children at T1	Not living with dependent children at T1	Living with dependent children at T1	Not living with dependent children at T1
Interaction: Time × divorced				
Time 2 × divorced	0.1791***	–0.0358	–0.2619***	–0.3247***
Time 3 × divorced	0.1397*	0.045	–0.1403**	–0.1767**
Time 4 × divorced	0.155**	0.0737	–0.0958*	–0.0919
Time 5 × divorced	0.0497	–0.0982	–0.1126**	–0.0284
Time 6 × divorced	0.1101*	0.1024	–0.0409	–0.016
Time 7 × divorced	0.1228*	0.0586	–0.0715	–0.003
Constant	3.7117***	4.0735***	3.6161***	4.0934***
R square–adjusted	0.1383	0.0895	0.127	0.12
No. of respondents	1,162	558	1,368	671
No. of observations	7,447	3,549	8,724	4,329

*$p < 0.05$; **$p < 0.01$; ***$p < 0.001$.
Source: HILDA, Waves 1–10.

Table A2. Coefficients of clustered regression of natural log of equivalized household income ($'000), by gender

Characteristics at Time 1 (pre-divorce)	Men	Women
Divorced	–0.0504	–0.0722*
Age (centred at 35)	0.0031	0.0058***
Age squared	–0.0001	–0.0004**
Education (ref. = University degree or higher)		
Other post-school qualification	–0.3187***	–0.2223***
No qualification	–0.3531***	–0.3257***
Dependent children prior to divorce	–0.1784***	–0.1974***
Country of birth (ref. = Australia-born)		
Other main English-speaking countries	0.0694*	0.0211
Non–English speaking countries	–0.1244***	–0.1536***
Time trend		
Time 2	0.0072	0.0224
Time 3	0.03**	0.0363**
Time 4	0.0526***	0.0792***
Time 5	0.1156***	0.1311***
Time 6	0.1525***	0.1569***
Time 7	0.1675***	0.1765***
Interaction: Time × divorced		
Time 2 × divorced	0.0936*	–0.2822***
Time 3 × divorced	0.096*	–0.1529***
Time 4 × divorced	0.1162*	–0.0948**
Time 5 × divorced	–0.0154	–0.0839*
Time 6 × divorced	0.0947*	–0.0327
Time 7 × divorced	0.0857	–0.0452
Constant	3.9572***	3.9315***
R square – adjusted	0.1309	0.1256
No. of respondents	1,720	2,039
No. of observations	10,996	13,053

$p < 0.05$; $^{**}p < 0.01$; $^{***}p < 0.001$.
Source: HILDA, Waves 1–10.

RESEARCH PAPER NO. 52

Australian mothers' participation in employment

Analyses of social, demographic and family characteristics using the Household, Income and Labour Dynamics in Australia (HILDA) survey

Jennifer Baxter

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Analyses of social, demographic and family characteristics using the Household, Income and Labour Dynamics in Australia (HILDA) survey

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Abstract

This research paper investigates the social, demographic and family characteristics of lone and couple mothers, according to their engagement in the labour market, using the Household, Income and Labour Dynamics in Australia (HILDA) survey. The paper includes a brief analysis of the trends in maternal employment using these data. The primary purpose of the paper, however, is to explore how characteristics of mothers might explain different levels of employment participation; in particular, focusing on mothers who are not employed. The research explores differences in characteristics among lone and couple mothers with high and low recent workforce participation and among non-employed lone and couple mothers by age of youngest child. It also explores differences in characteristics of non-employed mothers who are and are not in employment one year later. Characteristics examined include birth and work history, labour force characteristics, socio-demographic characteristics (e.g., education, number and age of children, and health status), and self-perceptions and values. This research confirms the importance of caring for children by the many mothers who remain out of employment, but also highlights other significant factors, including having long-term health conditions and other caring responsibilities. Mothers' values about work–family issues were also strongly related to employment outcomes.

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The findings and the interpretation of the data, as reported in this paper, are those of the author and should not be attributed to the Australian Institute of Family Studies (AIFS), FaHCSIA, or the Melbourne Institute.

Executive summary

In 2009–10, almost two-thirds of Australian mothers of children aged under 15 years were employed. This employment rate remains below that of many other OECD countries, indicating that there may be potential for increases in maternal employment in Australia. This research was designed to provide insights on the factors that contribute to some mothers being less engaged in the labour market than others, in particular to examine to what extent mothers who are out of employment are not employed because of a preference to be at home, or because of barriers to employment imposed by their own or family characteristics.

The analyses are based on the Household, Income and Labour Dynamics in Australia (HILDA) survey, a panel survey of Australian households, using the responses of mothers with children aged under 15 years. The primary focus of the research is on how characteristics of mothers vary according to different measures of employment participation, relationship status and age of youngest child. Characteristics examined include mothers' birth and work history, labour force characteristics, socio-demographic characteristics (e.g., education, number and age of children, and health status), self-perceptions (of personal autonomy), social supports and values. To measure employment participation, employment status at the survey date was analysed, as well as measures of employment participation derived from the HILDA employment calendar data, in which information about mothers' employment over the course of a year is captured. Most of the analyses are based Wave 11 (collected in 2011), though earlier waves of data are also used.

The report presents four main sets of analyses. One is an overview of trends in maternal employment. The second is analyses of the characteristics of lone and couple mothers (and families) according to the measures of employment participation derived from the calendar data. The third is analyses of characteristics of non-employed mothers, comparing those with younger children (up to 5 years) to those with older children (6 to 14 years). The fourth is analyses of characteristics of non-employed mothers at one wave (Wave 10) of HILDA, according to whether they were employed in the following wave (Wave 11). In this section, data from earlier waves were used when they had not been collected in Wave 10. Some key findings from these analyses are summarised below, drawing on the findings from across these different sets of analyses.

Employment of lone and couple mothers by age of youngest child

As calculated from HILDA, the employment rate of mothers with children aged under 15 years was 62% in 2011. For lone mothers, the employment rate was 56% and for couple mothers the employment rate was 64%. The gap in lone and couple mothers' employment rates was greatest for mothers of children aged under 3 years (26% employed for lone mothers and 46% employed for couple mothers) or aged 3 to 5 years (44% employed for lone mothers and 63% employed for couple mothers). For mothers whose youngest child was aged 6 to 9 years, 67% of lone mothers were employed and 74% of couple mothers were employed. For mothers whose youngest child was aged 10 to 14 years, 74% of lone mothers were employed and 83% of couple mothers were employed.

Socio-demographic characteristics and maternal employment

Mothers with a stronger attachment to work (as evidenced by their time spent in employment in the previous financial year) had different personal and family socio-demographic characteristics to those with a weaker attachment to work. This was also apparent when the characteristics of non-employed mothers who did and did not enter employment over a period of two years were compared. Also, differences were apparent for non-employed mothers with younger rather than older children.

Educational attainment of mothers was one factor that varied across the different groups compared, with lower levels of educational attainment among mothers with less connection to employment, among those who did not transition into employment over two waves of HILDA, and among non-employed mothers with older rather than younger children.

For some mothers, non-employment was a continuation of weaker connection to employment, even from the time before they became mothers. For example, spending more time out of employment in the previous financial year was associated with mothers having started childbearing at an earlier age, and having been less likely to be employed in the year before having a first child.

Having caring responsibilities for someone due to their ill health, disability or old age was related to lower levels of engagement in paid work. In particular, caring for others appears to be a feature of non-employed mothers with older children. Mothers with caring responsibilities were under-represented among those who transitioned from non-employment to employment over two waves of HILDA.

Health status was also an important factor for both lone and couple mothers, with poorer health among those who had been out of employment for all or most of the previous year, and also poorer health among the non-employed mothers with older, compared to younger, children. The importance of health status is apparent, for example, with 36% of lone mothers with little or no time in employment in the previous year reporting to have a long-term health condition.

In relation to country of birth and language, the key findings related to mothers born overseas with poor English language proficiency being over-represented among those with lower levels of engagement in paid work.

The presence of caring responsibilities and health concerns were also related by some mothers as being reasons for their not looking for work, though these reasons were less often given than were those related to caring for children.

Self-perceptions, social supports, work-family attitudes and maternal employment

Mothers' mental health, perceptions of social support, beliefs in personal autonomy and work-family attitudes were examined in these analyses. Mental health is measured in HILDA with questions from the Short Form Health Survey. Perceptions of social support are measured by respondents' agreement or otherwise to statements such as having someone to lean on in times of trouble, or having an unmet demand for help. Beliefs in personal autonomy are likewise measured by respondents' agreement or otherwise to statements such "I can do just about anything I really set my mind to" and "I often feel helpless in dealing with the problems of life". Work-family attitudes are assessed using responses about agreement on items such as "Mothers who don't really need the money shouldn't work" and "Children do just as well if the mother earns the money and the father cares for the home and the children".

Mothers who had spent less of the previous year in employment tended to have poorer mental health and to have more perceived difficulties with social supports. Also, non-employed lone mothers, compared to couple mothers, were much more likely have had difficulties with social

supports. There were some differences in beliefs in personal autonomy across the employment groupings, but these differences were more apparent for couple mothers, with those having been employed for little/none of the previous year having lower beliefs in personal autonomy than others. With regard to work-family attitudes, views tended to be more aligned with "traditional" values among mothers with a lesser connection to employment. Such attitudes, of course, may have been shaped by past employment patterns, such as having had a relatively long period of time out of the labour market while undertaking a caring role. Expressed values may also be based upon mothers' future plans or expectations regarding employment.

While these data do not allow us to say that lower levels of mental health, social supports or autonomy, or traditional work-family values, *cause* lower rates of participation in employment by lone mothers, they do suggest the presence of personal characteristics that could result in relatively low levels of confidence or motivation, which may deter mothers from attempting to enter employment.

Different socio-demographic characteristics of lone and couple mothers

The characteristics of lone and couple mothers are relevant to their differences in employment participation. For example, lone mothers had lower educational levels, older children, were more often Australian-born and were younger than couple mothers. Lone mothers had poorer (self-reported) health, and were more likely than couple mothers to have a long-term health condition. Couple mothers had significantly better mental health and more positive beliefs in personal autonomy than lone mothers. Lone mothers were more likely than couple mothers to report having difficulties with social supports.

Labour force characteristics

Mothers are often not in paid work because they have very young children to care for, and indeed, for mothers of the youngest children, they are facilitated to remain out of employment through the provision of parental leave. Detailed labour force information provides insights on the degree to which mothers want to be working, and their reasons for not working.

Being unemployed indicates than non-employed mothers are actively looking for work and available to start work. While most non-employed mothers are not unemployed (they are instead classified as "not in the labour force"), non-employed lone mothers were more likely to be unemployed than couple mothers. Also, non-employed mothers of older children were more likely to be unemployed when compared to non-employed mothers of younger children.

The majority of non-employed mothers are not in the labour force, rather than unemployed. Many report that they do not want to work, though this differs considerably by relationship status as 57% of non-employed couple mothers and 38% of lone mothers did not want a job.

Even if mothers indicated that they would like to be working, they often reported that they were not looking for work because they were caring for children. The mothers showing the least desire to be working were couple mothers with children aged up to 5 years old, though a large proportion of mothers who were not employed with a youngest child aged 6 to 14 years still referred to caring responsibilities in their reasons for not looking for work.

In analysing transitions over two waves of HILDA, those who moved into employment had been more attached to the labour market in the previous year, through undertaking direct job search and/or being available to work.

Summary

Overall, the most significant associations with maternal employment throughout these analyses were in relation to age of youngest child, mothers' health status and level of educational attainment. Non-employed mothers with older children, and lone mothers who were not employed seemed to have the greatest barriers to employment as indicated by characteristics such as education and health status. While some groups of mothers appear to be faced with more barriers to employment than others, the significance of caring for young children was apparent throughout these analyses for mothers with varying degrees of attachment to employment.

Australian mothers' participation in employment

1. Introduction

In 2009–10, almost two-thirds (62%) of Australian mothers of children aged under 15 years were employed.[1] While this percentage is higher than it has been in previous decades, it remains below that of many other Organisation for Economic Co-operation and Development (OECD) countries (Baxter & Renda, 2011; OECD, 2007, 2012).

This relatively low percentage indicates that there may be potential for increases in maternal employment in Australia. As part of the productivity agenda in Australia, there is considerable interest in understanding whether certain barriers deter some mothers from entering, or remaining in, employment. As such, this research was designed to provide some insights on the different factors that might contribute to some mothers being less engaged in the labour market than others. The analyses are based on the Household, Income and Labour Dynamics in Australia (HILDA) survey, a panel survey of Australian adults. The main source of data for this research is Wave 11 of HILDA, which was collected in 2011.

The main focus of the report is the analysis of how characteristics of mothers vary according to different measures of employment participation, relationship status and age of youngest child. Characteristics examined include mothers' birth and work history, labour force characteristics, socio-demographic characteristics (e.g., education, number and age of children, and health status), self-perceptions (of personal autonomy), social supports and values. This descriptive approach provides some perspective on the barriers that may be faced by non-employed mothers in particular.

The report is structured as follows. Following a discussion of some key recent Australian literature on maternal employment in section 2, the HILDA data are then described in section 3. The results are then presented in section 4, with the first analyses beginning with a discussion of trends in employment participation for lone and couple mothers. How the characteristics of lone and couple mothers vary with different levels of recent employment experience is then considered. Then the focus is on non-employed mothers, to analyse how their characteristics vary by relationship status and age of youngest child. A final set of analyses then compares characteristics of non-employed mothers who did and did not transition into employment in the subsequent wave of the survey. Section 5 provides a summary of the results and conclusions drawn from them.

2. Background and literature

An interest in maternal employment has been heightened over recent decades for a number of reasons. One is that the ageing of the population has meant attention has focused on mothers, among others, as a potential labour supply for the Australian economy. Australian mothers are a key target group since their employment rate, at 62% in 2009–10,[2] indicates there is potential for more to be engaged in paid work. Another key factor that drives interest in maternal employment

[1] Derived from Australian Bureau of Statistics (ABS; 2011), Table 8.1: Families with children, employment status of parents by family type by age of youngest child.

[2] See footnote no. 1.

is concern about the wellbeing of adults and children living in jobless households, particularly lone-mother households (Baxter, Gray, Hand, & Hayes, 2013).

In this report, selected characteristics of mothers are compared according to their different levels of engagement in paid work. These characteristics have not been used to predict who is or is not employed, though literature on determinants of maternal employment has guided the choice of variables examined. Key variables examined are relationship status and age of youngest child. Other variables analysed include mothers' education, prior work experience, age, carer status, health status and ethnicity; and the family variables of housing tenure and partner's employment and income. The focus throughout this report is on how the distribution of these variables differs for those with differing levels of engagement in employment.

This section presents a brief review of the literature relating to maternal employment, drawing in particular on Australian research. The review highlights the key factors that explain variation in mothers' participation in employment. For more extensive reviews, and also for discussion and analyses of trends in maternal employment in Australia, refer to Austen and Seymour (2006), Baxter, (2005; 2012), Birch (2003), Evans and Kelley (2008), Gray, Qu, de Vaus, and Millward (2002) and Parr (2012).

Ages and numbers of children

Mothers are often not in paid work because they have very young children to care for, and indeed, for many mothers of the youngest children, they are able to remain out of employment through the provision of parental leave.[3] However, the employment rate increases as children grow and women become more likely to combine their caring responsibilities with paid work. The ages and numbers of children are examined in this report, and in examining mothers' reasons for not looking for work, we will see mothers' responses indicate they place considerable value on the caring role. Previous research on maternal employment has clearly shown how participation varies both with the age of the youngest child and with the number of children. For example, using HILDA, Parr (2012) showed maternal employment rates increased with the age of the youngest child, and were lowest when there were three or more children in the family. Such findings are consistent with other analyses of HILDA (Baxter & Renda, 2011), the International Social Science Survey Australia (Evans & Kelley, 2008), the Negotiating the Life Course Survey (Baxter, 2012), the Australian population Census (Baxter, 2005; Gray et al., 2002) and the Longitudinal Study of Australian Children (Gray & Baxter, 2011).

Increased participation by mothers as children grow older is likely to reflect a number of things. One is that mothers may feel it is neither appropriate nor desirable to give up the care of a baby to someone else, but as children become more independent and social, then non-parental care may be seen to offer opportunities for children to develop, as well as offering potential for parents to work. Mothers may seek to work for a range of reasons, including financial ones, to maintain skills or a career, to socialise and to be able to contribute in some way outside the home (Baxter, 2008). Financial aspects may also matter in relation to the cost of child care and other costs of working, relative to the income that comes in and possibly the income support that is withdrawn. These costs may be particularly important in explaining lower rates of employment among mothers with larger families.[4]

Lone and couple mothers

While the proportion of lone mothers participating in paid work in Australia has increased over recent years, this proportion remains below that of couple mothers (Baxter & Renda, 2011; Gray, Qu, Renda, & de Vaus 2006). This is true in several other OECD countries, such as the United

[3] Mothers on leave from employment are classified as being not employed unless they have worked in the last four weeks or have been on paid leave in the last four weeks.

[4] Associations between family size and maternal employment are more complex than this, as larger family size may reflect mothers valuing the parental role more than the worker role, and therefore choosing to have a larger family.

Kingdom (UK), the United States (US) and New Zealand (see Baxter & Renda, 2011). A key focus of this research is therefore on exploring differences between lone and couple mothers.

Many explanations have been given for the lower employment rates of lone, compared to couple, mothers, including differences in their educational attainment, wages and abilities to combine work with caring for children, and their differential access to informal child care networks (Eardley, 2001; Gray et al., 2006; Harding et al., 2005; Hynes & Clarkberg, 2005; McHugh & Millar, 1996; Walters, 2002). Further barriers to lone mothers' labour market participation may be their relatively high rates of physical and mental health problems (Butterworth, 2003). The role of government support is also important, especially as lone mothers are more likely to be in receipt of income support payments and are thus more likely to face financial disincentives to work due to the interaction of the income support system with wages (OECD, 2007; Millar & Evans, 2003). Baxter and Renda (2011) found that the lower employment rate of lone mothers was partly related to differences in their characteristics, but also, when transitions into and out of employment were examined, related to lone mothers being more likely than couple mothers to leave employment in a given month.

Other socio-demographic factors

Higher educational attainment is associated with a greater likelihood of being employed (e.g., Austen & Seymour, 2006; Baxter, 2012; Gray et al., 2002; Parr, 2012). This is likely to reflect that education is associated with higher earnings potential, and therefore women with more education have more to lose by not working; that is, the opportunity cost of not working affects the employment decision. Higher education can also reflect a greater commitment to a career and may be associated with being able to attain more interesting and fulfilling work (Brewster & Rindfuss, 2000), and less conservative attitudes about mothers and employment (Evans, 1988; van Egmond, Baxter, Buchler, & Western, 2010). On the demand side, employers may prefer more highly educated people over others (Miller, 1993; O'Donnell, 1984).

Another measure of human capital is prior work experience. Past employment experience is strongly related to the likelihood of being employed at a point in time (Gray & Chapman, 2001; Ross, 1984). For mothers, being employed in pregnancy is an important predictor of timing of return to work after childbirth (Baxter, 2009). Also, employment experience is related more generally to transitions into and out of employment: those who have spent more time in employment are more likely to remain employed if already employed, or to enter employment if not employed (Baxter & Renda, 2011; Buddelmeyer, Wooden, & Ghantous, 2006; Haynes, Western, Yu, & Spellak, 2008; Knights, Harris, & Loundes, 2000; Stromback, Dockery, & Ying, 1998).

Other personal characteristics of mothers are associated with the likelihood of them being employed. One factor is country of birth, with migrant women, particularly those from non–English speaking countries, less likely to be employed than Australian-born women (Parr, 2012; Shamsuddin, 1998; VandenHeuvel & Wooden, 1996. Refer also to Birch, 2003, for a discussion of issues concerning analyses of ethnicity and labour supply). Another factor is health status, with mothers with poorer health being less likely to be employed (Renda, 2007). Baxter and Renda (2011) showed, for example, that non-employed mothers were much less likely to enter employment in a given month if their health was self-rated as fair, poor or very poor, as opposed to good or very good. Mothers with poorer health, if employed, were also somewhat more likely to leave employment in a given month. Being a carer to someone (other than the typical care of young children) is also associated with lower levels of engagement in paid work (Edwards, Higgins, Gray, Zmijewski, & Kingston, 2008).

In couple families, mothers' employment status is likely to be associated with that of her partner. In particular, wives (or partners) of unemployed men typically have relatively low rates of labour force attachment (Bradbury, 1995; Evans & Kelley, 2008; Jordan, 1993; King, Bradbury, & McHugh, 1995; Micklewright & Giannelli, 1991). Reasons for this include those of assortative (or associative) mating[5] and the effect of location of residence (for example, where the family lives in a low employment area, the probability of employment would be lower for the husband and the wife). Also, gender

[5] "Assortative mating" is the term given to explain that people are likely to form relationships with those with whom they have characteristics in common.

norms may suggest that it is not acceptable to have a household with a "female breadwinner" model (Saunders, 1995).[6] In families with employed fathers, the father's wage is generally negatively associated with the employment of the mother (Evans & Kelley, 2008; Gray et al., 2003), but these effects are not always large and, in fact, elsewhere it has been observed that the relationship is not straightforward (see Lehrer & Nerlove, 1986, for a review of the effect of husband income). When the husband's income is sufficient to meet financial obligations, the wife has more choice in whether to remain at home or to work, but when the husband's income is very low, there is likely to be a greater need to supplement his income with income from another source. However, as discussed, the effects of assortative mating may also mean a high-earning husband is likely to have a high earning-wife, and so these relationships may not be observed.

Another family-level factor is that of housing, with mothers' employment patterns likely to vary according to tenure and also the value of mortgage repayments (see Birch, 2003,Dawkins, Gregg, & Scutella, 2002; Scutella, 2000). The location of residence can be an important determinant of labour force participation, since the labour markets in different areas may not be uniform in the availability of options for employment (for mothers or for others).

Self-perceptions, social supports and values

Other variables explored in this report relate to mothers' self-perceptions (of personal autonomy), social supports and values. These more subjective variables are more often considered in qualitative studies and in discussions about the roles of preferences in explaining patterns of maternal employment (e.g., Hand, 2007; Losoncz & Bortolotto, 2009). They have been included here in an attempt to discover whether there are qualitative differences in mothers who have differing levels of engagement in paid work.

Labour force characteristics

The final set of data examined in this report relates to specific items about labour force participation; for example, information about looking for work, wanting to work, and reasons for not looking for work. This information is particularly informative, as it provides insights into the possible barriers to entering employment for mothers who say they want to work. Prior research comparing the labour force status of lone and couple mothers has shown that among not-employed mothers, there are some differences in labour force characteristics. In particular, lone mothers are more likely to be unemployed than are couple mothers, with couple mothers being more likely than lone mothers to be out of the labour force (Gray et al., 2006).

3. HILDA data

HILDA is a nationally representative annual panel survey that commenced with Wave 1 in 2001 (Watson & Wooden, 2002). The sampling unit for the survey is households, with information being gathered on each member of the sampled households, and interviews conducted with household members aged over 15 years. For Wave 1, 11,693 households were sampled from 488 areas across Australia. Members of 7,682 households completed interviews, resulting in 13,969 completed individual interviews and a response rate of 66%. While the number of participants from the original sample has declined over the waves due to attrition, at each wave new members to households are added in. Further, in Wave 11, the sample was topped up with an additional 2,153 households and 5,477 individuals. The purpose of this top-up sample was to address the fact that recent arrivals to Australia were no longer well represented in the HILDA sample (Watson, 2012). The top-up sample came from the general population, and so boosted sample sizes for Australia-born as well as immigrant respondents.

[6] Another line of argument is that women can take up employment in times when their husband is out of work. This is known as the "added worker" hypothesis. This hypothesis may explain why in some families there are cases of wives working while their husband does not work; but given the low rates of employment among wives with not-working husbands, it is not a common phenomenon.

At each wave, to Wave 10, the sample has included approximately 2,000 mothers of children aged under 15 years, with somewhat more in Wave 11, due to the top-up of the sample.[7]

The data from Wave 1 (2001) to Wave 11 (2011) were combined to compare maternal employment rates from each of the waves of the study. Use of HILDA in this way (treated as repeated cross-sectional analyses) is not the preferred approach to analyse trends, as changes in the composition in the sample across waves are not taken into account (except through the application of sample weights). This may be an important factor particularly with Wave 11, with the addition of the top-up sample. Watson (2012) explored whether this made a difference to estimates produced using HILDA, and found that the inclusion of the top-up sample brought most of the estimates compared closer to those produced from Australian Bureau of Statistics (ABS) surveys. It is important, though, to be mindful that estimates of the subsample of HILDA comprising mothers with children aged under 15 years may be affected by the changing composition of the sample through wave-to-wave attrition and the top-up of the sample.

This research focuses on mothers with children aged under 15 years, who are referred to simply as "mothers" throughout the report. Information about relationships between household members is used to classify these women as being lone or couple mothers at the time of each interview, with lone mothers being those who do not have a co-resident partner at the time of the interview. That is not to say these mothers have always been lone or couple mothers, and in particular, many of the lone mothers will have previously been partnered. At Wave 11, there were 502 lone mothers and 2,067 couple mothers with children aged under 15 years.

Employment status here is derived using standard labour force definitions, such that a mother is counted as being employed if she undertakes at least one hour of paid work in the week before the survey (see ABS, 2007). Mothers are also counted as being employed if they are on leave from a job, but have been away for fewer than 4 weeks, or have been away for longer than this but in the last 4 weeks have received pay at some stage (i.e., they are on paid leave).

Mothers on longer term unpaid leave are counted as being either unemployed or not in the labour force (NILF), depending on their answers to questions about job search and their availability to start work. Unemployed mothers are those who are actively seeking work and available to start work. Mothers are classified as being not in the labour force if: (a) they do not want to work; (b) they want to work, but are not seeking work, regardless of whether they are available to start work; and (c) they are seeking work but are not available to start work. Responses to these labour force questions are examined in this report to explore differences in levels of attachment to the labour force and potential barriers to employment.

In addition to mothers' employment status at the survey date, this paper also makes use of data collected in an "employment calendar" for each wave of HILDA. For these data, respondents are asked about their work and study activities for the period starting from 1 July of the previous year, up to the survey date.[8] In relation to work, respondents are asked to indicate how many jobs they have had over this period and to identify the dates within which they worked in each of those jobs. Derived information, based on these data, describes participation in employment in the financial year prior to the survey date.[9] This includes information on what percentage of that year was spent in employment.

Mothers were assigned to one of three categories according to the percentage of time they spent working: (a) employed for little/none of the year (0–9% of the year); (b) employed for part of the year (10–89%); or (c) employed for most/all of the year (90–100%). Mothers employed for part of the year include those with intermittent or casual employment, but also includes those who left or started employment part way through the year. This latter group with part-year employment was quite small and could not be disaggregated further (see results in Table 1 on page 8).

[7] In Wave 11, there were 1,936 mothers from the prior sample and 633 from the top-up sample.

[8] Each survey wave begins in August and almost all surveys are completed before the end of December.

[9] Financial year data do not necessarily capture very recent work history for those who were interviewed some months into the new financial year. It is possible to derive other calendar data pertaining to the twelve months prior to the interview, but for this report, due to the complexity involved in undertaking these derivations, attention is restricted to the previous financial year (for which derived measures are provided with the dataset).

The analyses presented here begin with an overview of trends, with data sourced from Waves 1 to 11 of HILDA, using the Wave 11 HILDA release. Most other analyses use Wave 11 (2011) data.

In the final section, which explores employment transitions, characteristics of mothers were taken from the Wave 10 (2010) survey and analysed according to their employment status one year later, as identified in Wave 11. For this section, some data from earlier waves were used instead, when items of interest had not been collected in Wave 10. For those items, the most recent year in which they had been collected was used. Some were from 2008 (e.g., work–family attitudes), others from 2007 (e.g., measures of sense of personal autonomy).

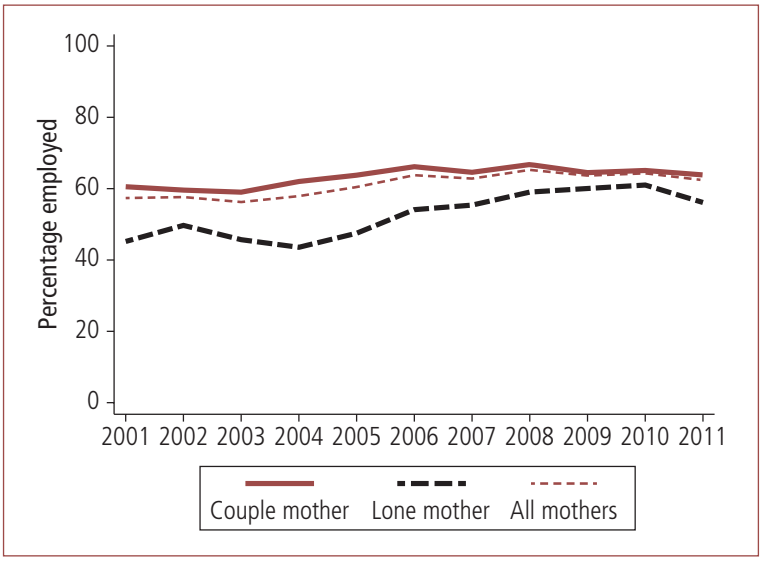
The choice of characteristics to be examined in these analyses was guided by the literature on the determinants of maternal employment. This led to the inclusion of variables such as age of youngest child, education level and health status. Additional characteristics were examined to explore relationships between more subjective measures of wellbeing and maternal employment. Associations between work–family attitudes and maternal employment were also explored, given the possible role of preferences in explaining mothers' participation in employment.

Wave-specific cross-sectional sample weights were used to adjust for non-response in the calculations of means and percentages. Statistical tests of differences in means (*t*-tests) and distributions (chi-square tests) were applied to unweighted data. Statistically significant differences (at $p < .05$) have been indicated throughout the report.

4. Results

Overall trends

Figure 1 shows the employment rates of lone and couple mothers, derived from each wave of HILDA, from 2001 to 2011. These analyses are cross-sectional, in that mothers are defined as being lone or couple mothers at each survey, based on their relationship status and the presence of children at that time. As discussed in the preceding section, these analyses present some context to maternal employment in Australia, but the changing composition of the HILDA sample across waves may have some effect on the changes in maternal employment rates. Nevertheless, these trends are generally consistent with those observed from the ABS labour force data (see Figure A1 on page 37, and Baxter & Renda, 2011) and Australian Census data (see Baxter, 2013).



