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From Partnered to Single: Financial Security Over a Lifetime

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‘Post-separation employment and re-partnering can mitigate post-separation poverty, but employment is more effective.’

Executive Summary

Older, single women are over-represented in the population below the poverty line, and are more likely to be financially vulnerable than the general population. Most women in this situation have previously had a relationship and children.

Data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey from 2001 to 2019 show that 32% of single women who have had at least one child and one previous de facto or legal marriage live below the poverty line. This is compared to 10% of women who have had at least one child, and who are currently living in their still intact first marriage. If, as a society, we want to combat poverty in old age among women, it is crucial that we understand what—if any—causal effect separation has on poverty risk, and financial wellbeing more generally.

Previous research findings

A large body of research from all around the world has shown that the financial impacts of separation are much more negative for women than they are for men: men tend to have small losses or small gains in average equivalised household income, while women lose between 20% and 40% of their pre-separation income with some variation by country and time period analysed. For example, Burkhauser et al. (1991) for the US, Manting and Bouman (2006) and Bonnet et al. (2021) for France find a drop in household income adjusted for household size for previously married women of 39%, 23% and 19%, respectively. de Vaus et al. (2017) analyse the medium-term economic effects of divorce in six countries, including Australia, during the early 2000s. Australian women fare relatively well: their loss in household income adjusted for household size is around 25%, somewhat smaller than in other countries, and partially disappears within the first three years post separation. This is primarily caused by relatively high levels of employment and re-partnering among women. The most commonly analysed financial outcome is average household income, but very little research from other countries is available on the effects of separation on poverty, and there is none to date for Australia.

Assumptions and limitations

This report makes some assumptions and has some limitations, which are important to keep in mind when interpreting the results.

- We look at the effect of a relationship ending regardless of the underlying reason; that is, we do not explicitly consider whether the partners separated or divorced; how amicable or acrimonious the split was, or what caused it; or whether their previous partner died. This report does not aim to explore the heterogeneity in these experiences or their impact on our outcomes of interest.
- We do not explore heterogeneity along many dimensions of family composition, such as same-sex relationships versus opposite-sex relationships, nuclear families (i.e., two parents and their children) versus extended or multiple families.
- The models in this report do not make explicit assumptions, nor do they take explicitly into account whether children before and after a relationship ending are primarily cared for by the mother or the father, or whether other kinship care in addition to parental care is provided, by whom and to what extent.
- The focus of this report is on the outcomes of the separating adults and so it does not study the outcomes of children who may or may not live with the relevant adults.
- Finally, the choices and decisions made by individuals, as observed in our data, are influenced and restricted by outer circumstances and constraints. Thus, the observed labour market outcomes are at least partly the result of societal and individual circumstances and restrictions. In interpreting our results, care should be taken not to assume that a more desirable outcome would be within easy reach of individuals.

Data

This report uses data from the HILDA Survey as well as data from the Australian Census Longitudinal Dataset (ACLD) to examine the financial situation, especially poverty[1] and poverty transitions, of previously partnered men and women[2] just after their relationship has ended compared to when it was still intact, and for up to five years later. HILDA is an annual household panel that now spans 19 years, with detailed financial information and labour market information on all respondents and their partners and, in the case of separation, any new household members, including new partners. The ACLD is a longitudinal dataset created from the Australian Census with important information on individuals and their partners; it provides less detailed information over time than HILDA but has a much larger sample size that allows analysis of small subgroups, including by geographic place of residence.

Approach

When analysing financial trajectories after separation for separated men and women, a group of partnered men and women who are very similar, except that they remain partnered continuously, and the trajectory of their financial situation are used for comparison. The analytical approach involves a mix of exact matching and propensity score matching to construct a useful comparison group and to ensure the comparison is 'like for like'. This report shows the effect of separation on poverty, poverty transitions and average household income (adjusted for household size) by comparing separated to continuously partnered individuals who, prior to separation, are similar in number of children and age of youngest child; health, education and migration background; labour market history, earnings and working hours; partner's labour market history; and household income and poverty risk.

The report presents the effect of separation on poverty separately for men and women with and without children, and by education, employment status and age, as well as geographic area of residence before the relationship breakdown.

This provides valuable insights into the most vulnerable population groups and should inform policy priorities. We examine the effect of separation on poverty for one to five years after separation, for women with and without children of different ages.

Findings

Key finding 1: Many women enter poverty following a separation.

In the first year after separation, poverty risk increases dramatically. Women with children below school age are 16 percentage points more likely to be poor in the year after separation, than otherwise similar women with pre-school-aged children who remained partnered—this represents a more than doubled baseline risk. Among women with older children, the increase in poverty risk is 13 percentage points. This means that among women with children, an additional one in six to one in seven women will be poor in the year after separation, when a similar continuously partnered woman would not have been poor. For women without children, the increase in poverty risk is slightly smaller, but still quite large at 10 percentage points, which again more than doubles the baseline poverty risk for this group compared to those who are continuously partnered.

Key finding 2: The age of a woman's children influences the depth and persistence of income shocks following a separation.

While the immediate increase in poverty risk is especially large for women with children below school age (0 to 4 years), the same group also experiences the fastest decline in additional poverty risk: three years later, the poverty risk for women who had children in this age group when they separated is still higher than for women who remained partnered, but only by 3 percentage points. The effect is most persistent for women with older children: their elevated poverty risk declines much less, only to 8 percentage points, over the next three years.

1 We define a household as living in poverty if the total disposable household income adjusted for household size is less than half of the median disposable household income adjusted for household size across all Australian households.

2 We use this term to include both legal marriages and de facto relationships in opposite-sex couples and same-sex couples. While same-sex couples are included in the sample, their outcomes before or after separation are not explicitly modelled as being distinct from those in opposite-sex relationships.

Key finding 3: Pre-separation employment is a significant protective factor, mitigating the impact of separation on poverty for women.

Further investigation by subgroup revealed that the negative effects of separation on poverty among women are almost entirely driven by those who were not employed one year before the separation.

Key finding 4: Geography matters; women living outside capital cities are more likely to enter poverty following a separation.

Further investigation by geographic location of residence, using the ACLD, showed great variation in the impact of separation on poverty across Australia. Not only are separated men and women much more likely to be poor in some regions than in others, they are also much more likely to *enter* poverty *because* of a separation in some regions compared to others. These geographic hotspots of high levels of poverty, and of high impacts of separation on poverty and poverty transitions, are all regional areas outside the major cities, and include Outback Queensland and the Darling Downs — Maranoa in Queensland; the Wheatbelt, Bunbury and Outback in Western Australia; the south-west corner of Victoria, including Warrnambool and South West, Geelong and Ballarat; the Central West, Hunter Valley and Mid North Coast in New South Wales; and the West, North West and South East of Tasmania.

Key finding 5: Separation prevents employment exits among previously employed women but has little effect on employment entry.

In addition to financial outcomes, the report also examines labour market outcomes for up to five years after separation, including whether a person is employed, unemployed or out of the labour force at different points in time, and if they are employed, how many hours they work and how much they earn. We find that women with very young children experience the greatest increase in the probability of employment caused by separation: 53% of separated women with children in this age range are employed, compared to 40% of continuously partnered women. For women with older children, the increase in employment is much smaller starting from a higher level: 74% of separated women are employed immediately after separation, but only 69% of otherwise similar women who did not separate are. Further investigation by subgroup revealed that this effect is almost entirely driven by women who were already employed before the separation. That is, separation does not so much induce employment among previously non-employed women, but is more likely to prevent employment exits among previously employed women.

Key finding 6: Post-separation employment and re-partnering can mitigate post-separation poverty, but employment is more effective.

Finally, the report explores whether employment trajectories post divorce can explain the evolution of poverty risk post divorce, and, in terms of escaping poverty, how effective increased labour market activity is compared to re-partnering. We find that the increased poverty risk of separation, even five years later, is 5.6 percentage points for women overall: an additional one in 20 separated women will be poor five years after separation, compared to similar continuously partnered women at the same point in time. This effect occurs primarily among those who are unemployed five years later (who are 45 percentage points more likely to be poor after separation, than similar unemployed women who remained partnered), and to some degree among those who are out of the labour force. The impact of separation is much smaller and statistically insignificant if the woman is employed and decreases further with her weekly wage.

The elevation of a woman's poverty risk as caused by separation is also reduced if the woman has (and still is) re-partnered five years later, but only if the new partner has at least median income. The counteracting effect of re-partnering in reducing poverty risk is smaller than the effect of changes in one's own labour force status. It also comes at the risk of being lost if the new relationship breaks down again.

Conclusions and policy implications

The findings in this report show that, for some women, separation does not need to be a financially devastating event: those who already had employment before they separated, and those with high education, face a relatively small increase in their poverty risk. For others, there is a large initial increase in poverty risk that disappears reasonably quickly—this is the case for women with very young children. But there are also women for whom separation presents a large and persistent additional risk of poverty, above and beyond what they might have experienced had their relationship stayed intact. This is primarily the case for women who were not employed before they separated, women with older children and women who separate relatively late in life.

Two major findings in this report have, when taken together, a very important implication. First, post-separation employment is the most effective strategy for avoiding post-separation poverty. Second, pre-separation lack of employment is the most important predictor of entering, and thus needing to escape, post-separation poverty in the first place. Together, this effectively constitutes a 'poverty trap' for women who separate while they do not have a job. For the policy-maker, this means that a focus on prevention rather than intervention could be effective. The exact causes of non-employed women's structural barriers to employment require further investigation, and there is likely to be strong variation across individuals as well as multi-dimensional problems at play. The differences in the effect of separation on poverty across regional areas suggest that the creation of employment opportunities in local labour markets is likely to be important.

Further, the finding that separated women with school-age children are less likely to take up employment than their continuously partnered counterparts, even though the former have a much greater need for additional income, strongly suggests that the tax and transfer system and childcare costs may play a role. That is, separated women who are the main residential parent of a child are more likely to incur losses in income support payments or family tax benefits from every dollar earned, and at the same time are more likely to need formal childcare to facilitate their own employment than a woman who is living with the child's other parent. As a result, an employment opportunity that is financially worthwhile for a partnered woman may not be financially worthwhile for a separated woman. This suggests that policy reforms to reduce these cumulative impacts of tax rates, withdrawal rates in family support and income support payments, and the net cost of childcare that can trap recipients in poverty, should be on Australia's policy agenda.

1. Motivation and overview of this report

‘... the end of a relationship makes women financially vulnerable, and this lasts into old age.’

1.1

Financial vulnerability of women after a relationship ends

Older, single women are over-represented in the population below the poverty line, and are more likely to be financially vulnerable. That is, they may be only just making ends meet and one (small) adverse event could lead to financial stress and poor wellbeing. Understanding how these women end up in this situation and which women are most likely to experience poverty is important in designing policies to prevent this from happening. In particular, an improved understanding of what helps protect against this risk could inform policy.

Some of these women may have been single their whole life, but most women will have had a relationship and children, as Table 1 shows. Household, Income and Labour Dynamics in Australia (HILDA) data from 2001 to 2019 show that, based on financial wellbeing indicators, single men and women are the worst off in terms of being below the poverty line (measured as having equivalised household income below 50% of the median equivalised household income) and in terms of self-identified poverty, especially if they have had children (see Table 1). When we compare single parents who have had a previous relationship with those who have not, the proportion in poverty according to their income is higher for parents with a previous relationship. However, the subjective poverty score is higher for single parents without a previous relationship. This could potentially be because this group has higher working hours (and thus income), which explains their slightly lower poverty rate, but their working status may also mean they have higher expenditures in terms of childcare and other costs of working that are not taken into account in the poverty measure. Overall, Table 1 shows that the end of a relationship makes women financially vulnerable, and this lasts into old age.

Although Table 1 is informative, it does not show the impact that separation or divorce has, as couples who are more likely to divorce or separate may already be more likely to be in poverty or on relatively low incomes before the divorce or separation. We use the terms ‘separation’, ‘divorce’ and ‘end of relationship’ interchangeably in the report, and we treat separation and divorce as the same in our modelling, estimating the combined impact. We are interested in whether separation triggers poverty, and, if this is found to be the case, for which groups. Therefore, we are especially interested in the transition from being partnered to single life, and how women (and men) adapt from being part of a couple where each partner may specialise (with women often assuming the caring role and men the breadwinner role) to being single. The outcomes after this transition are likely to determine how each partner fares in single life in the long run.

Table 1. Prevalence of poverty and average working hours by partner status and parenthood

		No previous relationships		Has ended at least one relationship	
		Men	Women	Men	Women
Everyone aged 21 or over					
Never had children					
Partnered	% in poverty (<50% of median)	4.77	4.10	7.95	7.55
	Subj. poverty score: % poor or very poor	2.66	1.89	2.52	1.61
	Hours worked/week	37.53	32.17	30.63	25.59
	Number of person–year observations	15,833	15,838	1,031	980
Single	% in poverty	13.86	12.03	18.60	27.87
	Subj. poverty score: % poor or very poor	4.84	3.58	7.28	5.78
	Hours worked/week	29.15	27.85	25.17	17.75
	Number of person–year observations	19,282	14,336	1,328	1,977
Has at least one child					
Partnered	% in poverty	9.88	9.84	11.40	12.40
	Subj. poverty score: % poor or very poor	2.43	2.18	2.92	2.64
	Hours worked/week	31.86	16.75	27.97	16.74
	Number of person–year observations	58,842	62,349	11,028	10,416
Single	% in poverty	23.16	25.59	24.98	31.56
	Subj. poverty score: % poor or very poor	16.49	13.61	8.17	6.92
	Hours worked/week	24.65	13.81	20.46	11.83
	Number of person–year observations	2,923	5,134	10,934	25,095
Everyone aged 55 or over					
Never had children					
Partnered	% in poverty (<50% of median)	13.16	12.78	15.42	12.00
	Subj. poverty score: % poor or very poor	3.96	1.53	0.96	1.41
	Hours worked/week	17.29	13.37	15.68	12.00
	Number of person–year observations	1,580	1,346	441	375
Single	% in poverty	35.59	27.79	30.42	41.49
	Subj. poverty score: % poor or very poor	5.65	5.25	5.76	5.49
	Hours worked/week	9.17	12.12	12.32	6.32
	Number of person–year observations	1,888	1,623	572	981
Has at least one child					
Partnered	% in poverty	17.15	18.37	16.06	18.67
	Subj. poverty score: % poor or very poor	1.71	1.50	2.43	2.25
	Hours worked/week	15.98	8.83	18.39	9.79
	Number of person–year observations	22,804	20,694	6,369	5,088
Single	% in poverty	27.67	38.71	32.62	38.65
	Subj. poverty score: % poor or very poor	20.08	13.27	6.54	5.28
	Hours worked/week	15.37	12.84	10.59	6.26
	Number of person–year observations	300	403	6,560	16,924

Notes for Table 1: Equivalised household income is used in the poverty measure with each adult after the first one counting as 0.5, and each child as 0.3.
Source: HILDA Survey 2001–2019; authors' calculations.

Our central research question is: What are the financial outcomes for partnered women with children who go through a divorce/separation or are widowed? Further, what factors help these women do well and what factors put these women at risk? For comparison, we also investigate the financial outcomes for women without children and for men who go through a divorce/separation or are widowed. What we are ultimately interested in is understanding to what extent remaining connected to the labour force reduces the risk of financial vulnerability.

An important source of income (and thus financial security) is employment. With many women taking a shorter or longer period of time off from employment when raising a family, the dynamics of labour force participation around family formation (partnering, having children, divorce) are of particular interest.

Although government provides income support to primary carers with pre-school children (up to 6 years of age for partnered carers or up to 8 years of age for single parents) without imposing a work activity test, the associated amount of income with this support is low. Parents of older children are expected to look for work in order to be eligible for income support payments (which are lower than those for parents of young children). If single parents do not succeed in returning to employment before their children cease to be dependent, they will transition to the single rate of NewStart Allowance which is well below the Henderson Poverty line (Azpitarte and Kalb, 2019). Maintaining a strong connection to the labour force could avoid this financial vulnerability of the primary carer, but government policy is ambiguous in supporting this goal for families with children (Hérault and Kalb, 2020). As a result, remaining connected to the labour market while raising children may not always be feasible or it may be difficult to achieve.

1.2

The use of HILDA and ACLD for analysis

Answering the central research question requires a longitudinal approach (and thus longitudinal data) to determine the pathway to financial security or financial vulnerability. We investigate the factors that determine women's labour market decisions and outcomes over several years using panel data. We use a sample of women who are initially observed to be partnered (married or de facto) and who become separated, divorced or widowed at a later date. We analyse how their labour market outcomes differ before and after their family dissolution, and compare this to the trajectories of similar partnered women whose relationships remained intact.[3] A central factor in this analysis is whether they have (had) young children in each of the periods of their life. The same approach is used to investigate poverty and household income over time and how it changes before and after family breakdown, in the presence or absence of children. The focus is on women with children, but a comparison to women without children, as well as to men, is also conducted to better understand the role of children and the role of being the primary carer for children in women's decisions and outcomes.

In an additional analysis, we estimate regression models that include employment as one of the factors influencing poverty, as employment is an important source of income for most households. The results of this analysis assist in understanding the importance of employment in avoiding poverty after separation.

For this report, we used two different datasets, each with their own strengths: the HILDA Survey data and the ACLD. Since we are interested in how individual 'choices' affect individual outcomes, individual- and household-level information is required. Both datasets provide such information but with different degrees of detail.

Analysis using the HILDA Survey allows us to capture the detailed critical characteristics of individuals and households, as well as observe events as they occur, for example, what happens at (and just before) the time of separation and what transpires post separation. The HILDA Survey captures information on an annual basis over a period of 19 years, ensuring we can observe the dynamics of these events and how the effects of separation change as time passes.

3 A similar approach has been followed by Bonnet et al. (2021) to analyse pre- and post-separation income for men and women in France.

It also enables us to analyse how the consequences for labour force participation, income and financial wellbeing wane over time for some groups but solidify for others.

The ACLD suits a more descriptive analysis for a large group of women and men who had a partner in 2006 or 2011, distinguishing partnered men and women who remain partnered and partnered men and women who had separated/divorced/were widowed by 2011 or 2016. The advantage of these data is that being a 5% population sample they contain a large number of observations. The experiences of smaller subpopulations that cannot be investigated using HILDA data can be analysed using the ACLD. However, a disadvantage is that we do not know all separation events or the exact timing of separation events occurring within the five-year periods between Census dates. There is also less detailed information available for individuals and households.

Although the negative effects of separation on poverty are relevant across Australia, we are interested in whether geographic location reinforces impacts. Analysis using the ACLD allows us to explore differences in outcomes at the community level (SA2/SA4), highlight which areas are more/less associated with higher risks of financial precariousness and determine to what extent that might be associated with specific communities rather than only be due to the characteristics of people living in these communities.

Thus the two datasets each allow a focus on a different aspect of the issue. With the larger sample size of the ACLD, results can be disaggregated to the community level. This allows analyses that lead to a better understanding of where/which types of communities appear to have more separated residents at risk of financial vulnerability. This can then provide input for policy development targeting those areas. The HILDA data, on the other hand, allow a better understanding of the non-geographical factors leading to financial vulnerability and the dynamic impact of separation on poverty risk and income.

1.3

Impact of becoming single on financial and labour market outcomes: Recent research

There is a large literature on the effects of divorce and relationship dissolution on a wide range of outcomes. Mortelmans (2020) provides a good overview and sorts the literature into the following strands: those studying the effect of dissolution on health and wellbeing; those concerned with the financial consequences of relationship breakdown; studies that examine the impact of separation on wages and earnings; and studies that analyse coping strategies, that is, attempts to counteract financial losses through re-partnering and employment. This literature review follows a similar structure, but we largely exclude studies concerned with general wellbeing and outcomes such as health or social connectedness.[4]

1.3.1 Financial consequences of separation and divorce

When it comes to studies of the financial consequences of divorce, it should be noted that most examine effects in household income. This report fills a gap in the literature by focusing much more on poverty than on average income. The typical measure of financial outcomes after separation are changes in equivalised disposable household income. Reporting results for the US, one of the earliest studies is Smock (1993) who uses longitudinal data to look at different cohorts divorcing from the 1960s to the 1980s. Smock finds that white women lost about 40% of their household income immediately after divorce, while black women lost even more than that, around 50%. Meanwhile, losses for white men were minimal early in that time period and turned into small gains from separation for the later cohorts.

4 As a starting point for the interested reader, Leopold (2018) analyses the effect of separation on 20 outcome measures covering four domains: the economic domain, the social domain, the housing and domestic domain, and the health domain. He also distinguishes short-term, medium-term and long-term effects. He uses data from Germany and finds that in the short term, men are more vulnerable in subjective measures of wellbeing than women, while in the medium term, outcomes for men and women are similar. The economic domain is the one key domain with large and persistent gender differences, with women's disproportionate losses in household income, increased risk of poverty and single parenting. For Australia, Gray et al. (2011) investigate the long-term impacts of divorce on the wellbeing of older Australians in the domains of social interaction and connectedness, perceived social support, life satisfaction, and physical and mental health. They find that divorce has a long-lasting, negative impact on wellbeing that persists into later life for both men and women. However, the negative effects of divorce on wellbeing are largely confined to those who do not re-partner.

Results for black men were somewhere between women and white men, at losses between 13% and 29%. Burkhauser et al. (1991) find income losses of similarly dramatic magnitude, with women losing 39% of their pre-divorce income. DiPrete and McManus (2000) find smaller losses that are less divergent across men and women (a reduction in average household income of 15% for men and 26% for women). Hauser et al. (2018) and de Vaus et al. (2017) find similarly large losses for women at 25% and 30%, respectively. Tach and Eads (2015) specifically look at time trends in the economic consequences of marriage breakdown, as changes in maternal labour force participation, government transfer programs and private social networks may have altered the economic impact of union dissolution over time. They use data from the American Survey of Income and Program Participation covering the period 1980 to 2007 and find that the short-run economic consequences of divorce declined over time (but worsened for cohabitation dissolution). This is likely because married women experienced a large increase in labour force participation over that period.

The same pattern for men and women, and often similar magnitudes, is found in various European countries—large financial losses from separation for women, and a mixed picture of small gains and small losses for men. Burkhauser et al. (1991) and Hauser et al. (2018) find a drop in household income of 44% and 26%, respectively, for German women, but only a drop of 7% (Burkhauser et al., 1991) or a small gain of less than 5% (Hauser et al., 2018) for German men. For the Netherlands, Manting and Bouman (2006) find a drop in equivalised household income of 23% one year after divorce for women, but an increase of 7% for formerly married men. Poortman (2000) finds similar effects, with women's equivalised household income dropping by 31% after a divorce, while that of men in the Netherlands slightly increased. For France, Bonnet et al. (2021) find that the equivalised disposable household incomes of women drop by 19% one year after separation, while the corresponding figure for men is a drop of just 2%.

An earlier study for Australia analysed the impact of divorce on lifetime income of mothers (Gray and Chapman, 2007). Using the HILDA Survey, it estimates the probability of employment and weekly earnings to create hypothetical earnings profiles with and without divorce and for different scenarios regarding number of children. These trajectories are constructed for both men and women; then the authors account for taxes paid and child support and government transfers received, given both (ex-)partners' profiles. When comparing trajectories with and without divorce for mothers, they find large losses of up to 40% of lifetime income. The losses in lifetime income decrease in mothers' own education and increase in their (ex-) partner's education. A mother's share of income from her own earnings is higher if she is divorced than if she is not, but decreases with number of children.

Skinner et al. (2017) use data from the HILDA Survey collected after child support reforms in 2008. They analyse the financial impact of child support payments on separated mothers' household income, especially how effective they are in alleviating poverty. Mothers in the lowest income quintile and mothers with an income below the poverty line were more likely to receive child support and received, on average, a higher amount. As a result, child support makes up a greater portion of the household income for mothers in this group. The authors conclude that child support plays a key role in reducing, though not eliminating, the poverty experienced by children living with poor, single mothers.

A less studied topic is the effect of separation on another financial outcome: household wealth. Boertien and Lersch (2020) find for Germany that, controlling for re-partnering and post-separation employment, dissolution of a legal marriage reduces wealth, and the effects for men and women are about equal. However, for formerly cohabiting unions, the loss of wealth is almost entirely borne by women. In Germany, cohabiting couples are not governed by marital laws when it comes to the sharing of assets accumulated during the relationship.

1.3.2 The mediating role of institutional settings

Some studies compare effects in several countries to gain insights into the institutional settings that could potentially mediate the effects of separation on financial outcomes. For example, Uunk (2004) uses data on 14 EU member states from the European Community Household Panel, spanning the period 1994 to 2000. He runs regressions of the post-separation change in income on financial support for single-parent families and public childcare provision in a divorcee's country of residence, to shed light on whether welfare state arrangements moderate the negative economic consequences of divorce. He finds that both social welfare and provision of public childcare reduce the economic strain of divorce, with the former being somewhat more effective. These welfare state effects cannot be attributed to country differences in the composition of divorced women.

Andreß et al. (2006) also examine the economic consequences of partnership dissolution in different institutional settings. Belgium, Germany, Great Britain, Italy and Sweden are selected as representatives of four prototypical models of family support (market model, extended family model, male breadwinner model and dual earner model). Using five different cross-national household panels in these five countries, the authors run multivariate panel models of household income as a function of country- and gender-specific characteristics. They find the higher the economic autonomy of women (in terms of employment and earnings) in a country, the more equally income changes are distributed between men and women after separation. Owing to the predominance of the gender-specific division of labour within couples in Belgium, Germany and Great Britain, women (who are more likely to be economically dependent) experience the highest and most enduring part of the financial loss caused by separation.

de Vaus et al. (2017) analyse the medium-term economic effects of divorce in the US, the UK, Switzerland, Korea, Germany and Australia during the early 2000s. They also use various household panel surveys in the selected countries and run regressions of income trajectories for divorced and continuously married men and women on age, education and the presence of dependent children in the family. As expected, they find for all countries—including Australia—that divorce reduces equivalised household income more for women than it does for men. Compared to the US, the UK, Korea and Germany, Australian women fare relatively well: their financial losses are somewhat smaller than in these other countries, and partially disappear within the first three years post separation. This is primarily caused by relatively high levels of employment and re-partnering among Australian women, while in other countries private and public transfers play a greater role for women's post-separation incomes.

Other studies highlight the importance of institutional settings by comparing two groups of partnered men and women who are frequently subject to very different institutional circumstances: cohabiting versus legally married couples. Avellar and Smock (2005) were the first to take this approach, and use data from the National Longitudinal Survey of Youth for a descriptive study of changes in earnings, household income and poverty risk after ending cohabitation versus ending marriage. They find that formerly cohabiting women are more vulnerable to poverty than formerly married women—but because of their worse socio-economic starting point, the change in poverty is smaller, constituting a smaller impact of divorce. For men, leaving a legal marriage comes, on average, with a small financial gain while the dissolution of a cohabiting relationship has unambiguously negative impacts. Manting and Bouman (2006) investigate the same question for the Netherlands, and they find similar results. Both studies examine raw differences in financial outcomes post separation without accounting for other factors. de Regt et al. (2012) use large-scale administrative data for Belgium, which supplies a sample of 30,000 separated former couples, half of whom were legally married, with the other half cohabiting. The data contain full retrospective earnings histories, and the authors estimate growth models of income trajectories before and after separation. Again, divorced women lose more income (–33%) than formerly cohabiting women (–24%); however, they find barely any change in income after separation for men, regardless of whether they left a legal marriage or a cohabiting union.

1.3.3 Impact of separation on employment outcomes

Much less studied than the effect of separation on financial outcomes is the effect of separation on employment outcomes.[5] Jeon (2008) uses the Canadian Survey of Labour and Income Dynamics to estimate the probability of entry and withdrawal from the labour force conditional on experiencing trigger events such as marriage, divorce and childbirth. She finds that marital separations are strongly associated with labour force entry for women. van Damme et al. (2009) analyse changes in employment for separating women and the impact of individual and institutional factors on these changes, using data on 13 countries from the European Community Household Panel (1994–2001). Using discrete-time event analysis, they study the odds of entry for women who did not work before separation, and the odds of increasing, decreasing or working unchanged hours, or exiting the workforce for women who were in paid work before separation.

5 A related strand of literature assesses the (reverse) impact of divorce risk on labour market outcomes, effectively measuring labour market responses to a relationship breakdown that occur prior to the anticipated event. These studies are typically focused on women's employment, and use reforms of the laws regulating divorce as a source of variation in divorce risk, such as when Ireland legalised divorce in 1996 (Bargain et al., 2012), when Germany substantially reduced alimony provisions in 2008 (Bredtmann and Vonnahme, 2017) or when Canada (Chiappori et al., 2017) and Brazil (Rangel, 2006) implemented alimony rights for cohabiting couples. In Ireland, the introduction of divorce led to a large increase in women's labour market activity, while in Canada and Brazil, the improved protection for cohabiting women (primarily) decreased their likelihood of working full-time while still married. The reduction of alimony in Germany had no substantial effect. Johnson and Skinner (1986) and Papps (2006) instead calculate differences in divorce risk based on individual differences such as age and socio-demographic characteristics, and examine how these individual differences affect women's labour market activity. They find that women are more likely to work if they have a higher probability of divorce.

Their main findings demonstrate that European women only modestly increase employment after separation, although in some countries this change is larger than in others. Controls for institutional features (social welfare and public provision of childcare) show that more generous public childcare provisions encourage the employment of separated women, whereas more generous allowances for single parents discourage employment. For Australia, Fisher (2017) estimates the effect of receiving a higher level of child support on women's household income and labour-force participation. She finds no evidence that child support payments negatively affect labour market activity. This is likely because family tax benefits paid by the government are removed or scaled back when child support is paid.

Tamborini et al. (2015) estimate earnings trajectories for women in the US; they retrospectively compare women experiencing a marital dissolution to continuously married women, from three years before to 10 years following separation over a 25-year period (1970–1994). They find that divorce increases earnings, starting from one year before the dissolution. Labour market activity continues to increase with time since the separation, but when re-partnering occurs, it wipes out the previous effects. This is the case for employment as well as earnings. Thielemans and Mortelmans (2019) ask which women increase their employment around a divorce and by how much. They compare previously employed and previously unemployed women, and homemakers, and focus on the timing of the labour market response to separation. Using data from the Belgian 'Divorce in Flanders' project, which extensively studies separating couples, they find that the rate of employment increases the most in the time immediately around divorce, and then flattens out. As a result, an increase in employment can easily be missed if long intervals are investigated, especially those exceeding two years. They find that the effect of separation on entry into the labour market is much smaller than the effects on the prevention of exits and on increased working hours: any increase in employment is concentrated among women who were already employed before the separation.

1.3.4 Impact of re-partnering

Increased labour market activity following a separation can be viewed as its own outcome, or as a 'coping strategy' to minimise the financial losses of separation. An alternative coping strategy is re-partnering. However, a mere need for a partner caused by a financial loss after separation is not sufficient for successful re-partnering; opportunities to meet potential new partners and one's own attractiveness as a mate play a key role. As a result, the patterns found for re-partnering do not match the need for re-partnering caused by the financial consequences of a separation: most studies find that men re-partner more often and faster than women (Coleman et al., 2000; Schmiege et al., 2001). Pasteels and Mortelmans (2015) use sequence analysis on data from the Divorce in Flanders project to examine the impact of children on re-partnering patterns, and find that the predominant residential parent has a greatly reduced probability of entering another relationship, which explains a large part of the gender gap in re-partnering. Individual factors also play a role: de Graaf and Kalmijn (2003) find that women's probability of re-partnering decreases with age while men's increases, likely because of the (desired) age gap in most opposite-sex relationships, where the male partner tends to be a few years older than the female partner. Similarly, Ozawo and Yon (2002) find that men's chances of successful re-partnering increase with their education (possibly because it increases their attractiveness as a mate) while it decreases for women (possibly because of their reduced need for a partner to avoid financial hardship).

The coping strategies of employment and re-partnering are not independent. Pasteels and Mortelmans (2017) use Belgian register data to analyse the interplay between re-partnering and labour income. In line with Ozawo and Yoon (2002), they find that men are more likely to re-partner the higher they are in the income distribution, while the opposite is true for women. Importantly, given overall income, re-partnering is more likely if the source of that income is from labour than from any other source. This supports the idea that labour force participation provides an opportunity to meet potential partners.

de Regt et al. (2012) analyse the relative importance of re-partnering and employment to counteract financial losses from separation. As mentioned before, they use large-scale administrative data for Belgium. The data contain full retrospective earnings histories, and the authors estimate growth models of income trajectories before and after separation, depending on subsequent labour force participation and re-partnering. They find no differences in the effectiveness of increasing the number of hours worked between divorced women and formerly cohabiting women for counteracting the income loss experienced after the separation, but divorced women gain more financially by finding a new partner than do formerly cohabiting women. There are no differences between formerly cohabiting men and divorced men in the effectiveness of both coping strategies.

1.4

Assumptions and limitations

This report makes some assumptions and has some limitations, which are important to keep in mind when interpreting the results.

First, we look at the effect of a relationship ending regardless of the underlying reason. A previously partnered person's experience of poverty, changes in income, employment or working hours is examined at the time the person used to have a partner and after the relationship has ended, without explicitly considering whether they separated or divorced; how amicable or acrimonious the split was, or what caused it; or whether their previous partner died. Arguably, there is a great deal of heterogeneity in these experiences, especially in terms of emotional and mental health consequences, which could have flow-on effects on financial and labour market outcomes. This report does not aim to explore these heterogeneities and their impact.

Similarly, we do not explore heterogeneity along many dimensions of family composition. The outcomes for men and women after a relationship ceased to exist are examined, regardless of whether the individual was in a same-sex relationship or an opposite-sex relationship, whether the household consisted of just one nuclear family (i.e., two parents and their children), or included further family members or multiple families. The support from other family members or household members surrounding the end of the relationship is hence likely to differ for different individuals included in our analysis. The impact of such differences in support networks on the outcomes of interest may be substantial but are not explicitly modelled in this report.

The same applies for the division of caring roles after separation: the models in this report do not make explicit assumptions, nor do they take explicitly into account whether children before and after a relationship ending are primarily cared for by the mother or the father, or whether other kinship care in addition to parental care is provided, by whom and to what extent. While many of the differences in outcomes, especially between men and women, can be explained by women *typically* being the primary caretakers, this is not always the case—and the impact of being the primary carer is not directly studied in this report.

The focus of this report is the outcomes of the separating adults and as a result it does not study the outcomes of children who may or may not live with the relevant adults. Further research extending the analysis to children affected by separation is needed for a full assessment of the effect of separation on families and society more broadly.

Finally, we would like to stress that the choices and decisions made by separating or continuously partnered individuals as observed in our data are influenced and restricted by outer circumstances and constraints. If, for example, an individual is not in employment, this is not merely a result of their preferences, but is also determined by local demand for labour in the individual's occupation or industry (which are again chosen under external restrictions at some earlier point in life), institutional settings such as the tax and transfer system, availability and affordability of childcare, individual health constraints and many other potential factors.

Thus, the observed labour market outcomes are at least partly the result of societal and individual circumstances and restrictions, and care should be taken not to implicitly or explicitly assume that a more desirable outcome—from the individual's or society's perspective—would be within the individual's reach. It is up to policy-makers and society more broadly to ensure that every person in Australia has the ability *and opportunity* to make choices that allow them to avoid poverty and realise their full potential.

1.5

Outline of this report

To recap, our central research question is: What are the financial outcomes for partnered women with children who go through a divorce/separation or are widowed? Further, what factors help these women do well and what factors put these women at risk? For comparison, we also investigate the financial outcomes for women without children and for men who go through a divorce/separation or are widowed. This helps us understand how women may end up in financially precarious situations, and at what points in time interventions may be most useful and effective.

We are ultimately interested in understanding (and quantifying) to what extent remaining connected to the labour force reduces the risk of financial vulnerability.

Section 2 discusses the two data sources used for the analyses and the sample selection that is applied to these sources. The section also defines the key variables used in the analyses and reports descriptive statistics for women and men who separate and for women and men who remain partnered. This provides a first insight into differences in characteristics and 'choices' made by the various subpopulations. Section 3 describes the methodology used to ensure that we compare 'like for like' when analysing post-separation employment and income trajectories. Section 4 provides in-depth analyses of the dynamics of financial outcomes, and in particular poverty and financial stress before and after separation/divorce (or widowhood) for men and women separately. Main analyses using HILDA data are followed by analyses using data from the ACLD. A similar approach is taken for the dynamics of labour market outcomes in Section 5.

2. Data, sample selection and variable definitions

> ‘Men and women who separate are relatively disadvantaged even before their separation—in their health, education, and previous history of employment and income.’

2.1

Household, Income and Labour Dynamics in Australia data

The first data source used for this report is the HILDA Survey, Release 19.0. Commencing in 2001, HILDA is a nationally representative longitudinal household study that follows a random sample of households and collects very detailed information on each household member's labour market activity and income. In addition, the study covers a broad range of other topics such as health, education, relationships, childcare arrangements, or values and beliefs. Interviews are conducted annually, either as face-to-face interviews or via telephone, supplemented by a mail-in self-completion questionnaire. In Wave 11, a large top-up sample of households (first interviewed in 2011) was added to the original sample of households selected for Wave 1 (first interviewed in 2001).

Two aspects of the study design are crucial for this report. First, all household members aged 15 and over are interviewed in every wave. Therefore, the same detailed information is available for both members of a cohabiting or married couple. Second, if a respondent leaves a household and forms a new household or joins an existing one, they remain in the study and any member of their new household is also added to the pool of respondents.[6] This study design allows us to see i) how one person's outcomes after separation are affected by the characteristics, outcomes and choices made by their partner before the separation, ii) how two members of the same couple might fare after a separation, and iii) if they re-partner, the characteristics and choices made by their new partner.

6 The first step in selecting individuals to be interviewed for HILDA is the sampling of households through occupied private dwellings. All members of the sampled household aged 15 and older are contacted for an interview. All members of households that were selected for Wave 1, or for the top-up sample selected for Wave 11, are 'continuing sample members' (CSM). The CSM form the pool of interviewees for all subsequent waves: they are followed over the course of their life, as they (potentially) move in and out of households. Individuals who reside in a household with a CSM at a later date are added as temporary sample members (TSMs), and are interviewed for the duration of their sharing a household with a CSM. If a TSM is a migrant who recently arrived in Australia, or has a child with a CSM, they become a CSM themselves. For further information, see Summerfield et al. (2019).

2.1.1 Sample selection

The analysis starts with a sample of partnered individuals and follows them over time. Some of the originally partnered individuals separate during the period of observation, while others remain partnered. We compare the post-separation outcomes for up to five years after separating, to the outcomes of the group who remained partnered (but who are otherwise similar) for up to five years after continuing their relationship at the relevant comparison point in time. Sample selection takes place in five steps, as described below and summarised in Table 2.

The first step in the sample selection process is to identify couples. Every individual in the study is assigned a unique and permanent identification number (ID). If the individual shares a household with a partner, the partner is also included in the study and assigned an ID. An individual's record includes their partner's ID. When two individuals' records include matching IDs and partner IDs for the first time, the couple enters our sample of analysis.[7,8] There are 9,984 such couples (19,986 individuals) in HILDA. We then follow the two individuals in the couple until they stop participating in the study, and observe whether they experience a separation.

To determine whether the event of a separation has occurred and when, the partnered individual has to be observed in two consecutive waves: if they are partnered to a particular person in one wave and not partnered to the same person in the following wave, there was a separation; if the same individuals are partnered in both waves, there was not.[9] We thus include person–year observations in the sample only if an interview in the next wave is available that allows us to determine whether the event of 'separation' has taken place or not. There are 150,224 such person–year observations available for the analysis, relating to 17,580 individuals. Those who do not experience a separation are observed more often than those who do.[10]

In a second step, we restrict the sample to person–year observations for which an interview was also conducted in the wave prior. When we analyse post-separation outcomes of separated individuals and compare them to outcomes of individuals who remained partnered, information on a person's and their partner's labour market and income history is used, in order to ensure that we compare 'like for like'. At a minimum, information dating back one year is needed because relationship breakdowns are often anticipated and individuals could, for example, adjust their labour supply ahead of time in response to the expected separation.

Table 2. Sample selection steps and change in number of observed events and individuals

Sample selection step	Individuals who always remain partnered	Number of events for always-partnered individuals (average)	Individuals who separate	Number of events for individuals who separate (average)	Share of individuals who separate
Step 1	14,417	8.86	3,163	7.10	18.0%
Step 2	12,770	8.80	2,393	6.82	15.8%
Step 3	11,243	7.88	1,921	6.46	14.6%
Step 4	11,243	7.88	1,921	1	14.6%
Step 5	10,865	7.75	1,754	1	13.9%

Source: HILDA Survey, Waves 1 to 19; authors' calculations.

7 In most cases, the already cohabiting or married couple jointly entered HILDA in Wave 1 or Wave 11; in the remaining cases, one member of the couple joined HILDA in Wave 1 or Wave 11 while being single and established a couple relationship during a later wave.

8 Every individual is included in the analysis only once, based on their first observed relationship. If they separate and re-partner at a later point, their new relationship is considered a 'post-separation outcome' and analysed as such, but the person does not re-enter the pool of partnered individuals for analysis a second time.

9 The event of a separation is determined primarily on recorded IDs and partner IDs, and, where this is not possible, on self-reported marital status. While both individuals continue to report the original matching pair of ID and partner ID, the couple relationship is intact. If at least one individual reports a different partner ID than the original one, the original relationship has broken down. If an individual no longer reports a partner ID at all, this could be because they no longer have a partner, or because their partner has stopped responding to the survey, or both. Hence, if the partner ID is missing, we determine whether a separation has occurred based on self-reported marital status: if the individual reports to be single, separated or divorced in addition to the partner ID being missing, we assume the couple relationship has broken down. Otherwise, we assume the relationship is still intact (although we can no longer observe it).

10 This is partly because, in the case of temporary sample members, leaving the household of a continuing sample member because of a relationship breakdown will trigger the removal of the temporary sample member from the HILDA sample. And partly because relationships that enter our sample of analysis in Waves 2 to 10 (or Waves 12 to 19) will have been interviewed less frequently by the time the survey period ends in 2019, than those who entered in Wave 1 (or Wave 11). At the same time, these relationships are all newly established, and the risk of relationship breakdown is higher for newer relationships.

This restriction reduces the sample available for analysis, and also reduces the share of individuals for whom a separation is observed because three consecutive interviews are needed for a separated person to be included in the sample of analysis, and two consecutive interviews are needed from their partner. This excludes short-term relationships that do not span at least two interviews; because relationship breakdowns are more likely early in a relationship, the implicit requirements for relationship duration result in a lower incidence of separation in our sample and a longer relationship duration before separation, compared to the population average.

In a third step, we restrict the analysis to observations of individuals before they turn 62, as we are primarily interested in separations that occur during a person's potential working life.

For every individual who experiences a separation, the natural focal point of the analysis is the time of separation—subsequent outcomes up to five years after the event and the individual's history prior to the event are defined with respect to the point in time when separation was observed. In contrast, for individuals who do not experience a separation, the event of 'remaining partnered' (or 'no separation') can be observed multiple times, and so can a history prior to and following the event 'no separation'. They can serve as a useful observation for comparison, in *every* wave in which they do not experience a separation. We thus keep individuals in the sample at all observed points in time, and construct a corresponding history of past and future outcomes with respect to that point in time, for those who remain partnered throughout the observation window. However, every separating individual is included in the analysis at the point of separation only, with their history leading up to and future following from that point.[11] The corresponding sample restriction is applied in step 4.

Finally, in step 5, we remove observations with missing information on key variables in one's own or partner's labour market history or income history (household income, own or partner's labour force status, own weekly working hours and time spent out of the workforce) or relevant outcomes (household income or labour market outcomes).

This process leaves us with a total of 1,754 individuals (947 women and 807 men) who experience a separation. Observations from 10,865 always-partnered individuals (5,369 men and 5,496 women) can be used to compare the separated individuals' outcomes, with a total of 84,246 person–year observations available for that purpose.

2.1.2 Key variable definitions

Couple: two individuals *i* and *j* with personal IDs and partner IDs such that *i's* partner ID is *j's* personal ID and vice versa. Note that *i* and *j* must be members of the same household to be assigned partner IDs for each other.

Partnered individual: one of the two members of a couple.

Separation: individual *i* experiences a loss of partner, if *i* forms a couple with individual *j* in Wave *t*, and in Wave *t*+1 either

- forms a couple with a different individual *k*. Note that *i* and *k* must be members of the same household in order to form a couple, or
- does not form a couple with any individual and has changed their current marital status from *legally married* or *de facto married* to *separated, divorced, widowed* or *never married and not de facto*. Note that, by our definition, former couples who are now living in separate households but still consider themselves married or de facto married, have thus not (yet) experienced a separation.

As most in this group are separated or divorced rather than widowed (6.6%), we refer to this group as separated/divorced from now on.

Previous de facto or legal marriage: whether the individual was in one or more legal marriages, or in one or more de facto relationships that lasted at least three months or turned into a legal marriage, excluding the current legal or de facto marriage to the current partner. Note that any previous relationship may or may not have been formed with the current partner or with a different individual.

Dependent children: any child who is resident with their parent or guardian and aged 15 or under. Includes biological children, adopted children, step-children and foster children.

11 If we were to include previous (pre-separation) observations for the individual when the event 'continuation of the relationship' was observed for them, problems with overlapping histories could occur. For example, if we observe an individual to continue their relationship between waves 2005 and 2006, and then observe the same individual to separate between waves 2006 and 2007, their employment status in 2009 would simultaneously be an outcome 'four years after not separating', and 'three years after separating'.

Weekly wage: current usual weekly gross wages/salary from main job. If the individual only provided wages/salary after deductions were taken out, gross wages/salary were imputed using the current tax scale. Missing values were imputed (see Summerfield et al. (2019) for details on the imputation method). Very high wages were top-coded.

Weekly hours: hours per week usually worked in main job.

Labour force status: individuals are classified as employed, unemployed or out of the labour force according to the definitions used by the Australian Bureau of Statistics (2001). Persons in *employment* are those of working age who were engaged in any activity to produce goods or provide services for pay or profit, or without pay in a family business or on a farm, for at least one hour in the reference week. This includes persons in employment at work, and persons in employment who are temporarily absent from work (e.g., due to annual leave, sick leave, shift work or flex time, or maternity leave). *Unemployed* persons are persons of working age who are not in employment in the survey week, and who a) had actively looked for full-time or part-time work at any time in the four weeks up to the end of the survey week and were available for work in the survey week, or b) were waiting to start a new job within four weeks from the survey week, and could have started earlier if the job had been available. Persons out of the labour force include everyone who is neither employed nor unemployed; that is, individuals who are not engaged in paid activities to produce goods or services, and who are not actively looking and available to do so.

Total time spent out of work/percentage of time spent in work: HILDA records the total time (years and months) since a respondent first left full-time education after age 15, and how much of that time was spent employed, unemployed or out of the labour force. Total time spent out of work is the sum of time spent unemployed and time spent out of the labour force (months and years) and is intended to measure potential skill depreciation. Percentage of time spent in work is the total time spent employed, relative to the total time since leaving full-time education. This is intended to measure connectedness to the labour market over an individual's lifetime.

Household income: total, disposable, equivalised, inflated income in the last financial year, added up for all members of the household. It includes regular wages and salaries, business income, investment income, private pensions, private transfers (received and paid), Australian government income support payments and non-income support payments, foreign pensions, and irregular income as well as taxes paid in the financial year prior to the interview. This total disposable income is then equivalised to make it comparable across households of different sizes, using the OECD equivalence scale as created by Hagenaars et al. (1994), which assigns a weight of one to the first adult in the household, a weight of 0.5 to every further adult in the household and a weight of 0.3 to every child below age 15 in the household. The equivalised total disposable income is then inflated to 2019 values using the Consumer Price Index, September values (Australian Bureau of Statistics, 2021).

Poverty: to calculate the poverty threshold, household income as defined above is determined for all households in the HILDA sample in any given wave (not restricted to households included in our sample of analysis). The poverty threshold for a given interview year is set to half of the median household income. Poverty is a 0/1 variable that indicates whether an individual *i* lived in a household with a total disposable equivalised inflated household income below the so-defined poverty threshold.

2.1.3 Men's and women's characteristics prior to separation

Table 3 shows socio-demographic characteristics such as age, health and education for the men in our sample, and Table 4 shows the same for women. The first and second columns show means and standard errors for all men and women who remain partnered to the same individual throughout the entire window of observation. The third and fourth columns show means and standard errors of the same characteristics for individuals who are observed to separate at some point, immediately before separating. Both groups differ substantially along a range of important dimensions.

Both men and women who separate are much more likely to be younger than 30 years and much less likely to be older than 50 years than the individuals to which we could compare their outcomes: 29% of men and 31% of women who are about to separate are less than 30 years of age, compared to 12% and 15%, respectively, among the men and women who remain partnered. Importantly, despite their lower age, separating men and women are disadvantaged in terms of both their health and their educational qualifications. Separating individuals are less likely to be in excellent or very good health just before separating (39% versus 45% for men, and 42% versus 49% for women). Separating individuals also have lower education and are especially less likely to have university degrees—men who separate are 12 percentage points less likely to have a tertiary qualification than their continuously partnered counterparts; for women the difference is 13 percentage points. Separating individuals are more likely to have one or two dependent children in the household instead of none, and if they have children, their youngest child is more likely to be below school age.

When it comes to their labour market history one year earlier, we see that separated men are substantially more likely to have been unemployed than their male counterparts who remain in their relationships (6% instead of 2%) and, in addition, they are also more likely to be out of the labour force (12% instead of 7%). This is notable not least because of their young age. For some, this is the case because they are still in full-time education; for others, disability or other hurdles to labour market integration may be at play. Women show, unsurprisingly, lower employment rates and higher rates of unemployment and being out of the labour force than do men. But the pattern by separation status remains the same: women who are about to separate are less likely to be employed, more likely to be unemployed, and more likely to be out of the labour force than their female counterparts whose relationships continue. If they are employed, separating men and women earn less than those who remain partnered (12% less among men and 7% less among women). This could be the case for a variety of reasons, including their lower education, and lower experience because of their age. In addition, their labour market attachment in the past also appears less stable: despite their younger age, men who separate have already accumulated a longer time out of the workforce than men who stay with their partners. In addition, they not only spent fewer years in employment, but they also spent a *smaller share* of their time since leaving full-time education in employment. For women, the difference between the two groups is less pronounced, but goes in the same direction.

Table 3. Characteristics of men who remain partnered versus men who separate—HILDA (continued over next page)

	Men who remain partnered		Men who separate	
	Mean	Std. err.	Mean	Std. err.
Age				
<=29 years	11.9%	0.32	28.9%	0.45
30–34 years	12.3%	0.33	13.9%	0.35
35–39 years	13.2%	0.34	14.1%	0.35
40–44 years	14.1%	0.35	13.3%	0.34
45–49 years	14.3%	0.35	12.6%	0.33
50–54 years	13.9%	0.35	9.2%	0.29
>=55 years	20.3%	0.40	8.1%	0.27
Education				
Has university degree	30.1%	0.46	17.8%	0.38
Has (advanced) diploma, Cert III or Cert IV	41.8%	0.49	38.5%	0.49
Has completed Year 12	10.5%	0.31	16.1%	0.37
Has not completed Year 12	17.7%	0.38	27.5%	0.45
Health				
Excellent	10.2%	0.30	8.7%	0.28
Very good	35.1%	0.48	29.9%	0.46
Good	34.8%	0.48	34.1%	0.47
Fair/poor	11.7%	0.32	14.3%	0.35
Missing	8.1%	0.27	13.1%	0.34
Migrant status				
Born in Australia	76.8%	0.42	82.4%	0.38
Born in main English-speaking country	11.1%	0.31	10.2%	0.30
Born elsewhere	12.1%	0.33	7.4%	0.26
Number of dependent children in household				
None	49.9%	0.50	44.4%	0.50
1	18.4%	0.39	20.7%	0.41
2	21.4%	0.41	24.4%	0.43
3	8.0%	0.27	7.4%	0.26
4 or more	2.2%	0.15	3.1%	0.17
Age of youngest child in household				
No child in household	49.9%	0.50	44.4%	0.50
Youngest child is below school age	25.3%	0.43	32.2%	0.47
Youngest child is 5–14 years old	24.7%	0.43	23.4%	0.42
Had previous marriage or de facto relationship				
No	28.8%	0.45	22.2%	0.42
Yes	60.3%	0.49	50.1%	0.50
Missing	10.8%	0.31	27.8%	0.45
Duration of current legal marriage or de facto relationship (years)	14.55	11.28	9.34	9.02

Notes for Table 3: Results for partnered men aged 15 to 62, whose partner status in the subsequent wave is known. For further sample selection restrictions, see Section 2.1.1 and for variable definitions, see Section 2.1.2. All results are unweighted and describe the sample of analysis, rather than the Australian population.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Table 3. Characteristics of men who remain partnered versus men who separate—HILDA (continued)

	Men who remain partnered		Men who separate	
	Mean	(Std. Err.)	Mean	(Std. Err.)
Labour force status—1 year ago				
Employed	90.4%	0.29	82.4%	0.38
Unemployed	2.2%	0.15	5.5%	0.23
Out of the labour force	7.4%	0.26	12.1%	0.33
Weekly wage in main job in 2019 dollars (if employed)—1 year ago	1,511	1,214	1,341	1,086
Weekly working hours in main job (if employed)—1 year ago	44	12	44	13
Total time spent not in work (years)	2.0	3.7	2.7	4.5
Percentage of time spent in work (0–100)	91.9	13.9	85.3	21.5
Poverty—1 year ago	4.5%	0.21	9.4%	0.29
Annual equivalised household income in 2019 dollars—1 year ago	62,644	42,582	52,892	36,138
Partner's labour force status—1 year ago				
Employed	73.6%	0.44	64.1%	0.48
Unemployed	2.4%	0.15	4.8%	0.21
Out of the labour force	24.0%	0.43	31.1%	0.46
Number of observations (events)	41,042		807	
Number of observations (persons)	5,369		807	

Notes for Table 3: Results for partnered men aged 15 to 62, whose partner status in the subsequent wave is known. For further sample selection restrictions, see Section 2.1.1 and for variable definitions, see Section 2.1.2. All results are unweighted and describe the sample of analysis, rather than the Australian population.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

These disadvantages are also reflected in pre-separation income levels: men and women who are about to separate live in households with an income that is 16% and 17%, respectively, lower than the income in households that stay intact. The difference is even starker at the lower income end: the likelihood of living in poverty a full year prior to the impending relationship breakdown is about twice as high for separating individuals than it is for their non-separating counterparts.