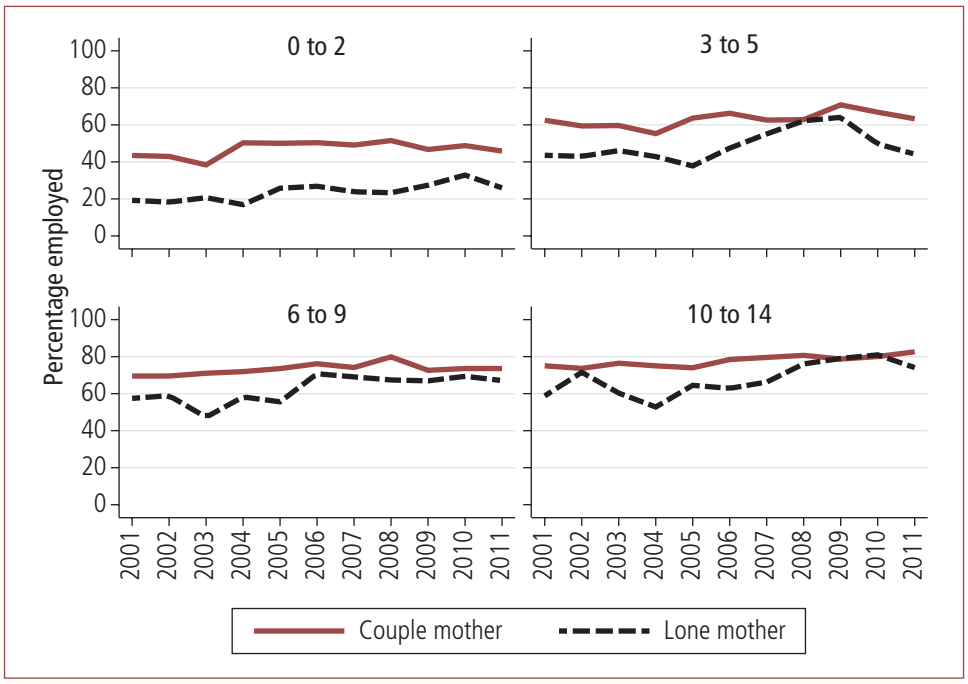
Note: The actual percentages are given in Appendix Table A1 (on page 35). The 2011 sample includes a top-up sample to HILDA.

Source: HILDA, Waves 1–11 (Wave 11 release)

Figure 1: Employment rates of lone and couple mothers, 2001–11

Across 2001 to 2011, mothers' employment rates varied between 56% and 65%, with the lowest rate in 2003 and the highest in 2008. The employment rate in 2011 was 62%. As Figure 1 shows, there was a marked increase in the employment rate of lone mothers between 2004 (44%) and 2010 (61%). There were more gradual changes over the 2001–11 time period for couple mothers, with the percentage employed lowest in 2001 to 2003 at 59–60%, but then fluctuating between 64% and 67% from 2005 to 2011. The increased employment rate of lone mothers has meant that the gap in employment rates between lone and couple mothers has narrowed in the last few years, though it increased somewhat in 2011.

Within each of the lone-mother and couple-mother family forms, the employment rates vary considerably by age of youngest child (Figure 2).[10] Differences between lone and couple mothers' employment rates are particularly apparent for those with a child aged 0–2 years: in most years, the employment rates of lone mothers in this group were around half that of couple mothers, with the size of this gap varying little from 2001 to 2008. There appears to have been some narrowing of the gap in more recent years.



Note: The actual percentages are given in Appendix Table A2 (on page 36). The 2011 sample includes a top-up sample to HILDA.

Source: HILDA Waves 1–11 (Wave 11 release)

Figure 2: Employment rates of lone and couple mothers, by age of youngest child, 2001–11

For lone mothers with a youngest child of 3–5 years old, the employment rates increased sharply from 38% in 2005 to 64% in 2009. The employment rates for this group then declined somewhat to 50% in 2010 and 44% in 2011. Further analyses would be required to see if this trend is an artefact of a compositional change in the sample of mothers with a youngest child aged 3–5 years.[11]

Among lone mothers whose youngest child was 6–9 years, employment rates increased from 47% in 2003 to 71% in 2006, then staying at just under this since this time. Employment rates of couple

[10] Figures 1 and 2 provide overviews of trends, but standard errors and confidence intervals have not been presented, and some apparent differences between lone and couple mothers, and over time, may not be statistically significant, especially given the relatively small sample sizes for lone mothers (see Appendix Table A2 on page 36). The changing composition of the sample over time, and the addition of the top-up sample in Wave 11 (2011) may also contribute to the variation in employment rates.

[11] Baxter (2013) showed that, using Census data, maternal employment rates increased between 2006 and 2011 for this age group.

mothers of 6–9 year olds increased from 70% in 2002 to 80% in 2008, followed by a fall back to 73–74% for 2009, 2010 and 2011.

For lone mothers of 10–14 year olds, employment rates have fluctuated considerably, but gradually increased from 2004 to 2010. Couple mothers' employment rates for this age group increased from around 75% to around 80% over this time.

The narrowing of the gap in lone and couple mothers' employment rates in recent years is thus more apparent for mothers of older children. Some of these changing employment patterns may be due to welfare reform, which has meant that mothers can no longer remain on income support until children are aged 16 years without being required to look for work. It is, however, beyond the scope of this paper to explore these trends in relation to such changes in policy.

Recent employment history

As described previously, in the calendar component of each HILDA survey, respondents provide details of their labour force participation over the previous financial year, and this was used to derive a measure of how much of that year each respondent was in employment (here referred to as "recent employment history"). This measure is useful in that it provides some indication of the persistence of employment or non-employment, and so provides a different perspective to analysing the usual labour force measures alone.

Table 1 shows that at the survey date in 2011, 63% of couple mothers had been employed for most/all (90–100%) of the previous financial year (2010–11), as had 53% of lone mothers. A higher proportion of lone mothers than couple mothers had been employed for little/none (0–9%) of that financial year (35% compared to 25% of couple mothers), while another 11–12% of lone and couple mothers had been employed for part (10–89%) of that year.

Table 1: Recent employment history (2010–11) of lone and couple mothers, by employment status in 2011

	Lone mothers			Couple mothers		
Recent employment history (2010–11)	Employed 2011 (%)	Non-employed 2011 (%)	Total (%)	Employed 2011 (%)	Non-employed 2011 (%)	Total (%)
Little/none (0–9%) of year	4.0	81.3	35.3	2.0	74.3	25.1
Part (10–89%) of year	10.7	12.4	11.4	7.9	20.6	12.0
Most/all (90–100%) of year	85.3	6.3	53.3	90.1	5.1	62.9
Totals	100.0	100.0	100.0	100.0	100.0	100.0
Distribution	59.5	40.5	100.0	68.0	32.0	100.0
Sample size	225	154	379	1,027	530	1,557

Note: Respondents with missing calendar data are excluded.

The vast majority of lone and couple mothers who were employed at the survey date in 2011 (85% and 90% respectively) had been employed for most/all of the previous financial year (2010–11). Likewise, most non-employed lone and couple mothers were employed for little/none of the previous year (81% and 74% respectively), though a larger percentage of non-employed mothers with partners than without partners had been employed for part of the year (21% versus 12% respectively).

Overall, couple mothers were more likely than lone mothers to spend most/all of the previous year employed and lone mothers were more likely than couple mothers to spend most/all of that year not employed. Nevertheless, roughly half of the lone mothers had been employed for most/all of that year.

Characteristics of lone and couple mothers according to recent employment history

This section explores the characteristics of mothers according to their recent work experience. The overall aim is to explore the extent to which associations between recent employment history and particular maternal characteristics are apparent, especially from the perspective of explaining which groups may have relatively low levels of labour market engagement. Throughout, lone and couple mothers are differentiated, with a view to helping to understand the relatively low levels of employment of lone mothers.

Childbirth and education/employment history

As shown in Table 2, the characteristics examined in this section cover childbirth history (e.g., mothers' age at first birth) and education/employment history. The childbirth history data are relevant as they establish when mothers may have first left the labour market to care for children, and provide some indication of the time that may have been spent developing human capital—by way of education or employment—prior to childbearing. In particular, these historical data may indicate whether low levels of recent employment attachment are embedded within a much longer history of low levels of work attachment.

Table 2: Childbirth and education/employment history of lone and couple mothers, by recent employment history (2010–11), 2011

	Lone mothers (% of previous year employed)				Couple mothers (% of previous year employed)				Lone vs couple mothers (c)
	0–9%	10–89%	90–100%	Total (a)	0–9%	10–89%	90–100%	Total (b)	
Age of mother at first birth (mean)	22.7	25.2	25.8	24.6 *	26.0	27.5	28.1	27.5 *	*
Age of oldest child (mean)	11.8	11.6	12.8	12.3	10.6	8.3	11.2	10.7 *	*
Time since first left full-time education (mean years spent)									
Since left full-time education	18.2	20.7	21.5	20.3 *	19.2	17.6	21.6	20.6 *	–
In paid work	7.1	13.1	16.4	13.2 *	8.8	12.3	17.8	15.0 *	*
Looking for work	1.5	1.0	0.9	1.1 *	0.9	0.6	0.4	0.5 *	*
Neither working nor looking for work	9.4	6.3	4.8	6.4 *	9.7	4.8	3.6	5.2 *	*
Years employed since full-time education (mean %)	36.2	64.2	72.9	60.7 *	45.2	69.7	82.2	72.0 *	*
Recent employment history (2010–11) (mean percentage of year spent)									
Employed	0.2	51.3	99.8	59.1 *	0.2	49.1	99.9	68.7 *	*
Unemployed	20.7	22.3	0.2	10.0 *	6.6	9.2	0.1	2.8 *	*
Not in the labour force	79.1	26.4	0.0	31.0 *	93.2	41.7	0.0	28.4 *	–
Employed in year before first birth (%)	46.9	75.5	81.3	68.5 *	52.0	86.7	91.9	81.2 *	*
Sample size	136	46	197	379	405	207	945	1,557	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests were used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare data across the work history classifications within the lone mother (a) and couple mother (b) groups; and then compare all lone mothers to all couple mothers (c). Respondents with missing calendar data are excluded.

On average, those who were lone mothers in 2011 gave birth to their first child at a younger age (25 years) than those who had partners (28 years). For both lone and couple mothers, on average, those who spent more time in employment in the previous year (2010–11) commenced childbearing at an older age.

At the time of the Wave 11 survey, it had been around 20–21 years on average since the mothers had left full-time education, with no significant difference between lone and couple mothers. However, during this period, couple mothers had spent more time in paid work than had lone mothers (15 years compared to 13 years, or 72% and 61% of these years respectively). Mothers generally did not report spending many years looking for work, though the average was higher for lone than couple mothers (1.1 years compared to 0.5 years). The average number of years spent neither looking for work nor working (that is, time not in the labour force) was also higher for lone mothers (6 years compared to 5 years).

Comparing these figures by amount of recent employment history, the greatest difference was in relation to the average number of years spent in paid work, which was considerably lower for those who had been employed for little/none or part of the previous financial year compared to those who had been employed for most/all of that year. Those who had been employed for little/none or part of that year had spent more time looking for work since leaving full-time education, and more time out of the labour force. However, it is worth pointing out that even those with little/no recent employment history had spent several years in employment (an average of 9 years for couple mothers and 7 years for lone mothers).

This table also shows the average percentage of the year spent employed, not in the labour force and unemployed, for the previous financial year. Of course (since the categories are based on these data), there is a direct relationship between these measures and the categories of recent employment history. We do see that those with part-year employment, whether lone or couple mothers, spent more time unemployed when compared to those with little/no employment in the previous financial year. This reflects that those with part-year employment have more of a connection to the labour market than those with little/no recent employment. This time spent unemployed (while actively seeking work) may, for example, have led to subsequent employment or have followed the termination of employment during the year.

As shown in Table 1 (on page 8), compared to couple mothers, on average, lone mothers spent less of the previous financial year employed. This is also presented in Table 2, with an overall average of 69% of the year spent in employment for couple mothers and 59% for lone mothers. Lone mothers spent more time unemployed (10% of the year for lone mothers and 3% for couple mothers, on average). Significant differences by relationship status were not apparent for time not in the labour force.

Overall, then, these data show some differences between lone and couple mothers, and between mothers according to their recent employment history, in terms of childbirth and longer term education/employment histories. Lone mothers, compared to couple mothers, had a weaker connection to the labour market, had more often commenced childbearing earlier, and had spent less time in employment since leaving full-time education, having a greater chance also of having spent time unemployed. The same could be said of those who had spent less time in the previous financial year in employment, compared to those with more time in employment. While such differences are apparent, it is also worth noting that, on average, even mothers with little/no recent employment experience had some years of employment experience, and the amount and percentage of time that they spent unemployed was quite low.

Another indicator of past employment for mothers is their employment status in the twelve months prior to the birth of their first child. Mothers were asked about their employment in the year before the birth of each resident child and Table 2 shows the employment rate for the year before the birth of the older of these resident children.[12] Among the lone mothers, of those with little/no recent employment, only 47% had been employed in the year prior to their first birth. For couple mothers, those with little/no recent employment also had low employment rates in the year prior

[12] Some mothers may, of course, have had older non-resident children, for whom employment details before the birth were not captured, and so this is not a true measure of employment before the first birth, but it is referred to as this for simplicity.

to their first birth (52%), compared with other couple mothers. The non-employment of mothers is therefore likely, for some, to be entrenched within a longer period of low labour force attachment. Aggregated, differences between lone and couple mothers were quite large (for lone mothers, 69% had been employed in the year before their first birth, compared to 81% of couple mothers). This lower employment rate of those who were to become lone parents cannot yet be attributed to lone parenthood, and therefore is likely related to the socio-demographic characteristics of these women. Some of these characteristics are analysed further below.

Socio-demographic characteristics

As discussed in Section 2, analyses of maternal employment often focus on the socio-demographic characteristics of mothers to explain different levels of engagement in paid work. Of such variables, those capturing life stage may show how mothers alter their employment participation at particular times, especially when they have very young children. Other associations may reflect differences in mothers' abilities to find and remain in employment, or different aspirations for employment. This section provides information about the extent to which socio-demographic characteristics differ for lone and couple mothers, and for lone and couple mothers according to their recent employment history (Table 3 on page 12).

Differences between lone and couple mothers exist in terms of:

- *educational attainment*—lone mothers had lower educational levels, on average;
- *age of youngest child*—lone mothers had older children, on average;
- *having caring responsibilities*—less likely for lone mothers;
- *country of birth*—in particular, lone mothers were more often Australian-born;
- *health status*—lone mothers having poorer self-reported health and more likely to have a long-term health condition;
- *housing tenure*—lone mothers were less likely to be home owners/purchasers;
- *location*—lone mothers were more likely to be living in inner regional areas of Australia, and less likely to be living in major cities; and
- *age*—lone mothers were younger, on average.

Comparing characteristics by the measure of recent employment history, a number of differences are apparent. Mothers with a greater amount of recent employment have higher levels of educational attainment and are, on average, older. Life stage, indicated by age of youngest child, is strongly associated with employment participation, with the presence of younger children most likely among those who spent less of the previous financial year in employment. Couple mothers who spent part of the previous year in employment included a relatively high proportion with a child aged under 3 years old, and this might reflect mothers having left employment on the birth of the child; or it might just reflect that mothers move in and out of work somewhat more when they have very young children.[13] Mothers who spent more time out of employment tended to have a larger family size (only significant for couple mothers).

Around 10% of mothers had caring responsibilities (for another person with a long-term health condition, who is elderly or who has a disability). Significant differences in rates of being a carer were apparent among couple mothers in relation to their recent employment history. While not statistically significant, some differences were also apparent for lone mothers. For lone and couple mothers, a higher proportion of mothers had caring responsibilities among those with little/no employment in the previous financial year compared to those with higher rates of employment.

Among couple mothers, those who had spent less time in employment were disproportionately born outside Australia. Also, among couple mothers who had spent little/none of the year in employment, just over one in ten reported having poor English language proficiency. These country of birth and language differences were not apparent for lone mothers.

[13] Examining the calendar data by detailed age of youngest child suggests that both of these reasons are likely. Mothers with a child under 1 year old more often reported part-year employment than mothers with children of other ages; but mothers with children of ages 1–4 years also had a relatively high amount of part-year employment when compared to mothers of older children.

Table 3: Socio-demographic characteristics of lone and couple mothers, by recent employment history (2010–11), 2011

	Lone mothers (% of previous year employed)				Couple mothers (% of previous year employed)				Lone vs couple mothers (c)
	0–9%	10–89%	90–100%	Total (a)	0–9%	10–89%	90–100%	Total (b)	
	%				%				
Educational attainment				*				*	*
Bachelors degree or higher	4.3	7.5	24.6	15.5	18.8	31.6	39.5	33.3	
Complete secondary/ certificate/diploma	26.4	46.6	43.4	37.8	29.0	42.0	29.8	31.0	
Incomplete secondary only	69.3	45.9	32.0	46.7	52.2	26.4	30.8	35.6	
Age of youngest child				*				*	*
0–2 years	31.2	24.3	7.4	17.4	47.2	57.2	24.0	33.8	
3–5 years	29.5	18.6	17.8	21.9	21.9	12.0	18.3	18.4	
6–9 years	25.4	35.2	28.1	28.0	14.1	12.9	22.4	19.2	
10–15 years	13.9	21.9	46.6	32.7	16.8	17.9	35.4	28.6	
Provides care (d)	15.2	6.0	8.4	10.5	14.4	6.5	5.7	8.0 *	*
Country of birth, language spoken at home and English language proficiency								*	*
Australia	84.7	91.9	86.2	86.3	71.9	81.1	78.4	77.1	
Overseas, English-speaking	3.3	2.9	6.3	4.8	4.8	5.9	8.6	7.3	
Overseas-born, non–English speaking, speaks English well or very well	12.0	5.2	6.7	8.4	15.9	12.6	12.8	13.6	
Overseas-born, non–English speaking, does not speak English well or at all	–	–	0.8	0.4	7.4	0.3	0.1	2.0	
Self-reported health status				*				*	*
Fair or poor	25.0	29.4	13.8	19.4	20.5	6.3	7.4	10.5	
Good or better	75.0	70.6	86.2	80.6	79.5	93.7	92.6	89.5	
Has long-term health condition	36.1	18.7	14.9	22.8 *	23.6	10.3	11.4	14.4 *	*
Partner is employed	n.a.	n.a.	n.a.	n.a.	83.9	91.6	96.7	92.8 *	n.a.
Housing tenure				*				*	*
Owner or purchaser	22.0	35.6	49.0	38.0	57.6	68.7	81.7	74.1	
Private renter	52.2	57.0	47.2	50.1	33.8	27.8	15.5	21.6	
Public renter	23.2	2.6	3.4	10.3	4.6	0.5	1.1	1.9	
Other	2.6	4.8	0.4	1.7	4.1	3.0	1.7	2.4	
Location									*
Major city	46.9	46.6	58.1	52.8	66.0	61.9	64.0	64.2	
Inner regional	33.6	37.3	26.7	30.3	22.5	25.7	25.4	24.7	
Other	19.5	16.1	15.2	16.8	11.5	12.4	10.6	11.1	
	Mean				Mean				
Age (years)	34.5	36.7	38.6	36.9 *	36.6	35.7	39.3	38.2 *	*
Number of children	2.2	2.0	1.9	2.0	2.4	2.2	2.1	2.2 *	–
Partner income (financial year disposable $'000)	n.a.	n.a.	n.a.	n.a.	62.7	67.2	66.3	65.5 *	n.a.
Sample size	135	46	197	378	403	206	950	1,556	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare across the recent employment history classification within the lone mother (a) and couple mother (b) groups; and then compare all lone mothers to all couple mothers (c). (d) Provides care to someone due to their long-term health condition, being elderly, or having a disability. Respondents with missing calendar data are excluded.

Self-reported health status was significantly related to recent employment history for both lone and couple mothers, with poorer health among those who had been out of employment for all or most of the previous year. Those who spent more time out of employment were also more likely to have a long-term health condition. These health differences were quite large, with, for example, 36% of lone mothers with little/no time in employment reporting a long-term health condition, compared to 15% among lone mothers who had spent most/all of the year in employment.

These data show significant differences in mothers' housing tenure by their level of involvement in employment. For couple mothers, 82% of those who had been employed for most/all of the year were living in a home that they owned or were purchasing. This compares to 58% for those with little/no recent employment, and 69% for those with part-year employment. Of these mothers with little/no or part-year recent employment, 28–34% were renting privately, with another fairly small percentage in public rental housing. The situation is quite different for lone mothers, who had a higher proportion in public rental housing, especially those with little/no employment in the previous financial year.

While lone mothers were somewhat less likely than couple mothers to live in major cities, differences in location by level of recent employment experience within each of the lone and couple mother groups are not statistically significant.

Couple mothers with higher levels of recent employment experience more often had employed partners, when compared to those with less employment experience. To explore whether mothers' employment participation may be related to their partners' incomes, Table 3 shows the mean of the partners' disposable annual incomes, by mothers' recent employment experience. Partner's mean income was higher for those partnered mothers with more recent employment experience. This is in line with the argument that when partners earn a higher income, mothers are likely to have a higher earning potential (because of assortative mating, which means couples are likely to be somewhat similar in their characteristics) and therefore may seek to minimise their time out of employment (see Section 2).

Overall, the most significant associations appear to be in relation to age of youngest child, mothers' health status and level of educational attainment. These characteristics differ across the varying levels of recent employment experience and also differ for lone versus couple mothers.

Self-perception, social supports and values

Mothers' perceptions of themselves, their feelings about their social supports and their abilities, and their attitudes about work and family may all be important factors in relation to their potential or actual engagement in the labour market. Here, this is examined by looking at mental health (using the "mental health" scale, as assessed in the Short Form (36) Health Survey [SF-36] in HILDA);[14] perceptions of social support; beliefs in personal autonomy; and measures of attitudes to maternal employment.

In these analyses, associations between measures of wellbeing and values and recent employment experience cannot be interpreted as one causing the other. However, these associations may suggest the existence of certain barriers to be overcome by mothers in their engagement with the labour market.

First, these data show a measure of mothers' mental health and some items concerning perceptions of social supports (Table 4 on page 14). Mothers who had spent less of the previous year in employment had, on average, poorer mental health. They also had more perceived difficulties with social supports, being more likely to say they had no one to lean on in times of trouble, and to say they often needed help from other people but were unable to get it (not statistically significant for lone mothers).

[14] This scale captures the respondents' reports on how often, in the last 4 weeks, they (a) felt nervous; (b) felt so down in the dumps nothing could cheer them up; (c) felt calm and peaceful; (d) felt down; or (e) had been a happy person.

Table 4: Mental health and perceived social supports of lone and couple mothers, by recent employment history (2010–11), 2011

	Lone mothers (% of previous year employed)				Couple mothers (% of previous year employed)				Lone vs couple mothers (c)
	0–9%	10–89%	90–100%	Total (a)	0–9%	10–89%	90–100%	Total (b)	
Mental health (mean; 100 = better mental health) (d)	67.5	66.2	68.6	67.9	72.8	74.1	75.2	74.5 *	*
Social support (% agreeing) (e)									
I have no one to lean on in times of trouble	25.5	28.6	13.1	19.1 *	10.0	8.7	5.9	7.3 *	*
I often need help from other people but can't get it	29.2	22.0	21.0	24.0	16.8	12.2	7.4	10.3 *	*
Sample size	102	35	162	299	342	183	834	1,359	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare across the recent employment history classification within the lone mother (a) and couple mother (b) groups; and then compare all lone mothers to all couple mothers (c). (d) Mental health assessed using SF-36 transformed (mean of 1 to 100, 100 = better mental health). (e) Percentage scoring between 5 and 7 on a scale of 1 (strongly disagree) to 7 (strongly agree). Respondents with missing calendar data are excluded.

With beliefs in personal autonomy, presented in Table 5 (on page 15), on most measures (and the aggregate mean score), couple mothers' beliefs in personal autonomy were more positive than lone mothers'. Differences across the groupings of recent employment were not all statistically significant for lone and couple mothers. For lone mothers, a significant difference was apparent for the negative statement "There is little I can do to change many of the important things in my life", which was more often agreed on by those who had been employed for little/none or part of the previous year. For couple mothers, there was a significant difference for the statement "I often feel helpless in dealing with the problems of life", which was more often agreed on by those who had been employed for little/none of the previous year. Also, differences were apparent for couple mothers for each of the positive statements: "I can do just about anything I really set my mind to do" and "What happens to me in the future mostly depends on me", which gained less agreement from mothers who had been employed for little/none of the previous year.

Overall, the results indicate that couple mothers had significantly better mental health and more positive beliefs in personal autonomy than lone mothers. Lone mothers were more likely than couple mothers to report having difficulties with social supports. While these data do not allow us to say that lower levels of mental health, social supports or autonomy *cause* lower rates of participation in employment by lone mothers, they do suggest the presence of personal characteristics that could result in relatively low levels of confidence or motivation, which may be a factor in mothers' decision-making about entering employment.

Table 6 (on page 16) shows mothers' responses to various work–family values questions. These items have been explored as they particularly apply to perceptions of whether or not mothers should be employed.

Overall, these data show relatively low levels of agreement with the statements: "It is better for everyone involved if the man earns the money and the woman takes care of the home and children"; "Many working mothers seem to care more about being successful at work than meeting the needs of their children"; and "Mothers who don't really need the money shouldn't work". Those who spent less of the previous year in employment more often agreed with these questions, compared with those who spent most/all of the year employed. (For lone mothers this was true also, though not statistically significant for the last of these questions.) Significant differences between lone and couple mothers were not apparent.

Table 5: Personal autonomy of lone and couple mothers, by recent employment history (2010–11), 2011

	Lone mothers (% of previous year employed)				Couple mothers (% of previous year employed)				Lone vs couple mothers (c)
	0–9% (%)	10–89% (%)	90–100% (%)	Total (a)	0–9% (%)	10–89% (%)	90–100% (%)	Total (b)	
Agreement with statement (d)									
I have little control over the things that happen to me	20.2	19.0	14.9	17.2	15.6	9.7	10.4	11.6	–
There is really no way I can solve some of the problems I have	17.7	32.1	20.0	20.5	13.1	11.5	10.1	11.0	*
There is little I can do to change many of the important things in my life	23.0	23.7	15.7	19.1 *	13.0	11.0	8.3	9.8	*
I often feel helpless in dealing with the problems of life	19.2	26.0	19.7	20.3	15.6	10.6	9.0	10.9 *	*
Sometimes I feel that I'm being pushed around in life	20.6	28.7	17.7	20.0	17.2	14.4	13.3	14.4	*
Disagreement with statement (e)									
What happens to me in the future mostly depends on me	19.3	22.1	24.7	22.5	27.6	26.6	19.4	22.3 *	–
I can do just about anything I really set my mind to do	24.2	21.2	25.2	24.4	25.8	19.5	18.2	20.2 *	*
Mean score	2.79	2.89	2.72	2.76	2.66	2.47	2.39	2.47 *	*
Sample size	103	34	162	299	343	182	835	1,360	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare across the recent employment history classification within the lone mother (a) and couple mother (b) groups; and then compare all lone mothers to all couple mothers (c). (d) Those who responded from 5 to 7 on a scale of 1 (strongly disagree) to 7 (strongly agree). (e) Percentage scoring between 1 and 4 on a scale of 1 (strongly disagree) to 7 (strongly agree). Respondents with missing calendar data are excluded.

Compared to these items, mothers were more likely to agree with the statements: "Children do just as well if the mother earns the money and the father cares for the home and the children" and "A working mother can establish just as good a relationship with her children as a mother who does not work for pay". Not surprisingly, those who spent more time in employment were more likely to agree with this statement. This is consistent with previous analyses of these data, in which more egalitarian or progressive attitudes about working mothers are found among those who are employed (van Egmond et al., 2010).

For these attitudinal questions, it is especially problematic to draw causal links between such responses and employment patterns, in particular because attitudes (or reported attitudes) may have altered to reflect mothers' actual levels of participation in employment, such that attitudes tend to align with behaviours. Nevertheless, as with the measures of self-perceptions and mental health, the more traditional attitudes of those who have a lesser connection to the labour force suggest that such attitudes may be somewhat of a deterrent to these mothers' increasing their participation in employment.

Table 6: Work–family values of lone and couple mothers, by recent employment history (2010–11), 2011

Agreement with statement (a)	Lone mothers (% of previous year employed)				Couple mothers (% of previous year employed)				Lone vs couple mothers (d)
	0–9% (%)	10–89% (%)	90–100% (%)	Total (%) (b)	0–9% (%)	10–89% (%)	90–100% (%)	Total (%) (c)	
It is better for everyone involved if the man earns the money and the woman takes care of the home and children	30.6	23.4	13.8	20.6 *	30.2	24.5	14.7	19.7 *	–
Many working mothers seem to care more about being successful at work than meeting the needs of their children	28.7	21.2	11.4	18.5 *	24.5	15.0	13.0	16.1 *	–
Mothers who don't really need the money shouldn't work	26.4	13.5	15.8	19.2	30.5	26.7	16.8	21.4 *	–
Children do just as well if the mother earns the money and the father cares for the home and the children	60.4	64.0	78.4	70.6 *	62.6	78.7	74.9	72.4 *	–
A working mother can establish just as good a relationship with her children as a mother who does not work for pay	51.0	59.7	73.6	64.3 *	41.6	64.7	65.5	59.5 *	–
Sample size	101	35	162	298	339	182	831	1,352	

Note: Sample sizes vary somewhat due to non-response on particular items. Chi-square tests are used to compare distributions. * $p < .05$. (a) Percentage scoring between 5 and 7 on a scale of 1 (strongly disagree) to 7 (strongly agree). Respondents with missing calendar data are excluded. Statistical tests compare across the recent employment history classification within the lone mothers (b) and couple mother (c) groups; and then compare all lone mothers to all couple mothers (d).

Summary

In summary, these analyses have shown that spending more time out of employment in the previous financial year was associated with the following characteristics of mothers:

- starting childbearing at an earlier age, and being less likely to be employed in the year before having a first child;
- having a history of less attachment to the labour market; that is, spending fewer years in paid work since leaving full-time education, and more years either looking for work or out of the labour force;
- being younger, having more children, and having lower levels of educational attainment;
- for couple mothers only, having poor English language proficiency and providing care to someone;
- having poorer health or a long-term health condition;
- living in rental accommodation and, for lone mothers, living in public rental housing;
- having poorer mental health and more perceived difficulties with social supports;
- having varying beliefs about personal autonomy (though they did not all vary enough for differences to reach statistical significance—nevertheless, some associations suggested a lower sense of autonomy among those who spent more time out of employment); and
- having more "traditional" attitudes about maternal employment; that is, having views more aligned with a preference for mothers to remain out of employment.

The comparisons of lone and couple mothers throughout this section have shown that lone mothers are more likely to have many of the characteristics described above, which has implications for their overall lower rates of employment.

Not surprisingly, these data also show that mothers who spent all or most of the year out of employment had younger children, on average. This includes those on longer term unpaid leave from work, as well as those who have left employment. This is a reminder that some non-employed mothers are at a life stage in which they would prefer to prioritise providing full-time care of children. The non-employment of these mothers is perhaps different to that of mothers whose children are older, at which time the care needs of their children may be less constraining to their employment.

Characteristics of non-employed lone and couple mothers according to age of youngest child

The importance of age of youngest child in explaining variation in employment rates among mothers was apparent in Figure 2 (on page 7). The following analyses explore this by examining the characteristics of non-employed mothers by age of youngest child. Sample sizes do not allow examination by detailed age of the youngest child, so the sample has been classified into mothers with younger children (aged 0–5 years) and older children (aged 6–14 years). In these analyses, the question of whether mothers had been employed at all in the previous year is put aside to focus on those not employed at the time of the survey. The majority of these mothers will have been out of employment for all or most of the previous year (Table 1 on page 8, and see also Table 7 on page 18).