The same pattern is observed for women in Table 4: women who separate are less likely to have been employed and more likely to be unemployed or out of the labour force a year before separation. And if they were employed, they earned a lower wage. Their partners were less likely to be employed, their household income was lower, and they were more than twice as likely to live in poverty, long before the relationship ended.

There is one important implication from these patterns: men and women who separate are relatively disadvantaged even before their separation—in their health, education, and previous history of employment and income. If we find that men and women who separate have worse outcomes in terms of employment, income, earnings and poverty risk *after* they separate, this will be at least partly due to these pre-existing disadvantages. It is vitally important that we compare 'like for like' when we analyse post-separation outcomes in comparison to individuals who stayed with their partners. Section 3 describes our strategy for doing so.

Table 4. Characteristics of women remain partnered versus women who separate—HILDA (continued over next page)

	Women who remain partnered		Women who separate	
	Mean	Std. err.	Mean	Std. err.
Age				
<=29 years	15.3%	0.36	31.2%	0.45
30–34 years	12.8%	0.33	12.1%	0.35
35–39 years	13.6%	0.34	13.7%	0.35
40–44 years	14.2%	0.35	13.2%	0.34
45–49 years	13.6%	0.34	11.2%	0.33
50–54 years	12.9%	0.34	8.6%	0.29
>=55 years	17.6%	0.38	10.0%	0.27
Education				
Has university degree	34.6%	0.48	21.4%	0.38
Has (advanced) diploma, Cert III or Cert IV	26.8%	0.44	32.3%	0.49
Has completed Year 12	14.4%	0.35	16.7%	0.37
Has not completed Year 12	24.2%	0.43	29.6%	0.45
Health				
Excellent	10.5%	0.31	7.8%	0.28
Very good	38.2%	0.49	33.8%	0.46
Good	33.3%	0.47	33.5%	0.47
Fair/poor	11.5%	0.32	14.7%	0.35
Missing	6.6%	0.25	10.2%	0.34
Migrant status				
Born in Australia	77.3%	0.42	82.6%	0.38
Born in main English-speaking country	8.8%	0.28	8.8%	0.30
Born elsewhere	13.9%	0.35	8.7%	0.26
Number of dependent children in household				
None	52.6%	0.50	46.7%	0.50
1	17.7%	0.38	21.1%	0.41
2	20.1%	0.40	23.0%	0.43
3	7.5%	0.26	6.5%	0.26
4 or more	2.0%	0.14	2.6%	0.17
Age of youngest child in household				
No child in household	52.6%	0.50	46.7%	0.50
Youngest child is below school age	24.1%	0.43	30.2%	0.47
Youngest child is 5–14 years old	23.2%	0.42	23.1%	0.42
Had previous marriage or de facto relationship				
No	28.1%	0.45	21.6%	0.42
Yes	61.5%	0.49	54.6%	0.50
Missing	10.4%	0.31	23.8%	0.45
Duration of current legal marriage or de facto relationship (years)	15.29	11.86	10.57	9.02

Notes for Table 4: Results for partnered women aged 15 to 62, whose partner status in the subsequent wave is known. For further sample selection restrictions, see Section 2.1.1 and for variable definitions, see Section 2.1.2. All results are unweighted and describe the sample of analysis, rather than the Australian population.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Table 4. Characteristics of women remain partnered versus women who separate – HILDA (continued)

	Women who remain partnered		Women who separate	
	Mean	Std. err.	Mean	Std. err.
Labour force status—1 year ago				
Employed	72.6%	0.45	64.9%	0.38
Unemployed	2.3%	0.15	4.6%	0.23
Out of the labour force	25.1%	0.43	30.4%	0.33
Weekly wage in main job in 2019 dollars (if employed)—1 year ago	947	710	882	1086
Weekly working hours in main job (if employed)—1 year ago	31	14	31	13
Total time spent not in work (years)	6.8	8.2	6.3	4.5
Percentage of time spent in work (0–100)	74.0	25.8	69.4	21.5
Poverty—1 year ago	5.2%	0.22	8.9%	0.29
Annual equivalised household income in 2019 dollars—1 year ago	63,340	50,524	52,930	36,138
Partner's labour force status—1 year ago				
Employed	87.7%	0.33	80.0%	0.48
Unemployed	2.1%	0.14	5.4%	0.21
Out of the labour force	10.2%	0.30	14.6%	0.46
Number of observations (events)	43,204		947	
Number of observations (persons)	5,496		947	

Notes for Table 4: Results for partnered women aged 15 to 62, whose partner status in the subsequent wave is known. For further sample selection restrictions, see Section 2.1.1 and for variable definitions, see Section 2.1.2. All results are unweighted and describe the sample of analysis, rather than the Australian population.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

2.2

The Australian Census Longitudinal Dataset

The second data source is the ACLD, which links records of consecutive Censuses to create a longitudinal dataset. Where every Census provides a snapshot of life in Australia on Census night, linked records allow us to analyse transitions that Australians undergo in between Censuses—including relationship dynamics. There are two ACLD panels available at this point: the 2006 panel uses a 5% sample of the 2006 Census and links it with records from the 2011 and 2016 Censuses; likewise, the 2011 panel uses a 5% sample of the 2011 Census and links it with records of the 2016 Census[12] (Australian Bureau of Statistics, 2019). We combine both panels to observe relationship transitions between 2006 and 2011, and between 2011 and 2016.

The ACLD contains all characteristics included in the Census—demographics such as age, sex and country of birth; some socio-demographics such as education, family structure and religious affiliation; and some economic information on employment, hours worked and income. This allows us to observe relationship breakdowns, as well as an individual's key characteristics prior to the relationship ending, and their employment outcomes and poverty risk as well as re-partnering afterwards. The ACLD does not link records from partners, but it includes variables in an individual's record that describe the characteristics of their partners.

The key advantage of using the ACLD over survey data is its very large sample size. As we outline in the next subsection in more detail, we observe around 100 times more separations in the ACLD than in the HILDA Survey. This sample size allows more reliable estimates by subgroup, especially by geographic location. In an analysis using the smaller HILDA, even large effects of great economic significance may not be statistically significant, and analysis of geographic differences is not feasible. However, the ACLD has two major disadvantages. First, relationship breakdowns are not measured directly and often must be inferred by a change in partner's characteristics. This creates measurement error in the key event of interest. Second, we can only know whether a relationship that existed on one Census night has ceased to exist by the next Census night, but we cannot determine when exactly it ended between the two Census nights. While we can identify post-separation outcomes in HILDA in yearly intervals, in the Census we can only observe *average* post-separation outcomes of at least one day and up to five years after separation.

12 Where possible, deterministic linkage is used by the Australian Bureau of Statistics: one record is linked to another if they match on first name, last name, current address in first Census with address five years ago in the second Census, date of birth, sex and country of birth. Where this is not possible, probabilistic linkage is used, based on a broader range of characteristics but allowing for some missing or inconsistent information. Of all created linkages, 75% are deterministic and 25% are probabilistic (Australian Bureau of Statistics, 2019).

2.2.1 Sample selection

As the ACLD does not link records from partners, it would be a relatively rare and random event for two partners to be included in the ACLD (and the researcher would not be aware of this being the case). For this reason the analysis using ACLD does not start with the two members of a couple, as is the case for the HILDA Survey, but with individuals who report to be in a legal or de facto marriage. We then compare those whose relationship subsequently breaks down to those whose relationship continues.[13]

The Census does not directly ask whether such an event has occurred, and we must therefore infer it from current relationship status at each Census date. The Census records whether an individual is married in a legal marriage, married in a de facto marriage, or not married.[14] For individuals who report being in a legal or de facto marriage in one Census, and not married in the next, we can infer that a relationship breakdown has occurred. For those who report being in a legal or de facto marriage on two consecutive Census dates, the relationship may have remained intact, or the individual may have experienced a relationship breakdown and has subsequently re-partnered. In that case, we infer a change of partner from changing partner characteristics: if the partner's country of birth or year of arrival in Australia (for partners born overseas) changes between one Census and the next, or if the change in partner's age is not consistent with the number of years that have passed, we assume that the individual has re-partnered. In addition, we assume that re-partnering has occurred if the person first reports that their partner has finished high school, and in the later Census reports that they have not finished high school, or if the partner's reported ancestry changes. In all other cases (i.e., if the individual reports that their partner on two Census nights has the same country of birth, same year of arrival in Australia (if any), consistent age, same ancestry, and equal or higher education) we assume that the individual is still with the same partner, and no relationship breakdown has occurred.[15]

There were 396,274 individuals in the ACLD 2006–11–16 for whom we could determine whether a relationship breakdown had occurred or not, either between 2006 and 2011 or between 2011 and 2016, or both. Of the recorded 616,451 total events for these individuals, 8.7% were a change from legally or de facto married at the relevant earlier Census night to not married at the relevant later Census night, 14.0% were a change from legally or de facto married at the earlier Census night to legally or de facto married to a partner with changed characteristics at the later Census night, and 77.3% were a continuation of being legally or de facto married to a partner with the same characteristics on both Census nights. Of the observed relationship breakdowns without subsequent re-partnering, 61.1% were experienced by women and 38.9% by men; of those relationship breakdowns with subsequent re-partnering, 50.3% were experienced by women and 49.7% by men.

Similarly, in the ACLD 2011–16 there were 420,499 individuals who were legally or de facto married in 2011, and for whom we could determine whether they had experienced a relationship breakdown in this time frame: 9.0% were no longer married at Census night 2016, 13.9% were legally or de facto married again but their partner's characteristics had changed, and 77.1% did not experience a relationship breakdown as they were still married to a partner with the same characteristics. Women experienced 60.4% of relationship breakdowns without re-partnering, and 50.3% of relationship breakdowns with re-partnering.

After we combine the ACLD 2011–16 with the ACLD 2006–11–16, there are just over 1,036,950 events (separation or continuation of relationship) over the three Census years. Of these, we delete 196,581 because they happened outside of the age range of interest, which is age 15 to age 62. As before in the HILDA sample, for individuals who experience a continuation of their relationship between two Census nights, and a breakdown of their relationship between two other Census nights, we focus only on the event when a relationship breakdown is observed; we delete a further 33,148

13 Even though records between partners are not linked, crucial variables that describe a partner's characteristics (such as age, education, labour force status and income) are included in the individual's record.

14 This information is not recorded for children under the age of 15, visitors in the household on Census night and other non-classifiable individuals. If an individual falls into any of these groups on at least one of the two Census nights for which the occurrence of a relationship breakdown is to be determined, they are not included in the analysis.

15 This could lead us to falsely assume relationship continuity for individuals who re-partner with someone with very similar characteristics to their previous partner, or to falsely assume a relationship breakdown in a stable partnership, where a partner's ancestry-based self-identification has changed or where the partner has made a reporting error. In both cases, the result would be that we underestimate any negative effects of separation on later outcomes in the overall population, because some individuals who did indeed experience these effects are treated in the analysis as if they had not, and vice versa. The results of this report based on the ACLD data should thus be interpreted as a lower bound of the true effect of separation.

observations for this reason. Finally, we remove a further 48,012 observations because key information on own labour force status, partner's labour force status or household income prior to the event is missing. This leaves us with 93,462 separations observed among women and 77,034 separations observed among men. A further 301,777 observations from women and 286,936 observations from men who continue their established relationship can be used to compare their outcomes to those of the separated men and women.

2.2.2 Key variable definitions

Partnered individual: an individual who reports to be in a legal or de facto marriage on Census night.

Separation: a partnered individual at Census 2006 or 2011 experiences the loss of a partner if, at the next Census date in 2011 or 2016, they are a) not married or b) still legally married or de facto married, but certain characteristics of their partner have changed that should be immutable (their year of birth as derived from age and calendar year, country of birth, year of arrival in Australia (if applicable), ancestry and acquired high school certificates), thereby implying that the legal or de facto marriage is now to a different person. In the ACLD we cannot distinguish between separation/divorce and widowhood.

Dependent children: all children under the age of 15 in the family, including own children and stepchildren and partner's children and step-children. Children are counted if they are with the family on Census night or temporarily absent on Census night.

Weekly hours: the number of hours worked in all jobs during the week prior to Census night.

Labour force status: individuals are classified as employed, unemployed or out of the labour force according to the definitions used by the Australian Bureau of Statistics (2001). Persons in *employment* are those of working age who were engaged in any activity to produce goods or provide services for pay or profit, or without pay in a family business or on a farm, for at least one hour in the week prior to Census night. This includes persons in employment at work, and persons in employment who are temporarily absent from work but who maintained job attachment (e.g., due to annual leave, sick leave, shift work or flex time, or maternity leave).

Unemployed persons are persons of working age who are not in employment in the survey week, and who had actively looked for full-time or part-time work in the week prior to Census night and were available for work. Persons *out of the labour force* include everyone who is neither employed nor unemployed; that is, individuals who are not engaged in paid activities to produce goods or services, and who are not actively looking and available to do so.

Household income: total before-tax equivalised inflated income. Household income is derived from the total before-tax income a person usually receives per week, added up for the target individual and their partner (if applicable). Own personal income and partner's personal income are self-reported; respondents are asked to include wages and salaries, government pensions, allowances and bonuses, profit or losses from businesses and rental income, superannuation income and private pensions, child support, interest and dividends, workers' compensation and any other income, and to not include any automatic deductions including taxes and superannuation contributions. Income is reported in ranges, and mid-points are used to sum own income and partner's income (if the individual has a partner). The result is then equivalised to make it comparable across households of different sizes. We again use the OECD equivalence scale applying a weight of one for the target individual, a weight of 0.5 for their partner (if applicable) and a weight of 0.3 for every child below age 15 in their family. The equivalised total before-tax income is then inflated to 2016 values using the Consumer Price Index (September values).

Poverty: to calculate the poverty threshold, household income as defined above is determined for all individuals in any given Census who are spouses in legal or de facto couples, lone persons or lone parents (not restricted to partnered individuals included in our sample of analysis). The poverty threshold for a given interview year is set to half of the median household income. Poverty is a 0/1 variable that indicates whether an individual *i* lived in a household with a total before-tax equivalised inflated household income below this poverty threshold.

2.2.3 Men's and women's characteristics prior to separation

Tables 5 and 6 show socio-demographic characteristics of the population who separate, in comparison to those who remain partnered, separately for men and women. The patterns are similar to those found in the HILDA data: partnered individuals who separate by the next Census are younger than those partnered individuals who remain with their partners, and they have lower educational degrees; they are less likely to be employed and more likely to be unemployed or out of the labour force, and the same is true for their partners. They live in households with lower average income, and are more likely to live in households with an income below the poverty line.

However, there are also some important differences to the patterns we found in the HILDA Survey. First, the number of observations for individuals who remain partnered, relative to those who separate, is much smaller. This is because in HILDA non-separating individuals can enter the analysis many times at different points in time while they remain partnered (on average, just under eight times). Meanwhile in the Census, there are at most two events per individual (their relationship continuation from 2006 to 2011, and from 2011 to 2016) and for about three-quarters of the individuals in the sample, only one of those two is observed.[16]

Second, all differences between individuals who are about to separate and those who remain partnered are much less pronounced than we observe in the survey data: the separating group is younger than the non-separating group, but less so than in HILDA; the separating group is less highly educated than the non-separating group, but less so than in HILDA, and so on. This is likely because in the Census, there is considerable measurement error in identifying a separation. Because there is no unique partner identifier and we have to infer new relationships by changes in partner characteristics, a relationship breakdown followed by re-partnering *with a very similar partner* cannot be picked up.

In addition, the timing of a separation is observed with much less accuracy: any observed separation can have occurred at any point within a five-year window (as compared to a one-year window between waves in HILDA). As the delineation between individuals who do or do not experience the event of interest (a separation) and its timing become blurry, naturally the observed characteristics of both groups will become more similar. This has an important implication for our analysis: not only will the socio-demographic characteristics prior to the event 'separation' (or lack thereof) appear more similar between separating and non-separating individuals than they truly are, the same argument applies to the outcomes following the event. Results based on the ACLD are likely to underestimate the true effect of a separation on employment outcomes, income and poverty risk.

The larger sample size in the Census allows us to identify effects in smaller subgroups and to conduct an analysis of geographic differences across Australia, which would not be possible based on smaller survey data such as HILDA. However, these data limitations, in terms of being able to identify the occurrence and timing of a separation, mean that the results based on the ACLD are meant to complement, not replace, those based on the more accurate measures observed in the HILDA data.

16 All individuals in our sample who were part of the two-wave ACLD 2011–16 can enter the analysis with only one event; for those who were part of the three-wave ACLD 2006–11–16 (which allows for two events in principle), the second linkage was also not always successful.

Table 5. Characteristics of men who remain partnered versus men who separate—ACLD

	Men who remain partnered		Men who separate	
	Mean	Std. err.	Mean	Std. err.
Age				
<=29 years	8.9%	0.28	12.2%	0.33
30–34 years	11.6%	0.32	11.2%	0.32
35–39 years	14.4%	0.35	13.5%	0.34
40–44 years	15.3%	0.36	14.4%	0.35
45–49 years	15.2%	0.36	14.5%	0.35
50–54 years	14.5%	0.35	13.8%	0.34
>=55 years	20.0%	0.40	20.4%	0.40
Education				
Postgraduate degree	7.3%	0.26	5.8%	0.23
Graduate diploma/Graduate certificate	2.2%	0.15	1.7%	0.13
(Honours) Bachelor's degree	17.6%	0.38	13.7%	0.34
Associate diploma or advanced diploma	9.3%	0.29	8.5%	0.28
Trade certificate level III/IV	28.6%	0.45	28.4%	0.45
High school completed (with certificate)	12.8%	0.33	15.4%	0.36
Year 10 to Year 12 (without high school certificate) and/or certificate I/II	14.3%	0.35	16.6%	0.37
Year 9 or lower	5.5%	0.23	6.8%	0.25
Missing	2.4%	0.15	3.0%	0.17
Migrant status				
Born in Australia	68.8%	0.46	66.3%	0.47
Born in main English-speaking country	11.2%	0.31	12.6%	0.33
Born elsewhere	18.6%	0.39	19.4%	0.40
Missing	1.5%	0.12	1.7%	0.13
Number of dependent children in household	1.15	1.15	1.04	1.15
Labour force status				
Employed	90.4%	0.29	86.9%	0.34
Unemployed	2.0%	0.14	2.9%	0.17
Out of the labour force	7.6%	0.26	10.3%	0.30
Weekly working hours in all jobs (if employed)	42.39	13.93	41.73	14.36
Weekly working hours missing	0.11	0.31	0.15	0.36
Partner's labour force status				
Employed	74.0%	0.44	70.0%	0.46
Unemployed	2.2%	0.15	3.0%	0.17
Out of the labour force	23.7%	0.43	27.0%	0.44
Poverty	9.6%	0.29	13.3%	0.34
Weekly equivalised household income in 2016 dollars	1,218.17	670.33	1,126.77	667.47
Number of observations (events)	286,936		77,034	
Number of observations (persons)	225,934		77,034	

Notes for Table 5: Results for partnered men aged 15 to 62, whose partner status in the subsequent Census night could be determined. For further sample selection restrictions, see Section 2.2.1 and for variable definitions, see Section 2.2.2. All results are unweighted and describe the sample of analysis, rather than the Australian population.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Table 6. Characteristics of women who remain partnered versus women who separate—ACLD

	Women who remain partnered		Women who separate	
	Mean	Std. err.	Mean	Std. err.
Age				
<=29 years	12.1%	0.33	16.3%	0.37
30–34 years	12.6%	0.33	12.0%	0.33
35–39 years	14.7%	0.35	14.0%	0.35
40–44 years	15.1%	0.36	14.1%	0.35
45–49 years	14.6%	0.35	13.6%	0.34
50–54 years	13.4%	0.34	12.5%	0.33
>=55 years	17.5%	0.38	17.5%	0.38
Education				
Postgraduate degree	6.3%	0.24	5.2%	0.22
Graduate diploma/Graduate certificate	3.3%	0.18	2.3%	0.15
(Honours) Bachelor's degree	20.9%	0.41	15.8%	0.36
Associate diploma or advanced diploma	11.7%	0.32	10.9%	0.31
Trade certificate level III/IV	10.3%	0.30	11.5%	0.32
High school completed (with certificate)	16.5%	0.37	18.9%	0.39
Year 10 to Year 12 (without high school certificate) and/or certificate I/II	22.1%	0.42	24.4%	0.43
Year 9 or lower	5.6%	0.23	7.4%	0.26
Missing	3.3%	0.18	3.7%	0.19
Migrant status				
Born in Australia	68.9%	0.46	66.5%	0.47
Born in main English-speaking country	9.9%	0.30	11.2%	0.32
Born elsewhere	19.6%	0.40	20.4%	0.40
Missing	1.5%	0.12	1.9%	0.14
Number of dependent children in household	1.11	1.15	1.03	1.16
Labour force status				
Employed	72.5%	0.45	69.3%	0.46
Unemployed	2.2%	0.15	2.8%	0.16
Out of the labour force	25.3%	0.43	27.9%	0.45
Weekly working hours in all jobs (if employed)	29.95	15.02	30.92	15.02
Weekly working hours missing	0.28	0.45	0.32	0.47
Partner's labour force status				
Employed	87.8%	0.33	82.2%	0.38
Unemployed	1.9%	0.14	3.0%	0.17
Out of the labour force	10.3%	0.30	14.8%	0.35
Poverty	10.6%	0.31	15.6%	0.36
Weekly equivalised household income in 2016 dollars	1,202.07	672.04	1,075.64	653.17
Number of observations (events)	301,777		93,462	
Number of observations (persons)	237,253		93,462	

Notes for Table 6: Results for partnered women aged 15 to 62, whose partner status in the subsequent Census night could be determined. For further sample selection restrictions, see Section 2.2.1 and for variable definitions, see Section 2.2.2. All results are unweighted and describe the sample of analysis, rather than the Australian population.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

3. Methodology

'The application of matching weights ensures that we compare two groups who were, before separation, very similar.'

If we compare the post-separation outcomes of men and women who are about to separate with the outcomes of men and women who remain partnered, worse outcomes may be partially attributed to the disadvantages the individuals already experienced before the separation. We deal with this issue by using a matching approach, first developed by Rosenbaum and Rubin (1983, 1985).

3.1

Matching process

Experiencing a separation is comparatively rare, and, as a result, for every individual who does experience this event, there are many more who do not. This makes it possible to find control observations from the pool of partnered individuals who are very similar to any separated individual in all aspects except for having experienced a separation.

First, we split the entire sample of analysis into six groups according to the individual's sex (male or female), and presence and age of any dependent children prior to the separation (no dependent children; youngest dependent child is below school age, i.e., 0 to 4 years; or youngest dependent child is older, i.e., 5 to 14 years). We only consider comparing a person who is about to separate to another person who remains partnered from the same group; that is, we match exactly on sex, presence of children and age of youngest child. However, within those groups, there are still large differences across the full range of other characteristics described in Section 2 (Tables 3 and 4 for analysis using the HILDA Survey, and Tables 5 and 6 for analysis using the ACLD). It is not feasible to only compare individuals who also have identical characteristics in all other dimensions. Instead, we calculate a 'propensity score' within each group: this combines all other characteristics into one linear index—the propensity score—which ranges from zero to one.[17] We can then compare an individual who separates to an individual who does not, but who had a very similar propensity score. Conceptually, the propensity score measures how *likely* a person is to experience a separation as a function of all other (observed) characteristics.

We now go through all individuals who are about to separate, one by one, and find the best 'matching partners' for them from the pool of individuals who remain partnered. The first condition for a match is: any individual who remains partnered must match the separating individual *i* exactly on sex, as well as presence of children and age of youngest child, in order to be considered a potential matching partner. We then apply two different strategies: one for the analysis using the HILDA Survey, and one for the analysis using the ACLD.

17 This calculation is performed using a probit estimator with separation as the dependent variable on the left-hand side, and all socio-demographic characteristics included in Tables 3 and 4 (HILDA Survey) or Tables 5 and 6 (ACLD) on the right-hand side. After estimating the model, the predicted probability of separation gives the propensity score.

For analysis using the HILDA Survey, we apply kernel matching: we define a maximum difference between the propensity score of the separating individual *i* and all potential matching partners who remain partnered. We set this maximum difference to 0.0044 or 0.44 percentage points.[18] All individuals whose propensity score differs from the separating individual *i* by more than 0.44 percentage points are not possible matching partners for this individual and are assigned a weight of zero as a matching partner for individual *i*. All individuals whose propensity score is within that range of 0.44 percentage points around the separating individual *i's* propensity score, are assigned a positive weight that is larger the closer their propensity score is to *i's* propensity score. That is, if the difference in propensity scores between individual *j* who remains partnered and separating individual *i* is very close to 0.44 percentage points, the weight assigned to individual *j* is very close to zero; if the difference in propensity scores is very close to zero, the weight assigned to individual *j* is very close to one.[19, 20] Every separating individual *i* may be matched to multiple individuals who remain partnered.[21] After all individuals who remain partnered have been assigned a weight as a matching partner for the one separating individual *i*, these weights are normalised to add up to one. This process is repeated for every separating individual *i*, and the weights assigned to the selected individuals who remain partnered are added up during the process to determine their total weight for the analysis.

This process results in a set of matching weights with the following characteristics: a) every individual who separates has a weight of one, b) the sum of weights assigned to individuals who remain partnered and individuals who separate is identical, and equals the number of separating individuals, and c) the weight of individuals who remain partnered is larger the more similar they are to the pool of individuals who separate.

Table 7 shows socio-demographic characteristics of separating individuals and individuals who remain partnered with these matching weights applied for the calculation of means and proportions. There is now no longer a substantial difference between both groups prior to separation in terms of age, health, education, migration background, number of children, poverty or household income. Moreover, there is now a slightly *higher* incidence of employment and a *lower* incidence of being out of the labour force one year prior to separation among women who are about to separate than there is among the women who were selected for comparison. For both men and women, the weekly wage among employed individuals who separate is slightly higher than the weekly wage among their matching partners. This implies that the separating individuals are now slightly advantaged relative to the subset of individuals who are not separating against whom they are to be compared. More measures of matching quality are provided in Appendices B.3 and B.4.

For the analysis using the ACLD, kernel matching is not computationally feasible because of the large sample size. Instead, we apply nearest-neighbour matching.[22] Within each group formed by sex, presence of children and age of youngest child, we pick the individual *j* who remains partnered and whose propensity score is closest to the propensity score of separating individual *i*. That individual *j* is assigned a matching weight of one, and all other individuals who remain partnered are assigned a matching weight of zero. Every individual *i* who separates is thus assigned exactly one matching partner who remains partnered.[23] This process is then repeated for every separating individual. Every individual who remains partnered can serve as a matching partner for several individuals who are about to separate.

18 We set this maximum difference by trying out a range of different maxima and comparing the resulting quality of matches: we count the number of separating individuals for whom no suitable matching partner could be found (which is more common the smaller the chosen maximum difference in propensity scores is) and we compare how similar the separating individuals and their matches who remain partnered are in socio-demographic characteristics (the smaller the chosen maximum, the more similar the two groups are). More detail is in Appendix B.2.

19 Where multiple observations from the same partnered individual *j* at different points in time fall within that range, only the observation with the propensity score closest to the separating individual *i* is used.