It is expected that mothers of the younger children will have a stronger preference to be at home, with caring for children being a primary reason for doing so, given the preference of many mothers to care for children while they are young. This is especially so given that the younger age group of children includes those aged less than one year old, and non-employed mothers of these children will include those who are on unpaid maternity or parental leave.

Caring for children may be less of a reason for not working once children reach school age. A question examined in this section, then, is whether non-employed mothers of older children are out of employment because, relative to those with younger children, they have a greater incidence of characteristics that deter or act as a barrier to them finding and sustaining employment.

Childbirth and education/employment history

Among mothers not currently employed, those with older children first left full-time education more years ago than those with younger children, but this would be expected, given differences in the ages of their children (Table 7 on page 18) and also of the mothers themselves (Table 10 on page 21). In total, these mothers with older children had spent more years in paid work since leaving full-time education than those with younger children (only significant for couple mothers), but they had also spent more years neither working nor looking for work. For non-employed couple mothers with younger children, this corresponds to having spent a greater percentage of years in paid work since leaving full-time education, compared to those with older children. In aggregate, non-employed couple mothers had spent significantly more time in employment than non-employed lone mothers since leaving full-time education, with lone mothers having spent a greater amount of time either unemployed or neither working nor looking for work.

In the previous financial year, those with older children had spent a greater proportion of the previous year unemployed, compared to those with younger children (significant only for couple mothers). To be classified as unemployed, rather than not in the labour force, requires mothers to have undertaken some job search and be available to start work, and so this difference could suggest that more mothers with older children would prefer to be working, compared to those with younger children. The non-employment of those with older children may be less often driven by a preference to be at home, and more often driven by an inability to find suitable work. (For

some mothers, job search might be undertaken as a condition of income support receipt and so job search may not always reflect a preference to be in paid work.)

Looking at the percentage employed in the year before the first birth, Table 7 shows that differences by age of youngest child were not statistically significant, but that there were lower pre-birth employment rates for non-employed lone mothers compared to couple mothers.

Table 7: Childbirth and education/employment history of non-employed lone and couple mothers, by age of youngest child, 2011

	Non-employed lone mothers (age of youngest child)			Non-employed couple mothers (age of youngest child)			Lone vs couple mothers (c)
	0–5 years	6–14 years	Total (a)	0–5 years	6–14 years	Total (b)	
Age of mother at first birth (mean)	24.0	22.8	23.5	27.0	26.9	26.8	*
Age of oldest child (mean)	6.8	16.7	11.6 *	5.4	15.8	8.7 *	*
Time since first left full-time education (Mean years spent)							
Since left full-time education	14.1	21.1	18.0 *	13.7	24.8	17.1 *	–
In paid work	6.3	7.0	7.0	7.6	11.4	8.8 *	*
Looking for work	0.9	1.4	1.2	0.6	1.0	0.7	*
Neither working nor looking for work	6.9	12.1	9.5 *	5.2	12.7	7.6 *	*
Years employed since full-time education (mean %)	43.9	41.9	42.8	54.5	45.3	51.6 *	*
Recent employment history (2010–11) (mean percentage of year spent)							
Employed	11.3	14.5	12.5	16.4	12.3	15.0	–
Unemployed	15.6	27.5	19.4	5.0	7.1	5.6 *	*
Not in the labour force	73.0	58.0	68.1	78.6	80.7	79.4	–
Employed in year before first birth (%)	51.9	55.8	50.4	61.7	64.5	61.9	*
Sample size	122	67	189	545	154	699	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests were used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare data across the age groups within the lone mother (a) and couple mother (b) groups; and then compare all non-employed lone and couple mothers (c).

Labour force characteristics

Before turning to socio-demographic characteristics, it is relevant here to examine the labour force characteristics of the non-employed mothers in more detail (Table 8 on page 19).

Lone mothers, if not employed, were more likely than couple mothers to be unemployed (22% vs 7%), looking for full-time or part-time employment. Non-employed mothers of older children were more likely to be unemployed, especially among lone mothers, who were most often looking for full-time work. As discussed previously, these findings may be related to requirements to look for work to be eligible for income support receipt.

The majority of non-employed mothers were not in the labour force. Of these mothers, being marginally attached indicates a stronger connection to the labour market, as it reflects either a desire to be working, or some degree of looking for work or being available to start work (but not both, which would classify these mothers as unemployed). If not in the labour force, lone mothers were more often marginally attached than couple mothers. The mothers showing the least attachment to the labour force are couple mothers with children aged under 6 years old.

Table 8: Labour force characteristics of non-employed lone and couple mothers, by age of youngest child, 2011

	Non-employed lone mothers (age of youngest child)			Non-employed couple mothers (age of youngest child)			Lone vs couple mothers (c)
	0–5 years (%)	6–14 years (%)	Total (%) (a)	0–5 years (%)	6–14 years (%)	Total (%) (b)	
Labour force status			*			*	*
Unemployed	16.3	32.3	22.3	5.3	12.4	7.2	
Looking for full-time work	6.9	19.7	11.7	2.8	5.1	3.4	
Looking for part-time work	9.4	12.6	10.6	2.5	7.3	3.8	
Not in the labour force	83.7	67.7	77.7	94.7	87.6	92.8	
Marginally attached	34.1	16.8	27.6	25.0	30.4	26.5	
Not marginally attached	49.6	50.9	50.1	69.6	57.2	66.3	
Sample size	124	71	211	546	159	725	
Whether wanted a job (not in the labour force)							*
Want a job	60.6	57.2	59.4	34.4	44.2	37.0	
Maybe want a job	3.5	2.3	3.1	5.9	6.1	5.9	
Don't want a job	35.8	40.4	37.5	59.7	49.8	57.0	
Sample size	116	66	182	527	154	681	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests were used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare data across the age groups within the lone mother (a) and couple mother (b) groups; and then compare all non-employed lone and couple mothers (c).

One of the main conditions for being marginally attached is wanting a job. This is asked with the question "Even though you are not looking for work now, would you like a job? (Assume that suitable child care arrangements could be found.)". Of those not in the labour force, 57% of couple mothers and 38% of lone mother did not want a job. That is, non-employed lone mothers more often said that they wanted, or maybe wanted, a job. Differences by age of youngest child, for lone mothers and for couple mothers, were not statistically significant.

Mothers who were not in the labour force and wanted to work were asked why they were not looking for work. Note that for these analyses, the sample sizes were too small to allow examination of responses by age of youngest child and relationship status (Table 9 on page 20). Not surprisingly, the most common reason for both lone and couple mothers was because they preferred to look after their children. Compared to mothers with younger children, this was less commonly reported as a reason for not looking for work by those with older children, though it was still reported by close to half of them. Other child-related reasons included waiting until the youngest child started preschool or primary school (only mothers of younger children), difficulties in finding child care, other child care reasons, and pregnancy/maternity leave (more for those with younger children).

Mothers' own illness, injury or disability was given as a reason for not looking for work by more lone than couple mothers (of those who wanted to work but were not looking for work: 8% for lone mothers and 6% for couple mothers), and by more of the mothers with older children (3% for mothers with younger children and 15% for mothers with older children).

The ill health or disability of a family member was a factor in some mothers not looking for work (of those who wanted to work but were not looking for work: 13% for lone mothers and 7% for couple mothers; 3% for mothers with younger children and 21% for mothers with older children).

Some mothers also said they were studying, while others cited job-related reasons for not looking for work, such as there being no jobs available, no jobs available with suitable hours or no jobs available in their line of work.

Table 9: Selected reasons not looking for work, lone and couple mothers who are not in the labour force who want a job, by age of youngest child, 2011

Selected reasons not looking for work (a)	Youngest child 0–5 years (%)	Youngest child 6–14 years (%)	0–5 vs 6–14 years (c)	Lone mothers (%)	Couple mothers (%)	Lone vs couple mothers (d)
Prefers to look after children	69.1	46.5	*	56.4	64.8	–
Pregnancy/maternity leave	13.4	6.0	*	14.4	10.5	–
Waiting until youngest child starts preschool/primary school	15.5	0.0	*	8.0	12.2	–
Difficulties in finding child care	6.6	4.0	–	7.1	5.5	–
Other child care reason	6.4	9.2	–	3.4	8.2	–
Own illness, injury or disability	3.2	14.6	*	8.3	5.7	*
Ill health of someone other than self/other family relation	3.4	20.5	*	13.0	6.8	*
Studying/returning to studies	10.6	18.2	–	19.6	10.7	–
Job-related (b)	7.4	14.1	–	10.3	8.9	–
Other reasons	2.2	6.0	*	1.1	3.7	–
Sample size	621	188		70	245	

Note: These data are shown for mothers who are NILF, who have not looked for work in last 4 weeks, who want or maybe want a job. Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. (a) Respondents could give multiple reasons for not looking for work. (b) Job-related reasons include: no jobs in their line of work, no jobs with suitable hours or no jobs at all. Statistical tests compare across age groups (c); and compare lone and couple mothers (d).

A range of factors, then, seem to be important in explaining the non-employment of mothers. The health of themselves and someone else for whom they provide care is one issue, but there are other job-related and other issues also.

There is, however, also a sense that for many non-employed mothers, even if they wanted to work, a preference for caring for their children is an important concern. Of course, many also reported that they did not want to work. While reasons for not wanting to work are not collected in HILDA, it is likely that caring for children contributes to this, just as it contributes to the reasons for not looking for work among those who prefer to be working.

Socio-demographic characteristics

Looking then at socio-demographic characteristics, the focus of this section is to examine whether the different characteristics of non-employed mothers with younger rather than older children suggest there are differences in their potential barriers to entering employment.

Table 10 (on page 21) shows that compared to non-employed mothers with younger children, those with older children were, on average, older themselves, and for couple mothers had somewhat larger family size and different country of birth/language groupings (couples only). In particular, the country of birth/language differences reveal that among non-employed couple mothers with older children, there was a greater proportion of mothers with poor English language proficiency, compared to those with younger children.

Lack of educational qualifications are likely to contribute to some mothers' non-employment, with 57% of non-employed lone mothers and 41% of non-employed couple mothers having not completed secondary education. Among non-employed couple mothers, lower levels of education were more apparent for those with older rather than younger children. However, one-third of non-employed couple mothers with younger children had bachelor degrees or higher.

Table 10: Socio-demographic characteristics of non-employed lone and couple mothers, by age of youngest child, 2011

	Lone mothers (age of youngest child)			Couple mothers (age of youngest child)			Lone vs couple mothers (c)
	0–5 years	6–14 years	Total (a)	0–5 years	6–14 years	Total (b)	
	%			%			
Educational attainment							*
Bachelor degree or higher	7.6	4.3	5.8	33.6	24.6	30.5	
Complete secondary/ certificate/diploma	32.5	46.8	37.6	27.7	29.7	28.4	
Incomplete secondary only	59.9	48.8	56.6	38.7	45.7	41.1	
Provides care (d)	4.2	26.4	11.6*	6.3	21.0	10.5 *	–
Country of birth, language spoken at home and English-language proficiency						*	*
Australia	70.0	71.5	71.9	57.3	56.1	57.7	
Overseas, English-speaking	2.3	12.6	5.7	12.6	9.2	11.5	
Overseas-born, non–English speaking, speaks English well or very well	21.8	11.9	17.6	23.2	19.5	21.8	
Overseas-born, non–English speaking, does not speak English well or at all	5.9	4.0	4.8	7.0	15.2	9.0	
Self-reported health status			*			*	*
Fair or poor	15.3	38.6	24.9	11.1	18.7	14.5	
Good or better	84.7	61.4	75.1	88.9	81.3	85.5	
Has long-term health condition	22.2	51.5	34.5 *	14.1	26.2	18.2 *	*
Partner is employed (e)	n. a.	n. a.	n. a.	89.6	83.0	87.2	n. a.
Housing tenure						*	*
Owner or purchaser	24.2	32.6	26.9	46.1	66.3	51.6	
Private renter	62.3	49.4	56.3	49.0	23.5	41.6	
Public renter	12.3	14.1	14.7	2.5	5.6	3.4	
Other	1.3	4.0	2.1	2.4	4.6	3.4	
Location							*
Major city	52.7	60.7	55.5	71.8	72.3	71.0	
Inner regional	29.8	31.1	31.2	17.5	18.6	18.0	
Other	17.6	8.1	13.3	10.6	9.2	11.0	
	Mean			Mean			
Age (years)	30.8	39.4	35.1 *	32.4	42.7	35.5 *	–
Number of children	2.1	2.2	2.2	2.2	2.4	2.2 *	–
Partner income (financial year disposable $'000) (f)	n. a.	n. a.	n. a.	63.1	65.8	63.8	n. a.
Sample size	124	71	195	546	158	704	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare across the age groups within the lone mother (a) and couple mother (b) groups; and then compare all non-employed lone and couple mothers (c). (d) Provides care to someone due to their long-term health condition, being elderly, or having a disability. (e) Calculated only for partnered mothers. (f) For means of partner income, four cases were excluded that had partner annual incomes in the top-coded category (with average income greater than $400,000).

Caring for others (for reasons of their ill health, disability or old age) appears to be a feature of non-employment for mothers with older children. Of non-employed lone and couple mothers with older children, 26% and 21% respectively reported that they were providing care for someone. Smaller proportions of those with younger children had caring responsibilities (4% for lone mothers and 6% for couple mothers).

Compared to non-employed mothers with younger children, those with older children had poorer self-reported health and a greater likelihood of having a long-term health condition. Overall, non-employed lone mothers were more likely than couple mothers to have poorer self-reported health and a long-term health condition.

As was evident overall, these data on non-employed mothers also showed higher rates of home ownership (including purchasing) among couple mothers compared to lone mothers. Of note is the 15% of non-employed lone mothers who were living in public rental housing (compared to 3% for non-employed couple mothers). As home ownership is likely to increase with age, it is not surprising that a higher proportion of non-employed couple mothers with older children owned or were purchasing their home, when compared with those with younger children. For lone mothers, differences by age of youngest child were not statistically significant.

Although both non-employed lone and couple mothers most commonly lived in major cities, lone mothers more often lived in inner regional areas than did non-employed couple mothers, with somewhat lower proportions living in major cities. No differences were apparent by age of youngest child.

For couple mothers, significant differences were not apparent by age of youngest child in relation to the proportion who had employed partners, and the mean of partners' incomes.

Overall, among non-employed mothers, lone mothers tended to have lower levels of education than couple mothers, and were more likely to be born in Australia. Statistically significant differences were not apparent for age or number of children.

Self-perceptions, social supports and values

Table 11 shows that non-employed lone and couple mothers with older children had significantly lower levels of mental health when compared with those with younger children, though this was not statistically significant for couple mothers. Overall, non-employed lone mothers' mental health was poorer than that of couple mothers.

Table 11: Mental health and perceived social supports of non-employed lone and couple mothers, by age of youngest child, 2011

	Lone mothers (age of youngest child)			Couple mothers (age of youngest child)			Lone vs couple mothers (c)
	0–5 years	6–14 years	Total (a)	0–5 years	6–14 years	Total (b)	
Mental health (mean; 100 = better mental health) (d)	69.3	58.3	66.1*	74.2	72.4	73.5	*
Social support (% agreeing) (e)							
I have no one to lean on in times of trouble	32.1	27.2	29.8	7.7	14.6	9.5	*
I often need help from other people but can't get it	27.3	30.5	28.1	15.5	13.7	15.2	*
Sample size	90	51	141	460	141	601	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare across the age groups within the lone mother (a) and couple mother (b) groups; and then compare all non-employed lone and couple mothers (c). (d) Mental health assessed using SF-36 transformed (mean of 1 to 100, 100 = better mental health). (e) Percentage scoring between 5 and 7 on scale of 1 (strongly disagree) to 7 (strongly agree).

Access to social supports appeared to be an issue for non-employed mothers of younger as well as older children, as measured by having someone to lean on in times of trouble, or having an unmet demand for help. However, non-employed lone mothers were much more likely than couple mothers to indicate they had some difficulties with social supports.

As discussed previously, exploring differences in mental health and, in Table 12, personal autonomy in this way does not identify whether problems in these areas *lead to* lower levels of employment, or are a consequence of lack of employment or some other factor. However, it is possible that non-employment by mothers is related to their lack of confidence in being able to successfully enter and maintain employment.

Table 12: Personal autonomy of non-employed lone and couple mothers, by age of youngest child, 2011

	Lone mothers (age of youngest child)			Couple mothers (age of youngest child)			Lone vs couple mothers (c)
	0–5 years (%)	6–14 years (%)	Total (%) (a)	0–5 years (%)	6–14 years (%)	Total (%) (b)	
Agreement with statement (d)							
I have little control over the things that happen to me	27.2	24.8	24.4	13.4	14.7	14.6	*
There is really no way I can solve some of the problems I have	21.1	24.1	21.7	12.8	14.7	14.1	–
There is little I can do to change many of the important things in my life	24.6	28.4	24.0	9.6	19.2	13.0 *	*
I often feel helpless in dealing with the problems of life	20.3	34.2	24.0 *	12.1	18.0	14.3 *	–
Sometimes I feel that I'm being pushed around in life	25.4	37.8	28.1	11.2	20.6	14.3 *	*
Disagreement with statement (e)							
What happens to me in the future mostly depends on me	20.8	21.5	20.5	26.5	27.1	27.0	–
I can do just about anything I really set my mind to do	23.1	32.2	26.1	21.4	29.2	23.2 *	–
Mean score	2.81	3.27	2.93 *	2.50	2.70	2.58 *	*
Sample size	90	51	141	459	140	599	

Note: Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. Statistical tests compare across the age groups within the lone mother (a) and couple mother (b) groups; and then compare all non-employed lone and couple mothers (c). (d) Percentage scoring between 5 and 7 on a scale of 1 (strongly disagree) to 7 (strongly agree). (e) Percentage scoring between 1 and 4 on a scale of 1 (strongly disagree) to 7 (strongly agree).

Earlier analyses showed low levels of sense of personal autonomy were particularly apparent for lone mothers, and this is also evident from three of the specific measures examined here when non-employed lone and couple mothers are compared, as well as being evident in the overall mean score. Also, on some items (only one for lone mothers but four for couple mothers), non-employed mothers with older children had a lower sense of personal autonomy than those with younger children. Using the aggregate score, this was apparent for both lone and couple mothers.

Table 13 (on page 24) examines the work–family values of non-employed mothers. As argued before, it is difficult to determine whether such values contribute to employment outcomes, or are influenced by such outcomes (i.e., any causal direction is unclear, and could also be bi-directional). When the responses of non-employed lone and couple mothers are compared by age of youngest child, the differences are only statistically significant for two of the items. For the statement "Many working mothers seem to care more about being successful at work than meeting the needs of their

children", those least likely to agree were couple mothers with younger children. Differences are apparent by age of youngest child for couple mothers, and are also apparent comparing lone and couple mothers, reflecting this lower level agreement by couple mothers with young children. For the statement "Mothers who don't really need the money shouldn't work", there was relatively low agreement by lone mothers with young children, and relatively high agreement by lone mothers with older children.

Table 13: Work–family attitudes of non-employed lone and couple mothers, by age of youngest child, 2011

	Lone mothers (age of youngest child)			Couple mothers (age of youngest child)			Lone vs couple mothers (c)
Agreement with statement (d)	0–5 years (%)	6–14 years (%)	Total (%) (a)	0–5 years (%)	6–14 years (%)	Total (%) (b)	
It is better for everyone involved if the man earns the money and the woman takes care of the home and children	34.0	34.8	35.4	31.4	37.1	32.8	–
Many working mothers seem to care more about being successful at work than meeting the needs of their children	32.9	34.5	34.6	16.6	29.5	20.7 *	*
Mothers who don't really need the money shouldn't work	19.5	44.0	26.0 *	28.5	27.2	28.7	–
Children do just as well if the mother earns the money and the father cares for the home and the children	60.8	71.7	63.9	65.0	62.4	64.7	–
A working mother can establish just as good a relationship with her children as a mother who does not work for pay	55.2	54.2	49.4	52.0	41.1	49.4	–
Sample size	88	49	137	455	140	595	

Note: Sample sizes vary somewhat due to non-response on particular items. Chi-square tests are used to compare distributions. * $p < .05$. Statistical tests compare across the age groups within the lone mother (a) and couple mother (b) groups; and then compare all non-employed lone and couple mothers (c). (d) Percentage scoring between 5 and 7 on scale of 1 (strongly disagree) to 7 (strongly agree).

Summary

In summary, these analyses of the characteristics of non-employed mothers have shown that non-employed mothers with older, compared to younger, children:

- had spent more years in paid work as well as more years not in the labour force since leaving full-time education, and among couple mothers, a greater percentage of time since leaving full-time education in paid work;
- did not have significantly different rates of pre–first birth employment—there is no evidence from these data, then, that mothers with older children who are not employed include a greater proportion of women who have had low levels of attachment to the labour market since before they became mothers;
- had spent a greater proportion of the previous year unemployed (significant only for couple mothers), consistent with expectations that non-employment for mothers of older children is more often due to an inability to find work than it is for mothers of younger children; also, at the time of the survey, mothers of older children were more likely to be unemployed;
- if wanting to work but not looking for work, were somewhat less likely than those with younger children to give child-related reasons for not looking for work;
- were older, and for couple mothers, had a somewhat larger family size;
- had, among couple mothers, a greater proportion with poor English-language proficiency;

- had poorer self-reported health, a greater likelihood of having a long-term health condition and significantly lower levels of mental health;
- had no significant difference in limitations in social supports, though this was an issue for more non-employed lone mothers compared to couples mothers, regardless of age of youngest child;
- had lower levels of autonomy as measured on the aggregate scale and on a few specific measures; and
- largely did not differ significantly in regard to their attitudes to maternal employment, though some differences were apparent on two of the items.

It is important to note that the majority of non-employed mothers were not in the labour force, with many expressing no desire to be in employment. In particular, the mothers showing the least attachment to the labour force were couple mothers with children aged under 5 years old. Even if mothers expressed a preference for being employed, the most common reason for not looking for work was because of a preference for looking after their children.

Employment transitions of non-employed lone and couple mothers according to age of youngest child

This section makes use of two waves of HILDA to analyse factors associated with transitions into employment in 2011 for mothers who were not employed in the previous wave, in 2010. Respondents had to be in scope in Wave 10 (2010) to be included, so this section excludes mothers introduced into HILDA as part of the Wave 11 (2011) top-up sample. Some items explored in this report were not collected in Wave 10, and so to examine employment transitions in relation to these variables, the most recent year in which they were collected was used, and related to employment outcomes one year later. The items relating to sense of personal autonomy were taken from 2007, and the work–family attitudinal data were taken from 2008.

In these analyses, the characteristics of those who transition into employment are compared to those who do not transition into employment. This may provide more direct evidence of whether certain factors impede movement into employment. The sample sizes are not sufficient for separate analyses of lone and couple mothers and so all non-employed mothers are examined together.

Birth and education/employment history

Table 14 (on page 26) shows that those who moved into employment between 2010 and 2011 had, since leaving full-time education, spent more time in employment and less time out of the labour force. A strong association with recent employment history was apparent, such that those who moved into employment by 2011 had, in the financial year prior to the 2010 survey spent a greater proportion of time in employment and less time out of the labour force. Also, those who moved into employment were more likely to have been employed in the year before their first birth. Clearly, prior employment history is relevant when considering later employment outcomes.

Labour force characteristics

Table 15 (on page 27) looks at mothers' labour force attachment, and related items, in 2010, by 2011 employment status. Mothers who were employed in 2011 were more likely than those who were not employed in 2011 to have been unemployed in 2010 (that is, actively seeking work, and available to start work). This active job search may have led to later employment or may indicate an interest or willingness to enter employment that is otherwise not apparent among mothers who are not in the labour force.

Table 15 shows that among mothers who were not in the labour force in 2010, the percentage wanting to work was higher among those employed in 2011, though this difference was not statistically significant. Among those who were not in the labour force but wanted to work, those who entered employment included a relatively high proportion (compared to those who did not enter employment) who were not looking for work because they were pregnant or on maternity leave in 2010. This no doubt captures mothers who returned to work after a period of leave.

Table 14: Childbirth and education/employment history of mothers who were not employed in 2010, by employment status in 2011

Characteristics of mothers not employed in 2010	Not employed in 2011	Employed in 2011	Total not employed 2010	Employed vs not employed in 2011 (a)
Mean age of mother at first birth (years)	25.1	27.7	25.6	*
Mean age of oldest child (years)	9.7	6.7	9.1	*
Time since first left full-time education (mean years spent)				
Since left full-time education	17.8	16.7	17.6	–
In paid work	8.2	11.5	8.9	*
Looking for work	1.1	0.7	1.0	–
Neither working nor looking for work	8.4	4.7	7.6	*
Years employed since full-time education (mean %)	45.7	67.9	50.6	*
Recent employment history (2009–10) (mean percentage of year spent)				
Employed	9.7	38.1	15.6	*
Unemployed	6.3	4.7	6.0	–
Not in the labour force	84.0	57.1	78.4	*
Employed in year before first birth (%) (as captured in 2011)	48.2	83.5	55.7	*
Sample size	486	136	622	

Note: Only includes respondents in Wave 10 and Wave 11 who were lone or couple mothers in Wave 10. Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. (a) Statistical tests compare mothers according to whether they were employed in 2011.

Those who were not employed in 2011 were more likely than those who were employed to say, in 2010, that they were not looking for work because of their own illness, injury or disability. So this appears to impede movement into work for some mothers.

Those who were not looking for work because they were studying in 2010 made up a greater proportion of mothers who had entered employment by 2011, compared to those who had not entered employment in 2011. Studying, for some mothers, may have been part of an intentional break from employment, to advance their skills, qualifications or career opportunities.

No other reason for not looking for work varied significantly according to 2010 employment status.

Socio-demographic characteristics

A comparison of the socio-demographic characteristics of mothers who moved into employment with those who did not (Table 16 on page 28) shows that mothers who were not employed in 2010 but had entered employment by 2011 were more highly educated compared to those who had not entered employment; were less likely to have poor self-reported health and a long-term health condition; and were less likely to be a carer to someone due to their ill health, disability or old age.

Among those with partners who transitioned into employment, there was a somewhat higher percentage who had employed partners. Also, those who transitioned into employment more often lived in homes that they owned or were purchasing, compared to mothers who did not transition into employment.

Despite these differences, it is worth noting that having characteristics such as low education or poor health did not guarantee a negative employment outcome. For example, 39% of those who had entered employment by 2011, while lower than the 57% who had not entered employment, had only an incomplete secondary education.

Table 15: Labour force characteristics of mothers who were not employed in 2010, by employment status in 2011

Characteristics of mothers not employed in 2010	Not employed in 2011 (%)	Employed in 2011 (%)	Total not employed 2010 (%)	Employed vs not employed in 2011 (a)
Labour force status				*
Unemployed	6.6	14.0	8.2	
Looking for full-time work	2.4	6.1	3.1	
Looking for part-time work	4.3	7.9	5.0	
Not in the labour force	93.4	86.0	91.8	
Marginally attached	26.7	25.2	26.4	
Not marginally attached	66.7	60.8	65.5	
Sample size	488	137	625	
Not in the labour force				–
Want a job	34.0	44.8	36.2	
Maybe	7.7	4.3	7.0	
Don't want a job	58.3	50.9	56.8	
Sample size	473	131	604	
Selected reasons for not looking for work (NILF who had not looked for work in last 4 weeks, who want or maybe want a job)				
Prefers to look after children	62.2	47.5	59.2	–
Pregnancy/maternity leave	6.0	27.4	10.0	*
Waiting until youngest child starts preschool/primary school	8.5	6.0	8.0	–
Difficulties in finding child care	7.9	0.0	6.3	–
Other child care reason	12.3	9.8	11.8	–
Own illness, injury or disability	13.0	0.0	10.3	*
Ill health of someone other than self/ other family relation	7.0	3.8	6.3	–
Studying/returning to studies	4.5	9.7	5.6	*
Job-related reasons (b)	6.9	3.9	6.3	–
Other reasons	3.5	4.3	3.7	–
Sample size	177	43	220	

Note: Only includes respondents in Wave 10 and Wave 11 who were lone or couple mothers in Wave 10. Sample sizes vary somewhat due to non-response on particular items, and because some items apply only to sub-populations. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. (a) Statistical tests compare mothers according to whether employed in 2011. (b) Job-related reasons include no jobs in their line of work, no jobs with suitable hours, or no jobs at all.

Self-perceptions, social supports and values

It was expected that mothers with better mental health and with better social supports might be in a stronger position with regard to employment outcomes, and this is somewhat substantiated with these data. Table 17 (on page 29) shows that those who had moved into employment by 2011, among mothers not employed in 2010, had better mental health in 2010. Also, those who had moved into employment were somewhat less likely than those who had not to have said in 2010 that they often needed help but could not get it.

To examine associations with mothers' sense of personal autonomy, measures taken at 2007 were compared to employment outcomes in 2008, as 2007 was the last time prior to 2011 that these questions were asked (Table 18 on page 29). These measures of autonomy did not differ significantly by later employment outcomes.

Table 16: Socio-demographic characteristics of mothers who were not employed in 2010, by employment status in 2011

Characteristics of mothers not employed in 2010	Not employed in 2011	Employed in 2011	Total not employed 2010	Employed vs not employed in 2011 (a)
	%		%	
Single mother	20.5	13.7	19.1	–
Educational attainment				*
Bachelors degree or higher	18.1	28.8	20.3	
Complete secondary/certificate/diploma	25.4	32.2	26.8	
Incomplete secondary only	56.5	39.0	52.9	
Age of youngest child				–
0–2 years	48.4	57.9	50.4	
3–5 years	20.8	20.1	20.6	
6–9 years	17.1	12.4	16.1	
10–15 years	13.8	9.7	12.9	
Provides care (b)	16.7	5.4	14.4	*
Country of birth, language spoken at home and English language proficiency				–
Australia	70.0	76.9	71.4	
Overseas, English-speaking	4.6	5.6	4.8	
Overseas-born, non–English speaking, speaks English well or very well	16.7	17.5	16.9	
Overseas-born, non–English speaking, does not speak English well or at all	8.7	0.0	6.9	
Self-reported health status				*
Fair or poor	18.1	5.1	15.4	
Good or better	81.9	94.9	84.6	
Has long-term health condition	22.4	11.0	20.0	*
Partner is employed (c)	82.6	94.9	85.4	*
Housing tenure				*
Owns or purchasing	48.3	66.8	52.2	
Private renter	38.9	28.4	36.7	
Public renter	7.4	0.8	6.0	
Other	5.4	4.0	5.1	
Location				–
Major city	65.9	58.0	64.2	
Inner regional	22.1	27.3	23.1	
Other	12.0	14.7	12.6	
	Mean		Mean	
Age (years)	34.7	34.2	34.6	–
Number of children	2.3	2.0	2.3	–
Partner income, couple mothers only (financial year disposable $'000) (d)	61.0	63.0	62.3	–
Sample size	466	117	583	

Note: Only includes respondents in Wave 10 and Wave 11 who were lone or couple mothers in Wave 10. Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. (a) Statistical tests compare mothers who are not employed in 2010 according to whether employed in 2011. (b) Provides care to someone due to their long-term health condition, being elderly, or having a disability. (c) Calculated only for partnered mothers. (d) For means of partner income, twelve cases were excluded that had partner annual incomes in the top-coded category (with average income greater than $380,000).