20 The formula for a partnered individual *j's* weight as matching partner for separating individual *i* is: $w_{ij} = 1 - \left(\frac{PS_i - PS_j}{0.0044}\right)^2$ where PS_j and PS_i refer to the propensity scores of *j* and *i*.

21 This is exactly the advantage of kernel matching over other matching techniques, especially in relatively small samples: by using multiple matching partners with different weights, a greater range of useful information is extracted from the available data than would be the case if every separating individual were assigned only one matching partner. This increases the accuracy of the estimation results.

22 While kernel matching increases the accuracy of estimated results, it is computationally more burdensome than nearest-neighbour matching and can take a long time to execute when the sample is large (as is the case with ACLD), while the added benefit of greater accuracy is smaller, the larger the sample of possible matching partners to pick from.

23 Where several individuals who remain partnered have identical propensity scores, and that propensity score is the closest available to the propensity score of separating individual *i*, one non-separating individual with that score is picked at random to be *i's* sole matching partner.

Table 7. Characteristics of men and women who separate versus men and women who remain partnered—HILDA, after matching

	Men who separate	Men who remain partnered	Women who separate	Women who remain partnered
Age				
<=29 years	0.29	0.31	0.31	0.34
30–34 years	0.14	0.12	0.12	0.12
35–39 years	0.14	0.12	0.14	0.12
40–44 years	0.13	0.12	0.13	0.13
45–49 years	0.13	0.11	0.11	0.09
50–54 years	0.09	0.09	0.09	0.08
>=55 years	0.08	0.12	0.10	0.13
Education				
Has university degree	0.18	0.17	0.22	0.21
Has (advanced) diploma, Cert III or Cert IV	0.39	0.41	0.32	0.31
Has completed Year 12	0.16	0.14	0.17	0.16
Has not completed Year 12	0.27	0.29	0.29	0.32
Health				
Excellent	0.09	0.09	0.08	0.09
Very good	0.30	0.29	0.34	0.31
Good	0.34	0.31	0.34	0.33
Fair/poor	0.14	0.14	0.15	0.15
Missing	0.13	0.17	0.10	0.13
Migrant status				
Born in Australia	0.82	0.81	0.83	0.80
Born in main English-speaking country	0.10	0.10	0.09	0.09
Born elsewhere	0.07	0.09	0.09	0.11
Had previous marriage or de facto relationship				
No	0.22	0.18	0.22	0.17
Yes	0.50	0.54	0.55	0.59
Missing	0.28	0.28	0.24	0.24
Duration of current legal marriage or de facto relationship	9.39	9.35	10.64	10.21
Number of dependent children in household	1.04	1.06	0.97	1.00
Weekly wage from all jobs—1 year ago	1,117.32	1,038.71	600.39	559.51
Weekly working hours in all jobs—1 year ago	36.40	34.78	21.19	19.77
Labour force status—1 year ago				
Employed	0.83	0.81	0.65	0.60
Unemployed	0.05	0.07	0.04	0.05
Out of the labour force	0.11	0.13	0.30	0.35
Total time spent not in work	2.69	2.63	6.25	6.55
Percent of time spent in work	85.63	85.53	69.72	66.92
Poverty—1 year ago	0.09	0.10	0.09	0.10
Total household income—1 year ago	52,944.96	52,306.16	53,050.07	52,896.00
Partner's labour force status—1 year ago				
Employed	0.64	0.60	0.80	0.77
Unemployed	0.05	0.05	0.05	0.06
Out of the labour force	0.31	0.35	0.14	0.17

Notes for Table 7: Results for partnered women and men aged 15 to 62, whose partner status in the subsequent wave is known. For further sample selection restrictions, see Section 2.1.1 and for variable definitions, see Section 2.1.2. All results are weighted using matching weights from a mixed matching procedure (exact matching and propensity score matching; see body text of this section). The table describes the sample of analysis, rather than the Australian population.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Table 8. Characteristics of men and women who separate versus men and women who remain partnered—ACLD, after matching

	Men who separate	Men who remain partnered	Women who separate	Women who remain partnered
Age				
<=29 years	0.12	0.12	0.13	0.13
30–34 years	0.11	0.12	0.17	0.16
35–39 years	0.14	0.13	0.22	0.22
40–44 years	0.14	0.15	0.22	0.22
45–49 years	0.15	0.14	0.16	0.16
50–54 years	0.14	0.14	0.08	0.07
>=55 years	0.20	0.20	0.03	0.02
Education				
Postgraduate degree	0.06	0.06	0.05	0.05
Graduate diploma/Graduate certificate	0.02	0.02	0.02	0.02
(Honours) Bachelor's degree	0.14	0.14	0.17	0.17
Associate diploma or advanced diploma	0.08	0.08	0.12	0.11
Trade certificate level III/IV	0.28	0.29	0.12	0.11
High school completed (with certificate)	0.15	0.15	0.20	0.20
Year 10 to Year 12 (without high school certificate) and/or certificate I/II	0.17	0.17	0.23	0.24
Year 9 or lower	0.07	0.07	0.05	0.06
Missing	0.03	0.03	0.03	0.03
Migrant status				
Born in Australia	0.66	0.66	0.67	0.67
Born in main English-speaking country	0.13	0.12	0.10	0.10
Born elsewhere	0.19	0.19	0.21	0.22
Missing	0.02	0.02	0.02	0.02
Number of dependent children in household	1.04	1.03	1.94	1.91
Labour force status				
Employed	0.87	0.86	0.67	0.65
Unemployed	0.03	0.03	0.03	0.03
Out of the labour force	0.10	0.11	0.30	0.32
Weekly working hours	41.73	41.97	28.20	28.34
Weekly working hours missing	0.15	0.15	0.34	0.36
Partner's labour force status				
Employed	0.70	0.70	0.88	0.88
Unemployed	0.03	0.03	0.03	0.03
Out of the labour force	0.27	0.27	0.09	0.09
Poverty	0.13	0.13	0.17	0.17
Household income	1,126.79	1,127.66	1,074.23	1,071.77

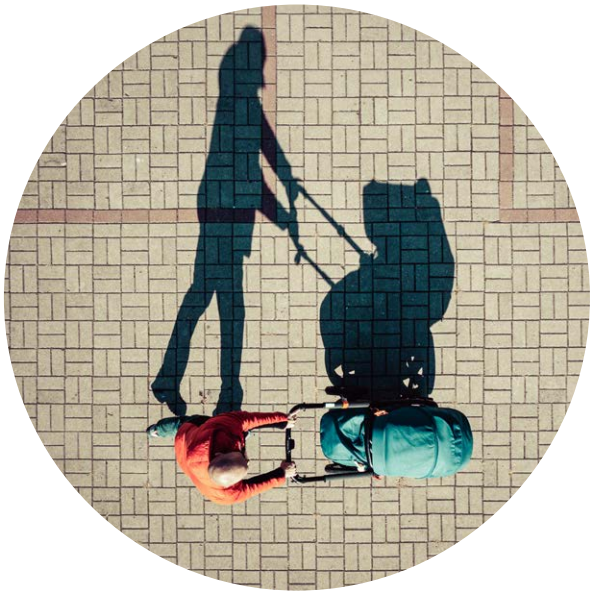
Notes for Table 8: Results for partnered women and men aged 15 to 62, whose partner status in the subsequent Census night could be determined. For further sample selection restrictions, see Section 2.2.1 and for variable definitions, see Section 2.2.2. All results are weighted using matching weights from a mixed matching procedure (exact matching and propensity score matching, see body text of this section). The table describes the sample of analysis, rather than the Australian population.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

This process results in a set of matching weights with the following characteristics: a) every individual who is about to separate has a weight of one, b) the sum of weights assigned to individuals who remain partnered and individuals who are about to separate is identical, and equals the number of separating individuals, and c) the weight of individuals who remain partnered can take on values 0, 1, 2, 3, … equal to the number of times they were picked as a matching partner.

Table 8 shows socio-demographic characteristics of separating individuals and individuals who remain partnered with these weights applied when calculating means and proportions. The matching quality is near perfect as there appears to be no discernible difference between the two groups prior to the event (separation or remaining partnered) in any measured dimension. More measures of matching quality are included in Appendices B.3 and B.4.

3.2

Calculation of outcomes



Once the matching process has been performed and the set of matching weights has been constructed, the calculation of outcomes is straightforward. We can now estimate the effect of separation on any post-separation outcome—such as employment, household income, or poverty—by simply comparing the *weighted* average of the outcome variable in question within the group who separates and within the group who remains partnered. Comparing the *unweighted* average outcomes in both groups would conflate the true effect of separation on the outcome, with the effect of a range of disadvantages that were already present before the separation. In contrast, applying the matching weights when calculating average post-separation outcomes removes the effect of pre-existing differences. The application of matching weights ensures that we compare two groups who were, before separation, very similar in all observed characteristics.

We analyse the following outcomes using a simple comparison of weighted means.

- Poverty: by how much does separation increase or decrease an individual's risk of living in poverty?
- Poverty transitions: by how much does separation increase an individual's risk of becoming poor when they previously were not? By how much does separation impede a poor person's chance of leaving poverty?
- Household income: by how much does an individual's (equivalised) household income change due to separation? What is the absolute size of this effect and what is the effect relative to pre-separation household income?
- Labour force status: by how much does separation increase or decrease an individual's chance of being employed, unemployed or out of the labour force?
- Quality of employment: by how much does separation increase or decrease an individual's weekly wage or weekly working hours, if they are employed?

All outcomes are analysed t=1, 2, 3, 4 and 5 years after separation occurred in the analysis using the HILDA Survey. When using the ACLD, outcomes are analysed in the next Census after separation occurred, which is up to five years after separation. See Appendix B.5 for a table with outcome formulas.

We show these effects separately for men and women who, at the point of separation, a) had no dependent children, b) had children and the youngest was below school age and c) had children and the youngest was of school age. In addition, we show all results separately for individuals who did or did not have a university degree prior to separating, were or were not employed prior to separating, and who separated at different ages. In the ACLD data, we also show these results by statistical area (SA4) where the separating individuals lived prior to separation.

3.3

Transmission mechanisms

We estimate regression models aimed at explaining the evolution of the effect of separation on poverty levels in the first five years after separation, using the HILDA Survey. If separation causes increased risk of poverty, the primary means by which separating individuals may try to offset this effect and leave poverty again is up-take of employment, increase in hours worked and/or re-partnering with another person who can provide income. To assess the relative importance and success of both strategies, we estimate a regression model of the risk of living in poverty, five years after separating, on one's employment status, weekly wage, re-partnering and partner's disposable income five years after separating. This allows us to calculate the differences in the effect of being separated for individuals who were able to employ different strategies to avoid or escape poverty.

4. Dynamics of financial outcomes

‘The increase in entering poverty after divorce is particularly high for women with pre-school children … but it is more long-lasting for women with older children.’

Using the methodology outlined in Section 3, we compare poverty rates and household income after separation with poverty rates and household income of similar men and women who did not separate. As discussed, it is important to apply the matching approach since otherwise we would be overstating the impact of separation. Appendix Tables A.1 and A.2 present HILDA results on a range of outcomes one year after separation comparing 'raw' differences to differences after ensuring that the comparison group contains similar men and women to the separating men and women, using the matching approach explained in Section 3. It is clear that without correction the individuals who remain partnered have better outcomes; that is, they are less likely to be in poverty, more likely to be employed, less likely to be unemployed, have higher wages and higher household income. Using the 'uncorrected' differences would thus overstate the impacts of separation.[24] Appendix Tables 3 and 4 show the analogous results using the ACLD, again demonstrating the need to apply the matching procedure to correct the 'raw differences' that overstate the true effect of separation.

In the following sections we discuss results regarding differences in outcomes for separating men and women versus similar men and women who remained partnered, using the matching approach. Differences in outcomes after one, two, three, four and five years since separation are presented to understand how men and women adjust to their changed circumstances. These main results are based on the annual data from the HILDA Survey. In addition, we use the ACLD to analyse the average impact of separation over up to five years after a couple's separation. The ACLD is only available once every five years. The exact timing of the separation is unknown, except that it occurred between the 2006 and 2011 Censuses or between the 2011 and 2016 Censuses.

Rather than present many large tables with results, the main text presents the results in a series of graphs which are discussed in the following sections. We include the corresponding tables with point estimates, standard deviations and significance levels in Appendix A.

24 The outcomes for the separated group also change slightly as there are a few observations for which we cannot find suitable matches and which therefore have to be excluded from the matching analysis.

4.1

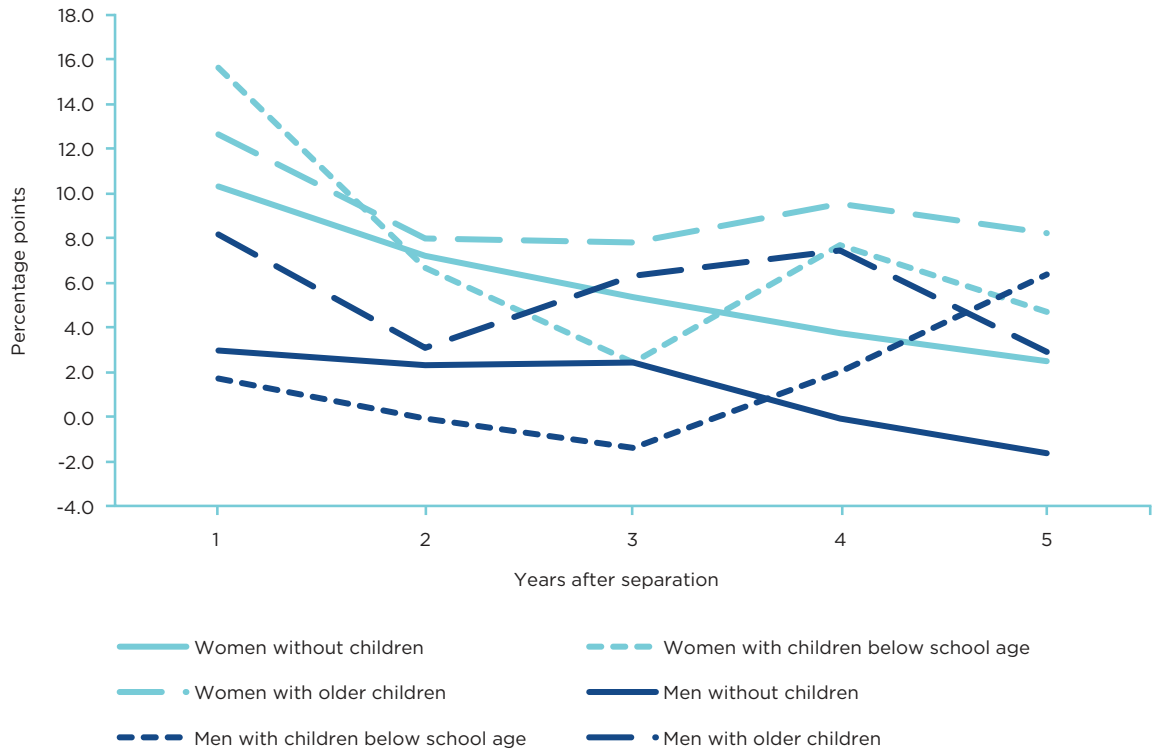
The impacts on poverty rates

Our first set of results is presented in Figure 1 (and also reported in Appendix Tables A.5 and A.6), and shows that women are more likely to be poor immediately after separation, especially if they have young children. However, it is the women with older children who are more likely to experience longer-lasting impacts on poverty. While all groups of women experience a significant impact on their probability of being in poverty at least some of the time, only impacts for men with older children are significant in years one, three and four. Likely one of the major reasons why men's poverty rates are less affected by separation than women's is that women are more likely to be the primary residential parent after a divorce, while men are likely to contribute more financially to the continued upbringing of their children through child support.

Where the combined income of both parents is not sufficient to prevent poverty after the family splits into two households—losing important economies of scale in the process—this is likely to lead to poverty in the household headed by the residential parent who will typically have a lower taxable income of their own. The greater financial effect of separation on women relative to men is in line with all previous literature from various countries at various points in time (see Section 1.3.1).

For all groups of women, the impacts decrease over time after separation. This is not the case for men with children. This is likely due to women taking up employment or increasing their working hours, and hence gaining higher labour income over time. We explore this mechanism in more detail in Section 5.3. These impacts are confirmed using the ACLD: women with pre-school children are most affected followed by women with children aged five to 14. Although the estimated impacts for men are all significant using this larger sample, the impacts are much smaller than for women (around a 3 to 4 percentage-point increase in poverty for men versus an 8 to 17 percentage-point increase for women).

Figure 1. Impact of separation on poverty rate by gender and family composition, 1 to 5 years after separation



Notes for Figure 1: See Appendix Tables A.5 and A.6.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

When transitions in and out of poverty over the five years since separation are examined in separate Sankey flow diagrams for separated and non-separated men and women (with and without children) in Figure 2 (and also reported in Appendix Tables A.5 and A.6), we find that separation increases the likelihood for women to enter poverty from non-poverty, and decreases their likelihood of remaining out of poverty. The increase in the width of the red bands (indicating poverty) from the initial period to later periods in Figure 2 shows clearly that the increase in entering poverty after divorce is particularly high for women with pre-school children at nearly 15 percentage points one year after separation. However, it is also substantial for women with older children at just over 11 percentage points in the first year and for this latter group the impacts seem longest-lasting: five years after separation they are nearly 9 percentage points more likely to live in poverty than similar women who did not separate. For women with young children and for women without children the increase in the probability of poverty is much smaller and no longer significant after five years. In fact, in the second year after separation, Figure 2 shows a substantial proportion of women exiting poverty. These increases in the probability of entering poverty are nearly perfectly mirrored in the decreases in the probability of remaining out of poverty.

Results from the ACLD indicate very similar impacts (see Appendix Tables A.3 and A.4), with on average a 15 percentage-point increase in entering poverty over a five-year period that includes a separation, for women with young children. This compares to just over 10 percentage points for women with older children and just over 7 percentage points for women without children.

While separation increases people's risk of entering poverty—that is, it creates new poverty that would not have otherwise existed—it does not appear to be a very important additional hurdle for a poor person's (low) chance of

escaping poverty. That is, separation does not change the outcomes for the women who already were below the poverty line before they separated (the ACLD indicates a slight significant increase of between 0.4 and 1.8 percentage points). The impacts for men on these transitions are in the same directions but much weaker than for women, as can be seen in Figure 2, and for men already in poverty the results remain insignificant in the HILDA Survey and the ACLD.

The increase in entering poverty is mostly around 2 to 3 percentage points for men and not significant. Only men with older children are more affected: an increase of 5 percentage points in the first year and 7 percentage points in the fourth year. Similar but significant results of a 3 to 4.5 percentage-point increase in entering poverty are reported for men based on the ACLD, with men without children and men with older children most affected.

Figure 2. Flow diagrams in and out of poverty from one year before to five years after separation

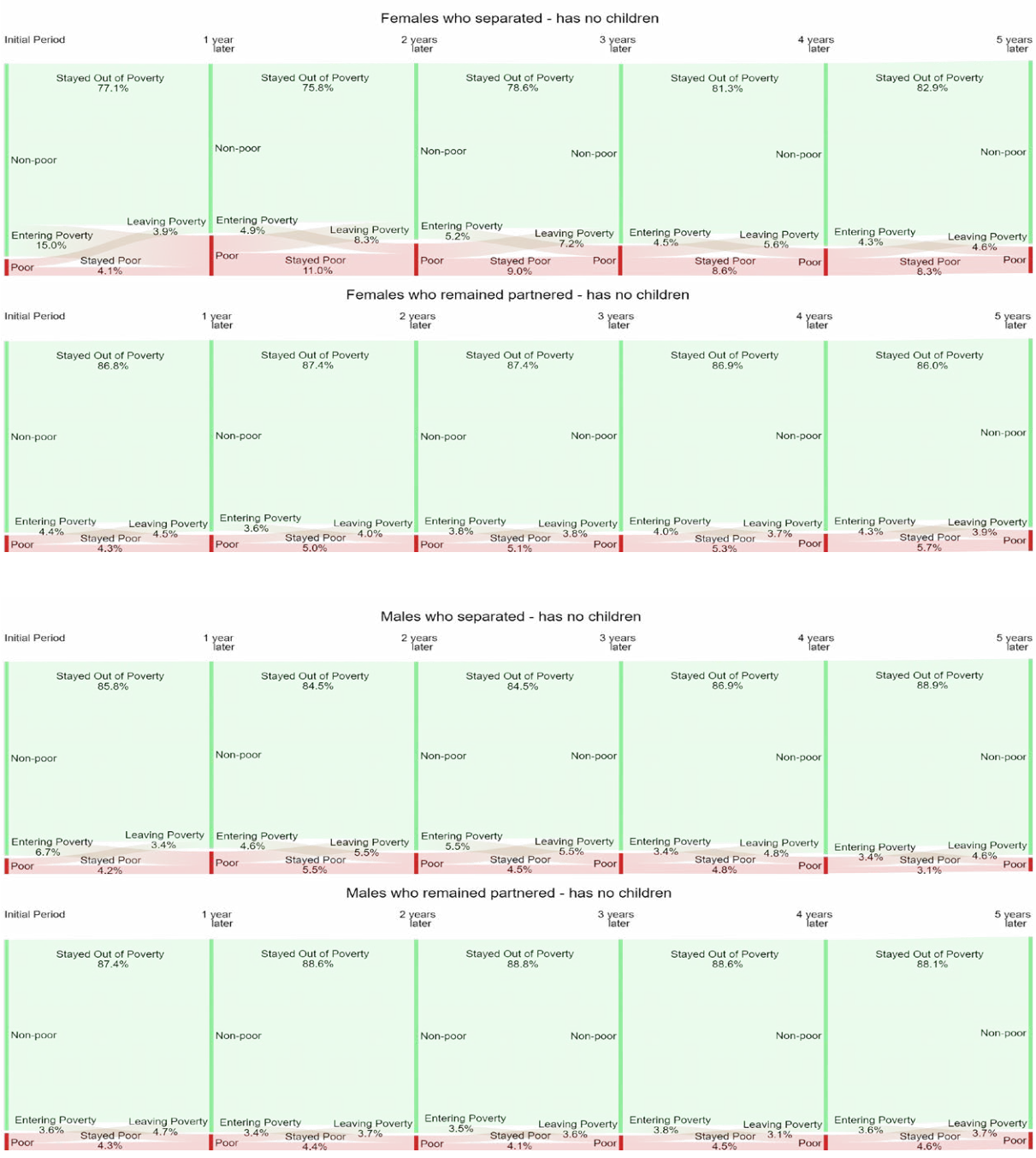


Figure 2. Flow diagrams in and out of poverty from one year before to five years after separation (continued)

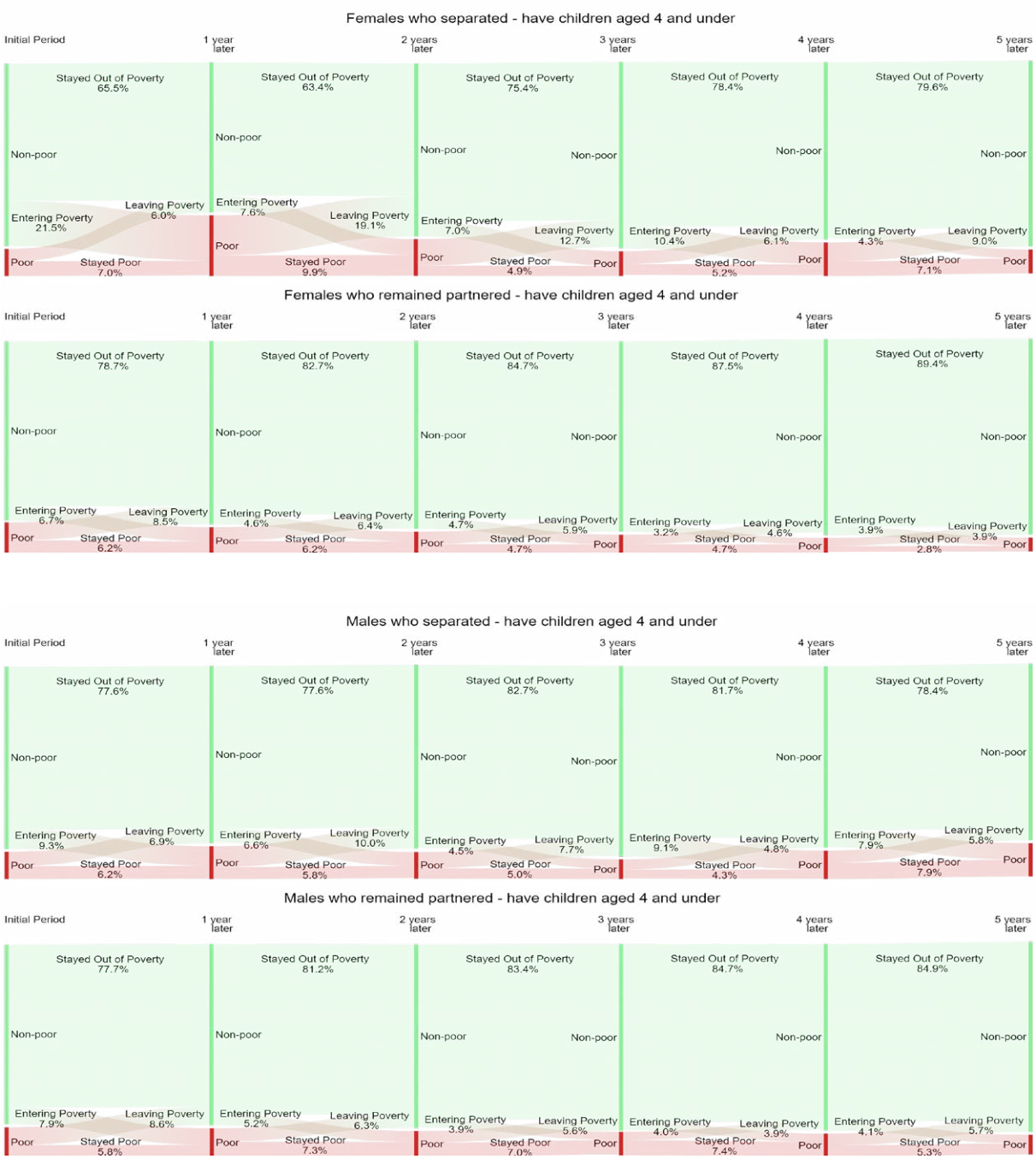
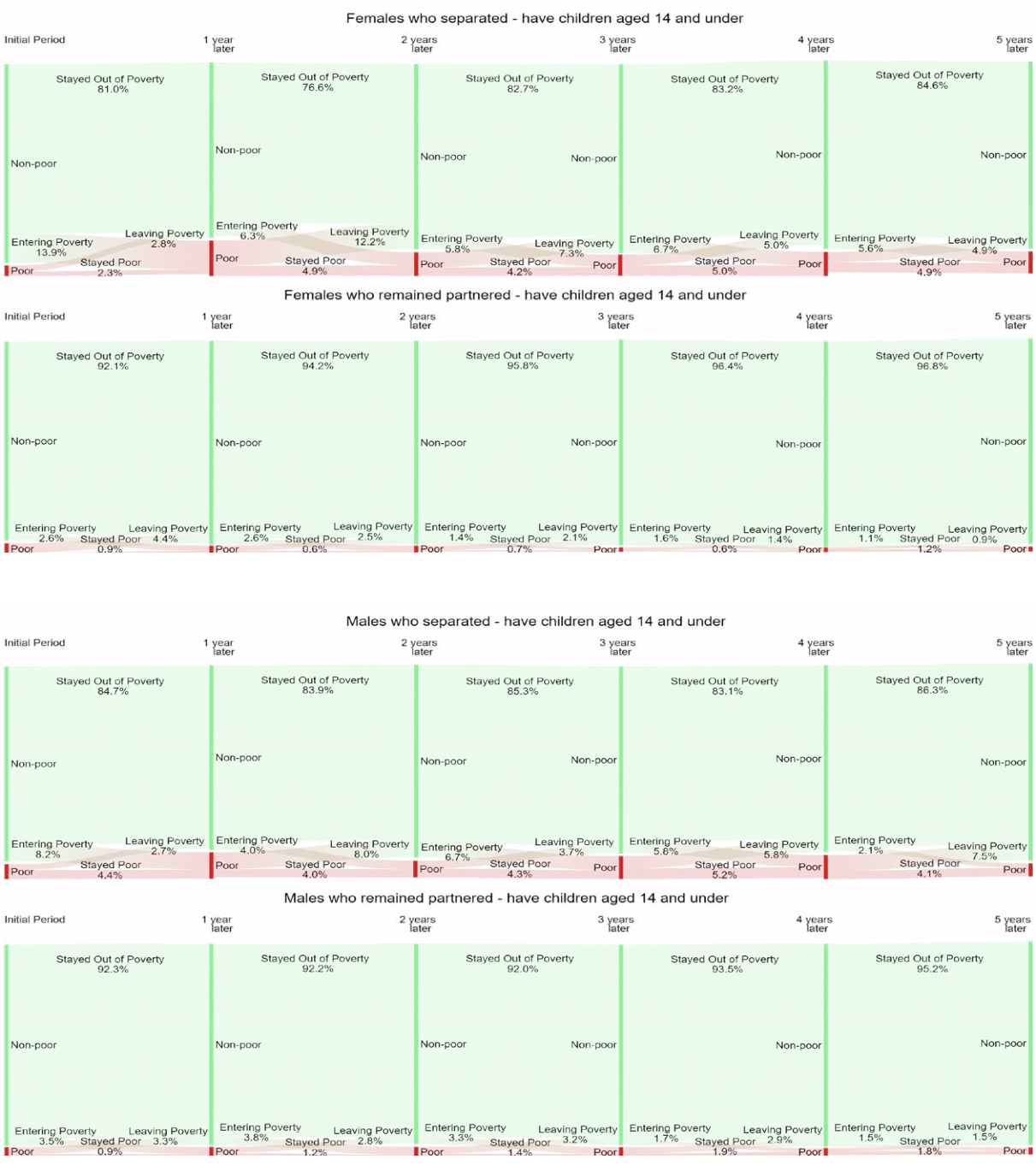