Table 17: Self-perceptions and social supports of mothers who were not employed in 2010, by employment status in 2011

Characteristics of mothers not employed in 2010	Not employed in 2011	Employed in 2011	Total not employed 2010	Employed vs not employed in 2011 (a)
Mental health (mean; 100 = better mental health) (b)	70.1	73.2	70.7	*
Social support (% agreeing) (c)				–
I often need help from other people but can't get it	12.0	7.2	11.0	*
I have no one to lean on in times of trouble	19.0	11.1	17.4	–
Sample size	423	119	542	

Note: Only includes respondents in Wave 10 and Wave 11 who were lone or couple mothers in Wave 10. Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. (a) Statistical tests compare mothers according to whether employed in 2011. (b) Mental health assessed using SF-36 transformed (mean of 1 to 100, 100 = better mental health). (c) Percentage scoring between 5 and 7 on scale 1 (strongly disagree) to 7 (strongly agree).

Table 18: Personal autonomy of mothers who were not employed in 2007, by employment status in 2008

	Not employed in 2008 (%)	Employed in 2008 (%)	Total not employed 2007 (%)	Employed vs not employed in 2008 (a)
Agreement with statement by mothers not employed in 2007 (b)				
I have little control over the things that happen to me	17.3	17.3	17.3	–
There is really no way I can solve some of the problems I have	16.2	13.2	15.3	–
There is little I can do to change many of the important things in my life	17.3	11.6	15.8	–
I often feel helpless in dealing with the problems of life	18.4	16.5	17.9	–
Sometimes I feel that I'm being pushed around in life	20.8	17.3	19.8	–
Disagreement with statement by mothers not employed in 2007 (b)				
What happens to me in the future mostly depends on me	26.0	21.3	24.7	–
I can do just about anything I really set my mind to do	27.9	23.5	26.7	–
Mean score	2.71	2.58	2.67	
Sample size	363	150	513	

Note: Only includes respondents in Wave 7 and Wave 8 who were lone or couple mothers in Wave 7. Sample sizes vary somewhat due to non-response on particular items. Chi-square tests are used to compare distributions. * $p < .05$. (a) Statistical tests compare mothers according to whether employed in 2008. (b) Percentage scoring between 5 and 7 on scale 1 (strongly disagree) to 7 (strongly agree). (c) Percentage scoring between 1 and 4 on scale 1 (strongly disagree) to 7 (strongly agree).

To examine work–family attitudes and employment transitions, Wave 8 (2008) data were related to 2009 employment outcomes (Table 19 on page 30). As with the personal autonomy data above, this earlier data collection was used, as 2008 was the last time prior to 2011 that these questions were asked. As discussed earlier, it is problematic to consider how employment status and work–family values measured at the same point in time are related, because values may be influenced by employment status as well as contribute to them. However, the values expressed in 2008, among non-employed mothers, are explored in relation to their employment status one year later, to determine whether mothers with more positive attitudes to employment were more likely to later transition into employment. This appears to be the case.

Mothers who had transitioned into employment by 2009 were more likely than those who had not to agree, in 2008, that children do just as well if the mother earns the money and the father cares for the home and the children, and that a working mother can establish just as good a relationship with her children as a mother who does not work for pay. Also, they were less likely to agree that it is better if the man earns the money and the woman takes care of the home and children; that mothers who don't really need the money should not work; and that many working mothers seem to care more about being successful at work than meeting the needs of their children. These results suggest that more "traditional" attitudes toward maternal employment may contribute to some mothers' lack of movement into employment. Such attitudes, of course, may have been shaped by past employment patterns, such as having had a relatively long period of time out of the labour market while undertaking this caring role. Expressed values may also be based upon mothers' future plans or expectations regarding employment, and therefore cannot be thought of as some absolute measure of lifetime attitudes toward maternal employment.

Table 19: Work–family attitudes of mothers who were not employed in 2008, by employment status in 2009

Agreement with statements by mothers not employed in 2008 (b)	Not employed in 2009 (%)	Employed in 2009 (%)	Total not employed 2008 (%)	Employed vs not employed in 2009 (a)
It is better for everyone involved if the man earns the money and the woman takes care of the home and children	34.5	6.3	28.3	*
Children do just as well if the mother earns the money and the father cares for the home and the children	58.7	77.7	62.9	*
Mothers who don't really need the money shouldn't work	36.6	13.6	31.6	*
A working mother can establish just as good a relationship with her children as a mother who does not work for pay	39.0	61.6	43.9	*
Many working mothers seem to care more about being successful at work than meeting the needs of their children	27.7	11.2	24.2	*
Sample size	353	104	457	

Note: Only includes respondents in Wave 8 and Wave 9 who were lone or couple mothers in Wave 8. Sample sizes vary somewhat due to non-response on particular items. *T*-tests are used to compare means and chi-square tests to compare distributions. * $p < .05$. (a) Statistical tests compare mothers according to whether employed in 2009. (b) Percentage scoring between 5 and 7 on scale 1 (strongly disagree) to 7 (strongly agree).

Summary

In summary, the analyses of the characteristics of previously non-employed mothers and transitions into employment show that:

- those who moved into employment had a stronger history of employment participation, over the longer term, as well as in the more recent past;
- those who moved into employment had been more attached to the labour market in the previous year, through undertaking direct job searches and/or being available to work;
- those who moved into employment also had higher levels of educational attainment and, if partnered, were more likely to have an employed partner;
- caring responsibilities appeared to deter movement into employment;
- non-employed mothers with poorer health, mental health and perceived access to social supports were less likely than other mothers to transition into employment;
- measures of personal autonomy at one time were unrelated (at conventional levels of significance) to employment outcomes one year later; and
- more "traditional" attitudes toward maternal employment at one time were found among those who had not entered employment on year later—such attitudes may contribute to a lack of movement into employment.

While most variables examined were statistically significant, they did not fully explain the variation found among mothers who had moved into employment and mothers had not. Among mothers who entered employment were those with lower levels of education, with caring responsibilities, with poor health and with more traditional work–family attitudes, for example. Similarly, there was variation among those who remained out of employment.

It is of course true that entering employment can occur for a range of reasons; for example, some mothers may be more driven by preferences to work, while others might be more driven by the financial need to work. Either of these drivers could affect women with low or high levels of wellbeing, and with low or high levels of attachment to employment. Also, mothers with any of the characteristics examined may have a personal motivation to prioritise care of children at this life stage, especially when children are still young.

5. Discussion and conclusion

These analyses have highlighted several issues about maternal employment in Australia, contributing to the breadth of current literature on this topic.

One issue that stands out is the central role for mothers of caring. Many mothers, especially those with younger children, expressed a preference to not be working. Even if they indicated that they would like to be working, they often reported that they were not looking for work because of their caring responsibilities. Of course, the non-employed mothers with very young children included those who were on leave from their job. In analyses of transitions from non-employment to employment, these mothers (that is, those who reported they were not looking for work because they were on pregnancy/maternity leave) were well represented among those who moved into employment one year later.

Once children were school-aged, mothers appeared less constrained by their caring responsibilities or preferences to provide care for their children, though a large proportion of mothers who were not employed at this time still referred to caring responsibilities in their reasons for not looking for work.

For mothers, qualitative work has highlighted that decisions about the timing of return to work, and also the nature of that employment, are interwoven with mothers' views and preferences regarding the care of their children (Boyd, Thorpe, & Tayler, 2010; Hand, 2007). While survey data such as those collected in HILDA cannot easily inform on these complex decision-making processes, the role of caring for children has been clearly highlighted in these data.

Caring responsibilities also went beyond caring for young children, with some mothers caring for family members who were ill, were elderly or had a disability. This too seemed to constrain some mothers in their ability to be employed, consistent with previous research on the way in which caring responsibilities can limit employment (Edwards et al., 2008).

Maternal employment was associated with factors such as mothers' education and health status, which are well-known determinants of maternal employment (e.g., Austen & Seymour, 2006; Baxter, 2005; Baxter, 2012; Birch, 2003; Evans & Kelley, 2008; Gray et al., 2002; Parr, 2012; Renda, 2007). These factors were important generally in comparing levels of employment participation, and also, compared to couple mothers, lone mothers more often had those characteristics that were associated with lack of employment. This would contribute, then, to lone mothers' lower rates of employment. On the other hand, couple mothers had somewhat different characteristics that were also related to relatively low employment rates, in that they had a higher proportion with poor English-language proficiency.

Mothers with a greater connection to employment had higher education levels, and mothers who transitioned from non-employment into employment one year later also had higher education levels compared to those who remained not employed. Nevertheless, those with low education levels made up a significant proportion of those who transitioned into employment. This is an important reminder that lower education levels need not be a barrier to employment. Further, it is important

to consider that mothers of all education levels are likely to take some time out of employment when they are caring for young children.

Past employment patterns varied across the groups compared in these analyses. Current employment attachment appeared to be related to a longer term as well as more recent history of being in paid employment. For some mothers, non-employment was likely to be a continuation of a weaker connection to employment, even from the time before they became mothers.

Non-employment had some association with physical health problems, as indicated by poor self-reported health and having a long-term health condition. Especially, their own illness, injury or disability was given as a reason for not looking for work by a very high proportion of lone mothers and non-employed mothers with older children. Also, poorer health status was more evident for non-employed mothers who did not transition into employment, when compared to those who did transition into employment.

The roles of mental health, self-perception, and perceived social supports in explaining patterns of maternal employment were apparent in these data. Poorer wellbeing on these different aspects were often found among those who had a weaker connection to employment, and was also found for lone compared to couple mothers.

Mothers' sense of personal autonomy was weaker than other variables in explaining patterns of maternal employment. However, overall, couple mothers had more positive beliefs in personal autonomy than lone mothers, and among non-employed mothers, those with older children had a lower sense of personal autonomy than those with younger children.

Mothers' attitudes or values about maternal employment had associations with patterns of employment and future transitions into employment. What we do not know is how these attitudes have been formed, and the extent to which they have been shaped by a particular history of labour force involvement. There is clearly scope for more analyses of these data, to further our understanding of the importance of these factors in explaining mothers' rates of participation in employment.

The focus of this paper was quite specific: looking at the characteristics of mothers according to their engagement in the labour market. As such, the purpose was not to use maternal or family characteristics to predict mothers' employment participation, as has been done elsewhere (e.g., Gray et al. 2006; Baxter & Renda, 2011; Parr, 2012). Nor was the purpose to examine the implications of maternal employment for maternal or other family outcomes.

These HILDA data offer the potential to more fully explore the links between maternal employment and maternal outcomes, especially mothers' wellbeing. The detailed employment data could also be used to broaden the scope of the research question to examine the nature of jobs in which mothers work; for example, comparing full-time and part-time jobs.

While quantitative work such as this cannot provide complete insights into the decision-making processes that women go through when contemplating whether or not to enter paid employment, these HILDA data have nevertheless proved to be useful in providing contextual information about the employment patterns of women from different backgrounds, and with different characteristics or attitudes.

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Appendix

Table A1: Lone and couple mothers with children aged under 15, estimated percentages employed, by year

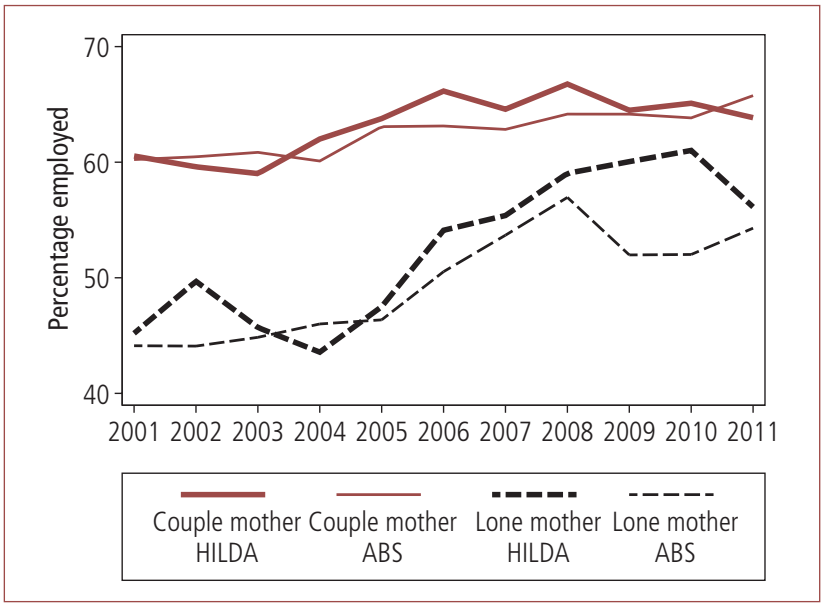
Year	Percentage employed			Sample size		
	Lone mothers	Couple mothers	All	Lone mothers	Couple mothers	All
2001	45.2	60.5	57.4	431	1,872	2,303
2002	49.7	59.6	57.6	393	1,670	2,063
2003	45.7	59.0	56.2	398	1,600	1,998
2004	43.6	62.0	57.9	393	1,551	1,944
2005	47.5	63.8	60.4	400	1,541	1,941
2006	54.1	66.2	63.8	373	1,531	1,904
2007	55.4	64.6	62.8	353	1,534	1,887
2008	59.0	66.8	65.3	362	1,481	1,843
2009	60.0	64.5	63.7	368	1,481	1,849
2010	61.0	65.1	64.3	357	1,521	1,878
2011	56.1	63.9	62.4	476	2,005	2,481

Note: A top-up sample was added to HILDA in Wave 11.

Table A2: Lone and couple mothers with children aged under 15, estimated percentages employed, by year and age of youngest child

Year	Lone mothers (age of youngest child)				Couple mothers (age of youngest child)			
	0–2 years (%)	3–5 years (%)	6–9 years (%)	10–14 years (%)	0–2 years (%)	3–5 years (%)	6–9 years (%)	10–14 years (%)
	Percentage employed				Percentage employed			
2001	19.2	43.5	57.5	58.8	43.5	62.5	69.5	75.0
2002	18.2	43.0	58.9	71.5	42.9	59.4	69.5	73.7
2003	20.7	46.1	47.3	60.3	38.4	59.6	71.0	76.4
2004	16.9	42.9	58.2	52.8	50.3	55.3	71.9	75.0
2005	25.8	37.8	55.6	64.5	50.0	63.7	73.5	74.0
2006	26.8	47.4	70.8	62.9	50.4	66.3	76.2	78.4
2007	23.8	55.1	69.0	66.3	49.1	62.6	74.1	79.6
2008	23.3	62.2	67.4	76.1	51.5	62.8	79.9	80.7
2009	27.4	64.1	66.9	79.0	46.7	70.8	72.6	78.7
2010	32.8	49.7	69.4	81.0	48.8	66.8	73.6	80.1
2011	25.9	44.2	67.1	74.1	45.9	63.3	73.6	82.6
	Sample size				Sample size			
2001	104	97	109	121	644	374	413	441
2002	81	87	101	124	526	364	398	382
2003	77	89	103	129	496	337	374	393
2004	85	76	105	127	479	341	335	396
2005	85	85	104	126	491	299	356	395
2006	73	76	92	132	492	299	353	387
2007	73	78	81	121	526	275	339	394
2008	88	70	88	116	526	268	319	368
2009	95	76	88	109	542	277	296	366
2010	79	82	87	109	575	277	290	379
2011	99	109	119	149	796	375	373	461

Note: A top-up sample was added to HILDA in Wave 11.



Source: HILDA, Waves 1–11 (Wave 11 release); ABS Supertable FM1: Labour force status by sex, state, relationship from April 2001 (estimates as at June each year)

Figure A1: Lone and couple mothers with children under 15, comparisons of ABS and HILDA estimates of percentages employed, by year

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Review of government initiatives for reconciling work and family life

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Abstract

This AIFS Research Report presents a review of government initiatives that help families balance their work and family responsibilities, highlighting innovative ideas and including a discussion of international trends and themes. Most of the information reviewed in this report pertains to OECD countries, especially New Zealand and countries in the European Union, as work and family policies have been extensively developed in these countries. Some East Asian countries have also been included, and for some countries, state (as opposed to federal) policies are discussed. The wide range of policies that have been used in different countries, combined with significant variation in approaches, means that those reviewed in this report are necessarily selective, and much of the discussion is quite broad. This review particularly focuses on government policies and approaches that address work and family issues for people with caring responsibilities for children or the elderly. The report outlines some of the broader aims, approaches and considerations of governments in the area of work and family, and then reviews policies related to leave and return-to-work policies; child care, child payments and early childhood education; working hours and other aspects of employment; and governance, support and promotion of work–family initiatives. This review reflects work–family policies that have recently been implemented (up to 2014) across developed countries, but not necessarily the state of play at the time of publication.

1 Introduction

This AIFS Research Report presents a review of government initiatives that help families balance their work and family responsibilities, highlighting innovative ideas and including a discussion of international trends and themes. Across the world, the importance of work–family policies to the wellbeing of families has been apparent for a number of decades now. The importance of these policies was highlighted through both the United Nations International Day of Families (in May 2012) and the East Asian Ministerial Forum on Families (EAMFF, 2–4 October 2012) having had themes of "Ensuring Work–Family Balance". In addition, one of the key themes for the 20th anniversary of the International Year of the Family in 2014 was work–family balance, as highlighted in the publication, *Family Futures* (Griffiths, 2014).

This review focuses on policies and approaches implemented by governments that address work and family issues for people with caring responsibilities for children or the elderly. While work–family programs may be developed and are often implemented at the level of the workplace, we have focused here on policy development that has occurred at a state or national government level. Such policies include those related to parental leave, working hours, child care, and various other issues.

The wide range of strategies that have been used by different countries, combined with significant variation in approaches, means that the policies reviewed in this report are necessarily selective, and much of the discussion is quite broad. The references cited provide more detail for the interested reader. The annual series *International Review of Leave Policies and Related Research* (Moss, 2014, was the most recent issue at the time of writing) is especially valuable as a resource concerning work–family policies relating to families with children. Numerous other country-specific and cross-country examinations of work-family policies were also referenced in undertaking this review. Less information was available on work–family policies that related to those with other caring responsibilities, perhaps reflecting the relative lack of attention to work–family policies in this area. Throughout, we have referred to summaries and analyses of these policies by Kröger and Yeandle (2013), Lechner and Neal (1999) and Bernard and Phillips (2007). Of course, governments' policy approaches can and do change over time, so this review should be considered to reflect work–family policies that have recently been implemented (generally, up to 2014) across developed countries, but not necessarily the state of play at the time of publication.

Most of the information reviewed in this report pertains to Organisation for Economic Co-operation and Development (OECD) countries, especially New Zealand (NZ) and countries in the European Union (EU), as work and family policies have been extensively developed in these countries. Some approaches of East Asian countries, such as Singapore, Japan and Korea, have also been noted. Some state (as opposed to federal) policies have been discussed where appropriate (for example, specific examples from selected states of the United States, and Québec, in Canada).

In the area of work and family, governments have taken different approaches, sometimes reflecting different objectives and funding arrangements. We begin, then, by providing an overview of some of these issues in section 2 of this report, before turning to the specifics of work–family policies and programs. The areas covered are as follows:

- leave and return-to-work policies (section 3);
- child care, child payments and early childhood education (section 4);

- working hours and other aspects of employment (section 5); and
- support and promotion of work–family initiatives (section 6).

The final section of the report draws out some of the overriding issues and challenges for the development of work–family policies.

Our review does not include detailed discussion of Australian work–family approaches. For a recent outline of work–family policies in Australia, refer to Hayes and Baxter (2014) and other articles pertaining to Australia in Griffiths (2014). For additional analyses and critiques of work–family programs in Australia, refer, for example, to Baird, Williamson, and Heron (2012), Burgess and Strachan (2005), Craig, Mullan, and Blaxland (2010), the OECD (2002, 2007), Skinner and Chapman (2013), Skinner, Hutchinson, and Pocock (2012), and Whitehouse, Baird, and Alexander (2014).

2 Work and family: Objectives and contexts

2.1 Policy objectives

A number of factors have led governments to develop policies to address work–family reconciliation. Pressures have come from workplace change, technological change, as well as demographic change. For example, the demise of the "standard" 9-to-5 work day means that long work hours and work during non-standard hours spills over into what has conventionally been family time. Also, technological advances have resulted in improvements in connectivity between home and work. This can both be helpful in managing work–family balance, and harmful in making it more difficult to keep work from encroaching into family time. Commuting time can also contribute to families' difficulties in managing their work and care responsibilities. A special case of this is with "fly-in-fly-out" employment that can be associated with a family member living apart from the family for days or weeks at a time. Demographic change—in particular, declines in fertility and the ageing of the population—have also been behind a focus on work–family policies, given an awareness of associations between availability for caring (for children and others) and workforce participation.

Each of the subsections below describes more specifically some of the objectives that have led to the development of work–family programs. These policy goals, as with the actual details of the policies, vary considerably across countries, and specific examples are provided.

Note that the policies covered in this report were not always developed with the explicit goal of addressing work and family issues. Neither were they always specifically aimed at those with caring responsibilities. For example, some of the policies reviewed in this report were developed to address labour productivity. Others were developed to address the broader concept of "work–life", in which it is recognised that it is not just those with family responsibilities who seek a better balance between work and outside-work interests.

Paid employment: The labour market

For some governments, building up the paid labour market is a significant concern, and some of the strategies discussed in this report were primarily developed to address this. For example, this has been an objective of work–family programs in the EU (European Foundation for the Improvement of Living and Working Conditions [EFILWC], 2006). Most relevant to this report is the delivery of policies that provide supports for those with family responsibilities to engage in paid work, such as child care programs. However, other policies developed outside of the sphere of work and family have implications for those with family responsibilities, including those intended to stimulate growth in employment. The clearest example of this is in France, where the establishment of a 35-hour week had a primary objective of reducing unemployment. A secondary objective was to improve the quality of life for workers, given reduced work hours would mean more time for leisure or family (Hayden, 2006).

Paid employment: Financial wellbeing and social inclusion

An outcome of successful work–family policies—inasmuch as they enable more family members to work—is that poverty rates (including child poverty rates) can be reduced, and concerns about social exclusion addressed. Addressing such concerns has been a central goal of the UK government in its approach to work–family issues (OECD, 2005), and this has also been recognised in the EU (Commission of the European Communities, 2008c).

Paid employment: The wellbeing of workers

Paid employment can provide more than money; providing opportunities for social interaction and support, such that research has found that workers experience higher levels of self-esteem (London, Scott, Edin, & Hunter, 2004) and exhibit more positive parenting (Marks & MacDermid, 1996; Marshall & Barnett, 1993) compared to those outside of employment. However, work can spill over to families through loss of time or having more pressured time together, and to individuals by way of poorer health, wellbeing and life satisfaction (Pocock & Clarke, 2005; Strazdins, Clements, Korda, Broom, & D'Souza, 2006). A policy approach that addresses the employment conditions of workers may alleviate the negative consequences of work on family, and thereby improve outcomes for all family members, including children. Just as work can spill over to family, family can spill over to work. Family responsibilities can cause stress or time management difficulties that affect functioning at work (Barnett, 1994; Voydanoff, 2005), and so addressing issues of work–family spillover can have positive flow-on effects back to the workplace (Duxbury & Higgins, 2003).

Child wellbeing

Improved child wellbeing is a key objective of addressing financial and employee wellbeing through work–family policies, as discussed above. In the UK, promoting parental employment has been a major strategy in addressing child poverty, and in Canada also, addressing child wellbeing has been an objective of supporting families in work (OECD, 2005).

Also, the wellbeing of children is central in regard to the provision and use of non-parental child care. Even when child care policies are developed primarily to help address parental employment, the wellbeing of children is still a key concern. As such, the provision of high-quality child care and early childhood education has been an important focus of governments, to ensure families have access to options for their children that address minimum standards in quality. Where policies are developed in the related areas of early childhood education and school, work–family issues tend to be less-often considered, sometimes causing tensions between work and caring (see section 4).

Gender equity

An inability to combine work and family is more likely to result in women rather than men withdrawing from the labour market, since the unpaid work associated with caring is more often done by women. It is therefore women's employment that is affected more than men's when work–family supports, such as adequate child care and leave, are not available (Orloff, 2002). This affects women's earnings and future labour market involvement, having longer term implications for their financial wellbeing and placing them at greater risk of poverty (Commission of the European Communities, 2008c). Gender issues are therefore paramount in the area of work and family.

Improving gender equity has been a very significant priority in many countries, reinforced by the priorities of the EU and International Labour Organization (ILO), who advocate addressing gender equity through work–family policies (Commission of the European Communities, 2008c;

ILO, 2009). The Nordic countries have a strong gender equity focus, with the aim of enabling men and women to be able to contribute equally to the paid labour market and also to take on equal sharing of care responsibilities (O'Brien, Brandth, & Kvande, 2007). A specific gender equity objective has been important in the development of working hours and child care policy elsewhere, including the Netherlands (OECD, 2007).

While work–family policies initially focused on improving ways for women to reconcile work and family, since the late 1990s the focus has shifted to men. Flexible leave options and parental leave policies have been targeted as a means of encouraging more equal take-up of family-friendly policies between men and women, and increasing men's involvement in care responsibilities (Moss, 2008; O'Brien et al., 2007). Several countries have followed this approach, not just because of gender equity, but also because, with mothers increasingly involved in the paid labour market, other options for caring for children or other family members have been needed. These changes have also been influenced by increased awareness of the benefits to children of having greater involvement with their father (O'Brien et al., 2007). The shift to father-oriented policies is an important one, for as long as family-friendly programs are considered relevant only to women, it is likely to be women who continue to shoulder the responsibility for caring.

In many countries, however, take-up rates of family-friendly work options continue to be lower for men than for women. This is in part explained by the gender gap in pay, which means that couples making decisions about who should curtail their labour market participation are likely to have the higher earner—usually the man—more fully employed (see the gender gap for selected OECD countries in Table 1). Beyond policy and financial reasons, broader cultural and attitudinal influences regarding the care of children or others are strong determinants of the roles men and women undertake.

Table 1 (on page 6) presents a number of key employment indicators for women among selected OECD countries, showing considerable diversity in the employment contexts across these countries. There are significant differences in female employment rates, and more specifically, maternal employment rates, with relatively low rates in Japan and Germany and relatively high rates in the Nordic countries. There are also large differences in the use of part-time work, with high rates for women in the Netherlands. Further, the gender wage gap is relatively large in Japan and Korea, while in countries such as Denmark, New Zealand, France and Poland, the gap between male and female earnings is narrower.

In almost all of the OECD countries listed in Table 1 employment rates are lower for mothers of children aged less than 3 years than for those with children aged 3–5 years. Maternal employment rates for mothers with children less than 3 years are also shown in Figure 1 (on page 7), separately showing the percentages in work and on maternity or parental leave. This is important—mothers who are employed are not all at work, and this varies considerably according to the availability of different maternity or parental leave arrangements (discussed in section 3).

Fertility

One response by men and women to perceived or actual difficulties in managing work–family balance is to minimise family obligations, or defer them for as long as possible. These responses result in men and women having fewer children than they might prefer, due to the effects of declining fertility levels among those who delay childbearing for too long (Gray, Qu, & Weston, 2008). In many countries it is recognised that women's difficulties in combining work and family may be contributing to their fertility decisions, and to subsequent lower aggregate fertility rates (Commission of the European Communities, 2008c). One reason, then, for developing good work and family policies, is to address concerns about fertility declines. Countries that have attempted to address fertility issues using work–family policies include Singapore (National Population and Talent Division, 2013), Japan (OECD, 2003; Ogawa, 2003) and Germany (Morel, 2007).

Table 1: Key employment indicators for women in selected OECD countries

	Employment/population ratio				All employed women, part-time employment, 2013 [d] (%)	Gender wage gap 2010 [e] (%)
	All women, 2013 [a] (%)	Mothers, 2011 [b] (youngest child aged < 3) (%)	Mothers, 2011 [b] (youngest child aged 3–5) (%)	Single mothers 2009 [c] (%)		
Australia	68.3	48.3	58.5	52.0	38.1	20.4
Austria	68.6	66.3	68.1	78.3	33.3	24.1
Belgium	57.6	62.1	72.7	59.2	31.4	10.0
Canada	71.6	64.5	70.4	67.6	26.5	17.4
Denmark	71.2	71.4	77.8	82.0	24.7	14.7
Finland	69.0	51.8	76.0	70.2	16.7	20.6
France	60.9	58.1	69.5	69.9	22.5	19.9
Germany	70.1	52.8	65.5	64.6	37.9	18.9
Greece	40.5	49.2	55.4	76.0	15.6	9.3
Hungary	53.2	6.0	62.0	61.6	6.2	16.3
Iceland	83.1	n.a.	n.a.	81.0	24.6	20.6
Ireland	56.9	58.8	52.6	52.0	36.2	n.a.
Italy	47.7	53.4	50.6	76.4	32.8	12.4
Japan	68.8	29.8	47.9	85.4	36.2	29.4
Luxembourg	59.5	72.7	55.6	80.2	27.7	n.a.
Netherlands	70.8	75.8	75.6	63.8	61.1	20.4
New Zealand	71.2	42.2	61.3	54.4	33.4	11.4
Norway	75.5	n.a.	n.a.	69.0	28.8	14.7
Portugal	60.7	67.6	77.8	78.1	14.0	8.1
Spain	51.4	55.0	57.1	78.0	23.4	6.1
Sweden	74.4	71.9	81.3	81.1	18.4	18.2
Switzerland	76.6	58.3	61.7	67.0	45.7	n.a.
United Kingdom	68.5	56.9	61.2	51.8	38.7	21.3
United States	65.7	53.9	73.8	72.8	16.7	21.2
OECD average	59.9	52.2	65.6	67.0	26.1	17.3

Notes: [a] Data for female employment include women aged 15 and over.

[b] Data are for 2011 except for Finland and New Zealand (2009), Sweden (2007), Switzerland (2006), Japan (2005), Iceland (2002), and Denmark (1999). In the OECD database the Australian data were reported for mothers with a child aged less than 5 years (48.7%, as at 2009). The data shown here were calculated from the 2011 ABS Child Care and Education Survey Unit record file. Note that the percentage employed includes those on maternity or parental leave, which varies considerably across countries (refer to OECD, LMF1.2 Maternal employment).

[c] Data are for sole mothers aged 15–64 years, except for Canada, Denmark, New Zealand, Norway, Sweden and Switzerland, which show data for sole parents. Australian data were derived from ABS labour force data and refer to all single mothers with children aged under 15 years. Age ranges of children vary across other countries' statistics.

[d] Data are for 2009, except for Canada, Japan, Denmark, Switzerland and Sweden (2005); and New Zealand (2006).

[e] Data are as at 2010, except for Canada, Hungary, Japan, New Zealand, Norway, UK and US (2011); France and the Netherlands (2009); and Iceland (2008). The gender wage gap is unadjusted and is calculated as the difference between median earnings of men and women relative to median earnings of men. Estimates of earnings used in the calculations refer to gross earnings of full-time wage and salary workers. However, this definition may slightly vary from one country to another.