Figure 2. Flow diagrams in and out of poverty from one year before to five years after separation (continued)



4.1.1 Impacts by education level

The expectation is that a higher education level would protect an individual against poverty as they would be able to obtain a higher-paying job and be less likely to be unemployed than someone with a lower education level. When we compare the differences in poverty rates after separation for men and women with and without university-level education in Figure 3, this is indeed observed for men and women without children (full results are available in Appendix Tables A.7 and A.8). Men and women with a university degree experience a smaller increase in the probability of poverty after separation than men and women without a university degree. Initially this is also the case for women with pre-school children but this disappears in later years. For women with older children, having a university degree does not seem to afford any protection against an increase in the probability of poverty after separation, although the impacts are much less significant than for women without a university degree. This lower significance could, however, be due to the small number of women in the sample with a university degree who separated during the observation period in HILDA. Results from the ACLD show a similar protective effect from education with women in all three groups being less likely to experience an increase in poverty due to separation if they have a university degree (Appendix Tables A.9 and A.10). Women with a university degree face a 5 to 8 percentage-point increase in the probability of poverty after separation, while this is 9 to 20 percentage points for women without a university degree. Women with children aged four or under are most affected, facing an 8 and 20 percentage-point increase, respectively. Women without children are least affected, at 5 and 9 percentage points.

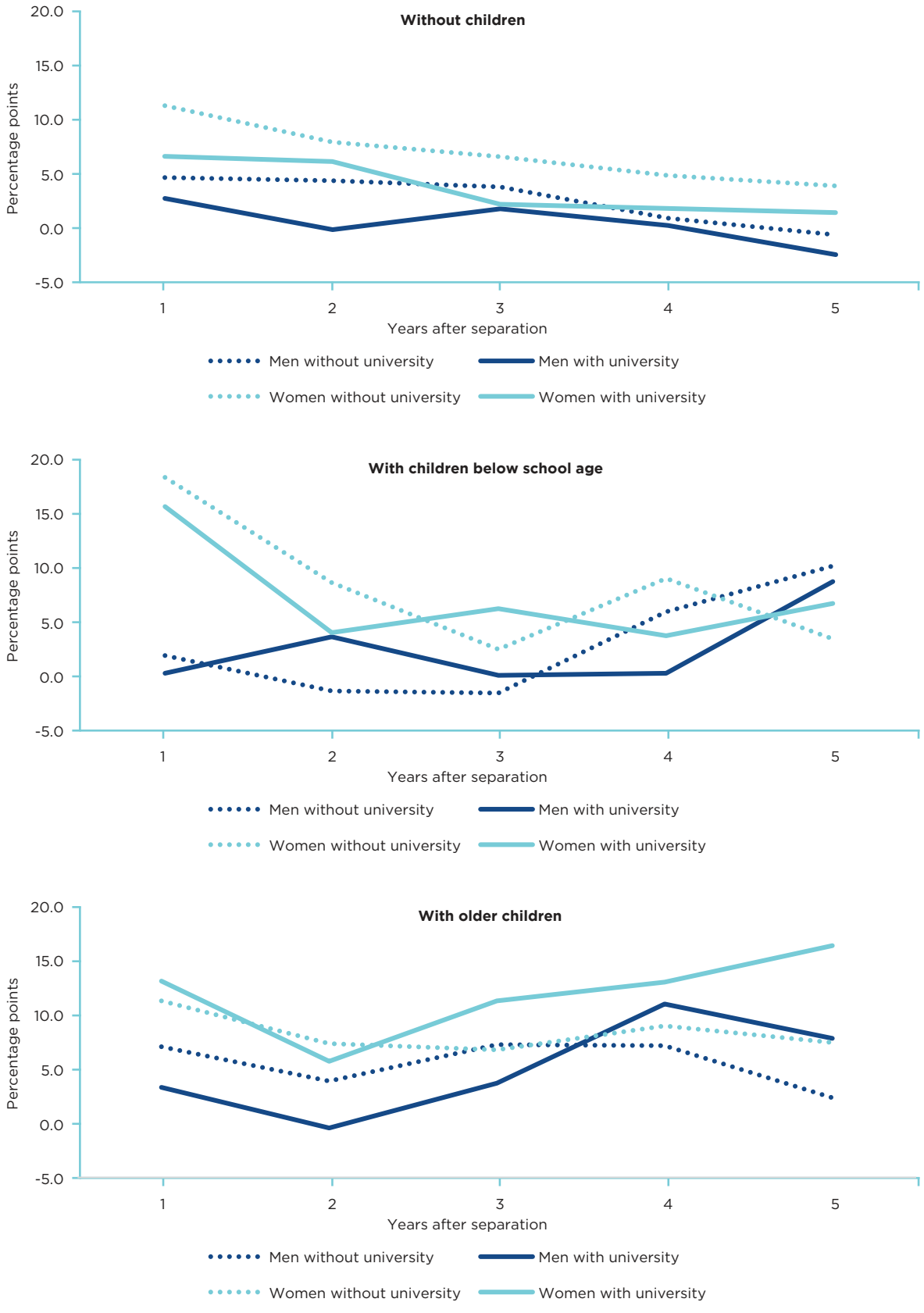
For men the results are mixed, with the impact being smaller just after separation but increasing in later years. None of the results for men with a university degree are significant, but, as for the women, the number in this category is quite small in our sample. Using the ACLD shows that for men, the education level is much less important. Men with a university degree face an expected increase in poverty between 3 and 4 percentage points, while for men without a university degree this varies between 3 and 5 percentage points. All estimated effects are significant using this larger ACLD sample. For men with young children, having a university degree even appears to lead to a slightly higher increase in the probability of poverty of just over 4 percentage points (versus just under 3 percentage points for those without a university degree). The differences in poverty rate increases between men with and without a university degree are small and not significant.

4.1.2 Impacts by pre-separation employment

Another protective factor against poverty after separation is employment. We would expect that individuals who were employed before the separation will suffer less from separation in terms of financial vulnerability than individuals who were unemployed or out of the labour force before the separation. Figure 4 compares the impact of separation for employed versus non-employed women (also see Appendix Table A.11).[25] The results strongly support this expectation; women who were employed before the separation are around 5 percentage points more likely to be in poverty after separation compared to similar women who remained partnered, while this probability increases with around 30 percentage points for women who were not employed before separation. Using the ACLD (Appendix Tables A.12 and A.13), we find similar but less stark differences for women. The increase in the poverty rate for separated women versus women who remained partnered if the women were employed in the time period before separation ranges from 8 to 14 percentage points, while women who were not employed in the time period preceding separation experienced higher increases in the poverty rate of 10 to 23 percentage points. The impacts are highest for women with young children, and the difference in impacts between women who were previously employed and women who were not is highest for this group with young children too.

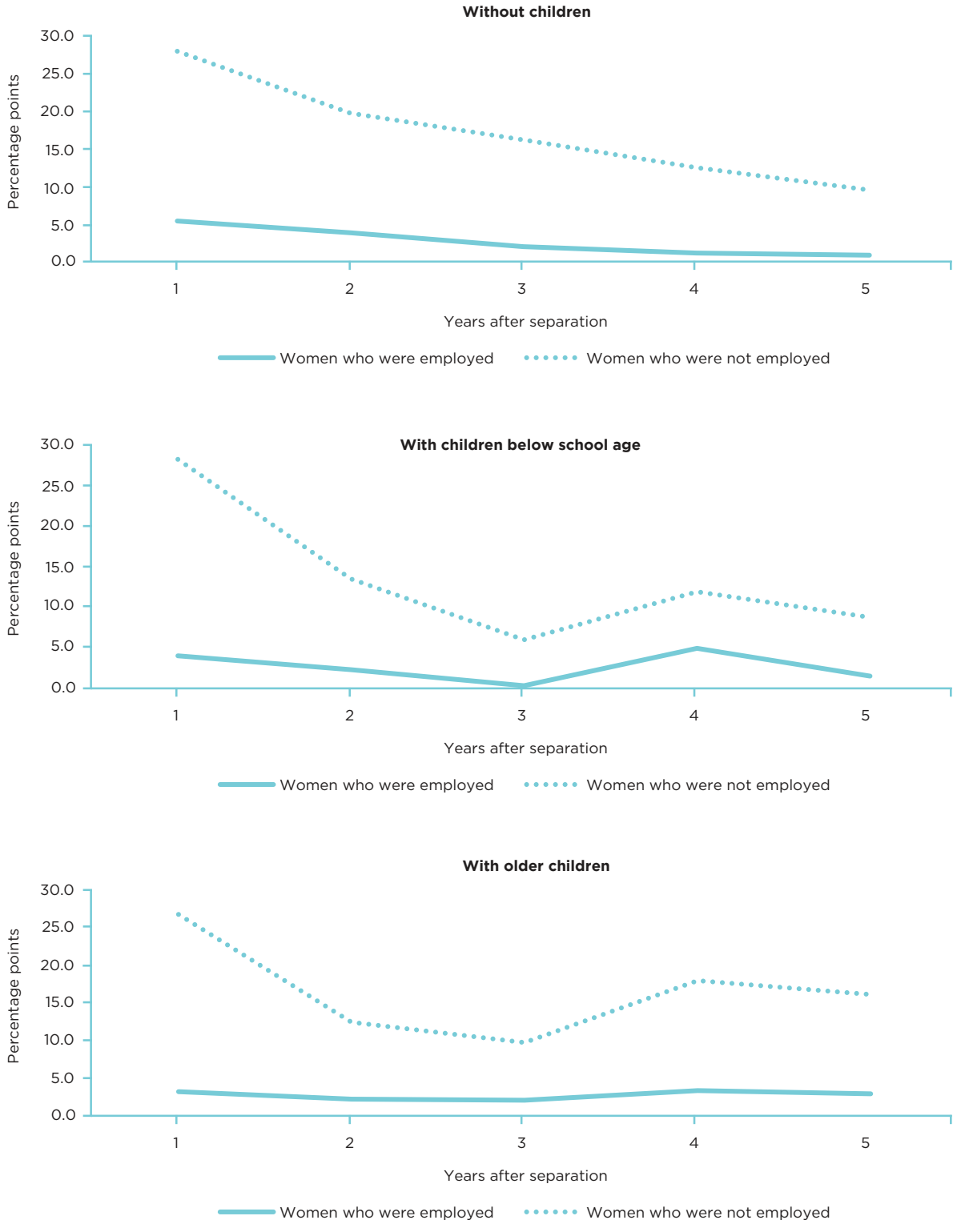
25 Since only a few men were not employed before the separation, we could not compare outcomes by pre-separation employment status for men.

Figure 3. Impact of separation on poverty rate by education level, gender and family composition



Notes for Figure 3: See Appendix Tables A.7 and A.8.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Figure 4. Impact of separation on poverty rate by pre-separation employment status, gender and family composition



Notes for Figure 4: See Appendix Table A.11.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Owing to the larger sample size of the ACLD, we can also compare men who were previously employed and men who were not previously employed. The impacts on their poverty rates remain much smaller than for women; even for men who were not employed in the time period preceding separation the impact only ranges between a 5 and 8 percentage-point increase in their poverty rate after separation, compared to a range of a between 2 and 4 percentage-point increase in poverty for men who were in employment. Previous employment is most important for men with young children, where men with previous employment face a 2 percentage-point increase in poverty versus 8 percentage points for men without previous employment.

Over time the women who were not employed before separation recover, and their poverty rates, compared to similar women who did not separate, are reduced although they remain significantly higher than for the non-separated women. For the women who were employed before separation, the impacts on the probability of poverty are all close to zero (and insignificant) in year five.

Studying the transitions in and out of poverty, women who were employed before separation are much less likely to experience a decrease in the probability of never being poor (within the five-year period) compared to similar non-separating women than women who were not employed before separation. This latter group faces a reduction of over 28 percentage points in the probability of never being poor for childless women, compared to just over 4 percentage points for childless women who were in paid employment before separation. Impacts for women with children in paid employment are nearly all insignificant, while for women with children who were not employed before separation, impacts on the decrease in the probability of never being poor appear large and significant, all starting at around 25 percentage points in the first year. Although declining over time, the impacts for women without pre-separation employment are also much longer-lasting than for women who were employed. Most impacts for the latter group are smaller and no longer significant after the first year.

These results are confirmed in the ACLD analysis, and due to the large sample size most estimated impacts are significant. The smaller impacts observed in the ACLD are also consistent with the HILDA results as the ACLD results are recorded a few days up to five years after separation. The reduction in the probability of never being poor for women who were employed before separation varies between 8 percentage points for women without children and 13 percentage points for women who have young children. For women who were not employed before separation this increase varies between 9 percentage points for women without children and 19 percentage points for women with young children, again showing the biggest impact of previous employment for women with young children.

Although the impacts for men are also significant in the ACLD analysis, they are again much smaller than for women. The reduction in the percentage of men who were never poor varies between 3 and 4 percentage points for men who were employed before separation, and it is around 5 percentage points for men who were not employed before separation.

4.1.3 Impacts by age at separation

A final important factor in the impact of separation is likely to be age. Older partnered individuals are more likely to have adjusted their behaviour to optimise outcomes within the relationship, and one of them (in most cases, the woman) may have specialised in (unpaid) home production activities rather than paid market work. This is especially likely to be the case for couples who have had children.

Distinguishing three age groups (under 30, 31–50 and over 50), Figure 5 shows separate results for those who have not had children by the time of separation and those who have had children by the time of separation (also see Appendix Tables A.14 and A.15).[26] As very few separating men and women over 50 have not had any children, this age group is excluded from the first panel in Figure 5. Although the patterns are not that clear-cut, the oldest age group and especially women seem most affected by separation.

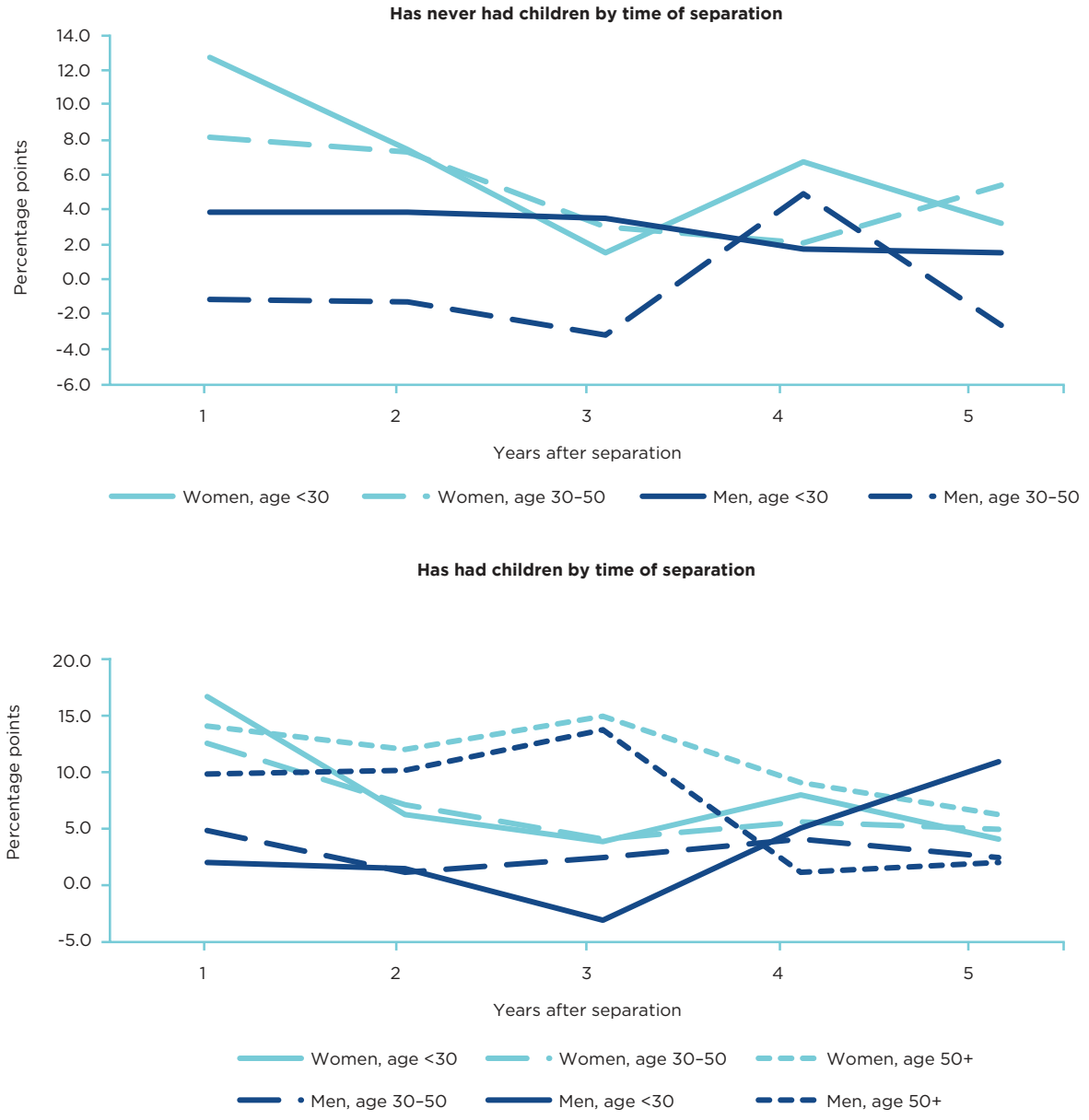
Further, for all categories, women are more affected than men, and women with children are more affected than women without children (as are men with children compared to childless men). These patterns are largely confirmed in the ACLD data (see Appendix Tables A.16 and A.17), except that up to age 50, men with children experience a smaller increase in poverty than childless men. However, the differences between men are quite small, compared to those for women.

26 This includes children who may no longer be dependent (i.e., who are older than 15 years). As the age of the child at separation and the age of the parent at separation are highly correlated, we do not separate men and women by their own age and any potential child's age simultaneously. In previous analyses, the distinction by presence of currently underage children represents a restricting factor on current feasible choices and financial responsibilities. By contrast, here it represents the accumulation of historical restricting factors and financial responsibilities.

Although the estimated impact of a 5 percentage-point increase in poverty for separating men over 50 is larger than for most younger men (except childless men aged 30–50), the reverse seems true for separating women aged 50 or over. At an increase of 7 percentage points, the estimated impact for this group is smaller than for any of the other female groups.

Examining the transitions into poverty shows that, after separation, women experience substantial increases in the probability of becoming poor and substantial decreases in the probability of staying out of poverty. These increases and decreases are larger in the oldest age group and when the women have had children, especially in the youngest group. The respective increases and decreases are longer-lasting for the older age group, while the youngest age group is more able to recover.

Figure 5. Impact of separation on poverty rate by age at separation, gender and family composition



Notes for Figure 5: See Appendix Tables A.14 and A.15.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

For men, the increases in the probability of becoming poor and the decreases in the probability of staying out of poverty are much smaller and mostly insignificant, except for men over 50 and to a lesser extent for men aged 30 to 50 who have had children. However, all impacts are much smaller than for women and less long-lasting. The ACLD shows similar results for transitions into poverty except for the oldest age group, and, as mentioned before, men with children are less affected by separation than childless men.

4.1.4 Impacts by SA4 location—ACLD results

The large sample size of the ACLD allows a disaggregation of the impacts on poverty by SA4, a statistical area definition by the Australian Bureau of Statistics (see Appendix Table B.1 for the names and sizes of these areas). SA4 is the smallest area size for which we can report separate results for separated men and women. The appendix table shows that for capital city areas, area sizes are relatively small while for outer region and outback areas the square kilometre size of an SA4 area can be quite large, such as covering the whole of the Northern Territory outside of Darwin. We have had to further aggregate or drop a few areas as the number of separating individuals with specific poverty transitions in the ACLD became too small to report separately (see Table 9).

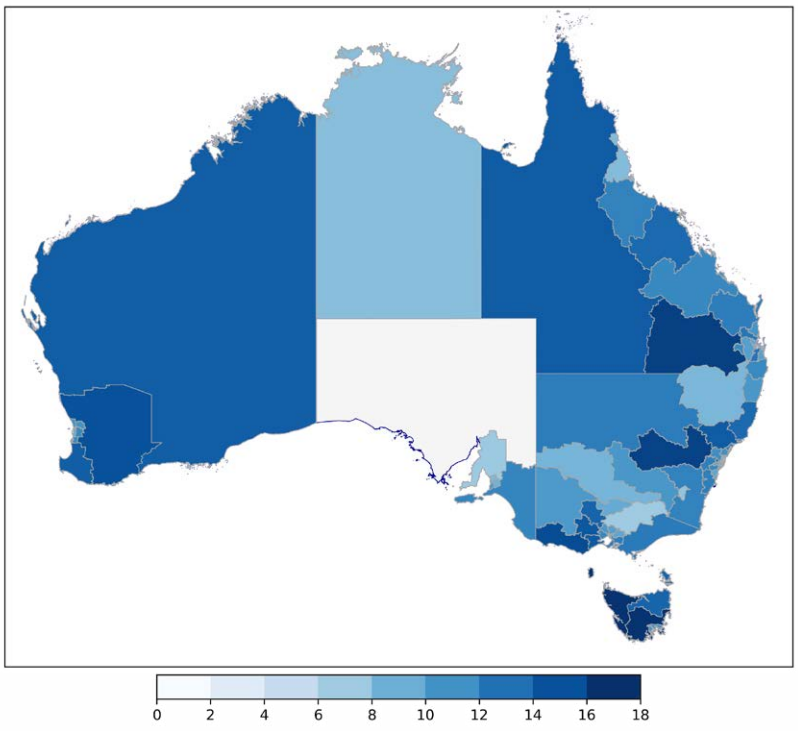
We report separate results for men and women but, for sample size reasons, we do not distinguish between people with and without children. Estimation results are reported in Appendix Tables A.18 and A.19, but for easier interpretation, we include two sets of maps with colour-coded results in the main text. Note that we present the effect of separation on poverty, and on transition into poverty among those who were previously not poor. The estimation corrects for any pre-existing differences in labour market history, partner's labour market history and income history as well as health, education, migration background and various measures of family composition. Thus, the geographic variation on the maps does not merely reflect overall poverty levels in economically disadvantaged regions—instead, it shows the extent to which a poverty risk exists in a region *above and beyond* that which exists for otherwise similar men and women in intact relationships.

The first set of maps (Map 1) examines the difference between separated women and women who remained partnered in terms of their transition into poverty (comparing the period just before and after separation). Consistent with results in the previous subsections, women have higher transition rates into poverty after separation than men, as is evident from the darker coloured map for women.

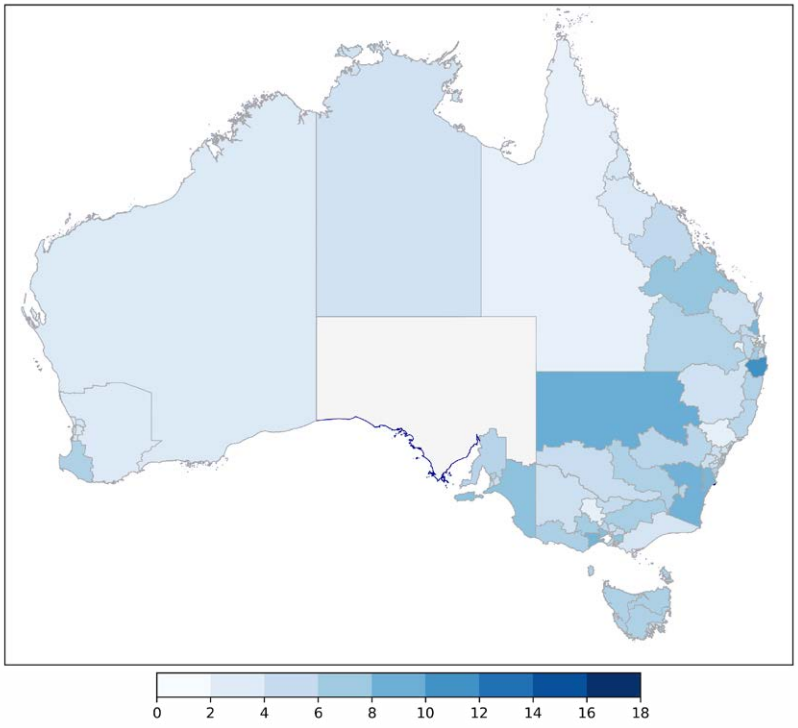
Table 9. Combined and deleted SA4 codes

		Combined with		
SA4 code	SA4—name	SA4—code	SA4—name	
128	Sydney—Sutherland	119	Sydney—Inner South West	
304	Brisbane—West	305	Brisbane—Inner City	
305	Brisbane—Inner City	304	Brisbane—West	
406	South Australia—Outback			Not reported
502	Mandurah	506	Perth—South East	
503	Perth—Inner	507	Perth—South West	
603	Tasmania—South East	604	Tasmania—West and North West	
701	Darwin	702	Northern Territory—Outback	
Other territories; migratory/off-shore/shipping SA4s for all states and territories; no usual address for all states and territories				Not reported

Map 1. Difference in the proportion of separated versus non-separated individuals entering poverty (percentage points)

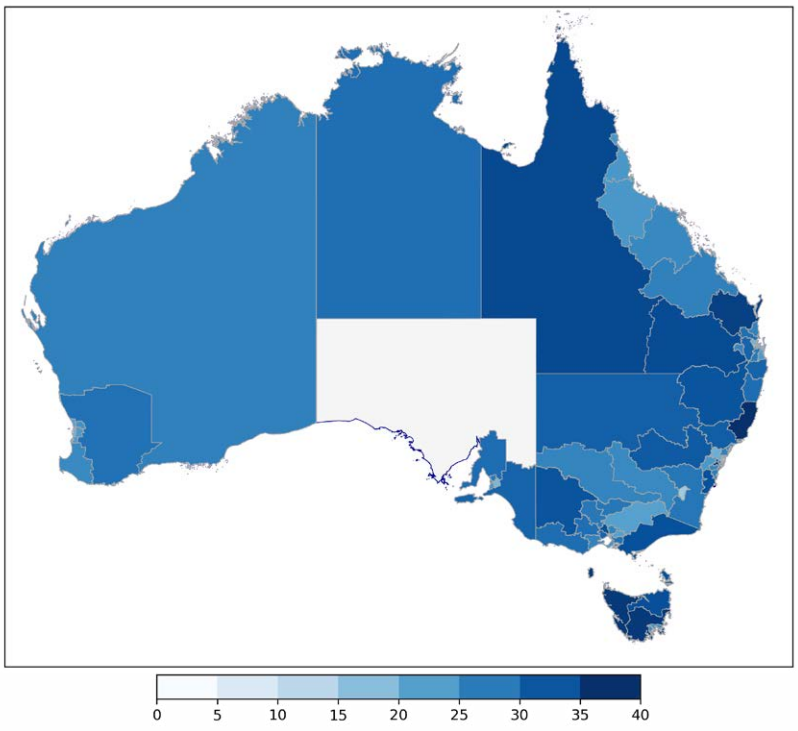


Women

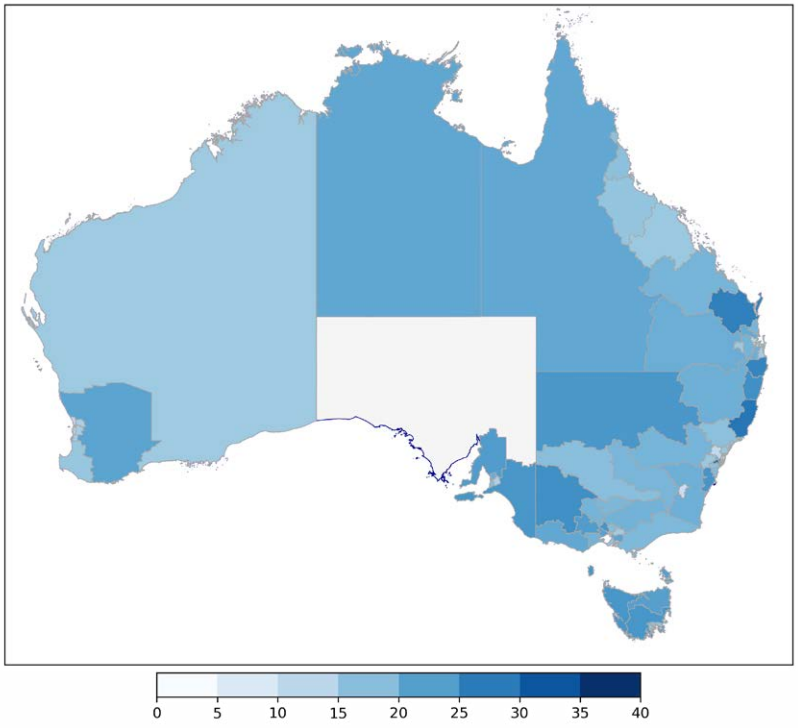


Men

Map 2. Proportion of separated individuals in poverty after separation (percent)



Women



Men

Outback Queensland and the Darling Downs—Maranoa in Queensland; the Wheatbelt, Bunbury and the Outback in Western Australia; the south-west corner of Victoria, including Warrnambool and South West, Geelong and Ballarat; the Central West, Hunter Valley and Mid North Coast in New South Wales and the West, North West and South East of Tasmania are SA4 areas in Australia where the impact of separation on entering poverty is particularly high for women. These areas are not necessarily the areas where men are most impacted by separation. For example, Outback Queensland and the Wheatbelt in Western Australia show relatively low transition into poverty for men. It seems that women in areas outside the major cities are most vulnerable to an increase in poverty upon separation.

The second set of maps (Map 2) depicts the resulting overall poverty rates amongst separated men and women compared to similar non-separated men and women. Again, the darker blue colours in the map for women show clearly that separated women are much more likely to be in poverty than separated men. Areas of particular concern are the Mid North Coast in New South Wales, Wide Bay and the Outback in Queensland, and the West, North West and South East of Tasmania. In these areas, the high entry rate into poverty translates into a large proportion of separated women in poverty. Compared to women, separated men are doing much better in these areas although Wide Bay and the Mid North Coast are also the areas with the highest poverty rates for separated men.

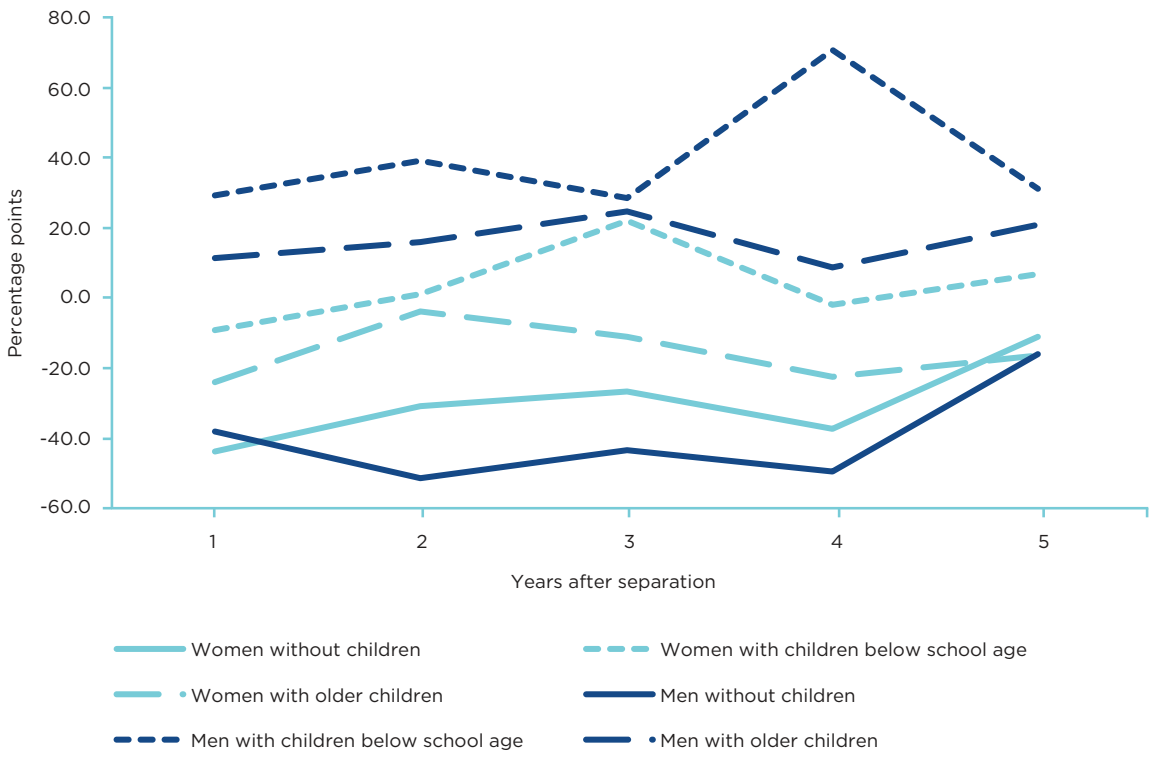
4.2

The impacts on income

The impact of separation on the poverty rate measures changes in total disposable household income relative to the number of people in the household at the low end of the income distribution, but it is possible to find different patterns in the mid-range of the distribution. For example, it is possible that men face a large decline in average income even though they are unlikely to be pushed below the poverty line. Figure 6 shows how the average equivalised disposable income has developed for separating individuals since their separation, relative to the income trajectories of individuals who remained partnered. For example, separating women with children below school age experienced a 4.5% increase in equivalised disposable household income in the first year after separation relative to the last period before separation; for similar women who remained partnered, that increase was 13.9% (see Appendix Tables A.5 and A.6). Thus, the effect of separation on average equivalised disposable household income one year after separation is –9.8 percentage points (see Figure 6).

The main difference between the results in Figure 6 and what is observed for poverty in the previous sections is that the largest decline in *average* disposable (equivalised) household income occurs among men and women without children. This is likely because in couples without children it is more likely that both (former) partners were employed (likely full time) and earning an income. Losing this income substantially reduces average household disposable income (even after equivalising, especially when both partners' incomes are relatively similar). But as this group is likely to start at a high income, the impact on the poverty rate is limited. If there are no children, both genders display similar patterns, with the men (surprisingly) being slightly worse off than the women.

Figure 6. Impact of separation on equivalised disposable household income (full financial year, in 2019 dollars) by gender and family composition (in percentage point change)



Notes for Figure 6: See Appendix Tables A.5 and A.6.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

On the other hand, for separating individuals with children, the effects are very different in size (but not direction) for men and women. Men with children, especially those with pre-school children, are doing very well in terms of average equivalised income, where we see sizable *positive* effects of separation (these are also the only significant results when using the HILDA data). Evidently, whatever drop in disposable income arises from lost partner income and child support payments they may now have to pay is more than compensated for by the decrease in household size (which is larger for the parent—typically the father—who is not the main residential parent). Among women, the effect of separation on average income is also more advantageous for women with children than it is for women without children, but the difference is much smaller. Women with children might experience a lower average decline than women without children, because they are often the main residential parent after a separation, and thus their former partner's labour income will continue to partially contribute to their new household's income in the form of child support payments; while for childless women (and men) the former partner's income is lost completely. At the same time, as women with children typically are the main residential parent, they are of course also living in larger households.

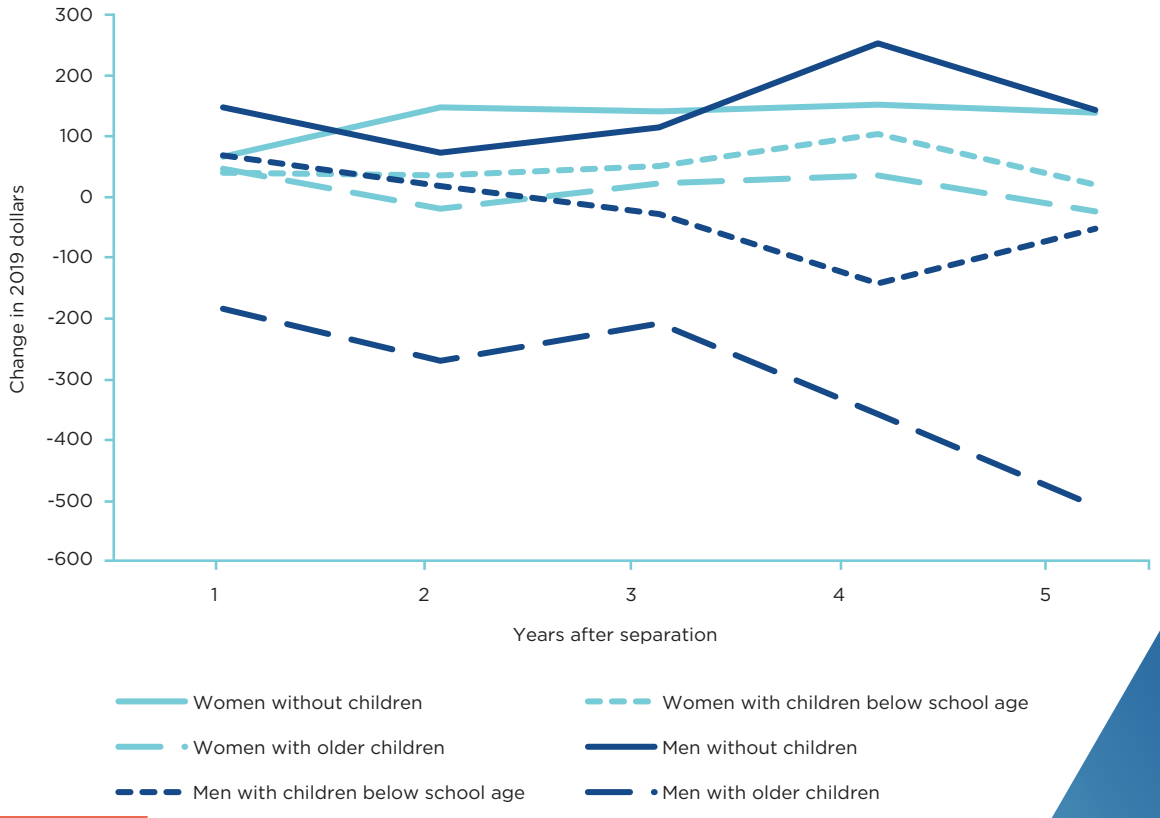
As the Census collects categorical income information from all respondents, we can analyse the impact on equivalised income using the ACLD, although the measure is less precise than in the HILDA Survey as we use the categories' mid-points as input into our analysis rather than the actual incomes. All estimated impacts on income are significant (see Appendix Tables A.7 and A.8). Separated women with children experience the highest percentage decline in equivalised household income at 18% to 19% (relative to the income gains or losses made by their continuously partnered counterparts over the same timespan), while women without children experience an 8% decrease in income. Consistent with the HILDA data, men with young children are estimated to have an increase in equivalised household income of just over 16% because of a separation, relative to their income trajectory had their relationship remained intact. Separated men with older children are estimated to have a 2% increase in equivalised household income, and men without children face a small decline of just under 1%.

In terms of magnitude, the effects we find are similar to those for Australia in de Vaus et al. (2017) who report a drop in equivalised household income of around 25% for women immediately after separation, compared to the income trajectory without separation; for men, they find no difference immediately after separation and a loss of 7% one year later. Our results, when aggregated over the three groups by presence of and age of youngest child, correspond to a 29% drop in equivalised household income for women and a 5% drop for men.

In addition to analysing the impacts on total disposable equivalised household income, we also analyse the impacts on individual weekly wages to understand from where the change in household income arises. Figure 7 shows that the decline in household income observed for employed men and women without children is not due to decreases in their own individual wages as, conditional on employment, both groups actually experience wage increases. This indicates that it is the loss of the former partner's income which drives the lower disposable household income for separated men and women without children, and from the previous sections we know that the impact on the poverty rate has been limited for this group. Women with children mostly experience a modest increase in weekly wage (conditional on employment) as well. Men with children, especially with older children, on average faced reductions in their weekly wage relative to similar non-separated men. Only the impacts for men and women without children are significant. We have not analysed the effects of separation on wages using the ACLD, as information on the different specific components of an individual's total income (including wages and salaries) is not available in the Census.

The results on weekly wages are conditional on being employed, and so these results need to be combined with the impacts of separation on employment (and hours worked) to understand the full impact of separation on poverty rates and average incomes. And since changes in employment (and hours worked) can be due to an increase in the risk of unemployment and underemployment or through a 'choice' of moving out of the labour market, it is worthwhile investigating these underlying factors that may influence changes in employment and, therefore, income. These issues are explored in Section 5.3, where we also determine whether and to what extent labour market decisions/outcomes and/or re-partnering decisions can explain the poverty outcomes.

Figure 7. Impact of separation on own weekly wage (if employed) in 2019 dollars by gender and family composition



Notes for Figure 7: See Appendix Tables A.20 and A.21.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

5. Dynamics of labour market outcomes

‘The positive effects of separation on employment are concentrated among women who were already employed before separation.’

The results in Section 4 show that women are worse off in terms of financial wellbeing after separation or divorce, with men being worse off to a lesser extent and sometimes they are even better off, especially in terms of percentage increase in real, disposable, equivalised household income. This section investigates potential reasons for this with a focus on labour market outcomes.

5.1

The impacts on employment

With separated women often losing the higher-earning partner's income, their household income is likely to decrease, even when accounting for one less person in the household; for men the reverse is true. One way to counteract this loss of income is to increase employment or increase the hours worked. Whether this is possible will depend on several factors: is childcare needed and if it is, is it available and affordable? Is employment available at the appropriate skill level? Can hours be increased in the current employment?

In this section we discuss the results on employment through two figures. Corresponding estimation results, including standard deviations to determine significance of results, are provided in Appendix Tables A.20 and A.21. Figure 8 shows that women are using this approach to (partly) compensate for the loss of income. This strategy is most evident for women with pre-school children whose employment rate increased by 13 to 19 percentage points over the five years following separation, relative to women with children in the same age group who remained partnered. To a lesser extent it is also evident for men and women without children, where separated individuals all have significantly higher employment probabilities. Women with older children at first increase their employment but this drops off after two years, while men with children, especially pre-school children, appear to reduce their employment, although none of these estimated impacts are significant.

Looking at results by subgroup (see Appendix Tables A.22 to A.27) reveals that these higher employment probabilities for separated women relative to continuously partnered women are driven by the women who were already employed before separation (i.e., they are more likely to remain employed than similar, continuously partnered women). This result is in line with Thielemans and Mortelmans (2019) who also find that the positive effects of separation on employment are concentrated among women who were already employed before separation. This is likely due to reduced fertility following separation: women who remain partnered might have another child and (temporarily) leave the workforce while they care for their newborn and the family lives on their partner's income. Women who have just separated, on the other hand, are less likely to have another child and thus are more likely to remain in employment.

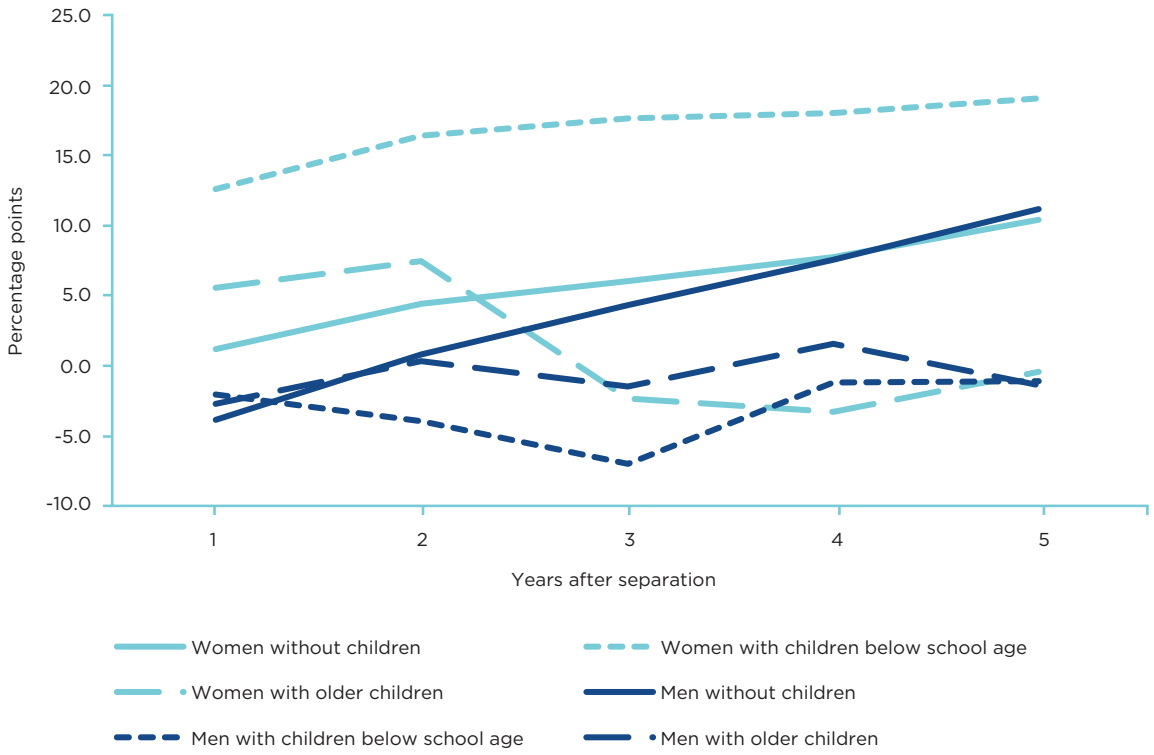
We find that for women who were not employed before separation the reverse seems to occur (i.e., they have lower employment rates than similar continuously partnered women). That is, this latter group is less likely to take up employment than women who remain partnered, especially

women with older children three to five years after separation. The mix of financial factors and the logistics of caring for children while working may be relevant here. The financial gain from taking up a new job will typically be smaller in a one-parent household. A couple family, especially if the main earner has at least a medium income, is unlikely to receive income support, and may receive no or only small amounts of family tax benefits. A single-parent family with no previous employment, however, would likely receive such payments—and hence (partially) lose them upon taking up new employment. The additional financial gain from taking up a job after tax and loss of transfer payments are taken out would thus be smaller for a currently non-employed single parent compared to a currently non-employed partnered parent (if their partner has an income). At the same time, the single parent may not be able to share childcare responsibilities with the former partner as easily as when they were living together, and as a result, the cost of formal childcare may further reduce their earned income. In particular, a 'stepping stone' position that offers only few hours and low total income in the beginning, but might have better prospects later down the track, might be a viable option for a parent who can leave the children in the other parent's care and has no transfer payments to lose, but such a position may come with little financial gain or even a financial loss to a single parent who would have to cover formal childcare during their working hours, and for whom income support payments and family tax benefits are a major source of income. These observed effects on post-separation employment by pre-separation employment status strongly suggest that taper rates in the income support system and childcare cost present a major hurdle for separated women's chances of escaping poverty.

The estimated impacts based on the ACLD (see Appendix Tables A.3 and A.4) must be interpreted with caution. In the analysis based on the HILDA Survey, estimates are conditioned on employment status one year prior to separation; that is, if a person separates, for example, between Waves 2005 (when they were still partnered) and 2006 (when they become single), the estimation accounts for their employment status in Wave 2004. This is to ensure that no changes in labour force status in anticipation of the break-up have yet been made, so that we can truly compare 'like for like' when comparing separating individuals with individuals who re-partner. At the same time, the labour force status is still recent enough to measure current connection to the labour market at the point of separation. This is not possible using the ACLD, where we have only two observations for most individuals, which are five years apart. This only allows us to account for the last labour force status measured before the separation, which will be between one day and five years prior to the event. For separating individuals who separate very soon after the Census date and had already adjusted their labour market choices in anticipation, we would thus estimate an artificial null effect, biasing the results towards zero. Further, for individuals who separate very close to the subsequent Census date, a lot of other life events that determine labour market outcomes—including re-partnering, the birth of further children, health shocks and macroeconomic conditions—have changed over the same time period. Tamborini et al. (2015) find that when re-partnering occurs, changes in labour market behaviour originally caused by the separation are cancelled out. This makes it more difficult to detect the pure effect of separation (especially by pre-separation employment status) on post-separation employment—again biasing the estimates towards zero. Thielemans and Mortelmans (2019), who analyse the timing of labour market responses after separation, warn against using data measured more than two years after the separation, because these will miss most of the change in behaviour. These challenges, occurring especially in the measurement of labour market effects, compound the general measurement error in separation events and timing of separation as discussed in Section 2.2, which also tend to lead to an underestimation of the true effect of separation.

For completeness, we report the results based on the ACLD but these should be interpreted with caution: estimated effects using the ACLD sample are much smaller and are only significant for women without children, increasing the employment rate by 1.5 percentage points. Separated men are reducing their employment rate by 2 to 4 percentage points (all impacts are significant), with the impact largest for separated men with young children. When examining the impacts for women who were employed before separation, we estimate a small reduction in the employment rate. We estimate a small increase in the employment rate of around 4 percentage points for women without children or with older children, who were not employed before separation. Owing to the longer time period between observing individuals, we do not have information on the circumstances of the men and women just before separation; for example, they may have been employed four years before separation but were not employed one year before separation. As a result, it is more difficult to estimate these relationships.

Figure 8. Impact of separation on employment probability by gender and family composition



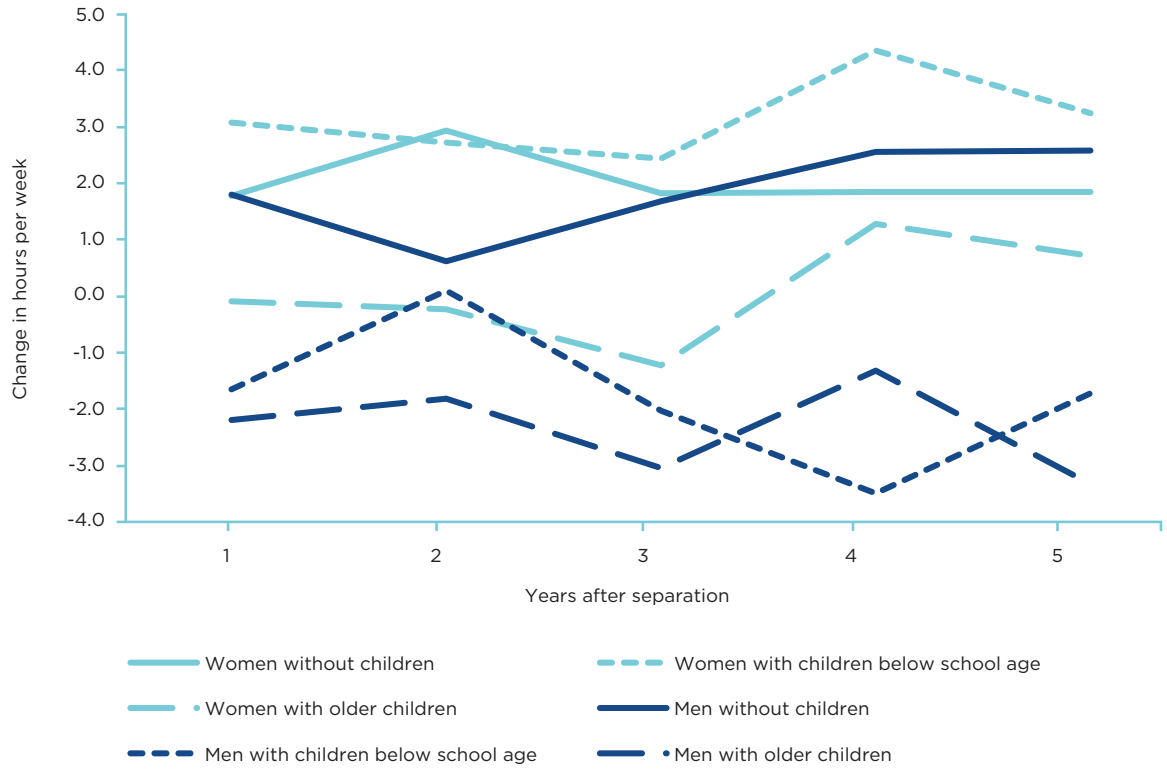
Notes for Figure 8: See Appendix Tables A.20 and A.21.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Figure 9 shows similar patterns for working hours for those who are employed. Separated women with pre-school children, and separated men and women without children, increase their hours of work significantly by around two to four hours per week relative to similar individuals who remained partnered, while the other groups show no change or a small, insignificant decline. Conditional on employment, women with older children increase their hours of work in the fourth and fifth years after separation following increased employment rates for this group in the first two years after separation (relative to similar women who remained partnered). Women who remain partnered may also increase their labour supply as their children age by (re-) entering the labour market, with the separated women only doing so slightly earlier than they otherwise would have. However, conditional on employment, the separated women may be more likely to work more hours per week than women who remained partnered.