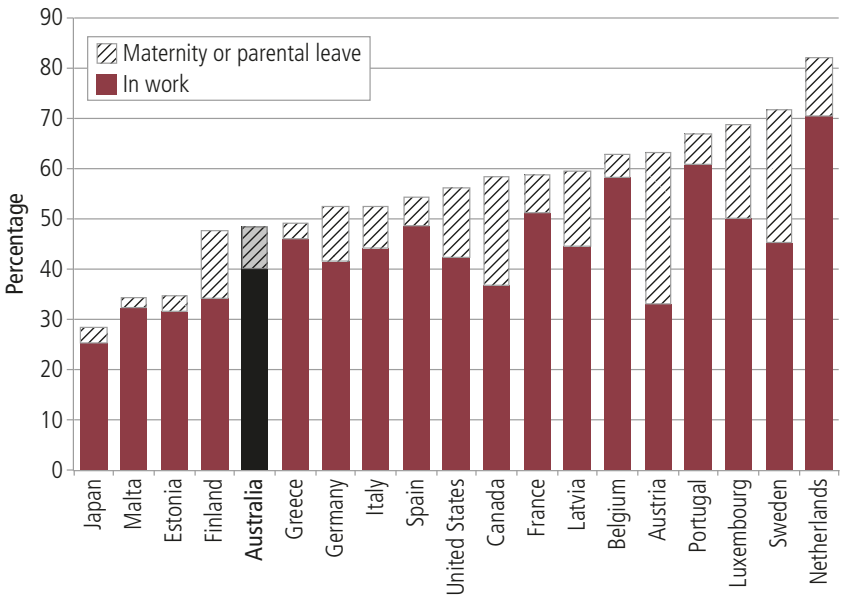
Sources: OECD employment database (downloaded August 2014, LFS by sex and age)

[a] OECD Family database (downloaded August 2014, LMF1.2 Maternal employment); Australian estimates are derived from ABS (2011) Child Care and Education Survey confidentialised unit record file

[b] OECD Family database (downloaded August 2014, LMF1.3 Maternal employment by family status); Australian estimate is from ABS Labour Force Status (ST FM1) by Sex, State, Relationship (downloaded July 2013)

[c] OECD Employment database (downloaded August 2014, FTPT employment based on a common definition)

[d] OECD Family database (downloaded August 2014, LMF1.5 Gender pay gaps for full-time workers and earnings by educational attainment)



Note: The Australian figure is an estimate derived from the ABS 2011 Child Care and Education Survey. Total employed is differentiated into "in-work" and "on maternity or parental leave" based on actual hours worked previous week. Those who worked no hours or fewer than one hour are counted as "on maternity or parental leave". This is therefore an over-estimate since it includes those on forms of leave other than maternity leave. For notes about and sources for other countries, refer to OECD Family database, LMF1.2 Maternal employment. Data are as at 2011, except Finland and Malta (2009), Sweden (2006), Denmark (2004), and Canada and Japan (2003).

Source: OECD Family database (downloaded August 2014, LMF1.2 Maternal employment); Australian estimates are derived from ABS 2011 Child Care and Education Survey

Figure 1: Employment of mothers with children aged less than 3 years, selected OECD countries, 2011

2.2 Work–family (and work–life) policies over the life course

As difficulties in balancing work and family are greatest within families with young children, many work–family policies focus on that life stage. Such policies include leave for parents for a period after the birth of a child or for other times children need care, access to flexible or otherwise suitable jobs on return to work, and addressing the availability of child care. The OECD has noted that to provide the most help to families with young children, it is best for governments to provide work–family policies that give a continuum of support across the life cycle (OECD, 2007), from the planning of births through to when children are grown up. Countries such as Sweden and Denmark provide such support. In other countries, such as the US and the Netherlands, there are policy gaps at particular times, such as when parental leave ends, or when children go to school. For example, the length of parental leave (and whether or not, and at what value, this is paid) in relation to the age at which children start preschool gives an indication of how long parents will be required to depend on other forms of care if intending to return to work at the end of the period of parental leave. Plantenga and Siegel (2005) reported considerable variation in this gap.[1] The longest gaps were experienced by families in the Netherlands and Greece (around 185 weeks), while extended leave and/or early entrance to preschool made the gap far narrower in Finland, Spain, Hungary, Sweden and Latvia

1 This gap was the difference between "effective parental leave"—a measure incorporating the length and value of parental leave, as derived by Plantenga and Siegel (2005)—and the age of commencement in pre-primary school. This does not take into account that, for some countries, including Australia, the hours during which children attend preschool are likely to be too few to cover care needs. Commencement of primary school may be more appropriate as the end of the potential "gap" period in some countries.

(around 40 weeks or less). Updated analysis of these gaps is also presented in the International Review of Parental Leave and Related Research series (see Moss, 2014).

Some governments have incorporated into their frameworks that caring responsibilities may include not only children, but also adults, so ensuring that policies are accessible to all those with caring responsibilities. For example, the Netherlands *Work and Care Act 2001* applies to anyone with caring responsibilities. The definition of "caring responsibilities" is not uniform across countries, however, particularly in regard to whether the care recipient must be a relative or not, the severity of the condition of the care recipient, and whether the care recipient resides with the carer. For example, Hegewisch and Gornick (2008) reported that in New Zealand, "caring responsibilities" encompasses any relationship in which one person is caring for another, and is not restricted by any provision regarding the care recipient's needs.[2] They noted that in the UK, the caring relationship must be with a relative, partner or someone living at the same residence.[3] Like New Zealand, in the UK it was also decided that no limitations should be placed based on need, as incentives for abuse are low and the administrative burden caused by such a limitation is thought to be excessive.

As the labour force participation of women in later life increases, the ageing of the population progresses, and the care for elderly family members remains predominantly the responsibility of the family, elder care issues are expected to become more significant. Internationally, the development of work–family policies relevant to those with elder care responsibilities has not been expansive (Anderson, 2004; Kröger & Yeandle, 2013; Lechner & Neal, 1999). Governments have often focused more on policies directed towards the person needing care, rather than the caregiver (Lechner & Neal, 1999), although some governments have addressed elder care more fully. For example, the New Zealand government explicitly outlined a commitment to improve the choices of those caring for adults of all ages in its 2006 ten-year plan, Choices for Living, Caring and Working (Taskforce on Care Costs, 2007). The Japanese government has also explicitly recognised the needs of working carers, and several policies have been developed in this area (Neal & Hammer, 2007).

Many work–family policies for those with elder care responsibilities have evolved from those designed for families with children (Bernard & Phillips, 2007). However, there are important points where work–family policies for those with elder care responsibilities differ from policies for those caring for young children:

- For families with elder care responsibilities, the degree to which elder care supports or services are available in the community, and also the interaction with the health sector, are relevant.[4]
- Elder care responsibilities can be protracted and unpredictable. There may also be additional issues if the care recipient lives some distance from the care provider (Bernard & Phillips, 2007; Davey & Keeling, 2004).
- Workers with elder care responsibilities are likely to be older, and perhaps contemplating retirement themselves. It may be very important for these workers to remain in employment, despite their caring responsibilities, in order to preserve pension/superannuation entitlements and to ensure their longer term financial security. It might be particularly difficult for these workers to recommence employment if they need to leave work to undertake care responsibilities. Employers may be less willing to allow these workers access to flexible work options, especially if retirement or partial retirement is likely in the near future (Lechner & Neal, 1999). Also, employees may be less willing to ask for help with issues related to elder care than they are for child care (Bernard & Phillips, 2007).

2 A 2010 review of the New Zealand legislation recommended that the right to request flexible work arrangements be extended to all employees, not just those with caring responsibilities. See the *Review of Part 6AA: Flexible Working Arrangements* <www.dol.govt.nz/publications/research/part-6aa/potential-options.asp>.

3 "Partner" and "relative" are quite broadly defined (Taskforce on Care Costs, 2007).

4 For more extensive discussions on issues related to employed adults with elder care responsibilities, refer to Hegewisch & Gornick (2008), Hein (2005, pp. 90–94), Hoskins (1997), Kröger and Yeandle (2013), Lechner & Neal (1999), Merrill (1997), Neal & Hammer (2007), the Taskforce on Care Costs (2007), and Watson & Mears (1999).

Some countries have made their focus "work–life", rather than "work–family", policies acknowledging that those without family responsibilities also have a need to balance their work time with other elements of their life. This has been the approach in the Netherlands, Germany and France, regarding the right of all employees to access (or request) changes in working hours.[5] As discussed by Hegewisch and Gornick (2008), broadening access can address gender equity issues and lessen the danger of a "mummy track".[6] It can also be easier from a manager's perspective, in terms of having a range of people with differing yet possibly complementary scheduling preferences, and also in terms of avoiding resentment that can exist among those who would like to access but are not eligible for certain working arrangements.

2.3 Policy contexts

To fully understand different countries' approaches to work–family issues, it is necessary to consider how the policies in each country work together to form a "package", and to consider how they operate within country-specific economic, social, demographic, cultural and institutional contexts.

The range of policies and objectives across countries reflect different governments' priorities and policy approaches more generally. In some countries, a broad range of policy measures have been introduced to support families, such as the provision of services, funding of paid leave and regulation of employer behaviour through sanctions (e.g., Sweden and Denmark). In other countries, government intervention is minimal and the provision of work–family balance supports is left to employers (e.g., the US). Most countries fit in the middle of these two extremes and have a mix of government intervention and private provision (Hein, 2005). The different approaches countries have taken are founded in their overall approaches to social welfare, employment and family policy. The often-used classification of countries suggested by Esping-Anderson (1999) is useful way of thinking about these approaches:

- *Liberal welfare states* are characterised by relatively low levels of state-provided welfare, and a greater reliance on the market. Care needs are largely considered the responsibility of the family. State assistance is more often targeted to those in need, rather than being universally provided. Countries often classified as such include Australia, the US, the UK and Canada.
- In *conservative welfare states* the family is the central focus, and government support tends to reinforce the family as the main provider of welfare to individuals. Targeted assistance is available where this family-based (and primarily male breadwinner) model fails. Examples are Italy and Germany. Various policies exist in these countries in relation to parental leave and child care, but they are less about increasing maternal employment than they are about reinforcing families as the main care providers. Access to particular policies or entitlements tends to depend upon occupational status, rather than being equally available to everyone.
- In *social democratic welfare states*, state provision of services and benefits, equally available to everyone, is the central feature. There is a high degree of assistance to families, in the form of services and cash payments. Gender equity is an important goal, and therefore policies have been developed to facilitate women's involvement in employment, and increasingly, men's uptake of care responsibilities. These policies include comprehensive parental leave policies. Child care and elder care needs are also met by the state. Taxes are relatively high to fund these services and benefits. This is how Norway, Denmark, Sweden and Finland are classified.

While this classification is not thought to fully capture the differences across countries and types of welfare regimes, and various other classifications have been offered, it nevertheless shows some of the diversity in the environments in which work–family policy is being developed and applied (Blunsdon & McNeil, 2006; Edlund, 2007).

5 There are some restriction that apply, such as length of tenure in current job, but no restrictions with respect to the nature of the caring responsibilities.

6 The "mummy track" is a term used to describe the lesser opportunities for career or work progression by women who combine work with motherhood.

Country-level objectives are also influenced by those set out by supranational organisations such as the ILO and EU. The ILO has a particular role in promoting its Decent Work Agenda, which involves the four strategic pillars of: employment, rights at work, social protection and social dialogue, with additional cross-cutting objectives of gender equality and non-discrimination (Cruz, 2012). Various ILO conventions are relevant to the broad area of work and family, although the most closely related are no. 156, Workers With Family Responsibilities (with supplementary ILO Recommendation No. 165), and no. 183, Maternity Protection. (See Box 1 and the ILO [2009] publication *Work and Family: The Way to Care is to Share!*, which outlines and discusses ILO approaches). Countries that sign up to particular ILO conventions are required to submit regular reports and be supervised with regard to their government's adherence to the standards set out in a particular convention.[7] The ILO report by Cruz (2012) summarises and provides some examples of country-level information on ILO Convention No. 156 and No. 183.

Box 1: International labour standard instruments on work and family

The Workers With Family Responsibilities Convention, 1981 (No. 156), and the Workers With Family Responsibilities Recommendation, 1981 (No. 165) are the main international standards addressing the issues and concerns regarding the reconciliation of work and family life. They provide considerable guidance on policies and measures which are needed to help workers with family responsibilities and to reduce work–family conflict. The foundation of the convention and recommendation is based on the principle of creating equality of opportunity and treatment in employment and occupation between men and women workers with and without family responsibilities.

ILO Convention No. 156 applies to all branches of economic activity and all categories of workers. Countries that ratify this convention make it the aim of national policy to enable persons with family responsibilities to exercise their right to obtain or engage in employment without being subject to discrimination and, to the extent possible, without conflict between their employment and family responsibilities. It also provides that all measures compatible with national conditions and possibilities shall be taken to:

- enable workers with family responsibilities to exercise free choice in employment;
- take account of their needs in terms and conditions of employment and in social security needs and community planning;
- develop or promote community services, such as child care and family services and facilities;
- provide vocational training and guidance to help workers with family responsibilities get into and remain in the labour force;
- promote information and education that contribute to a broader public understanding on the principle of equality of opportunity and treatment for men and women workers with family responsibilities.

Finally, it states that family responsibilities, as such, should not constitute a valid reason for termination of employment.

Source: International Labour Standard Instruments on Work and Family, <www.ilo.org/travail/aboutus/WCMS_119237/lang--en/index.htm>

Both the ILO and the EU have had a very significant focus on addressing gender equity through the development of appropriate work–family policies. The EU establishes a range of directives, targets and goals for member countries that relate specifically to gender equality and work–family policy (e.g., refer to Commission of the European Communities, 2008a, 2008c; EFILWC, 2006).

At the 2012 East Asian Ministerial Forum on Families, the "Brunei Darussalam Statement on Ensuring Work Family Balance" set out a range of issues that the governments of the participant

7 These reports are available from the ILO website. For example, all reports and requests relating to ILO Convention No. 156 are listed at <tinyurl.com/qh56jmf>.

countries agreed on in relation to the development of work–family policy.[8] (See the Appendix for a copy of the statement.)

2.4 Implementation and funding of work–family policies

The implementation of governments' work–family policies varies across countries. Some policies may be written into legislation—for example, the 35-hour work week in France, and access to parental leave and rights to request flexible or part-time work in several countries—while others involve the government's provision of a range of supports and services (see examples in section 6). Of course, even when a policy is legislated, access to and take-up of that policy may depend upon the employers' roles in delivery of a policy, and depend on individuals' wishes or needs to make use of particular policies.

The funding of work–family policies—both the amounts directed to specific policies, and in the way funds are delivered—differ considerably across industrialised countries (Blunsdon & McNeil, 2006; Fagnani & Math, 2008). Typically, funds allocated to work–family policies in liberal welfare states are the lowest, as individuals depend upon such solutions to be made available by employers, as negotiated on an individual or collective basis. To varying degrees, there is some provision of public services such as early education for young children. At the other end of the spectrum, in the social democratic countries, benefits and services are provided to all, through a high tax base.

Many countries use social insurance (or social security) schemes to fund parental leave arrangements, as well as other entitlements, such as unemployment benefits. In these schemes, all employed people make contributions to a fund, which is also added to by employers and the state. Countries in which such schemes are used to fund paid maternity leave include Canada, France, Germany, Italy, Japan, the Netherlands and the UK. In Sweden, paid maternity leave is funded through health and parental insurance, which is also based on state and employee contributions, but the larger contributions are made by employers. Few countries require employers to fully bear the cost of parental leave, but in some (e.g., Switzerland and Germany) leave is funded partly by employers and partly through social security. Also, even when the parental leave scheme is fully funded through social insurance, rates of payment are often at less than 100% of prior earnings. Collective agreements within particular workplaces may provide for wage replacement to be topped up to 100% by employers (see Moss, 2014).

For governments, the costs of some policies can be significant, especially in regard to the public provision of child care. On the other hand, benefits to governments can accrue if child care (or other work–family policies) facilitates maternal employment and a subsequently larger tax base. Given the costs, these funding issues are important. As Gault and Lovell (2006) noted in their discussion of US work–family policies, "state and federal battles concerning leave policies and early care and education policies often stand or fall on the basis of cost and financing mechanisms" (p. 1156).

With the recent global recession, funding of work–family policies came under pressure in a number of countries. For example, since 2009 in Spain, there have been reductions in payments and/or income ceilings introduced for parents taking leave provided by regional governments (Escobedo & Meil, 2014). In Greece, the recent financial crisis resulted in significant changes affecting workers' rights, including reductions in minimum wage levels and, consequently, levels of unemployment and other payments (Hatzivarnava-Kazassi, 2012). Hatzivarnava-Kazassi also noted that work flexibility (including part-time work) increased, but without adequate or adequately enforced safeguards in place. Further, they noted that the poorer economic circumstances were likely to lead to lower take-up rates of leave in the private sector, due to fear of dismissal. A report on parental leave policies and the economic recession in Nordic countries (Parrukoski, Lammi-Taskula, & National Institute for Health and Welfare, 2012), on the other hand, noted that Iceland was the only Nordic country for which parental leave policies were affected by the global recession, with the most significant change being the lowering of the

8 The forum was attended by official delegations from Australia, Brunei Darussalam, Cambodia, China, Indonesia, Lao PDR, Malaysia, Philippines, Republic of Korea, Singapore, Thailand, Timor-Leste and Vietnam.

income ceiling for parental leave payments. The home child care allowance was also abolished in many municipalities. Eydal and Gíslason (2014) also noted that a proposed increase in parental leave in Iceland has been put on hold given the country's financial circumstances, pending a decision about how the increased leave would be financed.

2.5 Financial support to families and implications for employment

Governments vary in the way they support individuals and families—the total amount varies, as does whether this support is provided through cash payments or through the funding of services, and whether support is provided universally or targeted to those deemed to be most in need. Without aiming to summarise variation in these areas, below we identify some issues that are relevant to work–family decisions arising from particular approaches to government support. Further information and international comparisons can be found in OECD (2007) *Babies and Bosses* report.

Across OECD countries, financial arrangements to support individuals to remain out of employment are most often in place for the period immediately after a new child is born. This may be in the form of parental leave (see section 3.1) or child care payments (see section 4). The incentive to withdraw from employment to care for a child at this time is likely to be influenced by the availability and generosity of this financial support relative to potential wages. For those with higher earning potential, these payments may not be sufficient to encourage a withdrawal from work, while for those with lower earning potential, financial incentives to move into employment can be low. When children are very young, the availability and cost of non-parental child care will also be an important part of the decision. The degree to which governments subsidise the costs of non-parental child care varies considerably across countries.

Outside the period of time of new parenthood, governments may provide some financial support to those who are out of employment for other reasons. However, in most OECD countries, men and women are required to be seeking work in order to receive income support or social assistance, unless they have some other—for example, health-related—exemption. In a few countries, extended periods of support are available for not-working parents of young children, which can act as an incentive to remain out of employment for a longer time (see section 4).

Financial incentives to work are also affected by the availability of other support provided to families. Governments (including in Australia) often provide financial assistance to help with the costs of raising children through cash payments or the tax system, and government support can also be made through assistance with housing costs, health care costs and funding of school services. The "package" of assistance varies considerably across countries and within countries, and often varies in value according to family structure (couples versus single parents, and numbers of children) and family earnings (see Bradshaw & Finch, 2002). When these payments and services are targeted to those most in need, increased earnings from paid employment will reduce entitlements. Tests to determine eligibility for such benefits and allowances are often based on family, or couple, income. Therefore, for families with children, as the earnings of either parent increases, government entitlement to such payments may be withdrawn.

Financial disincentives to work may also apply to those who receive financial assistance for their provision of elder care, whether such payments are made directly by government or through the care recipient. However, it appears that financial assistance to carers, where it exists, is unlikely to generate large disincentives to enter the workforce, as these payments tend to be quite low in value. See the report of the Taskforce on Care Costs (2007) for examples of carer allowances in a range of countries.

In recognition that some working parents may not be able to access jobs with earnings sufficient to sustain a family—and to address issues of child poverty—various governments also have a system by which working parents are eligible for support (in-work support). This has been a major focus of the UK government, as a means of encouraging parents into work (the Working Tax Credit), and has also been the approach of the US, Canada and New Zealand (Brewer, Francesconi, Gregg, & Grogger, 2009). As stated by Brewer et al.:

> These governments have used tax credits in an attempt to alleviate poverty without creating adverse incentives for participation in the labour market. In-work benefits achieve this goal by targeting low-income families with an income supplement that is contingent on work. (p. F1)

The availability of these in-work payments can be very important for those moving out of income support into employment, who otherwise might face a loss of government support greater than the gain in earnings.

The extent to which reducing engagement in employment for caring purposes is financially feasible is strongly related to the financial incentives generated by the tax and benefit systems of a country. While not conventionally thought of as work–family policies, their importance in framing choices regarding whether or not to take up paid employment, and how many hours to work, mean they have direct relevance to individuals in regard to work and family (Adema & Whiteford, 2008; Kelly, 2006; OECD, 2007). The take-home income from employment is affected not only by the initial wages, but by the amount and nature of taxation, and other payments such as social insurance contributions, that may vary with hours of work or levels of income.

Tax systems based on individual, rather than household, income provide stronger employment incentives for household members with lower potential earnings. Given the continuing gender wage gap in all OECD countries (Table 1), women are usually the lower earner in couples, and therefore most sensitive to such employment incentives. Most OECD countries' tax systems are now based on individual income. Tax systems vary in other ways, however; for example, in the extent to which tax rebates allow for a dependent spouse. This has implications for work decisions of the "dependent spouse", since this rebate will be lost if she takes up employment, and would need to be taken into account in determining the extent to which there were financial gains to her employment (OECD, 2007).

Where taxation is household-based—leading to income splitting within the household—the tax burden is put on the lower earners in families and because of the lower earnings of women, this type of taxation favours husbands and discourages wives from full-time employment (Jaumotte, 2003). The US and Germany are two countries in which taxable income is based on joint income for couples, and there are resulting disincentives for wives' employment (Haan, Morawski, & Myck, 2008; Kelly, 2006).

2.6 Summary

We have shown here that work–family policies have been developed with a range of objectives, and within a broad range of policy contexts. These contexts vary in the nature of the labour market and the degree to which women, and especially mothers, are engaged in paid work. There are additional factors that distinguish the OECD countries examined here (and distinguish countries over time), including economic conditions and societal or cultural views regarding maternal employment. We will see in this report that "work–family policies" are diverse in both their purpose and their design. Within a particular policy setting, the "package" of work–family policies is what is important in understanding how such policies affect how men and women can reconcile work and family across the life course, as they become parents, as their children grow, and also, if and when other caring needs arise. For those without such caring responsibilities, as well as those with them, policies developed to address work and family can be beneficial more broadly in consideration of work–life issues. The next sections now describe different work–family policies in more detail, again focusing on policies that have been developed at the government or state level.

3 Leave and return-to-work policies

Provision of leave to undertake caring responsibilities is clearly a central part of many governments' approaches to work–family issues. Details of different leave arrangements used for the care of children around the time of a birth are considered here first; that is, maternity, paternity and parental leave. Adoptive parents are usually able to access the same policies. The section also examines other types of leave, including those used for caring purposes.

In relation to leave from employment following a birth, while most countries have separate arrangements for maternity, paternity and parental leave, these separate arrangements are becoming less distinct, with some countries, such as Sweden and Iceland, having no specific period of maternity leave, but instead offering parental leave with a portion sanctioned for mothers (Moss, 2014). This is discussed further below.

Across OECD countries the variation in leave policies is vast, in relation to eligibility requirements, the length and remuneration of the leave, coverage and funding. This section does not provide a comprehensive review, but highlights some of the main differences. Across the EU, member states are required to adhere to minimum standards regarding maternity leave, parental leave and job protection for pregnant women, and new and breastfeeding mothers. This has occurred through the EU's 1992 maternity leave directives, and the 1996 and 2010 parental leave directives. Even across these countries some have more generous provisions than others.

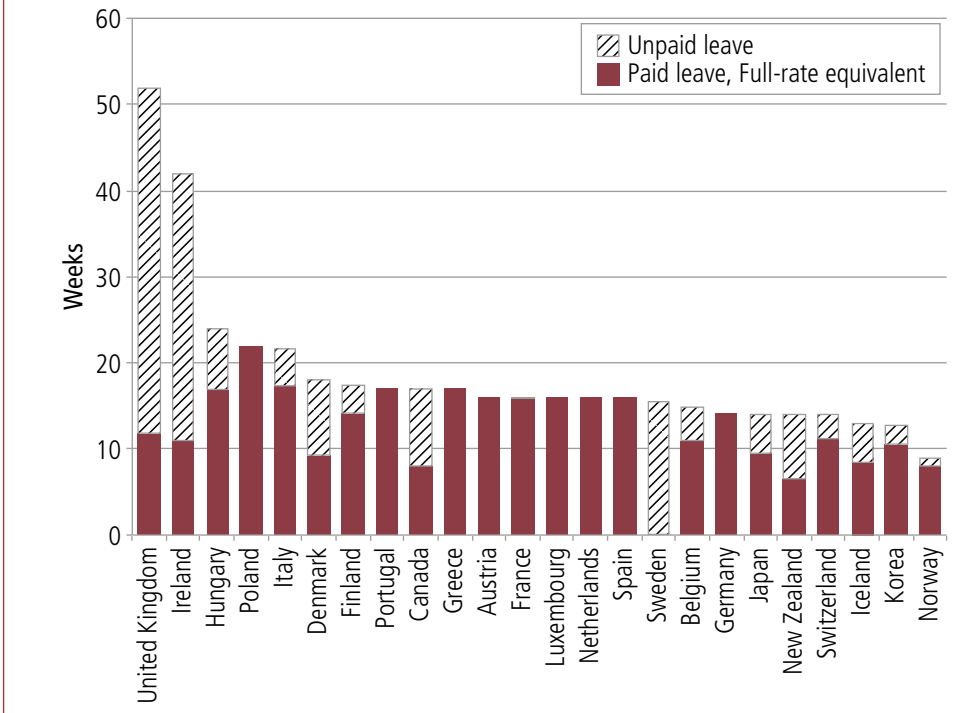
3.1 Maternity leave

There are clearly gendered arrangements in place for the time immediately after the birth of a child in many countries, with maternity leave only applicable to mothers to provide a period of time for recovery from the pregnancy and birth, and time for breastfeeding and bonding with an infant. Maternity leave provides a job-protected absence from work for a period around the birth, including a number of weeks before and after. There is some variation across countries in regard to when maternity leave is to start (how many weeks before the birth), and also in regard to whether any or all of the maternity leave is obligatory.

Paid maternity leave is offered in the vast majority of countries, although the rate and length of payment varies. The usual length of leave is between 14 and 18 weeks, paid at a percentage of prior earnings (usually between about 70% and 100%). As seen in Figure 2 (on page 15), the Scandinavian maternity leave entitlements are particularly generous, although Eastern European countries also have extensive maternity leave periods (see especially Bulgaria and Estonia, which have the longest periods of paid maternity leave). Some examples of maternity leave policies are given in Box 2 (on page 15).

Maternity leave arrangements are particularly comprehensive in the EU through the maternity leave directives (most recently amended in 2008), which address working conditions as they relate to the safety and health of pregnant workers, workers who have recently given birth and breastfeeding mothers.[9] The directives also provide for protection against dismissal. From 1996,

9 Proposed amendments to the maternity leave directives set a new leave length at 18 weeks, of which 6 weeks (instead of 2) must be taken after the birth, and payment to be at 100% wage replacement (with ceilings allowable). Coverage would extend maternity leave to self-employed workers (Commission of the European Communities, 2008a). To date, these proposed amendments have not gained universal support and so have not been adopted.



Note: Includes mother quota of parental leave. The entitlement to paid leave is presented as the full-rate equivalent (FRE) of the proportion of the duration of paid leave if it were paid at 100% of last earnings. FRE is calculated as duration of leave in weeks ´ payment (as a percentage of average wage earnings) received by the claimant. There are some inconsistencies in calculation across countries. For notes and sources for other countries, refer to OECD Family database, PF2.1 Key characteristics of parental leave systems.

Source: OECD Family database (downloaded August 2014), PF2.1 Key characteristics of parental leave systems

Figure 2: Duration of employment-protected maternity leave, paid and unpaid, selected OECD countries, 2013

Box 2: Examples of maternity leave policies

Belgium	Employees can take 15 weeks maternity leave (1 week before and 9 weeks after are obligatory). Self-employed women have 8 weeks of maternity leave. Employees in the public sector receive full salary, others receive 82% in the first month and 75% in remaining months (capped). Up to 2 weeks of leave can be taken as "free days" to allow mothers to more gradually return to work (Merla & Deven, 2014). This means using those "free days" along with reduced days at work for a period of time, rather than returning directly to usual work hours.
France	Maternity leave is obligatory. Mothers can access 16 weeks of leave at up to 100% of their earnings (capped in the private sector, although employers can make up the difference), including at least 2 weeks before the birth. Longer leave of 24 weeks is available to women having a third or higher order birth (Fagnani, Boyer, & Thevenon, 2014).
Japan	Women employees are entitled to 14 weeks of paid maternity leave at 66% of prior earnings, paid through a health insurance system, and financed by contributions from employees, employers, local government and the state. Six weeks of leave are obligatory (Nakazato & Nishimura, 2014).
United Kingdom	Mothers have access to leave for 52 weeks, of which 2 weeks' leave after the birth is obligatory. This leave comprises 6 weeks' payment at 90% of prior earnings (with no cap), 33 weeks paid at a low flat rate, and the remainder unpaid. Eligibility is based on employment conditions (employees with 26 weeks continuous employment with their employer, into the 50th week before the baby is due) and a minimum earnings test. Mothers who are not eligible for this leave may be eligible for a maternity allowance (O'Brien, Moss, & Daly, 2014).

all EU countries have been required to enact legislation that allows parents to care for children full-time for the first three months of their lives (Plantenga & Siegel, 2005). Many countries have policies in place that provide entitlements beyond those required in the 1996 directives (National Framework Committee for Work Life Balance Policies, 2007). Also, entitlements vary in many countries in the case of multiple births, disabled or very ill children, or in exceptional situations, such as if the mother or child dies.

Some innovation in maternity leave policy is evident in Portugal, where mothers can choose to take their leave over a longer period, paid at 80% of the usual rate. In Poland, mothers can access 26 or 52 weeks of paid maternity leave, with payment level somewhat lower if taken over 52 weeks. The first 20 weeks of leave is referred to as maternity leave (the balance referred to as parental leave), and of this, 14 weeks is obligatory. The remainder can be taken part-time (combined with part-time working), or can be transferred to the father (Michoñ & Kotowska, 2014).

Other countries' innovative approaches also relate to bringing fathers into the caring role by allowing for some of the maternity leave entitlement to be transferred to the father. This is possible in the Czech Republic, Croatia, Poland (as noted above), Portugal, Spain and the UK (Moss, 2014).

Quite different models apply in those countries that subsume maternity leave into the parental leave entitlement, such as in Sweden and Norway. In both these countries, parental leave entitlements are generous, allowing for a long period of leave with high wage replacement. Parental leave is discussed in section 3.3.