In terms of hours worked, the results from the ACLD are more aligned with the results from the HILDA than they were in terms of the employment rate. After separation, women without children are estimated to work an additional two hours per week, while women with young children are estimated to work nearly 1.5 hours extra, and women with older children an extra 0.5 hour. Separated men with children are estimated to have a reduction in working hours of 0.6 to 0.8 hours per week, compared to similar men who remained partnered. No significant change is observed for men without children.

Consistent with the higher working hours, the groups that increased hours in the HILDA data are also earning higher weekly wages, as we observed in Section 4.2.

Figure 9. Impact of separation on weekly working hours (if employed) by gender and family composition



Notes for Figure 9: See Appendix Tables A.20 and A.21.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

5.2

Impacts on unemployment and being out of the labour force

The relatively higher (or lower) employment rate observed in Section 5.1 could be due to lower (or higher) unemployment and/or lower (or higher) rates of being out of the labour force. We therefore examine the probability of unemployment and being out of the labour force in two separate graphs (Figures 10 and 11; see also Appendix Tables A.20 and A.21).

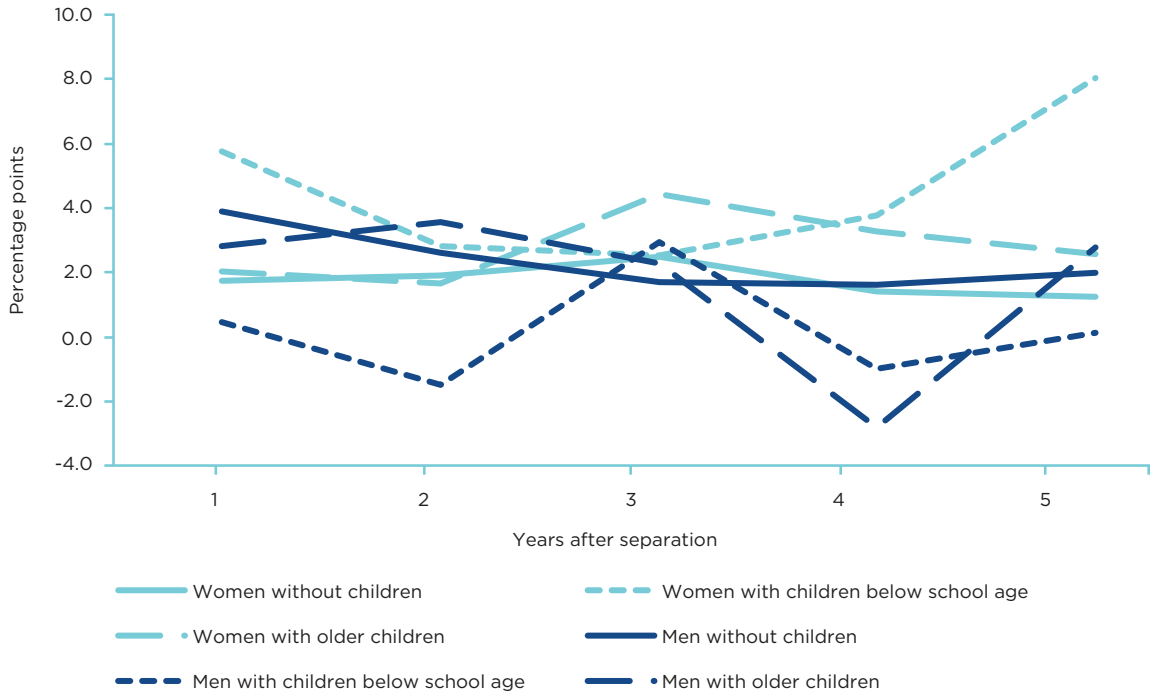
For separated women who are most likely to have increased their employment relative to comparable non-separated women, almost all of the higher employment rate is due to a reduction in the proportion of women who are out of the labour force, which also led to a small increase in the probability of being unemployed for women with children below school age and to a lesser extent for women with older children. For the latter group, the differences between separated and non-separated women are mostly insignificant.

For separated men, the impact on employment was fairly modest in the HILDA data. The only significant impacts that are evident were for men without children, who at first experienced relatively low employment rates which transitioned to relatively high employment rates by the fifth year after separation. The low employment rate at the start is fully explained by a corresponding increase in the unemployment rate, while the later higher employment rate is fully explained by the lower proportion of men who are out of the labour force.[27] The initially increased rate of unemployment at the expense of employment could indicate that men's unemployment is a trigger for relationship dissolution if re-employment prospects are weak. These weak employment prospects would result in the triggering unemployment spell continuing after separation.[28] Later on, where we see higher employment at the expense of being out of the labour force, this is a plausible response to losses in wealth caused by separation that demand a delay in retirement entry.

27 The results on employment when using the ACLD are, again, quite different from the HILDA results, and must be interpreted with caution for the same reasons outlined in Section 5.1. However, for completeness, they are reported here. For women without children who experienced an increase in employment, most of that increase was due to a reduction in the proportion of women who were out of the labour force (by 2.6 percentage points) and was accompanied by an increase in the proportion of women in unemployment (by 1.1 percentage points). For women with children, where no increase in employment was observed, the proportion in unemployment increased by 1.2 to 1.5 percentage points. For men, the effects estimated using the ACLD were small but significant, and about a third to half of the men leaving employment seem to have become unemployed while the remaining men moved out of the labour force. Men without children were more likely to become unemployed.

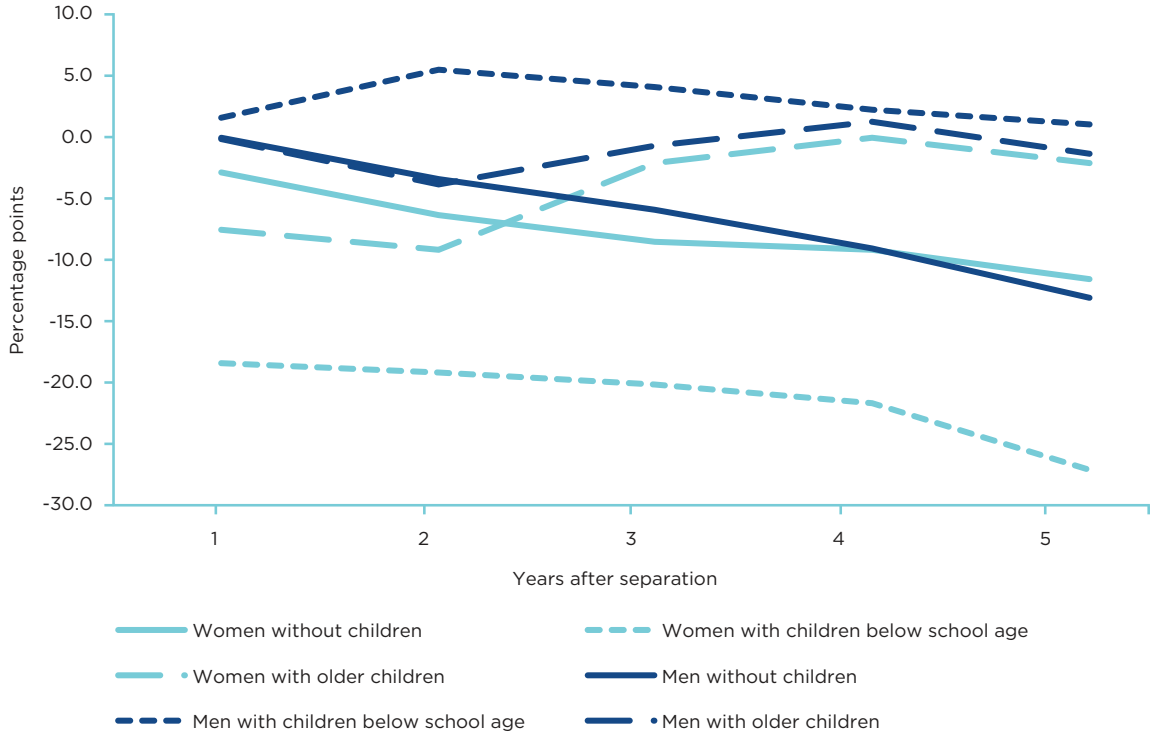
28 The analysis accounts for labour force status one year prior to separation, but not immediately before separation, to allow for changes in labour market status in anticipation of the relationship ending.

Figure 10. Impact of separation on unemployment probability by gender and family composition (in percentage points)



Notes for Figure 10: See Appendix Tables A.20 and A.21.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Figure 11. Impact of separation on probability of being out of the labour force by gender and family composition (in percentage points)



Notes for Figure 11: See Appendix Tables A.20 and A.21.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

5.3

The mediating role of labour market outcomes and re-partnering in poverty outcomes—HILDA results

In the previous chapter, and in the previous sections, we observed clear patterns of poverty rates, employment, hours worked and unemployment for women, and (to some extent) for men as well. These results suggest that separated women compensate for the loss of a partner's income by increasing employment and hours worked, while separated men seem to do the opposite on some occasions, although none of the men's reductions in employment were significant when using the HILDA Survey data.

To explore to what extent such a strategy is effective in keeping poverty at bay, Table 10 reports the marginal effects of being separated on being in poverty five years after separation, for men and women overall, and for men and women in specific subgroups based on whether they are employed and at what wage, whether they are unemployed or out of the labour force, whether they have re-partnered, and whether their partner is employed (and at what wage). These marginal effects are based on a model that includes a dummy variable for being separated, as well as a range of interactions with labour market status outcomes, re-partnering dummies, and a partner's employment and income. Table 10 also reports the overall marginal effect of separation, five years after the event, based on a simple model (model 1) that only includes a parameter for separation. Estimation was performed separately for men and women, and with matching weights applied. Both models were estimated on the same subsample of observations; that is, those with non-missing values in all variables in model 2, and with matching weight greater than zero.

The overall marginal effect of separation on poverty is relatively small and insignificant at –0.5 of a percentage point for men and 2.3 percentage points for women. However, the results for subpopulations estimated from model 2 show that there is a lot of variation in outcomes depending on which subpopulation someone belongs to. These results are in line with employment counteracting the impact of separation, reducing the increase in the probability of poverty. When accounting for labour market status and re-partnering, the overall (significant) impact of separation is 5.6 percentage points for women. However, this is reduced for women who are employed five years after separation, especially if they are on a higher than median weekly wage. From the previous sections, we have learned that women who were employed before separation are much more likely to be employed after separation, and as a result they can be expected to suffer fewer negative financial consequences from their divorce/separation. Women who are unemployed or out of the labour force five years after separation fare much worse. They are 45.1 and 19.1 percentage points more likely to be in poverty, respectively. Women who have re-partnered after five years are doing better than women who are still single; how much better and whether the impact is significant depends on the partner's income.

Table 10. Impact of separation on poverty (5 years after separation/continuation of relationship)—overall marginal effects and marginal effects for subgroups

	Men			Women		
	Average marginal effect	Std. err.		Average marginal effect	Std. err.	
Marginal effects derived from model 1						
Overall effect of being separated	−0.005	0.016		0.023	0.015	
Marginal effects derived from model 2						
Overall effect of being separated	−0.044	0.048		0.056	0.024	*
Effect of being separated						
If employed, weekly wage is 75% median	−0.033	0.053		0.048	0.027	
If employed, weekly wage is 100% median	−0.045	0.052		0.033	0.024	
If employed weekly wage is 150% median	−0.066	0.051		0.004	0.020	
If unemployed	−0.252	0.161		0.451	0.106	***
If out of labour force	−0.054	0.132		0.191	0.072	**
Overall additional effect of having re-partnered	0.048	0.035		−0.035	0.026	
Additional effect of having re-partnered						
If partner has 75% median income	0.039	0.063		0.002	0.060	
If partner has 100% median income	0.039	0.062		−0.029	0.047	
If partner has 150% median income	0.040	0.059		−0.078	0.032	*
Effect of being employed						
Overall	−0.280	0.052	***	−0.245	0.029	***
If never separated	−0.320	0.060	***	−0.189	0.025	***
If separated	−0.257	0.075	***	−0.279	0.043	***
Effect of weekly wage if employed (in $100/week, 2016 dollars)						
Overall	−0.005	0.001	***	−0.008	0.002	***
If never separated	−0.002	0.001	**	−0.003	0.001	***
If separated	−0.006	0.002	***	−0.010	0.003	***
Effect of being unemployed						
Overall	−0.045	0.070		0.067	0.058	
If never separated	0.080	0.093		−0.094	0.031	**
If separated	−0.118	0.097		0.166	0.092	
Effect of partner's annual income (in$1,000/year, 2016 dollars)						
Overall	−0.001	0.000	***	−0.002	0.001	***
If never separated	−0.001	0.000	***	−0.001	0.000	***
If separated and re-partnered	−0.001	0.001	*	−0.004	0.002	**
N	8,752			10,307		
N (treated)	521			635		
R-squared (model 1)	0.000			0.001		
R-squared (model 2)	0.1572			0.187		

Notes for Table 10: Model 1 is an OLS regression of poverty five years after separation/continuation of relationship, on the event 'separation'. Model 2 is an OLS regression of poverty five years after separation/continuation of relationship, on the event 'separation', and on the following interactions with separation: dummy indicating employment, dummy indicating unemployment (baseline: out of labour force), weekly wage if employed (linear and squared, plus dummy if wage is missing), dummy indicating 're-partnered', and interaction of this dummy with: partner's disposable income last financial year (linear and squared, plus dummy if missing). Estimation was performed separately for men and women, and with matching weights applied (exact matching on sex/presence and age of children, then kernel matching on propensity score). Both models were estimated on the same subsample of observations; that is, those with non-missing values in all variables in model 2, and with a strictly positive matching weight. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.

Table 10 also presents the results in a slightly different way by exploring the marginal effect of employment status by separation status. This shows that the protective impact of employment is larger for people who are separated compared to people who remain partnered. This is a logical consequence of being more likely to be the single earner, and not having the safety net of another person's income. This larger impact for people who have separated is evident for a variety of aspects of the labour market status, such as employment, unemployment and weekly wage, but also for the partner's income (if a woman re-partnered after separation).

The results for men are quite different. The first main difference is that separation seems to reduce men's probability of being poor by 4.4 percentage points and re-partnering increases it, although neither marginal effect is significant. The impacts vary by employment status, but again none of these marginal effects is significant. The only marginal effects that are significant are partner's annual income, which reduces the probability of being in poverty equally for men who never separated and for men who re-partnered, unlike for re-partnered women who experienced a bigger impact than never separated women. As additional partner income translates into additional household income for the individual 'one to one' by necessity, the fact that we see different impacts on poverty rates effectively tells us something about the household's position along the income distribution. That is, separated women tend to be closer to the poverty line than women who remain partnered, and as a result, additional partner income or additional employment income is more likely to lift them just above the line. Likewise, separated women tend to live closer to the poverty line than separated men, and as a result, the additional income from re-partnering or having a job makes a big difference that is not equally important for men.

Men's own employment and weekly wage also reduce the probability of becoming poor five years after separation. The marginal effect of employment is larger for never separated men than for separated men (unlike for women), but the impact of weekly wage is larger for separated men than for never separated men (as for women). This higher impact of weekly wage indicates that separated men, on average, have a lower income than never separated men. As a result, an increase in income is more likely to affect the probability of being below the poverty line for separated men. The lower impact of employment for separated men is for the same reason: being more likely to be on a low income, separated men are more likely to remain in poverty even if they are employed. We do not see a similar impact for women, as they are more likely to be the secondary earner in which case their employment may not make a difference for the probability of being in poverty, as their partner's income may already be sufficient to remain out of poverty regardless of the woman's employment status.

6. Summary and policy implications

> ‘For the policy-maker ... the focus should be on prevention rather than intervention.’

In this report, we have analysed the effect of separation on financial outcomes (the risk of living in poverty, transitions into and out of poverty, and average household income adjusted for household size) and on labour market outcomes (employment, unemployment, labour force participation, weekly earnings and working hours). We have studied those outcomes, and how they are affected by separation, immediately after the event, as well as for a period of up to five years afterwards, using longitudinal data from the HILDA Survey and the Australian Census.

We have compared the changes in outcomes that separated men and women experience after their separation to the trajectories over time of similar men and women who stayed together. Our analytical approach accounts for pre-separation differences between couples who break up and couples who stay together, in terms of their household income and their partners' labour market history, education and other socio-demographic characteristics.

6.1

Summary of findings

We find large drops in average household income and large increases in the proportion of households in poverty. In line with the international literature and previous literature for Australia, the negative effect of separation on financial outcomes is primarily borne by women; the effects for men are much smaller. We also find that the effect of separation on poverty (and to a lesser extent on average income) decreases over time, with many of those who become poor after a separation escaping from poverty again in the next two or three years. This process is mediated through re-partnering and increased labour supply. However, these broad findings do not apply equally across the population of separating couples, or even of separating women. There are large differences for different groups, and our report has identified risk factors and protective factors with respect to the poverty risk caused by separation.

One of the biggest risk factors for entering poverty immediately after a separation is being the mother of a child below school age. However, this effect drops off relatively quickly, and three years after separation, more than three-quarters of the original effect on poverty has disappeared. In contrast, separated women with older children at the point of separation are less likely to become poor—but if they do, it is a more long-term experience. This could be because women with older children, if they are not currently working, are more likely to have accumulated a longer time out of work and hence have a more difficult time re-entering employment, and/or because younger women are more likely to successfully re-partner than older women.

A closely related risk factor is previous lack of employment. Women who were already working one year before the separation have only a minimally increased risk of poverty after separation, compared to their employed and continuously partnered counterparts. The effect of separation on poverty is almost exclusively found among women who were not employed one year before their relationship broke down. While this poverty risk becomes somewhat smaller over time, a large part still persists half a decade later. The biggest drop is found, again, among mothers of children below school age. Women without children and women with older children are initially ending up in poverty in smaller numbers than women with younger children—but when they do enter poverty, it again seems to be a more long-term, less transitory experience.

It is likely that a lack of access to affordable childcare is behind the large, initial effects on poverty for those with young children—a problem that would affect many mothers, but that also by its very nature does not persist for more than a few years. In contrast, when women without children or older children do not have employment before separation, they also appear to face barriers to employment after separation that they often cannot overcome even many years later.

One such barrier could be employment opportunities in their local labour market. We found large differences in poverty risk caused by separation in different geographic areas. The worst affected areas are all outside the capital cities. Most importantly, it is not just the risk of being poor that is higher in regional and remote areas than in the capital cities—this would, perhaps, be an unsurprising finding. It is the risk of being poor *because of a separation* that is greater in regional and remote areas—as well as the risk of entering poverty because of a separation. In other words, the measured effect of separation on poverty in some areas adds to the disadvantage already experienced by people in the same areas even when their relationship remains intact. Our analysis ensures that our comparison group of continuously partnered women from these areas is very similar to the group of separating women in the same areas we compare them to. Regional variation in available childcare options for women with young children, and employment opportunities for all women, are plausible explanations for the regional variation in the effect of separation on poverty.

The upside to the described risk factors is that we also find large groups of women who are not, or who are only minimally, financially affected by separation. There is almost no increased poverty risk for women who were employed a year before separation, and the negative effect of separation on average household income is much smaller for this group (and for some subgroups it is less persistent) than it is for women who did not have employment earlier. Having a university qualification also serves as a protective factor to some extent, although it is not as powerful as employment. Education and recent employment experience can thus make a substantial difference to the outcomes experienced by separated women.

Where employment is not feasible or desired, another way to possibly escape poverty is re-partnering. Overall, being re-partnered five years after separation eliminates almost two-thirds of the negative effect of separation on poverty risk. However, naturally this strategy is more effective when the new partner has a relatively high income.

6.2

Policy implications

There are two major findings in this report that have, when taken together, a very important implication: first, post-separation employment is the most effective strategy for avoiding post-separation poverty. But second, pre-separation lack of employment is the most important predictor of entering, and thus needing to escape, post-separation poverty in the first place. Together, this effectively constitutes a 'poverty trap' for women who separate while they do not have a job. And only among women with very young children do we find that a sizable proportion manages to escape this poverty trap over time. Childless women and women with older children are less likely to get caught in this poverty trap to begin with, but when they do, they are less likely to escape from it. This indicates that they face structural barriers to employment that cannot be overcome even many years later.

For the policy-maker, this means that the focus should be on prevention rather than intervention. The exact cause of previously non-employed women's structural barriers to employment requires further investigation, and there is likely to be strong variation across individuals as well as multi-dimensional problems at play. The differences in the effect of separation on poverty across regional areas suggests that the creation of employment opportunities in local labour markets should be of utmost concern to policy-makers. This is particularly important in areas outside the capital cities, and specifically in the Mid North Coast of New South Wales, Wide Bay and the Outback in Queensland, and the West, North West and South East of Tasmania, where poverty rates for separated women are very high, between 35% and 40% of recently separated women.

Further, the finding that separated women with school-age children are less likely to take up employment than their continuously partnered counterparts, even though the former have a much greater need for additional income, strongly suggests that the tax and transfer system and the cost of childcare play a role. That is, separated women who are the main residential parent of a child are more likely to incur losses in income support payments or family tax benefits from every dollar earned, and at the same time they are more likely to need formal childcare to facilitate their own employment than a woman who is living with the child's other parent. These problems combined can easily make an employment opportunity financially worthwhile for a partnered woman but not for a separated woman. A policy reform considering the cumulative impacts of tax rates, withdrawal rates in family support and income support payments, and the net cost of childcare that can trap recipients in poverty, should be on Australia's policy agenda.

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Appendix A: Detailed results tables

Appendix Table A.1. Raw and matched outcomes one year after the event—HILDA survey women

	Raw outcomes—before matching		After matching				
	Separating	Remains partnered	Separating	Remains partnered	Difference	Std. err. (Difference)	
Women without children							
Poverty	19.2%	6.2%	19.2%	8.7%	10.3%	0.023	***
Household income (% change)	0.1%	37.9%	0.1%	44.0%	−43.9%	0.241	
Remains in poverty	4.3%	2.9%	4.3%	4.3%	−0.2%	0.007	
Stays out of poverty	76.9%	91.0%	76.9%	86.8%	−9.7%	0.022	***
Enters poverty	14.9%	3.3%	14.9%	4.4%	10.5%	0.020	***
Escapes poverty	3.8%	2.9%	3.8%	4.5%	−0.6%	0.007	
Employed	72.4%	72.7%	72.4%	71.4%	1.2%	0.017	
Unemployed	5.0%	1.9%	5.0%	3.0%	1.7%	0.010	
Out of labour force	22.6%	25.4%	22.6%	25.6%	−2.9%	0.015	*
Weekly wage (if employed)	1,046	1,029	1,046	980	66	37	
Weekly hours (if employed)	36	33	36	34	2	0.651	**
Women with children below school age (0–4 years)							
Poverty	28.7%	5.0%	28.7%	12.9%	15.7%	0.036	***
Household income (% change)	4.5%	7.6%	4.5%	13.9%	−9.4%	0.074	
Remains in poverty	7.0%	1.9%	7.0%	6.2%	0.8%	0.020	
Stays out of poverty	65.4%	91.9%	65.4%	78.7%	−13.2%	0.032	***
Enters poverty	21.7%	3.1%	21.7%	6.7%	14.8%	0.028	***
Escapes poverty	5.9%	3.0%	5.9%	8.5%	−2.5%	0.018	
Employed	52.8%	61.5%	52.8%	40.5%	12.6%	0.037	***
Unemployed	9.1%	2.1%	9.1%	3.4%	5.8%	0.021	**
Out of labour force	38.1%	36.4%	38.1%	56.1%	−18.4%	0.038	***
Weekly wage (if employed)	807	865	807	766	41	54	
Weekly hours (if employed)	28	25	28	25	3	1.028	**
Women with older children							
Poverty	16.9%	4.1%	16.9%	3.6%	12.6%	0.029	***
Household income (% change)	−8.3%	13.2%	−8.3%	15.7%	−23.8%	0.045	***
Remains in poverty	2.3%	1.7%	2.3%	0.9%	1.4%	0.012	
Stays out of poverty	80.4%	93.6%	80.4%	92.1%	−11.1%	0.029	***
Enters poverty	14.6%	2.4%	14.6%	2.6%	11.3%	0.026	***
Escapes poverty	2.7%	2.3%	2.7%	4.4%	−1.6%	0.017	
Employed	73.5%	81.2%	73.5%	68.6%	5.5%	0.041	
Unemployed	6.4%	2.2%	6.4%	4.0%	2.0%	0.025	
Out of labour force	20.1%	16.6%	20.1%	27.5%	−7.6%	0.037	*
Weekly wage (if employed)	866	897	866	819	48	62	
Weekly hours (if employed)	30	29	30	30	0	1.161	

Notes for Table A.1: Results for partnered women aged 15 to 62, whose status as partnered or separated in the subsequent wave is known. For further sample restrictions, see Section 2.1.1. Outcome variables are measured in the subsequent wave, for variable definitions, see Section 2.1.2. 'Raw' results are unweighted; results 'after matching' are weighted using matching weights. The matching procedure uses a mix of exact matching and propensity score matching; for further information see Section 3. The difference between outcomes for separating and partnered individuals after matching measures the effect of separation on the outcome, accounting for pre-separation differences in personal characteristics as included in Table 2. Standard errors are bootstrapped using 50 repetitions. Standard errors account for the propensity score and matching weights having to be estimated. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.2. Raw and matched outcomes one year after the event—HILDA survey men