Paid maternity leave tends to have a high take-up rate. Taking all or part of the leave is obligatory in most countries (Moss, 2014). However, in most countries, the extent to which mothers are in employment prior to birth will significantly affect the proportion of mothers across the population who are able to take up paid maternity leave, as entitlement is often conditional on having previous work experience and subject to various job tenure restrictions. Many countries have an alternative allowance for those who are not eligible to an earnings-based payment (e.g., Austria, Germany, Luxembourg, United Kingdom) (Moss, 2014; National Framework Committee for Work Life Balance Policies, 2007).

3.2 Paternity leave

Paternity leave is generally made available to fathers in the weeks following the birth of the child, and is sometimes provided as part of parental leave, rather than specifically identified as paternity leave. While not required under EU directives, the majority of EU member countries provide for a minimum of 10 days of paternity leave (Commission of the European Communities, 2008c). Australia has no statutory paternity leave. Some examples of paternity leave policies are shown in Box 3 (on page 17), and a comparison of selected countries with paternity leave is shown in Figure 3 (on page 17).

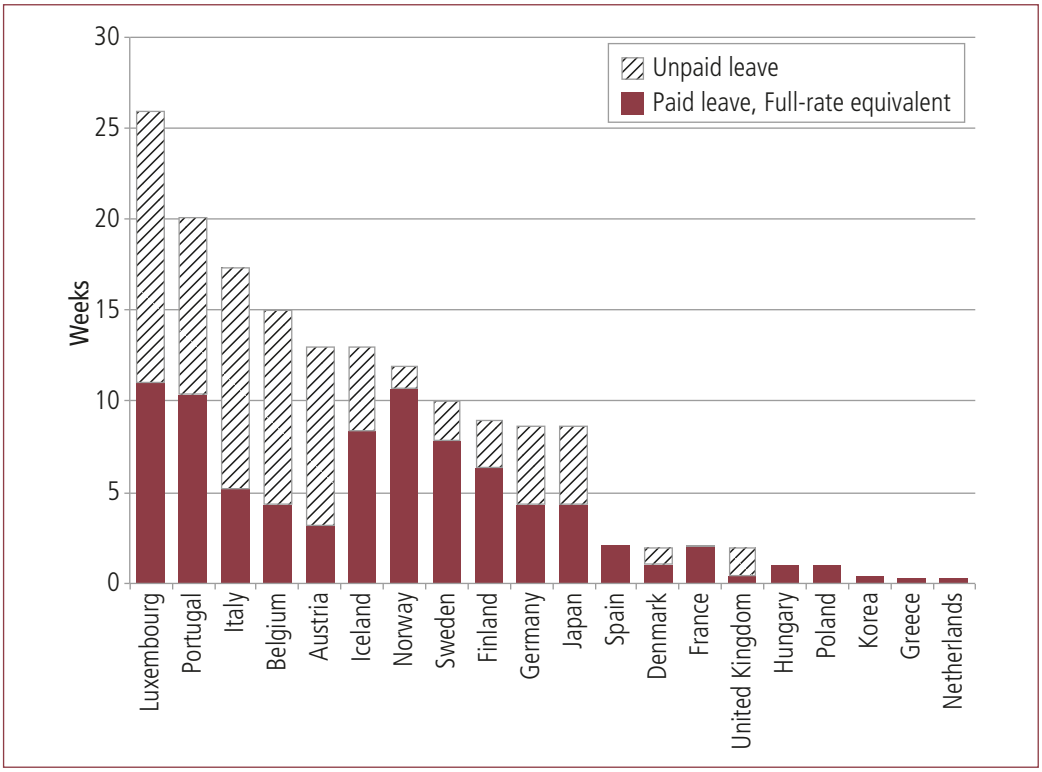
Obligatory paternity leave is rare. In Portugal, fathers are entitled to 20 days of "fathers-only parental leave", which equates to paternity leave. Of this, 10 days are obligatory, including 5 that must be taken immediately after the birth and another 5 that must be taken in the first month after the birth (Wall & Leitão, 2014). In some countries, a portion of maternity leave can be transferred to the father (see in Maternity leave, above). Leave for fathers is also available through parental leave in some of those countries that do not specifically have an entitlement to paternity leave (see below).

In Norway, the purpose of paternity leave is considered to be to assist the mother, and so this leave can be transferred to someone else if the father does not live with the mother (Brandth & Kvande, 2014).

An important aspect of paternity leave is the rate at which it is paid. Men are unlikely to take unpaid paternity leave (Commission of the European Communities, 2008c), but when salary compensation during the period of leave is earnings-related, take-up rates are relatively high (O'Brien et al., 2007). Take-up rates of paternity leave are lower than those of maternity leave, although in several countries (e.g., Denmark, Finland, France, Sweden, the Netherlands and the UK) take-up rates of around two-thirds are reported (Moss, 2014).

Box 3: Examples of paternity leave policies

Canada (& Québec)	No statutory paternity leave in Canada—only in Québec. As with their maternity leave policy, paternity leave in Québec can be taken for a shorter period at a higher rate of pay (for three weeks at up to 75% of their average weekly income, capped), or for a longer period at a lower rate of pay (for 5 weeks at up to 70% of their income, capped) (Doucet, Lero, & Tremblay, 2014).
France	Men can access 2 weeks of paternity leave at up to 100% of their earnings (capped in the private sector, although employers can make up the difference), which must be taken within 4 months of a birth (Fagnani et al., 2014).
The Netherlands	Fathers are entitled to 2 days of paternity leave, paid in full by the employer, which can be taken within 4 weeks of the birth of a child (den Dulk, 2014).
Spain	Employed fathers are entitled to 15 days of paternity leave, paid at 100% of earnings (with a ceiling). In addition, 10 weeks of maternity leave may be transferred to the father in some circumstances (if mothers have taken 6 weeks of maternity leave after the birth, the father fulfils contributory requirements, and the transfer does not endanger the mother's health) (Escobedo & Meil, 2014).
Sweden	Fathers can take 10 days of "temporary leave in connection with a child's birth or adoption" within 60 days after the birth. Payment is up to 80% of their earnings, capped. Self-employed fathers are also covered (Duvander, Haas, & Hwang, 2014).
United Kingdom	Fathers are eligible for 2 weeks of paternity leave, paid at the flat rate of maternity pay, which must be taken within 55 days of the child's birth (O'Brien et al., 2014).



Note: Includes father quota of parental leave. The entitlement to paid leave is presented as the FRE of the proportion of the duration of paid leave if it were paid at 100% of last earnings. FRE is calculated as duration of leave in weeks ´ payment (as a percentage of average wage earnings) received by the claimant. There are some inconsistencies in calculation across countries. For notes and sources for other countries, refer to OECD Family database, PF2.1 Key characteristics of parental leave systems.

Source: OECD Family database (downloaded August 2014), PF2.1 Key characteristics of parental leave systems

Figure 3: Duration of employment-protected paternity leave, paid and unpaid, selected OECD countries, 2013

3.3 Parental leave

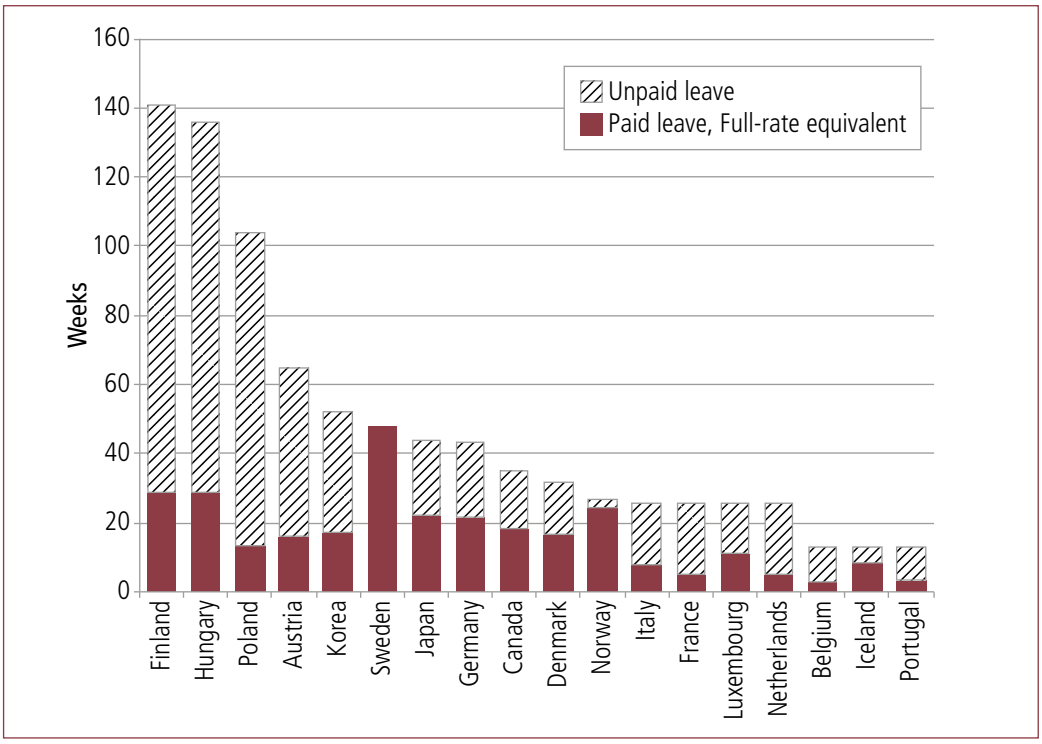
Parental leave is a job-protected absence from work, usually additional to maternity and paternity leave, and has been introduced in the majority of developed countries, although the conditions of this leave vary enormously across countries. This leave has tended to be available to both parents, for one or both to take, although it is taken much more by mothers than by fathers (Moss, 2014). In some countries in more recent years, parental leave entitlements have included a period of time quarantined for use only by the father, to encourage their take-up of the leave (discussed further below). In fact, an emerging trend in relation to leave for parents is for parental leave to subsume maternity leave, but with parental leave including separate amounts of leave that are designated for use by the mother and by the father (Moss, 2014).

EU countries are bound by the parental leave directives to provide parental leave, with minimum conditions specified relating to time off after the birth, unlawful dismissal during parental leave, and further time off to attend to family emergencies or illness (Ray, 2008). As with maternity leave, there are, however, many differences across EU countries, as there are across all developed countries. Refer to Box 4 for examples and to Figure 4 (on page 19) for comparisons of leave entitlements across selected OECD countries. Below, we elaborate on some of the ways in which parental leave varies across countries.

As at 2014, few developed countries provided no parental leave (Switzerland, South Africa and the US) (see Moss, 2014).

Box 4: Examples of parental leave policies

Finland	Paid parental leave of 158 working days is available as a family entitlement. The rate of payment is earnings-related and, on average, is 70–75% of their usual earnings (capped), paid through the national insurance system. Leave can be taken part-time only if both parents work part-time and employers agree. Leave can be taken by each parent in two parts of at least 12 days duration (Salmi & Lammi-Taskula, 2014).
Germany	Parental leave of 3 years is available as a family entitlement. For the first 12 months, parents are entitled to a "child-rearing benefit" of up to 67% of their average earnings (capped). This payment can be taken at half-pay for 24 months instead. The payment period is extended to 14 months if at least 2 months of the leave is taken by the father. Parents can also combine parental leave with part-time work, with a reduced benefit. The final year of parental leave can be available up to the child's 8th birthday, if the employer agrees (Blum & Erler, 2014; Commission of the European Communities, 2008c).
The Netherlands	The amount of leave each parent can take is equal to 26 times the hours they worked before the birth, per child. Leave has to be taken part-time, unless the employer agrees to full-time leave. Leave can be taken up to the child's 8th birthday, in two or three blocks of time, with the agreement of the employer. Parental leave is unpaid, but parents taking parental leave are entitled to a tax reduction. Some parents have access to partially paid parental leave through their employer (den Dulk, 2014).
New Zealand	Up to 52 weeks of extended leave can be taken by parents after the birth, including any paid maternity leave taken. Most of the leave, then, is unpaid. Extended leave must be taken in one continuous period in the child's first year, after paid maternity or paternity leave. The leave can be shared by both parents and can be taken simultaneously or consecutively (McDonald, 2014; NZ Department of Labour, 2008a).
Sweden	Paid parental leave of 480 days is available per family. Of this, 60 days are quarantined for the mother and 60 days for the father. Half of the remaining days are also reserved for each parent; however, these days can be transferred from one to the other upon the parent giving up his or her days by signing a consent form. Parental leave is paid at up to 78% of their usual earnings (capped) for the first 390 days of leave and at a flat (low) rate for the remaining 90 days (Duvander et al., 2014). (See also Sweden's "gender equality bonus", in Box 5.)



Note: Does not include periods of leave for exclusive use by mothers and fathers and is regardless of income support. Includes subsequent prolonged periods of leave to care for young children (sometimes under a different name, e.g., "child care leave" or "home care leave", or the *complément de libre choix d'activité* in France). The entitlement to paid leave is presented as the FRE of the proportion of the duration of paid leave if it were paid at 100% of last earnings. FRE is calculated as the duration of leave in weeks ´ payment (as a percentage of average wage earnings) received by the claimant. There are some inconsistencies in calculation across countries. For notes and sources for other countries, refer to OECD Family database, PF2.1 Key characteristics of parental leave systems.

Source: OECD Family database (downloaded August 2014), PF2.1 Key characteristics of parental leave systems

Figure 4: Duration of employment-protected parental leave, selected OECD countries, 2013

The length and level of remuneration

Many countries provide a year or more of parental leave, although this period of leave is not always paid at full wage replacement for the entire period. While job protection is therefore guaranteed for those who can afford to take a longer absence from work, the financial incentive to remain out of employment will vary depending on what the specific arrangements are. The variation is evident in Figure 4, by looking at the differences in full-rate equivalent paid leave across countries. Compensation during parental leave is dependent on prior earnings in countries such as Finland (70–75% of prior earnings), Germany (67%), Iceland (80%), Sweden (78%) and Italy (30%), although this tends to be capped at a certain level and/or after a certain number of days, beyond which a lower percentage or a fixed rate of payment applies. Parents in Denmark who are employees covered by collective agreements can access parental leave at 100% of their prior earnings, up to a ceiling. Elsewhere, compensation is in the form of a flat-rate payment (e.g., Austria, Belgium, France and Luxembourg), or parents receive financial compensation through the tax system (e.g., the Netherlands and Luxembourg). In other countries, parental leave is unpaid (Greece, Ireland, Spain and the UK; see specific country notes in Moss, 2014, for details).

The flexibility of leave and return-to-work arrangements

It has been suggested that good leave schemes give parents choice in their return-to-work decisions, and allow flexibility in taking leave entitlements (OECD, 2007, p. 21)

The more flexible parental leave models allow parents to share the leave between parents, to take parental leave at any time from the end of maternity leave to some specified age of child (e.g., up to 12 years old in Sweden, and 3 years old in France and Germany), and to combine parental leave with part-time work, as a gradual return-to-work strategy. There have been considerable developments over recent years in these various flexible options.

In recognition that it is difficult to combine full-time work with the care of a young infant, in several countries, as part of the parental leave "package", parents are able to return to work at reduced hours for a specified period. This "gradual return to work" is facilitated through parental leave that can be taken part-time. When this parental leave is paid, the part-time parental leave compensates for the reduced hours at work (or part-time work "tops up" the parental leave). Gradual return-to-work models provide job protection and a right to return to previous working hours. For example:

- Sweden has promoted part-time work in this way (Fagan, 2003) and, indeed, part-time work is most often used this way—for a relatively short period of time after the birth of a child as a transition from leave back to full-time hours (Evans, Lippoldt, & Marianna, 2001). In Sweden, parents have the right to request a reduction in work hours by up to 25%, up until the child's 8th birthday (Duvander et al., 2014).
- In Germany, parents can work part-time while on parental leave (with a right to return to full-time work afterwards), and the third year of parental leave can be taken any time until the child's 8th birthday with the employer's agreement (Blum & Erler, 2014).

The part-time work option may not be available in all jobs, such as those in small businesses. For example, in Germany, access to part-time work is not guaranteed in workplaces of 15 or fewer employees. Further, employers may be able to refuse a request for part-time work if it would detrimentally affect the business or workplace (Hegewisch & Gornick, 2008; OECD, 2010).

As seen in these examples, access to part-time work through parental leave can continue beyond the immediate post-maternity period. In countries such as Sweden, Germany and Finland, this parental leave/part-time work option can be saved up and taken in blocks of time, rather than using it all up before returning to work full-time. Other countries that have similar approaches are Belgium, Estonia and the Netherlands (Moss, 2014; OECD, 2014a). Being able to take some of the leave at a later time can lead to a higher take-up of leave by fathers (Hegewisch & Gornick, 2008).

Another flexible approach to parental leave, or to parental leave payments, is the ability for parents to transfer some of this to others (such as grandparents) who are assisting the parents by providing care to children. This is possible, for example, in Estonia and Hungary, and will be discussed when exploring child care provisions in section 4.4.

Eligibility requirements and special conditions to encourage take-up by fathers

One difference across countries is how parental leave entitlement is determined—whether it is per family or per parent—and if a parental entitlement, whether two parents can take parental leave at the same time (Moss, 2014; OECD, 2014a). This is most relevant in considering whether or not fathers will take some of the parental leave. While parental leave has, for some years, been available to share between the mother and father in general, fathers still take significantly less time out of employment to help care for children. As stated by the OECD:

> taking a few weeks of leave after childbirth or around summer and Christmas holidays does not reflect a fundamental behavioural change. Paternal attitudes are not the only issue, as mothers frequently seem reluctant to give up leave in favour of their partner … The debate about individualisation of the entire paid parental leave entitlement which could contribute to a more equal sharing of care responsibilities has yet to start in earnest. (OECD, 2007, p. 22)

Moss (2008) summarised the key features of fathers' use of leave as, fathers:

- using high paid "fathers only" leave;
- not using low paid or unpaid parental leave;
- not using a "family entitlement" to leave, even if high paid, if there is also a "fathers only" entitlement;
- making only limited use of the "family entitlement" to leave if there is no "fathers only" entitlement, that is, mothers are using most or all of the leave that is a "family entitlement" (pp. 80–81).

As take-up of parental leave has continued to be very low for fathers, various approaches have been developed with the goal of increasing fathers' take-up of leave. Some countries have attempted to increase the role of fathers in providing care by allowing or even requiring that some of the parental leave be used by the father. This has been done, for example, by incorporating a bonus period of leave that can only be accumulated if the father takes his portion of leave (e.g., in Finland, Germany and Italy). These approaches are referred to as "ring-fencing" fathers' leave, or a "use it or lose it" approach (see examples for Iceland and Norway, in Box 5).

Another approach is the availability of bonus payments for families in which the fathers take up leave (e.g., in Sweden; see Box 5). Also, as noted in section 3.1, some countries enable a portion of maternity leave (not just parental leave) to be shared between mothers and fathers.

An important consideration for fathers, and for their families, is that fathers are very often the higher income earner, and it can therefore be very costly for families if this income is reduced due to a period of unpaid, or reduced-pay, leave (O'Brien et al., 2007). Gornick and Meyers (2003) suggested that high wage replacement, along with public education campaigns, may be what is required to encourage fathers to take parental leave.

Box 5: Examples of policies to encourage take-up of leave by fathers

Finland	Up until the end of 2012, fathers were eligible for 24 bonus days of leave if they tpok the last 2 weeks of parental leave. Together, this was referred to as the "father's month". At 2014, all fathers' leave has been subsumed into paternity leave (Salmi & Lammi-Taskula, 2014).
Iceland	Of a total of 9 months of paid parental leave, 3 months are allocated to the mother, 3 months to the father and the remaining 3 months can be taken by either parent (parents' joint rights). Payment of up to 80% of parents' earnings (capped). In 2010, 95% of fathers took some leave, including 17% of fathers who used some of the parents' joint rights. Fathers took about one-third of the total parental leave days (Eydal & Gíslason, 2014).
Norway	Up to mid-2014, the total length of parental leave was 46 weeks with 100% wage replacement (capped), or a longer leave with lower payment. Of the 46 weeks, 14 weeks were for the mother and 14 weeks for the father (the father's quota), with the remaining weeks being a shared family entitlement. Previously, the fathers' quota was less and the shared period longer, the change having intended to achieve more equal rights between mothers and fathers in access to leave. However, a new government changed entitlements again, such that from mid-2014, the mothers' and fathers' quotas were to be reduced to 10 weeks and the shared quota increased by 8 weeks. Changes introduced at this time also made it easier to transfer fathers' entitlements to mothers, with the fathers' work situation being a valid justification for such a transfer (Brandth & Kvande, 2014).
Sweden	Couples are entitled to a "gender equality bonus" (an additional payment) if they share parental leave equally. The bonus is also available to parents who do not live together (Duvander et al., 2014; Ray, 2008).

3.4 Return-to-work employment rights

Job protection is a central feature of maternity, paternity and parental leave, such that this leave is sometimes referred to as "job-protected" leave. For example, the 2010 amendments to the

EU parental leave directives state: "At the end of parental leave, workers shall have the right to return to the same job or, if that is not possible, to an equivalent or similar job consistent with their employment contract or employment relationship".[10]

Rights to return to the same, or equivalent, job after returning from leave are usually addressed in relation to these forms of leave. On return to work, some countries offer parents options for varying their working arrangements to better fit within their care requirements. Rights to request variations in hours or flexible work arrangements are discussed in section 5.

3.5 Breastfeeding breaks and facilities

An important work and family issue is how breastfeeding is managed for women who wish to continue breastfeeding after returning to work. This has implications beyond the parents' sense of work–family balance, to child and maternal health.[11] Returning to work has been linked to lower breastfeeding rates, or shorter breastfeeding durations, especially if mothers return to full-time work (e.g., Baxter, 2008; Fein & Roe, 1998; Kimbro, 2006). Policies can help in both facilitating the return to work for women who are still breastfeeding, and helping women to continue breastfeeding given they need or wish to return to work.

The main area to which government policy has been directed is in relation to breastfeeding breaks. The ILO Maternity Protection Convention states that:

> A woman shall be provided with the right to one or more daily breaks or a daily reduction of hours of work to breastfeed her child. The period during which nursing breaks or the reduction of daily hours of work are allowed, their number, the duration of nursing breaks and the procedures for the reduction of daily hours of work shall be determined by national law and practice. These breaks or the reduction of daily hours of work shall be counted as working time and remunerated accordingly. (Article 10)[12]

One option is to legislate for the provision of such breaks for working mothers. The ILO estimated, in 2010, that at least 92 countries had legislation that provided for breastfeeding breaks (ILO, 2010; see Box 6 on page 23 for some examples). Many EU countries do not specify breaks for breastfeeding, because more generous parental leave entitlements mean a high proportion of mothers are at home when they are still breastfeeding.

Another important issue is for breastfeeding mothers to have access to facilities at work that enable them to continue breastfeeding or to express breast milk. Not having access to such facilities may mean they delay their return to work, or that they cease breastfeeding sooner than they would like (Cohen & Mrtek, 1994).

There are also health and safety implications for women who need to fit breastfeeding (or expressing of milk) into their workday. In European countries, the EU Council Directive 92/85/EEC addresses the health and safety aspects of pregnant workers, women who have recently given birth or are breastfeeding (Council of European Communities, 1992). For these women, employers must evaluate whether there is a need to temporarily alter working conditions or hours of work, offer alternative work, or otherwise offer a period of leave. This seems to apply more to the actual scheduling of work, rather than the workplace facilities.

10 See Council Directive 2010/18/EU at: <eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32010L0018>.

11 It therefore also goes beyond the scope of this paper in many ways, as there are issues for how governments can, more generally, encourage and support breastfeeding, regardless of work status.

12 See C183—Maternity Protection Convention, 2000 at: <www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C183>.

Box 6: Examples of approaches to breastfeeding breaks	
Japan	Mothers of children up to 12 months old are entitled to two unpaid breaks of at least 30 minutes per day. These can be used for breastfeeding, or for other child care reasons, such as picking up children from child care centres (Nakazato & Nishimura, 2014).
New Zealand	Since 2009, through legislation, employers are required, as far as is reasonable and practicable, to provide appropriate breaks and facilities for employees who wish to breastfeed their infants or express milk during work hours. In 2010, a Code of Employment Practice on Infant Feeding was released, which provides advice on the meaning of "reasonable and practicable", and provides guidelines on how employers can ensure they comply with this legislation (NZ Department of Labour, 2010).
Portugal	There is a family entitlement to two hours of paid "nursing" leave per day during the first year after the birth. If mothers are not breastfeeding, this leave can be shared between mothers and fathers, such that "nursing" includes other means of feeding a newborn. Breastfeeding mothers can access this leave for as long as they are still breastfeeding (Wall & Leitão, 2014).
United States	A small number of states have laws that provide mandates for workplace support of breastfeeding, but there is considerable variation in what these laws require of employers (Vance, 2005).

3.6 Carers' leave

It can be a particular strain for workers to manage their work and family commitments when family members require care because of an illness, disability or old age. Most often, this is relevant to parents needing short-term leave to care for sick children. However, some workers may have longer term carer obligations that cause issues with work–family balance. The policies that help parents or carers are likely to vary considerably according to the nature of the caring responsibility. For example, care needs of a resident child with a short-term illness are very different from those of an elderly parent whose health may be declining, and may not live with or even close by to the carer. The protracted nature of this type of care and the unpredictability of what will be required can make it difficult to fit it within policies that may originally have been designed with the short-term care of children in mind.

Several countries offer short-term leave to cover workers with caring responsibilities, while others have considerable long-term carer leave arrangements. See Box 7 for examples.

Box 7: Examples of carers' leave arrangements	
Belgium	There are different forms of leave available for caring. Unpaid leave of up to 10 days per year is available for employees to deal with unexpected or sudden circumstances, which can include illness of a member of the household. Employees may take leave of 12 months full-time or 24 months part-time (in blocks of one to three months) to look after a seriously ill family member, for which benefits are paid, as they are for parental leave. Similarly, up to two months of leave can be taken for palliative care, also paid as for parental leave (Merla & Deven, 2014).
France	All employees are eligible for periods of unpaid leave of up to 3 days to care for sick children, and most collective agreements further extend this period. More extensive leave arrangements (or access to part-time work) are available for those caring for a child with a serious illness or disability, or for a relative "at the end of life" (Fagnani et al., 2014).
The Netherlands	Short-term carers' leave of up to 10 days a year is available for workers to look after sick family members, including a child living at home, a sick partner or parent (paid at 70% of earnings). Further, unpaid long-term leave can be used to care for a child, partner or parent with a life-threatening illness, conditional on approval by their employer. (den Dulk, 2014).
Sweden	Carers can access temporary parental leave of up to 120 days per year per child to care for a sick child, paid at up to 78% of earnings, capped. This can be used to fund someone else to care for the family member.(Duvander et al., 2014).

When employees do not have access to paid carers' leave, other forms of leave, such as sick leave or annual (personal) leave may be used to provide care for sick family members. For example, in the US, in most states, public sector employees are able to use their paid sick leave (if eligible) to care for family members. For private sector employees, this is only so in six states. Californian employees can access paid leave to care for family members (Sloan Work and Family Research Network, 2007).

3.7 Sick leave and annual leave

Having access to paid sick leave and holiday leave is important for personal reasons (and in the case of sick leave, is a public health issue). Lack of access to such leave or when it has to be used for caring responsibilities instead of their intended purposes can have flow-on effects for both work and family. Having no sick leave, or no paid sick leave, has implications for the health of the worker affected and their family, and also for others in the workplace if it means they continue to work while sick (Gault & Lovell, 2006). This may be especially difficult for those who cannot afford to take time off, or who risk losing a job if they take time off (see, for example, Clawson & Gerstel, 2014).

Holiday or annual leave is meant to provide a reprieve from work, and when it is not available or must be used for pursuits that do not provide opportunities for rest, relaxation or pleasure, then employees may be at increased risk of the effects of overwork (Dennis, 2004). In the EU, all workers are mandated to have access to a minimum entitlement of four weeks of paid annual leave (European Trade Union Confederation, 2008). Some countries offer more leave to reduce the length of the average work week (with weekly work hours calculated as an average over a year). For example, Fagan (2003) reported that at 2002 the statutory minimum period of annual leave was 25 working days in Denmark, Austria, Sweden, Spain and Luxembourg; 22 days in Portugal; and 21 in Norway. Some collective agreements, or specific employers, offer more than the minimum entitlement (Gornick, Heron, & Eisenbrey, 2007).

Having an entitlement to some paid leave is important; however, it is also relevant to note that workers do not always take the leave to which they are entitled. This has been noted as being particularly an issue in Japan and Korea, for example (Lee, McCann, & Messenger, 2007).

3.8 Career breaks and time credit schemes

A few countries have had in place "career break" schemes, by which employees could take a fairly lengthy period of leave at some stage in their working life. While such leave is not typically designed as a work–family policy, this career break can be used to take care of family responsibilities.

The most significant of these schemes is in Belgium, where all eligible workers have a right to one year of paid "career break" or "time credit" leave over their working life. Employees are not required to specify reasons for taking up time credits; therefore the credits can be used for a variety of purposes, including parental leave or leave to care for an ill family member (including care of children or elderly relatives). In fact, the period of leave may be extended by collective agreement (for up to 36 months) if the leave is used for caring reasons (Merla & Deven, 2014). Morel (2007) stated that "the underlying idea of this new [2001] time credit is that men and women must be given the opportunity to reconcile a professional career with family responsibilities, thanks to flexible entry and exit options" (p. 629).

In some countries, leave is self-funded through time savings credits. For example, the Netherlands' Life Course Savings Scheme (established in 2006) gave employees the option to have up to 12% of their income withheld for later use as payment for leave. While this gave no rights to leave beyond those existing through statutory rights, employees could negotiate with their employer to use this in addition to other leave. Otherwise, they could use it to fund leave that would otherwise be unpaid, or to fund early retirement (Todd, 2004). The scheme has not

taken on new participants since January 2012, and transitional arrangements apply to those participating in the scheme prior to this time. [13]

3.9 Longer term issues, including pension credits

Considering a longer term perspective, withdrawal from employment to undertake caring can have implications for future earnings. This is so for families with children, and also for those caring for older people. For older workers with caring responsibilities, having to retire from work early or take a break from employment can have serious consequences for the carer's longer term financial security. This can be, to some extent, addressed through government policy. For example, in Canada, the Canada Pension Plan has provisions for those who leave employment temporarily or have to retire early due to caring responsibilities (Neal & Hammer, 2007). Several European countries allow for pension or social insurance credits to accrue during parental leave (see Hegewisch & Gornick, 2008, and refer to Orloff, 2002, for country-level details).

3.10 Summary

Provision of appropriate forms of leave for parents—mothers as well as fathers—in the time following a birth has been one of the approaches (along with provision of child care) given greatest attention by governments around the world in the area of work–family policy. There is very great variation across countries, and also considerable change over time in how this policy approach has been made. Funding issues to some extent contribute to changes in these policies over time, but it appears that greater pressures come about through social change, especially with regard to providing support for policies that might increase the take-up of leave by fathers.

Policies concerning return-to-work arrangements appear widespread with regard to the right to return to the same or similar job, and in section 5 we will discuss policies that address working arrangements on return to work. Above, we noted that several countries provide breastfeeding breaks to mothers, or even to fathers who might be involved in the care of young children.

Parental leave policies have been developed, or revised, in the context of different objectives. Maternity leave and breastfeeding breaks largely concern the health and wellbeing of mothers and children, while paternity leave and parental leave are largely concerned with broader issues of allowing parents to provide (and share) care to young children. Within these forms of leave, measures have been added that encourage the take-up of leave by fathers, with a view to encouraging a more gender equal distribution of caring.

It is important to note that the take-up of parental leave, and the value of this leave to parents, is likely to depend upon how these policies are implemented (employer issues), general views about the take-up of leave, the remuneration of leave, and also the availability of other policies or supports that "fit" with parental leave to allow parents to work (or conversely, support them to remain out of employment).

13 For more information, see Life-course Savings Scheme at <www.eur.nl/english/workingat/hr_information/employment_conditions/salary/life_course_savings_scheme/>

4 Child care, child payments and early childhood education

For working parents, having access to child care that fits around work schedules and is affordable, accessible and of high quality is very important in reconciling work and family needs (OECD, 2007). While some parents rely on informal providers of child care (such as the grandparents of their children), the availability of formal care options (such as child care centres and outside-school-hours care [OSHC]) is important for those who want or need other options. A lack of such places can restrict the ability of mothers to return to work.

In the EU, in recognition that child care provision is essential for parental employment, and for achieving equality in employment opportunities between men and women, the European Employment Strategy recommends the development of accessible and affordable child care provisions. Following from this, in 2002, EU member states adopted the "Barcelona targets", which set targets for the provision of child care services by 2010:

> Member States should remove disincentives to female labour force participation and strive, taking into account the demand for childcare facilities and in line with national patterns of provision, to provide childcare by 2010 to at least 90% of children between 3 years old and the mandatory school age and at least 33% of children under 3 years of age. (European Council, 2002, p. 12)

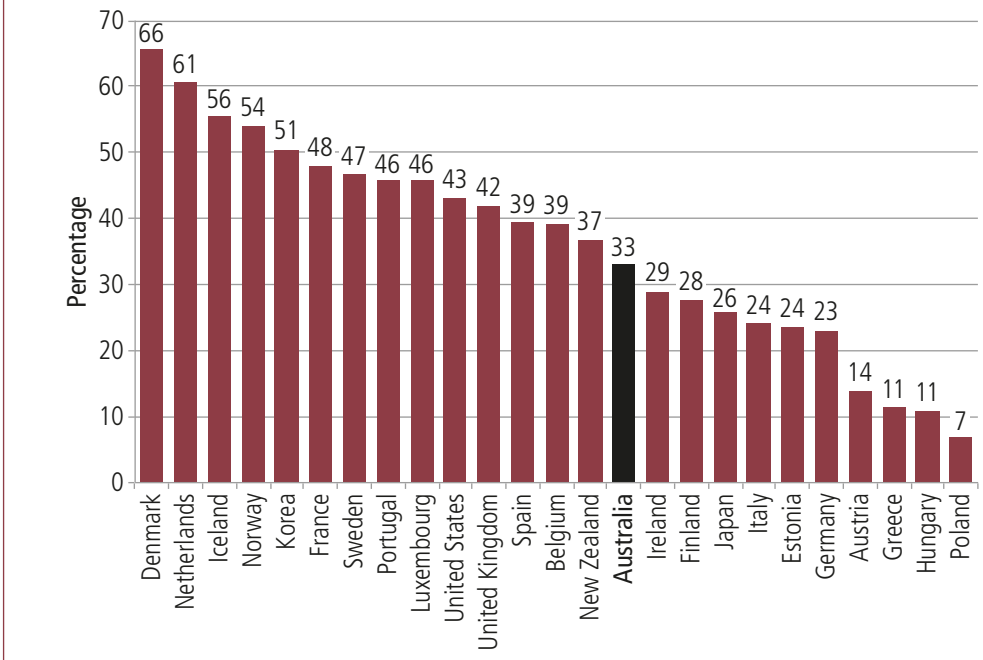
As is evident in Figures 5 and 6 (on page 27), several countries have child care enrolment rates well short of these targets. These enrolment figures, however, can be difficult to interpret since children's participation in child care will vary not only with the availability of child care, but also with the demand for that care. Specifically, demand is likely to depend upon levels of maternal employment for children of different ages, as well as the availability of alternate (informal) options for care of children.

4.1 Child care and early education approaches and enrolment rates

In most countries, attention to the provision or funding of child care is a very significant part of the approach to work–family, although the way in which this is done varies considerably across countries. Some of the models that exist are:

- direct funding and provision of public child care and early education services (e.g., Sweden);
- subsidies to non-government child care providers (supply subsidies), which in the Netherlands has supported large-scale provision of for-profit child care; and
- indirect means-tested support to families who purchase market-provided child care (demand subsidies), which may be provided through tax allowances and credits (e.g., Belgium, the Netherlands and Luxembourg) or through cash rebates or "child care vouchers", possibly directed more to low-income families (e.g., the UK).

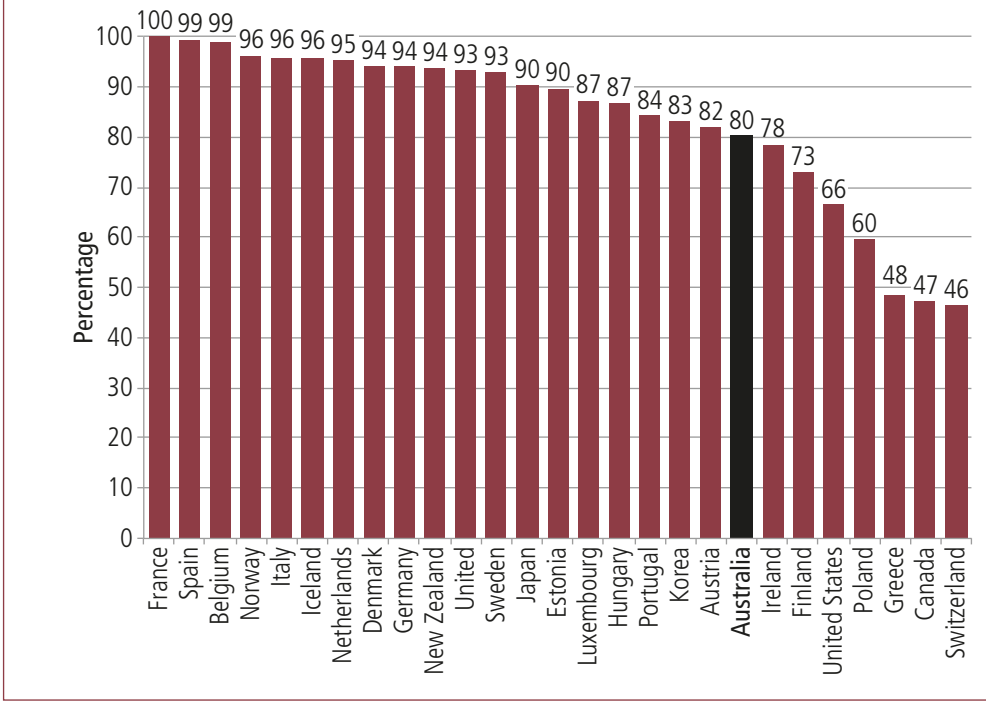
Countries may "mix and match" the above options depending on what is thought most appropriate for particular age groups, and for infants in particular, there is considerable variation across countries in the child care approaches. The differences are, in part, a reflection of different parental leave systems: if parental leave is more generous, there is less need for



Note: There are some inconsistencies in calculation across countries. For notes and sources for other countries, refer to OECD Family database, PF3.2 Enrolment in child care and pre-schools.

Source: OECD Family database (downloaded August 2014), PF3.2 Enrolment in child care and pre-schools

Figure 5: Enrolment in formal child care or preschool for under-3-year-olds, selected OECD countries, 2010



Note: There are some inconsistencies in calculation across countries. For notes and sources for other countries, refer to OECD Family database, PF3.2 Enrolment in child care and pre-schools.

Source: OECD Family database (downloaded August 2014), PF3.2 Enrolment in child care and pre-schools

Figure 6: Enrolment in early childhood education for 3–5 year olds, selected OECD countries, 2010

non-parental care (Plantenga & Siegel, 2005; Waldfogel, 2001). In fact, a country's approach to child care may not include the provision of funding of formal child care places, but instead may deliver funds as child care benefits paid to parents, to allow them to either: (a) return to work and outsource child care; or (b) remain at home, the benefit partially compensating for lost income. This is the situation in Canada. A variation of this is the public provision of child care, but with child benefits paid to those who do not use those services (e.g., Finland and Norway).

While usually considered outside the scope of work and family, policies concerning the early learning opportunities for children, including early childhood education and school, are also relevant to families who are managing work and family commitments.

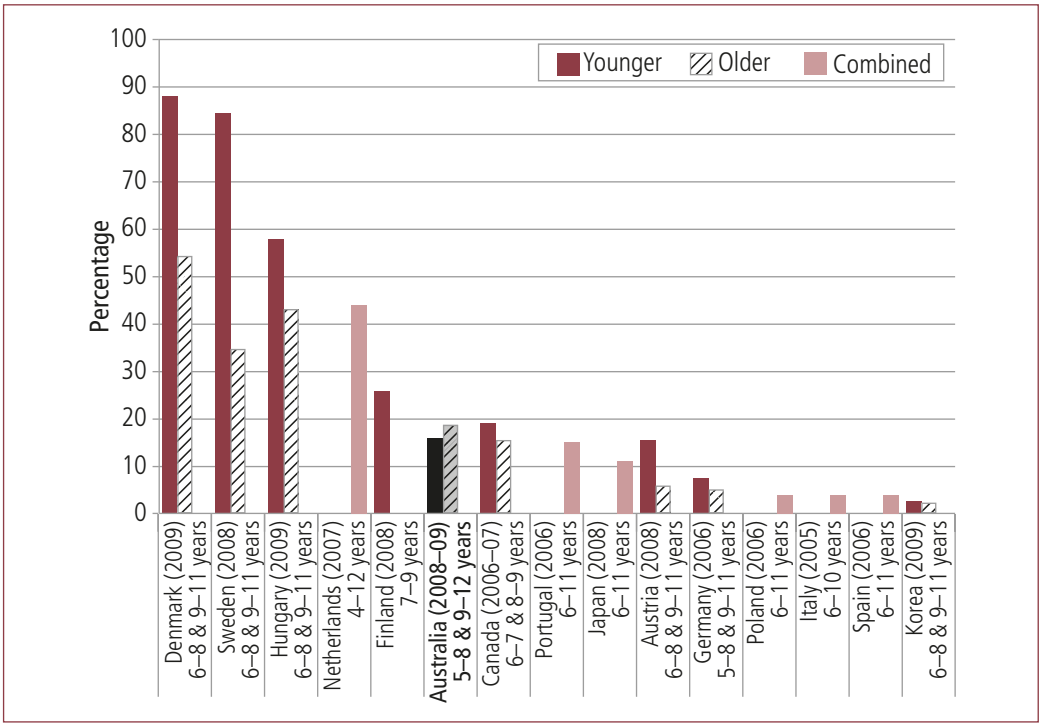
Cross-country differences in rates of child care enrolment follow from these different approaches. Also, within countries, differences in rates of enrolment by age of children in part reflect that approaches to child care (including early childhood education) vary for children of different ages. For children aged under three years a range of formal care settings is available in many countries, including child care centres and family day care. The wide variation in enrolment rates for this age group across selected OECD countries is apparent in Figure 5 (showing enrolment rates at approximately 2010). For example, in Denmark 66% of under-3-year-olds were in formal care, while in France and Japan the figures were 48% and 26% respectively. Note that some of this variation reflects the availability of other policies that potentially affect employment decisions for mothers with young children. For example, the availability of parental care may allow mothers to remain at home at least for their first year, reducing the demand for formal child care. Also, as will be discussed in subsection 4.4, the availability of a child care benefit may also mean mothers remain at home with very young children, instead of returning to work and seeking formal child care.

At age 3–5 years, formal care options begin to include programs that address the early educational needs of children, in preparation for school commencement. The development of early childhood education and school policies is often quite removed from those relating to work and family, sometimes because employment and education matters are the responsibilities of different parts of government. This can lead to tensions for parents who need to balance their work responsibilities around the timing of early education or school (for Australia, for example, see Hand, Baxter, Sweid, Bluett-Boyd, & Price-Robertson, 2014). Nevertheless, the provision of preschool can go some way towards a child care solution for parents of children aged 3–5 years, although where programs are not full-time (either across the week or across the day), there is a need for "wrap-around care" to meet the needs of working parents. Gornick and Meyers (2003) reported that in the US, many states moved from half-day to full-day kindergarten sessions because of this. Inter-country variation in participation in early childhood education (preschool and also school in some countries) for selected OECD countries at 2010 is apparent in Figure 6. There does not appear to be a strong concordance between these data and the formal care enrolment rates for younger children (in Figure 5).

For employed parents of school-aged children, the structure of the school day is relevant to work–family matters. The timing of the school day may not always match that of a "standard" work day, causing possible conflicts for parents trying to reconcile the demands of each. The main policy response has been in the provision of OSHC. The OECD noted in 2007 that provision of care to this age group was yet to be fully developed: "the development of outside of school hours services deserves a higher priority than it currently gets in many OECD countries" (OECD, 2007, p. 24). The typical forms of such care include provision of before-school and after-school programs. Comprehensive programs are provided in schools in countries such as Denmark and Sweden (Björnberg & Dahlgren, 2008; Gornick & Meyers, 2003). Similar programs are available in other countries, such as the policy initiative of "Extended Schools" in the UK (Cummings et al., 2007). Specific programs available in Paris, France, offer after-school care for all pre-primary and primary school children, which for the older age group may take the form of supervised study or cultural or sporting activities (Hein, 2005). More innovative initiatives include transport services and holiday camps, but examples of these tend to be found at the local area level, not the national level.

Figure 7 (on page 29) shows that school-aged children's enrolment in OSHC is quite low in several countries. Higher enrolment rates are evident in Denmark and Sweden, where there is more comprehensive OSHC provision. Of course, use of OSHC will depend on demand for it,

and so where maternal employment rates are lower, demand is expected to be lower. Where mothers more often work part-time, demand for OSHC may also be lower. (For Australia, for example, see Hand and Baxter, 2013.)



Note: Figure shows age ranges (in years) over which the calculations were made, and the year to which the data apply. Data were not available for all countries. There are some inconsistencies in calculation across countries. For notes and sources for other countries refer to OECD Family database, PF4.3 Out-of-school-hours care.

Source: OECD Family database (downloaded August 2014), PF4.3 Out-of-school-hours care.

Figure 7: Outside-school-care enrolment rates, selected OECD countries, 2005–09

4.2 The fit between parental employment and child care

Enrolment rates are not sufficient to show the considerable variation in the usual hours of attendance at child care across countries. Clearly, part-time attendance at child care, especially short hours of care, will not facilitate full-time employment, unless it is complemented with other informal care arrangements or flexible work arrangements. In 2006, across the EU, there was an average of 26% of children aged up to 3 years in formal child care. This included 14% in child care for under 30 hours per week and 12% for 30 hours or more (Commission of the European Communities, 2008b). Similarly, the 84% of children aged 3 years to under-school age in formal child care included 44% in child care for under 30 hours and 40% for 30 hours or more. Very significant differences by country are apparent. For example, in the Netherlands the majority of children are in care for fewer than 30 hours per week. This has implications for parents' employment, although it is not clear whether child care constrains parents in their choices regarding hours of work, or whether child care needs are chosen to fit into preferred work hours (Commission of the European Communities, 2008b).

For parents who work outside standard hours, child care is often a problem, as most care providers operate on a "standard" day and week cycle (Statham & Mooney, 2003). Most government initiatives directed toward the provision of child care services outside of standard hours have been implemented at the local government level. For example, in Sweden, several municipalities offer child care outside standard hours, including overnight (Björnberg & Dahlgren, 2008). In 2004–05, in 16 US states, child care providers were given incentives (a higher reimbursement of rates by the state) to offer evening, overnight and weekend child care

(Sloan Work and Family Research Network, 2005). Washington state (in the US) pays a bonus to service providers who cater for outside standard hours care (Washington State Department of Social and Health Services, 2007).

Further, when parents' jobs involve schedules that are not fixed, finding care solutions can be particularly difficult, as formal centres typically require children's places in care to be booked on an ongoing basis, although some might offer occasional or casual bookings. Government involvement in guaranteeing the availability of flexible child care in this way appears limited.

Governments have instead been more likely to address the issue of flexible child care through the support of child minders. These child care providers may operate in their own home or the home of the child, to provide a more flexible service, including at non-standard hours. Letablier (2006), for example, noted that this has been the direction of policy in France.

To encourage expansion of child care to support parental employment, one strategy is for governments to give tax incentives to employers to provide child care. For example, the Canadian government provides tax incentives to employers who create new child care spaces in the workplace (Government of Canada, 2008). While employer-provided child care has the benefits of allowing parents to spend more time with their children and facilitating breastfeeding after return to work, the availability of employer-provided child care is limited by the fact that many workplaces are of insufficient size to fund or administer such an arrangement. Another drawback of employer-provided child care is that it can create problems when parents change employers.

4.3 Cost and quality of child care

Cost of child care can be a significant deterrent to the take-up of formal care options and in some countries, the cost to families of caring means that returning to work results in little or no immediate financial gain. This is not the case in the Nordic countries, where public subsidisation of care means cost is not an issue for parents; if anything, the universal availability of care is likely to encourage women to work. The care is also of high quality and available on a full-time basis. Sweden, in particular, has universally available child care for children of all ages (Avdeyeva, 2006). However, this model does not suit all countries, as the cost is high, and tax systems in other countries are not established in a comparable way (OECD, 2007).

Across most countries, child care is seldom viewed as an employer's responsibility, despite the link between parental employment and child care (Fine-Davis, Fagnani, Giovannini, Højgaard, & Clarke, 2004). Child care costs are usually met by governments (federal, state or local) or individual families, but the degree to which costs are borne by government or families varies across countries (Commission of the European Communities, 2008b). For example, the OECD estimated that in 2012, for a dual-earner family with full-time earnings of 150% of the average wage and with two children (aged 2 and 3) in full-time child care, the net cost of child care (taking into account fees, subsidies and tax rebates) as a percentage of net family income ranged from a low of under 5% in several countries, including Korea, Austria, Portugal and Sweden, to a high of around 30% in the US, New Zealand, Ireland and UK (OECD, 2014b).

Provision of high-quality child care is important for the sake of children's wellbeing, and also is more likely to encourage parents to enter employment. Important quality measures include health and safety concerns, child development goals, staff qualifications, staff-to-child ratios, and the involvement of parents in the supervision of the child care facilities (OECD, 2007). Most countries address quality issues in their approach.

4.4 Child care benefits or related payments

Rather than directing funds to the provision of child care, an alternative approach taken by several European countries in recent years, is the payment of universal child care benefits to parents of young children. Such payments are usually framed as giving parents more choice as to whether or not to work, and which types of child care to use, if any. One approach is that parents may be able to use the benefit to pay for a place in a child care centre, fund their own informal child care arrangement or fund their own non-employment. In some countries, the

payment is conditional on the child not being in publicly funded child care, but parents may still choose to use the payment to pay for informal care. For governments, this can be a cost-effective solution, although this depends on the generosity and take-up of the payments. It also means an expansion of employment in the informal care sector, as parents can use the benefit to pay informal care workers (Morel, 2007).[14]

However, such payments are not always well regarded, as they can cause disincentives to return to work. As these payments tend not to be very high in value, the disincentive applies more to women who face relatively low wage rates upon return to work (Morel, 2007). There can also be more negative effects on female employment if employers are reluctant to take on someone who, due to the availability of these payments, is likely to have an extended break from work during the childbearing years.

An example of such a payment is the home care benefit in Germany (enacted in February 2013) for parents with children aged 1–2 years who are not in state-funded child care (Blum & Erler, 2014). The objective of the benefit is that of giving parents choice, in that they may use the benefit to pay for child care that is not state-funded, or may care for their child themselves. Other examples are described in Box 8.

Box 8: Examples of child care payments

Finland	Parents may take "home care leave" from the end of parental leave until a child's 3rd birthday. The home care allowance is payable to a parent who takes this leave, and is also sometimes topped up by local governments. This allowance is an alternative to taking up a publicly funded child care place. It has been claimed that payment has led many women to remain out of employment when they have young children; however, others note that these mothers are those who would have difficulties entering the labour market . A flexible care allowance was introduced in 2014 for parents of children under 3 years whose work hours were up to 30 hours per week, or 80% of full-time hours in their field. This was intended to promote part-time work, and to promote the transition from home care leave into work (Salmi & Lammi-Taskula, 2014; Sipila & Korpinen, 1998).
Norway	As in Finland, parents are entitled to a cash benefit if they do not use publicly funded child care. They can receive a partial benefit if their child uses part-time public child care (Brandth & Kvande, 2014).
Sweden	A child-raising allowance is available to parents in some municipalities of Sweden, for children aged 1–3 years who do not use publicly funded child care. The allowance is conditional on parents having used 250 days of parental leave, cannot be used simultaneously with parental leave, and the other adult in the household must be working or studying. Very few people have taken up this allowance, however. The value is low relative to average earnings (Duvander et al., 2014).

4.5 Summary

Funding of child care is one of the very significant ways in which governments across the world have contributed to work–family policy, although policies that relate to child care and early childhood education span broader areas than those specifically related to parental employment. In particular, the focus on quality of care and on addressing children's educational needs is often the responsibility of areas within government that do not have a role in the workplace or broader family policy. It is in this area of work–family policy that there is greatest diversity across countries, with variation in the nature (and amount) of funding directed to child care. Within countries there is also considerable variation depending on the ages of children.

In respect to parental employment, the main way in which governments have progressed child care solutions is through the funding of formal child care options, whether that is through organised child care in a centre-based arrangement, or in homes, such as in family day care. Some governments have implemented policies that give parents the flexibility to choose their child care provider; for example, by providing options for families who wish to use relatives or other unregulated carers to mind their children while they work.

14 This is also true of cash payments made to older or disabled people, who are encouraged to use these payments to make informal arrangements for their care (Morel, 2007).

The different ways in which child care policy intersects with other policies (such as parental leave) contribute to there being much diversity across countries in families' child care solutions. While policy settings explain some of the variation, the potential demand for child care within countries (or regions) is also partly a result of attitudes among parents and society more generally about appropriate care options for children, and of mothers' employment participation, which may be constrained because of other factors (such as inflexibility in the labour market).

5 Working hours and other aspects of employment

5.1 Number of working hours

The degree of work–family conflict experienced by employed men and women is strongly associated with the number of hours worked, with longer work hours leading to more conflict (e.g., for Australia, see Alexander & Baxter, 2005; Baxter & Alexander, 2008; Hill, 2005; Pocock & Wilson, 2001). It is relevant, therefore, to consider how policy shapes working hours. Here we have considered this in terms of government policies concerning maximum working hours, the extent to which changes to working hours can be brought about by employees, access to flexible work hours, and the right to refuse working schedules due to family responsibilities.

There is considerable variation across OECD countries in the distribution of working hours and gender differences in working hours. Of the countries for which average hours worked are available for 2011, for males, the mean weekly hours worked varies from 35.7 hours in the Netherlands to 51.9 in Turkey, while for females, the range was from 24.5 hours in the Netherlands to 41.7 in Korea (Table 2 on page 34). As suggested by differences in average work hours of men and women, in all OECD countries, part-time work is more common among women than men, with the highest rates of female part-time work in 2013 being in the Netherlands and Switzerland (Table 1 on page 6). The countries in which women's share of part-time work is highest are Austria, Belgium, Germany and Switzerland. Part-time work is somewhat more evenly distributed between men and women in Korea and Turkey (Table 2).

Different supply effects may mean that part-time work is more attractive in some countries than in others (Evans et al., 2001; Gornick & Heron, 2006). Where child care is limited or expensive, or where part-time jobs are fairly accessible and the job conditions attractive, parents may choose to work part-time. Where long work hours are common (and job pressures greater) among full-time workers, more workers with family responsibilities may elect to work part-time to avoid this strain. The variation in hours worked across countries is in part explained by differences in whether work hours are legislated or set by collective agreements; however, it is difficult to draw links between working hours policies and the distribution of hours worked because of the range of factors likely to affect working hours decisions.

5.2 Legislating the length of the work week

Legislating the length of the work week involves establishing a maximum standard full-time work week, beyond which overtime rates may apply. Implementation of the maximum work week varies between countries, with provisions often made for certain occupations or workplaces to be excluded from this requirement. Within countries, specific collective agreements may vary the standard work week and introduce additional benefits and conditions.

All countries in the EU are covered by the EU Working Time Directive, which established a maximum average work week of 48 hours (including overtime) (European Trade Union Confederation, 2008).[15] The main objective of this directive is to promote health and safety at work, given evidence that people who work long hours run a higher risk of becoming ill and

15 This directive was issued in 1993 and has subsequently been amended, most significantly in 2003. Other directives around access to breaks and annual leave, and maximum amounts of shift work are also included.

Table 2: Mean weekly hours worked and women's share of part-time work, selected OECD countries

	Women's share in part-time work, 2013 [a]	Mean usual weekly hours worked in main job, 2011 [b]	
		Male	Female
Australia	70.3	40.5	30.8
Austria	79.3	42.1	32.8
Belgium	80.8	40.5	32.6
Canada	66.6	39.8	33.9
Denmark	61.1	35.9	31.2
Finland	62.2	39.2	35.1
France	76.9	41.0	34.7
Germany	78.2	39.9	30.5
Greece	61.7	44.0	39.4
Hungary	63.5	40.2	38.7
Iceland	67.5	43.9	34.9
Ireland	71.9	39.2	30.5
Italy	74.0	40.5	33.1
Japan	70.3	n.a.	n.a.
Korea	60.5	46.7	41.7
Netherlands	73.2	35.7	24.5
New Zealand	72.7	41.9	32.3
Norway	69.4	36.6	30.9
Poland	67.9	42.4	38.2
Portugal	57.9	40.8	37.3
Spain	73.4	41.1	35.2
Sweden	61.2	38.4	34.3
Switzerland	80.0	40.4	29.1
Turkey	59.9	51.9	41.4
United Kingdom	73.8	41.0	31.2
United States	65.5	n.a.	n.a.

Note: Average hours are reported for main job only and so will underestimate the hours worked in all jobs. n.a. = not available.
Source: [a] OECD Employment database (downloaded August 2014), Average usual weekly hours worked on the main job.
[b] OECD Employment database (downloaded August 2014), Average usual weekly hours worked on the main job.

having accidents. However, in each country, employees can voluntarily choose to work more than these standard hours (European Working Conditions Observatory, 2008). For example, those who "self-determine" their working hours, including the self-employed and, in some cases, managers and professionals, may be exempt from this regulation. As a result, a significant proportion of the labour force in a number of EU countries still works hours in excess of the legislated work week (Fagan, 2003). In the UK, the 1998 Working Time Regulations provides for a limit of 48 hours a week (averaged over the year), but any worker can choose to work more than this (UK Department for Business Enterprise and Regulatory Reform, 2008).

Some EU countries have chosen to set their maximum working hours at less than the 48 hours in the EU directive. The most significant application of a reduced standard work week in recent years occurred in France, where the standard work week was reduced, through legislative means, from 39 hours to 35 hours a week, on a voluntary basis in 1998, and compulsorily in 2000. The goal was to reduce unemployment and to improve the quality of life of workers. In subsequent years, laws were relaxed, largely in response to criticism of the 35-hour work week. Such criticism usually centred around arguments that the aims of this legislation were not being realised. More recent changes mean that, from August 2008, the work week is nominally defined as being 35 hours, but 35 hours is no longer the maximum (Tran, 2008).

Several other countries have standard work weeks considerably below the 48-hour maximum, although few are close to the 35-hour limit that was set in France. For example, Fagan (2003) reported that in 2002 Belgium had a legislated maximum of 39 hours, and Austria, Finland, Norway, Portugal, Spain and Sweden have a maximum of 40 hours. Outside the EU, Japan has implemented laws to reduce the work week down to a legal limit of 40 hours, with the intention of changing the culture of working long hours and improving workers' quality of life (Lee et al., 2007).

In France, the main objective of the reduction in working time was to address the country's high rates of unemployment, although a secondary objective was to facilitate better sharing of unpaid work in the home. Employers were able to implement the reduced working hours through changes to work schedules: some reduced the standard work day, others introduced additional days off, while others introduced flexibility such that work schedules varied across the year. For some parents, this increased the time available for families and improved work–family balance, but this was not the case in all families, and in fact for some the opposite occurred (Fagnani & Letablier, 2004; Hayden, 2006; Letablier, 2006). Employees who became subject to employer-imposed work schedule changes were less likely than others to experience an improvement in work–family balance (see discussion in section 5.3). Also, some workers experienced a deterioration in their working conditions; for example, an increase in work-related stress (see discussion in section 5.7). Fagnani and Letablier (2004) concluded that a reduction in hours is not sufficient in itself to improve work–family balance. Their assessment was that whether an improvement occurs with a reduction in hours depends also on how work hours are decided upon and whether the resultant schedule is compatible with work–family demands.

In the Republic of Korea, a working hours limit (of 44 hours) was initially imposed to address unemployment, but as the economy improved, work–family reconciliation and quality of life became the focus. A 40-hour work week was phased in between 2004 and 2011. This was commonly referred to as the "five-day-week", as this was how the new limit was expect to be implemented (Lee et al., 2007). However, the pervasiveness of overtime hours still contributes significantly to the culture of working long hours in this country (see average work hours for Republic of Korea in Table 2). While both men and women work long hours, the employment rate of mothers in Korea, on average, is relatively low, reflecting the incompatibility of work and caring in this country (along with gendered approaches to caring).

Government intervention around working hours policies has also been through the introduction of annualised hours. This approach means that average work hours are calculated over a year instead of a week, taking into account periods of leave. Increasing the availability or length of annual leave therefore reduces average work hours, even if the "normal" work day or work week length is unchanged (see the discussion on annual leave in section 3.7). Calculating averages over the year also means that week-to-week variations in hours can be accommodated, in particular to allow work hours to be longer in peak times of demand or supply, and lesser at other times.

While there is some evidence that establishing a standard full-time work week is important in limiting total working time in a country (Gornick & Heron, 2006), most countries have not pursued this option, but have rather addressed the work–family balance issue by encouraging or enabling more flexible work options, including part-time work (Fagan, 2003).

5.3 The right to access or request changes to working hours

This section discusses policies that make it easier for workers to change their hours, whether to reduce or increase them as the need arises. Across countries, a fundamental difference is whether employees have the right to access or request such changes. There are also differences in whether this applies to parents, those with more broadly defined caring responsibilities, or all employees.[16] While the focus is usually on access to part-time work, some countries have

16 As discussed earlier, access to part-time or flexible work may be available to parents of young children, as part of the return-to-work strategy after parental leave.

also provided workers with the ability to increase their hours if their circumstances change and they wish to commit more time to the labour market.

Part-time work offers great advantages to those who wish to divide their time between paid work and caring, but it can reinforce gender stereotypes since it is predominantly taken up by women, and has implications for their wages and career prospects (Commission of the European Communities, 2008c). However, part-time work is very clearly a means of managing work and family responsibilities, and even in countries such as Sweden, with good work–family entitlements, a large proportion of women working full-time would prefer to work part-time (Pocock, 2005).

In the Netherlands, part-time work has been actively encouraged through government policy. This country has the highest rate by far of part-time work of all EU countries (see Table 1). Its *Working Hours Adjustment Act 2000* gives all workers the right to request a decrease or increase in working hours, without the requirement to specify the reasons (Knijn & Selten, 2002). Legislation prohibits discrimination based on working hours. The basis of the Netherlands approach is the Combination Model, which aims to encourage equal sharing between men and women in paid and unpaid work. However, women still predominate in part-time work (75%; see Table 2) and often prefer these hours, and men still tend to work relatively long hours, with only a small proportion working part-time hours. There is not a strong unmet demand for part-time work among men (Cousins & Tang, 2004).

It is now quite common for developed countries to have legislation that ensures full-time workers have a right to request to work part-time hours. In 2010, the OECD reported that in eight out of ten OECD countries, parents could request part-time work through parental leave (taking their leave part-time) or through reduced hours (OECD, 2010). Further, several countries have extended the right to request part-time work to other workers, including those who have caring responsibilities, are sick or disabled, are undertaking education or training, or are themselves older.

In the UK and New Zealand, the focus is not on access to part-time work, but on the broader notion of flexible work options (see section 5.5). In reality, for women (but not men), this is predominantly applied through requests for part-time work (Hegewisch & Gornick, 2008).

There are other mechanisms that provide employees with access to part-time work. For example, in Belgium, workers are entitled to a one-year career break within their working life (see section 3.8). They can elect to take this part-time by reducing their hours to 80% over five years. In Finland, if supported by employees and employers, workers can reduce their hours to part-time and receive partial compensation for this if the hours are made up by the employer taking on an unemployed person (Hegewisch & Gornick, 2008). In France, a time savings account can be used to accrue leave, and can also be used to change to part-time work (Todd, 2004).

As with the parental leave/part-time work option (see section 3.3), a right to access or request part-time hours may only apply to workplaces over a minimum size (e.g., 10 employees in the Netherlands and 15 in Germany) (Meyers & Gornick, 2004). Further conditions may also apply, thus giving the employer some say in whether or not these hours can be accommodated within the workplace. The OECD (2010) highlighted the diversity of such conditions across countries, with refusal by employers sometimes being possible on any grounds (e.g., in Italy), or on serious business grounds (e.g., in Norway, for all workers except parents in the Netherlands, and for all workers except parents and students in France). There are cases where no acceptable grounds for refusal are available (e.g., for parents and carers in Japan and Spain).

Regarding the ability to change from part-time to full-time hours, rights to request changes in hours are often implemented in relation to preferential treatment in filling full-time positions. For example, in many OECD countries, part-time workers have a right to be notified of full-time vacancies in the workplace (e.g., Belgium, Germany, Japan), and in several countries (such as Belgium, Germany, Japan, Korea, Spain and Sweden), preferential treatment may be given to part-time workers applying for full-time vacancies (OECD, 2010).

5.4 Guaranteeing the quality of part-time work

In a number of countries, there is recognition that encouraging *high-quality* part-time work can assist employees to balance work and family responsibilities.

The 1997 EU Directive on Part-time Work (or the Atypical Work Directive) aims to ensure that part-time workers have pro rata access to pay and conditions (Meyers & Gornick, 2004). Following this directive, legislation in Portugal (since 1999), Italy (2000) and the UK (strengthened in 2000) provides for equal treatment of part-time workers. The principle of equal treatment of part-time work was introduced into legislation in Belgium, France and the Netherlands earlier and more comprehensively than in other EU countries such as Germany or UK (Maier, 1994). See also OECD (2010) for information about other countries.

Quality part-time work is also addressed through legislation forbidding discrimination on the basis of sex or family responsibilities, since part-time work is often taken up by women as a means of managing family caring responsibilities (Hegewisch & Gornick, 2008).

Ensuring quality part-time work has been an important element of the Netherlands' approach to part-time work (Fox, Pascall, & Warren, 2006). Fox et al. suggested that giving employees the right to part-time work may encourage higher quality part-time work, and this may also encourage more fathers to take it up, a view also expressed by Visser (2002). High-quality part-time work in the Netherlands has been achieved through the *Equal Treatment of Working Hours Act 1996*, which ensures part-time workers have the same rights as full-time workers to training and promotion opportunities (Todd, 2004).

One of the characteristics of part-time work in the Netherlands is the relatively high degree of "time autonomy"—the degree to which employees can decide their own working hours or negotiate them with their employer. In Cousins and Tang's (2004) comparison of the Netherlands, UK and Sweden, part-time workers in the Netherlands had a considerably higher rate of "negotiated flexibility" than in the other countries (see also Grimshaw, Kerstholt, Lefevre, & Wilthagen, 2000).

Another aspect of quality is the degree to which part-time work is part of the permanent labour market. This is one negative feature of the part-time labour market in Australia, as well as the UK, where part-time work is more likely than full-time work to be temporary or casual. As these temporary/casual jobs don't have the same rights of access to job entitlements, such as leave, this has implications for the quality of part-time work. For example, in the Netherlands and Sweden, a very small percentage of female part-time workers have no employment contract (6% and 1% respectively), compared to the UK (27%) (Cousins & Tang, 2004).[17]

Part-time work also may not always be available in higher status occupations. Some governments, such as in the UK and Germany, have specific programs aimed at increasing the acceptability of part-time work in higher status occupations (Hegewisch & Gornick, 2008).

Because of quality and other issues, part-time work is not always guaranteed to contribute to a successful work–family balance:

> The attractiveness of part-time work as a reconciliation measure is contingent upon the volume and schedule of working hours, the availability and social acceptability of alternative forms of child care, and the quality of pay and other working conditions. (Fagan, 2003, p. 15)

5.5 Flexible work arrangements

Some countries have adopted the approach of giving employees the right to request flexible work arrangements, potentially providing opportunities to change working arrangements in

17 See Campbell and Burgess (2001) for a discussion of permanent versus casual work and equivalent measures in Europe.

ways other than just reducing hours. While flexible working arrangements typically include part-time or reduced work hours, they also encompass the following work practices:

- flex time—employees work for an agreed total number of "core hours" but choose when their working day begins and ends;
- annualised hours—an agreed number of hours worked on a yearly rather than weekly basis;
- compressed hours—weekly full-time hours are worked over a shorter time period;
- job-sharing;
- "hot-desking" (temporary use of a desk);
- shift self-selection—employees contribute to the development of shift work schedules and choose their own shifts;
- unpaid or paid leave during school holidays; and
- staggered hours—different start and finish times for employees in the same workplace (NZ Department of Labour, 2008b; Todd, 2004).

In the UK, for example, since June 2014, all employees have a right to request flexible working hours and such requests must be considered by employers, although some restrictions based on tenure apply. This is an expansion from the original policy where only employees with children aged less than 6 years (or disabled children aged less than 18 years) had a right to request flexible work arrangements (Lewis & Campbell, 2007; Meyers & Gornick, 2004). In 2007, eligibility was expanded again to include workers caring for adults, as surveys showed that these workers had more difficulty than others in getting voluntary agreement from their employer to gain access to flexible work arrangements (Hegewisch & Gornick, 2008).

The take-up of flexible work in the UK has been quite high, although men are more likely to request flexible work arrangements than they are to request part-time work, given the negative effects on earnings of working part-time (Hegewisch & Gornick, 2008). A 2005 UK survey (Holt & Grainger, 2005) found that 60% of male and 71% of female employees were aware of the right to request flexible working, with somewhat higher rates for employees with children (pp. 5–6). The same survey found that 10% of male and 19% of female employees had requested flexible working in the previous two years, with higher rates for those with dependent children (p. 12). The most common requests were for part-time work and for access to flex time. Some of the apparent take-up may be that workers have formalised arrangements that were previously informally in place.

New Zealand also has a strong focus on flexible work options in its strategy to address work–life balance. This has been enacted through the *Employment Relations (Flexible Working Arrangements) Amendment Act 2007*, which gives the statutory right to request flexible work to workers with caring responsibilities (broadly defined, including care of adults and regardless of familial relationship) (Hegewisch & Gornick, 2008). This Act came into effect on 1 July 2008 (NZ Department of Labour, 2008b). Entitlement applies to those who have at least 6 months' job tenure. As in the UK, employers have to consider requests for flexible work, but can refuse on certain grounds.

As discussed previously, flexible working time is also part of the approach taken in other EU countries. In France, how working time schedules were negotiated (if they were at all) in the change to the 35-hour week was strongly associated with whether workers perceived that there could be improvements in how they were able to combine work and family. Those with the least control over how these hours were established were the least likely to say there was an improvement in their work–family combination (Fagnani & Letablier, 2004).

The policy focus on flexible work arrangements is consistent with findings that flexible hours are usually found to help families to balance their work and family responsibilities (Baxter & Alexander, 2008; Haddock, Zimmerman, Ziemba, & Lyness, 2006; Hill, Hawkins, & Ferris, 2001). Flexible work in this context is when the employee has some control over work times. This "positive flexibility" is in contrast to flexibility that gives more control over working arrangements to the employer, creating instability of hours from the point of view of the employee. As noted by Hegewisch and Gornick (2008), what workers often want is "less flexibility but more

predictability, together with a greater range of alternatives for arranging when, where and how much they work" (p. 9).

Increasing employer and employee awareness of flexible work practices is an important part of improving employee access to them. Governments can play a key role here by providing information and advice about the existence and value of such work options. In the UK and New Zealand, for example, various information resources are available to employers and employees to help encourage and support the development of flexible work options. Governments can also help by encouraging innovation in alternative work arrangements, by rewarding it and/or by providing access to funds to develop and implement appropriate strategies targeted to individual workplaces. This is discussed further in section 6.

Another approach has been to allow some flexibility as to *where* work is done; in particular, allowing working at home, either on a part-time or full-time basis. This is one of the options listed in New Zealand's flexible work strategy. Technological advances that allow workers be connected to their workplace through different telecommunication media increase the potential for work to be done from home for certain types of jobs. However, there are some concerns that working from home may not be a successful strategy for balancing work and family, as blurring the lines between the workplace and home can add to the conflict between the two domains (see discussion of the advantages and disadvantages in Hein, 2005). Given that working from home is only feasible for a limited range of jobs, government policies that can help to promote this are quite limited. The Japanese government, however, has attempted to encourage "tele-working" as a work–family strategy for workers with elder care responsibilities (Neal & Hammer, 2007).

An alternative to the above is the option of remote working from a location other than the office or home, with connectivity to the office through mobile phone and/or the Internet. Remote working options may be particularly attractive to those employees who would otherwise face long commutes to a central place of employment.

5.6 The right to refuse overtime or non-standard hours

It can be particularly problematic when the expansion of flexible work options leads to more employer-driven (rather than employee-driven) flexibility, and to more work during atypical times (evenings, nights or weekends). Working unpredictable hours can also be difficult, especially so if hours change with little notice (as has been shown to be the experience in France). Managing child care needs is especially hard in these situations. Fragmented days might also mean more commuting time, and having less time available to spend with family and children (Fagnani & Letablier, 2004). Also, where a work schedule is not spread over a "standard" week, but over a different cycle, this can cause problems when organising care or other outside-work commitments (Gornick & Heron, 2006).

In some countries, including Switzerland, France and Norway, workers with family responsibilities have a legal right to turn down work schedules or overtime if they interfere with those family responsibilities (Hegewisch & Gornick, 2008). Japan also has legislation to protect workers with care responsibilities (defined as caring for a spouse, parent, child or parent of a spouse; or for grandparents, siblings or grandchildren who co-reside and are dependent on the worker). These workers do not have to work excessive overtime, and the amount of night work they are required to do is limited, although exceptions exist for particular businesses (Taskforce on Care Costs, 2007).

Through the 1992 EU Maternity Leave Directives, across EU countries, the working hours of pregnant women, and new and breastfeeding mothers are monitored to ensure there is no health or safety risk associated with their working hours. Particular attention is given to night work. Employers are obliged to offer alternative work hours where a risk is identified, or if this is not possible, must grant a period of leave (Commission of the European Communities, 1999).

5.7 Reducing work intensification and job stress

Increased intensification of work, excessive stress and unrealistic workloads are concerns in a number of OECD countries. Such experiences of work can have a negative effect upon the ability of parents to reconcile their work and family responsibilities (Skinner & Pocock, 2008; Todd, 2004). For example, work intensification appears to have been a by-product of the introduction of the shorter work week in France—while working shorter hours, employees often report their workloads have not changed, and therefore feel the pressure of having to do more in less time. In analyses reported by Fagnani and Letablier (2004), some said this meant that, even though they were scheduled to have more days off, they were working from home on those days to keep up with their workload.

In a number of countries, such as Australia and New Zealand, workplace stress is addressed by occupational health and safety legislation. Governments can legislate against employers placing an employee at undue risk of harm, and provide information to employers to help them address the physical and mental aspects of work that may cause problems for employees. In conjunction with this, in a number of countries the relevant government body makes information available to employers and employees on how workplace stress can be minimised. For example, in 2003, the New Zealand government released a report for employers titled *Healthy Work: Managing Stress and Fatigue in the Workplace* (NZ Department of Labour, 2003).

Some governments, however, have a stronger focus on addressing job stress. As noted by LaMontagne, Shaw, Ostry, Louie, and Keegel (2006):

> Various legal, legislative, and other approaches to job stress issues are emerging across the industrialized world. The concept of policy level intervention includes governmental regulatory policy, voluntary best practice guidelines published by non-governmental organizations, collective bargaining agreements, company policies, and more. The European Union provides an example of a recent broad-based effort to address job stress, with its dedicated European Union OHS week 2002 on *Working on Stress: Preventing Psychosocial Risks at Work.*[18] (p. 38)

While not usually thought of as work–family policy, these occupational health and safety policies that directly recognise job stress as an issue, if successful, should result in better work–family balance for families.

5.8 Summary

Being able to access hours of employment that allow family obligations to be met is one of the key aspects that determines the extent to which individuals are likely to experience work–family conflict, and also to be able to actually make the decision to be employed rather than stay out of employment or to take a more extended break when caring demands are high. The focus on facilitating parents to work hours that better match their care needs is therefore an important one, and it is not surprising that this has been the approach taken across many countries. Of course, legislating access to certain working hours or conditions does not guarantee that all parents have access to their preferred work conditions. The nature of the labour market will matter to how such conditions are actually implemented in the workplace, and to what extent they are available to all workers. Further, take-up of certain work arrangements will depend upon other factors, including gender role attitudes within the home, financial constraints on being able to work shorter hours, and the availability of alternative care options that may limit parents' needs for flexible or shorter work hours.

While policies that facilitate access to part-time work or flexible work is one way in which governments have addressed work–family issues, the continued gender differences in working hours in most countries highlights that work–family reconciliation more often involves the adjustment of working hours for women, but not for men. Having access to family-friendly jobs across the span of occupations and industries would guard against a "mummy track", to the extent that even if women continue to be the ones reducing their work involvement to

18 The *Working on Stress* report is available from the European Agency for Safety and Health at Work at: <osha.europa.eu/en/publications/reports/104>.

care for children or others, they can continue on their work or career path while working part-time or flexibly, and can then increase their work hours if they wish to do so once their caring responsibilities have diminished. However, there remain important questions about why work–family policies are slow to be taken up by fathers, and a likely future direction for governments is to explore whether policies need to be varied in some way to improve this take-up, to achieve more of a gender balance.

6 Support and promotion of work–family initiatives

The approaches discussed in the preceding sections of this report have largely centred on how governments have addressed work–family policy through legislative means and through the provision of services or entitlements to workers. Governments have also used "softer" approaches, by providing information to employers and workers about work and family issues, providing incentives for employers to implement work–family policies, encouraging workers to make use of family-friendly working arrangements, and providing supports to both employers and individuals to help them manage their work and caring responsibilities. This section discusses some of these approaches.

6.1 Coordination, information repositories and other supports

As it is often the case that work–family policies cross over the policy responsibilities of more than one portfolio, some governments, such as in Singapore and the UK, have set up work–family (or work–life) units in order to liaise across these areas (Hein, 2005).

Several governments have also established websites that are designed to promote work–life balance and disseminate information to employers and employees. This has been done, for example, in the UK, New Zealand and Canada. Features of the websites include links to press releases and research studies, information guides and booklets on implementing work–life friendly practices, and links to relevant government policies and legislation and case studies.

Many governments have helped to address work–life reconciliation by developing and distributing information resources aimed at employers, employees and/or the general public. Information resources generally take the form of booklets, manuals and websites, but may be supplemented by help desks. This information may also be distributed by way of talks on work and family, organised for presentation at workplaces or public forums.

6.2 Work–family, work–life and gender campaigns

Campaigns on work–family, work–life or gender have been conducted in many regions and countries.

The UK and New Zealand governments have launched work–life balance campaigns containing a series of integrated policy measures aimed at improving employees' abilities to reconcile work with other aspects of life. The UK's Work–Life Balance Campaign was introduced in 2000 by the Department of Trade and Industry. The campaign targeted employers, with two main areas of focus. The first was on providing information about good work–life practices, why they are important and how employers benefit. The second related to the implementation of work–life enhancing practices and providing support to businesses (Todd, 2004). In order to monitor the effects of its Work–Life Balance Campaign and to examine the overall progress of improving work–life balance in the UK, the UK government commissioned separate research studies of employers and employees. Results can be found in Hayward, Fong, and Thornton (2007);

Hogarth, Hasluck, and Pierre (2001); Hooker, Neathey, Casebourne, and Munro (2007); Stevens, Minnotte, and Kiger (2004); Stevens, Brown, and Lee (2004).

The New Zealand government's approach to work–life balance and the measures they have undertaken are very similar to those in the UK; however, there appear to be three key differences between the two countries' campaigns. Firstly, compared to the employer focus of the UK, New Zealand has been more inclusive of employees in their campaign. Also, New Zealand has a particular emphasis on flexible work practices, whereas the UK campaign is more broadly framed. Finally, New Zealand's campaign has had a large research component aimed at developing innovative practices that work for both employees and employers.[19]

Work–family issues may also be addressed in campaigns aimed more generally at achieving greater gender equality in the home or in the workplace. For example, information campaigns were an important aspect of the Netherlands' approach, aimed at increasing men's involvement in caring (European Commission, 2006). The Netherlands made use of annual radio and television campaigns to encourage families to find a better fit between work and family (Hein, 2005). To promote more equal gender division of domestic labour, the Dutch Ministry of Labour and Social Affairs launched a media campaign with the slogan "Men Taking the Lead". The message they wished to convey was that if men became more involved at home, more women would be able to enter the labour market and better balance work and family life. The campaign included television and radio commercials, as well as press conferences, a website, talk shows and events (European Commission, 2007).

A broad information campaign was also an aspect of the Synergy in Family and at Work project, conducted in 2002–03 in Greece, France and Italy. A primary objective of this project was to "promote new mentalities that encourage the fair distribution of family and professional responsibilities and the eradication of gender stereotypes" (European Commission, 2007, p. 36). It included organising meetings, press publications and a television campaign.

Several countries have taken the approach of designating a particular day on which families should focus on spending time together, recognising that paid work can get in the way of shared family time. For example, Korea introduced Family Love Day, which is designated to be every Wednesday. On this day, workers are encouraged to leave work at 6 pm (rather than at much later times) in order to have time with their families. "Family Love Day was initiated to promote the idea that spending time with family at least one day per week is the first step in strengthening love within the family" (East Asia Ministerial Forum on Families [EAMFF], 2012). It has been adopted by all public organisations, and is being promoted across the private sector.

In October each year, since 2003, the US has held a National Work and Family Month. As described on the campaign website, it works on the principle that "dedicating a month to work and family issues encourages all workplaces to pause once a year and consider the progress made towards work–life effectiveness and challenges employers to raise the bar each year to ensure their workplaces are meeting the needs and challenges facing their employees."[20]

6.3 Awards and accreditation

An additional way in which the governments of several countries, including New Zealand, Hungary, Germany, Singapore and Japan have endorsed work–life balance is with award schemes, which give public recognition, through ceremonies and press coverage, to employers who offer family-friendly work arrangements to their employees (EFILWC, 2006; Hein, 2005). In some countries this has been done through the certification of companies as being family-friendly if they meet certain conditions around access to work–family policies for employees. This is the case, for example, in Korea (EAMFF, 2012). In Hungary, award winners were able to use the award scheme logo in their business stationery. Winning companies were also given grants that could be used for putting toward offering holidays to staff members to spend time with their families (European Commission, 2007).

19 This employment research is available from the New Zealand Ministry of Business, Innovation and Employment website at <employment.govt.nz/er/bestpractice/worklife/research/>

20 See the National Work and Family Month website at <awlp.org/awlp/nwfm/index.jsp?nonav=y>.

As an alternative to the direct provision of workplace supports by government, another way that governments can be involved in work family reconciliation is by encouraging businesses to develop their own tailored strategies to address these issues:

> The Babies and Bosses reviews found that publicly supported "consultancy" initiatives which provide tailored advice to companies are an innovative way of fostering family-friendly workplaces, especially when they included re-assessment to ensure long-term enterprise commitment. However, there is not much evidence that such initiatives have become widespread. (OECD, 2007, p. 25)

One such initiative was the UK's Challenge Fund. This fund provided grants to organisations to pay for consultancy services to help organisations to assess the benefits of providing flexible work arrangements; identify their employees needs; and find and implement practices that meet employers', customers' and employees' needs. Between its launch in 2000 and publication of the Challenge Fund Evaluation Report in 2004, approximately 400 organisations from the private, public and voluntary sectors, across the UK and Scotland, received funding. Employers most commonly applied to the Challenge Fund to address problems with recruitment and retention of staff (Nelson, Nemec, Solvik, & Ramsden, 2004).

6.4 Programs, supports and services for employment

While not directly implemented for the purposes of addressing work–family balance, programs, supports and services that address parents' or carer's ability to be able to return to or sustain employment often need to take account of work–family issues. In some countries, programs exist that are specifically aimed at: those re-entering the labour force after a caring break, addressing job search techniques, specific job skills, or factors such as confidence levels. For example:

- In one area of Switzerland, a Women and Employment Program provides assistance to women who have been out of the labour market and wish to return to work (Hein, 2005).
- In France, a woman returning to work after completing parental leave is eligible for retraining with pay (Fine-Davis et al., 2004).

More generally, lack of skills or perceived lack of skills may prove to be a barrier to employment for those wishing to re-enter the labour market after taking a break for family reasons. In these cases, programs that address these barriers can be of benefit; in particular, active labour market programs that involve training, job search assistance and/or on-the-job training (Hein, 2005). This is an important aspect of assisting not-employed single parents to move into employment (OECD, 2007). While these supports have a focus beyond work and family, they are relevant when considering those who wish to return to employment after taking a break to address family needs.

There are other broad-ranging issues that can affect the work–family balance and the ability to re-enter employment after a break. For example, in the community or local government area, access to reliable public transport and access to shops and services outside work hours can be important to families trying to balance caring and work responsibilities (Fox et al., 2006; Hein, 2005). Such issues can be particularly pertinent to low-income families.

6.5 Summary

While we have placed this section last, the approaches outlined here underlie the various policies discussed throughout this report, by raising awareness among employees and employers of the existence and benefits of different policies. More general campaigns may encourage families to talk about work–family issues and to think about different solutions to the "traditional" models of work and care. These approaches are all important, as while government may initiate work–family policies, their application in the workplace, their take-up and their interaction with other policies can make a significant difference to the success or otherwise of work–family policies achieving their objectives.

7 Concluding remarks

The purpose of this report was to review the range of policies that governments have in place that are relevant to the reconciliation of work and family. As well as outlining several policy areas, within this report we outlined some of the broader contextual issues that are relevant in considering and comparing country-level work–family policies.

A key message from this review is that the work and family policies adopted by different countries can only sensibly be understood by considering *all* of the policies that affect work and family life, as a package. While country-specific work–family policies can be identified, within countries these policies interact with each other in complex ways, and the ways in which they are operationalised vary depending on broader government policies and institutions. The interaction of different approaches within countries is most apparent when considering how parental leave and child care policy relate to each other, with fewer formal child care supports for very young children being needed when parental leave policy supports mothers (or fathers) to remain out of employment for a longer period. We can nevertheless learn from other countries, keeping such contextual factors in mind. For example, having better information about the facilitators or barriers to the take-up of specific policies, and the consequences of those policies, can provide insights that may be of relevance in Australia and elsewhere. There is a role for country-specific studies that can place findings within a specific context, as well as comparative research that can describe and compare policies and outcomes across a range of settings.

A second key message is that some policies explored here in the context of work–family reconciliation were not all designed and implemented for the specific purpose of addressing work and family issues. Some policies described here were developed to address fertility concerns, others to address gender equity, and others labour market productivity. However, the reconciliation of work and family may be recognised as a conduit to reaching various outcomes, as is often the case in those policies developed for these other primary objectives. It is apparent that work–family issues emerge across a range of areas of government policy, which is why some governments have set up work–family or work–life units to provide a means of coordinating cross-portfolio interests in this area. Ensuring awareness of work–family issues across policy areas has the potential of identifying unintended consequences of new policy developments upon workers with family responsibilities.

Managing the unintended consequences of policies is a challenge for government, even when such policies are developed in areas that are closely concerned with family wellbeing. For example, policies that address early childhood education and are very focused on the wellbeing of children may not fit well with parents' employment. Exploring policy outcomes from different perspectives is clearly important in order to understand how well such policies are meeting families' needs.

Funding work–family policies appropriately is obviously an ongoing issue for governments, and funding approaches and priorities vary within countries over time, as well as across countries. From an economic perspective, work–family policies are particularly relevant in relation to governments' interests in maintaining or building the labour market, and ensuring that parents can engage in paid work to capacity. While several policies (such as government-funded leave and child care) come at a cost to government, the lack of provision of such policies can also be costly, because of lost productivity due to parents' (mostly mothers') withdrawal from employment. Economic and social consequences may also flow through due to a lack of

policies that address the wellbeing of workers and their families. As noted by Hein (2005), if governments neglect the policy area of work–family reconciliation, some negative consequences may include an increased use of suboptimal child care, the under-use of women's human capital, the economic vulnerability of women and families, increased income inequality, and reductions in fertility.

The continued disparity between men and women in their use of work–family policies is an important area for government, and also further research. Broad labour market issues, as well as social norms and attitudes, no doubt play a role in explaining the differential use of policies by men and women. Internationally, a strong focus on work–family policies over recent years has been on finding means of bringing fathers more into the caring role, especially in sharing the care of young children. This, it is hoped, will not only improve the labour market opportunities for women, but will be beneficial for the wellbeing of fathers and families as these men become more involved in family life.

Since most government policies that relate to work–family issues are directed at families with children, this was the key focus of this review, although we noted some policies that apply to those with broader family responsibilities, such as elder care. Policies directed at those caring for older persons appear to remain quite limited compared to those caring for young children, despite growing awareness across OECD countries of the ageing of the population. This may be one area where policy development grows over the coming years.

This review has highlighted the variability in governments' approaches to work and family, discussed some of the contextual issues and provided examples of policies in place in recent years. Of course, what is particularly important to families is the extent to which these policies actually make a difference, and this is where an understanding of the broader setting within countries is important. It is also important to note that workers may also have access to work–family policies through their employer. As noted in the section on leave arrangements, when payment during maternity or parental leave is capped according to government policy, workers may actually have their payment topped up to full wage replacement by their employer. On the other hand, more vulnerable workers, including those in self-employment or other insecure employment, may have little access to the policies that have been discussed here. Many of the parental leave payments, for example, are paid to eligible employees, whose eligibility is based on prior employment and earnings.

For Australia, as with other countries around the world, we can expect that men and women will continue to be faced with the challenges of combining paid work with caring responsibilities, and perhaps increasingly so in regard to care for our older relatives. To address these continuing challenges, we need to continue to learn from other countries' experiences, looking out for successful innovative approaches and considering their usefulness within our own policy settings.

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Appendix

East Asian Ministerial Forum on Families Brunei Darassalam Statement

3rd October 2012

Brunei Darussalam Statement on Ensuring Work Family Balance

We, the Ministers and Heads of Delegation responsible for families from Australia, Brunei Darussalam, Kingdom of Cambodia, People's Republic of China, Republic of Indonesia, Lao People's Democratic Republic, Malaysia, Republic of the Philippines, Republic of Singapore, Republic of Korea, Kingdom of Thailand, Democratic Republic of Timor-Leste and Socialist Republic of Vietnam gathered in Bandar Seri Begawan, Brunei Darussalam on 1st to 3rd October 2012 for the Fifth East Asia Ministerial Forum on Families (5th EAMFF) had considered various issues on the broader role of the family and:

ACKNOWLEDGING that families have always been the basic unit of society that perform essential functions, and serve as sources of stability, continuity and development;

RECOGNISING that families are essential to the world's future whose strengths and weaknesses have direct impact on the fabric of the larger society;

AWARE that gender equality and women's empowerment are needed for work–family balance;

RECOGNISING the diversity of families and that all kinds of families, especially the most vulnerable ones, deserve political, legal and social protection;

REALISING that the fast growing global economy has led to profound changes in family structure, which include the rise in dual income families, an increase in female workforce participation and declining fertility rates;

CONCERNED that there are increasing challenges in securing incomes for viable living, and inadequate flexibilities in the workplace to meet family needs and caring responsibilities;

NOTING that a balance between work and family life would encourage people with caring and family responsibilities to enter and remain in the workforce, and enjoy equitable opportunities to progress in their careers;

AFFIRMING that assistance in balancing between work and family responsibilities will mutually benefit both families and workplace organisations;

RECOGNISING that the allocation of sufficient quality time for workers with their families will contribute to resilient, happy and harmonious families;

COGNIZANT that balancing work and family has direct benefits on intra-family relationships and children's development;

CONCERNED that insufficient policies and ineffective implementation of programmes to assist workers balance work and family responsibilities can cause work and family conflict;

ACKNOWLEDGING that work family imbalance can lead to social, psychological and somatic problems, family instability, and reduce productivity at the workplace.

We, the Ministers and Heads of Delegation at the 5th East Asia Ministerial Forum on Families (EAMFF) resolve to:

1. Strengthen our commitment to the implementation of policies and programmes on work family balance;
2. Strengthen our commitment to research and development undertakings to drive evidence based policies and programmes in addressing the need for work family balance;
3. Incorporate family and gender perspectives in the formulation of policies and programmes that foster the participation of all family members in the achievement of work family balance;
4. Introduce and develop policies and programmes that promote work family balance such as flexible work policies, family friendly workplaces, paid parental leave, and availability of nursing facilities and child care centers;
5. Encourage public, private and people sectors to work in partnership in the formulation, promotion and implementation of policies and programmes on work family balance;
6. Empower individuals to better balance work and family commitments through the provision of skills training such as time management, parenting, stress management, financial management and caring for members of the family;
7. Promote family friendly values and messages such as work-life balance, gender equality and shared responsibilities in the family;
8. Enhance networking and collaboration among EAMFF participating countries especially in the sharing of information on family policies, data, research, best practices and capacity building to address common family issues.

WE THANK the Government of Brunei Darussalam for hosting this forum and express our gratitude for the warm hospitality, excellent preparation and organization of the Forum; and

WE LOOK FORWARD to meet at the Sixth Forum to be held in 2014 in the Republic of Korea.