	Raw outcomes—before matching		After matching				
	Separating	Remains partnered	Separating	Remains partnered	Difference	Std. err. (Difference)	
Men without children							
Poverty	10.9%	4.9%	10.9%	7.9%	3.0%	0.016	
Household income (% change)	15.2%	40.0%	15.2%	53.3%	−38.1%	0.207	
Remains in poverty	4.2%	2.1%	4.2%	4.3%	−0.1%	0.009	
Stays out of poverty	85.8%	92.4%	85.8%	87.4%	−1.6%	0.016	
Enters poverty	6.7%	2.8%	6.7%	3.6%	3.1%	0.013	*
Escapes poverty	3.4%	2.6%	3.4%	4.7%	−1.3%	0.008	
Employed	76.8%	84.8%	76.8%	80.7%	−3.9%	0.018	*
Unemployed	7.3%	2.0%	7.3%	3.4%	3.9%	0.012	**
Out of labour force	15.9%	13.3%	15.9%	15.9%	0.0%	0.015	
Weekly wage (if employed)	1,444	1,427	1,444	1,297	148	60	*
Weekly hours (if employed)	44	43	44	42	2	0.705	*
Men with children below school age (0–4 years)							
Poverty	15.8%	4.7%	15.8%	13.7%	1.7%	0.023	
Household income (% change)	40.3%	7.6%	40.3%	11.1%	29.4%	0.077	***
Remains in poverty	6.2%	1.7%	6.2%	5.8%	0.3%	0.019	
Stays out of poverty	77.3%	92.3%	77.3%	77.7%	−0.1%	0.026	
Enters poverty	9.6%	2.9%	9.6%	7.9%	1.4%	0.023	
Escapes poverty	6.9%	3.0%	6.9%	8.6%	−1.6%	0.018	
Employed	79.6%	93.5%	79.6%	81.9%	−2.0%	0.031	
Unemployed	8.8%	2.0%	8.8%	8.0%	0.5%	0.023	
Out of labour force	11.5%	4.5%	11.5%	10.0%	1.5%	0.022	
Weekly wage (if employed)	1,327	1,650	1,327	1,259	68	79	
Weekly hours (if employed)	42	45	42	44	−2	0.970	
Men with older children							
Poverty	13.2%	3.8%	13.2%	4.4%	8.2%	0.028	**
Household income (% change)	23.1%	13.1%	23.1%	13.4%	11.4%	0.061	
Remains in poverty	4.2%	1.5%	4.2%	0.9%	3.5%	0.014	*
Stays out of poverty	83.1%	93.9%	83.1%	92.3%	−7.6%	0.030	*
Enters poverty	9.0%	2.3%	9.0%	3.5%	4.7%	0.022	*
Escapes poverty	3.7%	2.3%	3.7%	3.3%	−0.5%	0.016	
Employed	82.5%	94.3%	82.5%	86.3%	−2.7%	0.039	
Unemployed	5.3%	1.3%	5.3%	2.7%	2.8%	0.021	
Out of labour force	12.2%	4.4%	12.2%	11.0%	−0.1%	0.035	
Weekly wage (if employed)	1,277	1,655	1,277	1,458	−183	118	
Weekly hours (if employed)	43	45	43	45	−2	1.412	

Notes for Table A.2: Results refer to partnered men aged 15 to 62. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively. For further notes, see Table A.1.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.3. Raw and matched outcomes—ACLD women

	Raw outcomes—before matching		After matching				
	Separating	Remains partnered	Separating	Remains partnered	Difference	Std. err. (Difference)	
Women without children							
Poverty	25.4%	14.8%	25.4%	17.6%	0.078	0.003	***
Household income (% change)	3.1%	5.3%	3.1%	11.2%	−0.081	0.012	***
Remains in poverty	9.0%	6.4%	9.0%	8.6%	0.004	0.002	*
Stays out of poverty	69.0%	80.8%	69.0%	76.1%	−0.071	0.003	***
Enters poverty	16.3%	8.3%	16.3%	9.0%	0.074	0.002	***
Escapes poverty	5.6%	4.5%	5.6%	6.3%	−0.007	0.002	***
Employed	61.2%	61.5%	61.2%	59.7%	0.015	0.003	***
Unemployed	2.7%	1.7%	2.7%	1.6%	0.011	0.001	***
Out of labour force	36.1%	36.8%	36.1%	38.7%	−0.026	0.003	***
Weekly hours (if employed)	32	30	32	30	1.952	0.166	***
Women with children below school age (0–4 years)							
Poverty	31.5%	9.7%	31.5%	14.5%	0.171	0.005	***
Household income (% change)	14.7%	26.7%	14.7%	32.5%	−0.178	0.025	***
Remains in poverty	10.7%	4.8%	10.7%	8.6%	0.020	0.003	***
Stays out of poverty	61.0%	84.3%	61.0%	75.9%	−0.148	0.005	***
Enters poverty	20.9%	4.9%	20.9%	5.8%	0.151	0.004	***
Escapes poverty	7.4%	6.0%	7.4%	9.7%	−0.023	0.004	***
Employed	66.6%	72.9%	66.6%	66.4%	0.002	0.006	
Unemployed	5.0%	3.0%	5.0%	3.5%	0.015	0.002	***
Out of labour force	28.4%	24.2%	28.4%	30.2%	−0.018	0.006	**
Weekly hours (if employed)	28	27	28	27	1.433	0.258	***
Women with older children							
Poverty	22.5%	8.3%	22.5%	11.8%	0.107	0.004	***
Household income (% change)	22.2%	34.4%	22.2%	40.9%	−0.187	0.018	***
Remains in poverty	8.5%	4.5%	8.5%	7.7%	0.007	0.002	**
Stays out of poverty	70.4%	86.2%	70.4%	80.0%	−0.096	0.004	***
Enters poverty	14.1%	3.8%	14.1%	4.1%	0.100	0.003	***
Escapes poverty	7.1%	5.5%	7.1%	8.2%	−0.012	0.003	***
Employed	75.8%	79.3%	75.8%	76.5%	−0.007	0.004	
Unemployed	3.6%	2.2%	3.6%	2.4%	0.012	0.002	***
Out of labour force	20.6%	18.4%	20.6%	21.1%	−0.005	0.004	
Weekly hours (if employed)	32	31	32	32	0.540	0.164	**

Notes for Table A.3: Results for partnered women aged 15 to 62, whose status as partnered or separated in the subsequent wave is known. For further sample restrictions, see Section 2.2.1. Outcome variables are measured in the subsequent wave, for variable definitions, see Section 2.2.2. 'Raw' results are unweighted; results 'after matching' are weighted using matching weights. The matching procedure uses a mix of exact matching and propensity score matching; for further information see Section 3. The difference between outcomes for separating and partnered individuals after matching measures the effect of separation on the outcome, accounting for pre-separation differences in personal characteristics as included in Table 2. Standard errors are bootstrapped using 50 repetitions. Standard errors account for the propensity score and matching weights having to be estimated. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Appendix Table A.4. Raw and matched outcomes—ACLD men

	Raw outcomes—before matching		After matching				
	Separating	Remains partnered	Separating	Remains partnered	Difference	Std. err. (Difference)	
Men without children							
Poverty	18.4%	11.7%	18.4%	14.0%	0.044	0.004	***
Household income (% change)	8.9%	4.1%	8.9%	9.5%	−0.006	0.011	
Remains in poverty	6.2%	4.5%	6.2%	6.5%	−0.002	0.002	
Stays out of poverty	76.6%	84.6%	76.6%	81.0%	−0.044	0.003	***
Enters poverty	12.2%	7.2%	12.2%	7.5%	0.046	0.003	***
Escapes poverty	5.0%	3.7%	5.0%	5.0%	0.000	0.002	
Employed	72.9%	76.0%	72.9%	75.2%	−0.022	0.004	***
Unemployed	3.4%	2.2%	3.4%	2.3%	0.011	0.002	***
Out of labour force	23.6%	21.8%	23.6%	22.5%	0.011	0.004	**
Weekly hours (if employed)	40	40	40	40	−0.185	0.191	
Men with children below school age (0–4 years)							
Poverty	16.6%	10.0%	16.6%	13.6%	0.030	0.005	***
Household income (% change)	47.6%	27.2%	47.6%	31.4%	0.162	0.027	***
Remains in poverty	7.7%	5.0%	7.7%	8.0%	−0.003	0.004	
Stays out of poverty	74.2%	83.7%	74.2%	77.1%	−0.029	0.005	***
Enters poverty	8.9%	5.0%	8.9%	5.6%	0.033	0.003	***
Escapes poverty	9.2%	6.3%	9.2%	9.3%	−0.001	0.004	
Employed	87.3%	93.4%	87.3%	91.0%	−0.038	0.004	***
Unemployed	4.2%	2.1%	4.2%	2.7%	0.014	0.003	***
Out of labour force	8.6%	4.5%	8.6%	6.2%	0.023	0.003	***
Weekly hours (if employed)	42	43	42	43	−0.845	0.213	***
Men with older children							
Poverty	14.9%	8.4%	14.9%	10.7%	0.042	0.004	***
Household income (% change)	38.0%	34.0%	38.0%	36.2%	0.018	0.017	
Remains in poverty	6.8%	4.5%	6.8%	6.5%	0.004	0.002	
Stays out of poverty	78.0%	86.0%	78.0%	82.0%	−0.040	0.004	***
Enters poverty	8.0%	3.9%	8.0%	4.2%	0.038	0.003	***
Escapes poverty	7.2%	5.6%	7.2%	7.4%	−0.002	0.003	
Employed	84.2%	88.7%	84.2%	86.7%	−0.024	0.003	***
Unemployed	3.5%	2.3%	3.5%	2.5%	0.009	0.002	***
Out of labour force	12.3%	8.9%	12.3%	10.8%	0.015	0.003	***
Weekly hours (if employed)	42	42	42	42	−0.613	0.154	***

Notes for Table A.4: Results refer to partnered men aged 15 to 62. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively. For further notes, see Table A.3.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Appendix Table A.5. Effect of separation on financial outcomes up to five years after separation—HILDA Survey women

	Poverty			Household income: proportional change			Remains in poverty			Stays out of poverty			Enters poverty			Escapes poverty		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Women without children																		
1 year	0.103	0.023	***	−0.439	0.241		−0.002	0.007		−0.097	0.022	***	0.105	0.020	***	−0.006	0.007	
2 years	0.072	0.017	***	−0.309	0.269		0.005	0.008		−0.058	0.018	**	0.068	0.016	***	−0.014	0.009	
3 years	0.054	0.015	***	−0.269	0.301		0.005	0.008		−0.035	0.015	*	0.049	0.012	***	−0.019	0.009	*
4 years	0.037	0.018	*	−0.374	0.373		−0.005	0.009		−0.024	0.019		0.042	0.016	**	−0.013	0.009	
5 years	0.025	0.017		−0.112	0.167		0.004	0.009		−0.007	0.020		0.021	0.014		−0.018	0.010	
Women with children below school age (0–4 years)																		
1 year	0.157	0.036	***	−0.094	0.074		0.008	0.020		−0.132	0.032	***	0.148	0.028	***	−0.025	0.018	
2 years	0.067	0.028	*	0.009	0.103		−0.007	0.018		−0.061	0.027	*	0.074	0.022	***	−0.006	0.018	
3 years	0.024	0.025		0.220	0.267		0.000	0.017		−0.011	0.030		0.025	0.020		−0.014	0.020	*
4 years	0.077	0.030	**	−0.018	0.096		0.001	0.017		−0.050	0.032		0.076	0.024	**	−0.027	0.023	
5 years	0.047	0.029		0.068	0.111		−0.002	0.014		−0.040	0.036		0.049	0.026		−0.007	0.023	
Women with older children																		
1 year	0.126	0.029	***	−0.238	0.045	***	0.014	0.012		−0.111	0.029	***	0.113	0.026	***	−0.016	0.017	
2 years	0.080	0.024	***	−0.038	0.173		0.007	0.007		−0.079	0.024	**	0.073	0.024	**	0.000	0.015	
3 years	0.078	0.019	***	−0.111	0.085		0.004	0.005		−0.068	0.023	**	0.074	0.019	***	−0.010	0.017	
4 years	0.095	0.025	***	−0.227	0.072	**	0.006	0.008		−0.082	0.027	**	0.089	0.026	***	−0.013	0.017	
5 years	0.082	0.027	**	−0.165	0.068	*	−0.007	0.004		−0.073	0.034	*	0.089	0.027	***	−0.009	0.018	

Notes for Table A.5: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.6. Effect of separation on financial outcomes up to five years after separation—HILDA Survey men

	Poverty			Household income: proportional change			Remains in poverty			Stays out of poverty			Enters poverty			Escapes poverty		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Men without children																		
1 year	0.030	0.016		−0.381	0.207		−0.001	0.009		−0.016	0.016		0.031	0.013	*	−0.013	0.008	
2 years	0.023	0.014		−0.513	0.256	*	0.000	0.009		−0.009	0.015		0.023	0.012		−0.014	0.011	
3 years	0.025	0.015		−0.435	0.264		−0.006	0.009		−0.010	0.014		0.030	0.015	*	−0.014	0.010	
4 years	−0.001	0.018		−0.494	0.358		−0.018	0.008	*	0.006	0.019		0.018	0.016		−0.005	0.011	
5 years	−0.017	0.017		−0.161	0.111		−0.006	0.009		0.033	0.021		−0.010	0.014		−0.016	0.013	
Men with children below school age (0–4 years)																		
1 year	0.017	0.023		0.294	0.077	***	0.003	0.019		−0.001	0.026		0.014	0.023		−0.016	0.018	
2 years	−0.001	0.027		0.393	0.102	***	−0.006	0.020		0.002	0.032		0.005	0.020		−0.001	0.024	
3 years	−0.014	0.029		0.285	0.082	***	0.003	0.020		0.016	0.033		−0.017	0.020		−0.002	0.027	
4 years	0.020	0.030		0.707	0.374		0.002	0.019		−0.015	0.041		0.018	0.024		−0.005	0.023	
5 years	0.064	0.034		0.312	0.137	*	0.034	0.020		−0.052	0.037		0.030	0.028		−0.011	0.025	
Men with older children																		
1 year	0.082	0.028	**	0.114	0.061		0.035	0.014	*	−0.076	0.030	*	0.047	0.022	*	−0.005	0.016	
2 years	0.031	0.023		0.160	0.085		0.023	0.013		−0.043	0.025		0.008	0.017		0.012	0.013	
3 years	0.063	0.028	*	0.247	0.086	**	0.023	0.012		−0.064	0.030	*	0.040	0.026		0.001	0.015	
4 years	0.075	0.032	*	0.087	0.092		0.005	0.017		−0.082	0.033	*	0.069	0.026	**	0.007	0.016	
5 years	0.029	0.030		0.209	0.088	*	0.003	0.014		−0.039	0.034		0.026	0.025		0.010	0.018	

Notes for Table A.6: See Table A.2. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.7. Effect of separation on financial outcomes up to five years after separation, by education—HILDA survey women

Women with university degree	Poverty			Household income: proportional change			Remains in poverty			Stays out of poverty			Enters poverty			Escapes poverty		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children																		
1 year	0.066	0.027	*	−0.289	0.077	***	−0.006	0.011		−0.059	0.030	*	0.072	0.027	**	−0.007	0.015	
2 years	0.061	0.023	**	−0.059	0.252		0.024	0.014		−0.026	0.030		0.037	0.024		−0.034	0.022	
3 years	0.022	0.023		0.102	0.116		0.007	0.012		−0.002	0.031		0.015	0.022		−0.019	0.024	
4 years	0.018	0.020		−0.084	0.081		0.018	0.014		0.009	0.028		−0.001	0.017		−0.027	0.027	
5 years	0.014	0.033		−0.086	0.091		0.014	0.026		0.008	0.031		0.000	0.019		−0.022	0.022	
With children below school age (0–4 years)																		
1 year	0.144	0.037	***	−0.269	0.152		0.007	0.013		−0.116	0.039	**	0.137	0.033	***	−0.028	0.020	
2 years	0.035	0.030		−0.282	0.155		−0.011	0.004	**	−0.032	0.036		0.046	0.030		−0.004	0.023	
3 years	0.056	0.032		−0.322	0.242		0.020	0.015		0.005	0.039		0.036	0.026		−0.061	0.023	**
4 years	0.033	0.028		−0.261	0.470		−0.011	0.004	**	0.005	0.045		0.043	0.028		−0.038	0.031	
5 years	0.060	0.043		−0.324	0.543		0.026	0.018		−0.031	0.052		0.035	0.037		−0.029	0.022	
Women with older children																		
1 year	0.130	0.060	*	−0.289	0.133	*	0.013	0.017		−0.104	0.061		0.118	0.058	*	−0.027	0.027	
2 years	0.056	0.050		−0.137	0.159		−0.008	0.007		−0.052	0.055		0.064	0.050		−0.005	0.026	
3 years	0.112	0.063		−0.240	0.132		−0.007	0.010		−0.073	0.081		0.119	0.063		−0.039	0.046	
4 years	0.129	0.057	*	−0.319	0.218		0.000	0.000	***	−0.076	0.069		0.129	0.057	*	−0.053	0.054	
5 years	0.162	0.068	*	−0.277	0.141	*	−0.010	0.014		−0.117	0.086		0.172	0.066	**	−0.046	0.057	

Notes for Table A.7: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.7. Effect of separation on financial outcomes up to five years after separation, by education—HILDA survey women (continued)

Women without university degree	Poverty			Household income: proportional change			Remains in poverty			Stays out of poverty			Enters poverty			Escapes poverty		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children																		
1 year	0.113	0.021	***	−0.651	0.236	**	−0.002	0.011		−0.096	0.018	***	0.114	0.017	***	−0.016	0.013	
2 years	0.079	0.020	***	−0.582	0.275	*	0.002	0.012		−0.058	0.018	**	0.078	0.017	***	−0.021	0.012	
3 years	0.066	0.020	***	−0.502	0.303		0.006	0.011		−0.036	0.022		0.060	0.017	***	−0.031	0.013	*
4 years	0.049	0.021	*	−0.602	0.379		−0.005	0.008		−0.025	0.022		0.054	0.018	**	−0.023	0.012	
5 years	0.039	0.025		−0.147	0.198		0.006	0.012		−0.012	0.023		0.033	0.017	*	−0.028	0.017	
With children below school age (0–4 years)																		
1 year	0.170	0.034	***	−0.105	0.106		0.004	0.023		−0.137	0.034	***	0.165	0.029	***	−0.033	0.018	
2 years	0.078	0.034	*	−0.038	0.132		−0.018	0.021		−0.069	0.034	*	0.096	0.028	***	−0.009	0.017	
3 years	0.021	0.031		0.228	0.334		−0.006	0.019		−0.004	0.032		0.027	0.024		−0.017	0.025	
4 years	0.082	0.033	*	−0.002	0.121		−0.005	0.023		−0.048	0.036		0.086	0.027	**	−0.034	0.028	
5 years	0.030	0.031		0.088	0.144		−0.039	0.018	*	−0.039	0.035		0.069	0.028	*	0.009	0.023	
Women with older children																		
1 year	0.111	0.031	***	−0.183	0.050	***	0.013	0.014		−0.094	0.037	*	0.099	0.031	**	−0.017	0.017	
2 years	0.073	0.026	**	0.002	0.252		0.005	0.011		−0.076	0.030	*	0.069	0.026	**	0.002	0.015	
3 years	0.067	0.026	**	−0.069	0.087		0.005	0.006		−0.061	0.033		0.062	0.025	*	−0.006	0.019	
4 years	0.089	0.030	**	−0.138	0.080		0.002	0.013		−0.085	0.031	**	0.086	0.028	**	−0.004	0.019	
5 years	0.074	0.026	**	−0.062	0.095		−0.005	0.005		−0.068	0.026	**	0.079	0.024	**	−0.005	0.019	

Notes for Table A.7: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.8. Effect of separation on financial outcomes up to five years after separation, by education—HILDA Survey men

	Poverty		Household income: proportional change			Remains in poverty		Stays out of poverty		Enters poverty			Escapes poverty	
	Effect of separation	Std. err.	Effect of separation	Std. err.		Effect of separation	Std. err.	Effect of separation	Std. err.	Effect of separation	Std. err.		Effect of separation	Std. err.
Men with university degree														
Without children														
1 year	0.028	0.030	−0.111	0.099		−0.013	0.019	−0.035	0.033	0.040	0.026		0.007	0.018
2 years	−0.001	0.023	−0.246	0.106	*	0.002	0.020	0.009	0.024	−0.003	0.012		−0.008	0.019
3 years	0.018	0.034	−0.273	0.159		0.004	0.022	0.007	0.045	0.015	0.022		−0.026	0.026
4 years	0.003	0.036	−0.210	0.153		−0.011	0.020	0.008	0.043	0.014	0.028		−0.010	0.023
5 years	−0.024	0.027	−0.197	0.291		0.008	0.027	0.050	0.038	−0.032	0.013	*	−0.026	0.027
With children below school age (0–4 years)														
1 year	0.000	0.000	0.271	0.131	*			0.000	0.000	0.000	0.000			
2 years	0.031	0.039	0.377	0.186	*			−0.031	0.039	0.031	0.039			
3 years	−0.001	0.007	0.255	0.232				0.001	0.007	−0.001	0.007			
4 years	0.000	0.004	0.193	0.205				0.000	0.004	0.000	0.004			
5 years	0.079	0.045	0.160	0.237				−0.079	0.045	0.079	0.045			
With older children														
1 year	0.032	0.036	0.278	0.148				−0.032	0.036	0.032	0.036			
2 years	−0.004	0.032	0.461	0.160	**			0.004	0.032	−0.004	0.032			
3 years	0.036	0.056	0.593	0.191	**			−0.036	0.056	0.036	0.056			
4 years	0.109	0.065	0.293	0.189				−0.109	0.065	0.109	0.065			
5 years	0.077	0.062	0.423	0.164	**			−0.077	0.062	0.077	0.062			

Notes for Table A.8: See Table A.2. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.8. Effect of separation on financial outcomes up to five years after separation, by education—HILDA Survey men (continued)

Men without university degree	Poverty			Household income: proportional change			Remains in poverty			Stays out of poverty			Enters poverty			Escapes poverty		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children																		
1 year	0.046	0.019	*	−0.370	0.260		0.015	0.013		−0.024	0.019		0.032	0.015	*	−0.023	0.013	
2 years	0.044	0.018	*	−0.552	0.326		0.008	0.012		−0.028	0.021		0.036	0.016	*	−0.016	0.013	
3 years	0.038	0.022		−0.480	0.376		−0.001	0.012		−0.028	0.024		0.039	0.018	*	−0.011	0.013	
4 years	0.009	0.021		−0.526	0.493		−0.016	0.012		−0.010	0.023		0.025	0.017		0.000	0.015	
5 years	−0.006	0.017		−0.061	0.139		−0.006	0.011		0.013	0.023		0.000	0.015		−0.007	0.015	
With children below school age (0–4 years)																		
1 year	0.016	0.036		0.282	0.104	**	−0.014	0.029		−0.005	0.029		0.030	0.018		−0.010	0.023	
2 years	−0.016	0.030		0.362	0.118	**	−0.028	0.024		0.004	0.031		0.013	0.023		0.011	0.018	
3 years	−0.017	0.031		0.268	0.103	**	0.002	0.029		0.019	0.032		−0.019	0.018		−0.002	0.026	
4 years	0.054	0.036		0.716	0.431		0.028	0.028		−0.037	0.036		0.026	0.025		−0.017	0.029	
5 years	0.093	0.040	*	0.257	0.134		0.048	0.025		−0.074	0.042		0.044	0.030		−0.019	0.032	
With older children																		
1 year	0.070	0.030	*	0.072	0.052		0.025	0.020		−0.068	0.036		0.045	0.027		−0.002	0.025	
2 years	0.038	0.026		0.058	0.070		0.018	0.018		−0.055	0.031		0.020	0.023		0.017	0.020	
3 years	0.072	0.032	*	0.121	0.070		0.024	0.019		−0.082	0.031	**	0.048	0.028		0.010	0.021	
4 years	0.071	0.032	*	−0.005	0.094		0.009	0.019		−0.091	0.031	**	0.062	0.025	*	0.020	0.023	
5 years	0.023	0.027		0.076	0.088		0.009	0.020		−0.035	0.028		0.014	0.018		0.012	0.029	

Notes for Table A.8: See Table A.2. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.9. Effect of separation on financial outcomes up to five years after separation, by education—ACLD women

	University			No university		
	Effect	Std. err.		Effect	Std. err.	
Women without children						
Poverty	0.053	0.006	***	0.088	0.004	***
Household income (proportional change)	−0.096	0.024	***	−0.090	0.014	***
Remains in poverty	−0.001	0.002		0.003	0.003	
Stays out of poverty	−0.048	0.006	***	−0.082	0.003	***
Enters poverty	0.054	0.005	***	0.085	0.003	***
Escapes poverty	−0.004	0.003		−0.006	0.003	*
Women with children below school age (0–4 years)						
Poverty	0.085	0.006	***	0.203	0.006	***
Household income (proportional change)	−0.174	0.036	***	−0.301	0.029	***
Remains in poverty	0.011	0.003	***	0.025	0.005	***
Stays out of poverty	−0.073	0.007	***	−0.165	0.006	***
Enters poverty	0.073	0.006	***	0.178	0.004	***
Escapes poverty	−0.012	0.005	*	−0.039	0.005	***
Women with older children						
Poverty	0.066	0.005	***	0.124	0.005	***
Household income (proportional change)	−0.202	0.036	***	−0.155	0.018	***
Remains in poverty	0.004	0.003		0.011	0.003	***
Stays out of poverty	−0.057	0.006	***	−0.116	0.005	***
Enters poverty	0.062	0.004	***	0.113	0.004	***
Escapes poverty	−0.009	0.004	*	−0.008	0.003	*

Notes for Table A.9: See Table A.3. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Appendix Table A.10. Effect of separation on financial outcomes up to five years after separation, by education—ACLD men

	University			No university		
	Effect	Std. err.		Effect	Std. err.	
Men without children						
Poverty	0.038	0.005	***	0.044	0.004	***
Household income (proportional change)	−0.009	0.026		−0.005	0.013	
Remains in poverty	0.001	0.003		−0.004	0.002	
Stays out of poverty	−0.034	0.005	***	−0.045	0.004	***
Enters poverty	0.037	0.004	***	0.047	0.003	***
Escapes poverty	−0.004	0.004		0.001	0.002	
Men with children below school age (0–4 years)						
Poverty	0.043	0.008	***	0.027	0.006	***
Household income (proportional change)	0.074	0.044		0.171	0.024	***
Remains in poverty	0.005	0.005		−0.004	0.004	
Stays out of poverty	−0.035	0.008	***	−0.031	0.006	***
Enters poverty	0.038	0.006	***	0.031	0.004	***
Escapes poverty	−0.008	0.005		0.004	0.004	
Men with older children						
Poverty	0.031	0.006	***	0.050	0.005	***
Household income (proportional change)	0.039	0.026		0.004	0.023	
Remains in poverty	0.004	0.004		0.007	0.003	*
Stays out of poverty	−0.024	0.007	***	−0.049	0.005	***
Enters poverty	0.027	0.005	***	0.044	0.004	***
Escapes poverty	−0.007	0.004		−0.001	0.003	

Notes for Table A.10: See Table A.4. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Appendix Table A.11. Effect of separation on financial outcomes up to five years after separation, by employment before separation—HILDA survey women

Women who were employed before separation	Poverty			Household income: proportional change			Remains in poverty			Stays out of poverty			Enters poverty			Escapes poverty		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children																		
1 year	0.056	0.011	***	−0.481	0.147	**	−0.002	0.004		−0.042	0.011	***	0.058	0.011	***	−0.014	0.005	**
2 years	0.039	0.015	**	−0.175	0.161		−0.001	0.004		−0.021	0.016		0.041	0.015	**	−0.018	0.006	**
3 years	0.020	0.015		−0.130	0.085		−0.004	0.004		−0.005	0.016		0.025	0.014		−0.015	0.006	*
4 years	0.012	0.015		−0.201	0.097	*	−0.007	0.003	**	−0.003	0.016		0.020	0.015		−0.009	0.005	
5 years	0.009	0.016		−0.140	0.145		0.000	0.005		0.009	0.018		0.009	0.015		−0.018	0.008	*
With children below school age (0–4 years)																		
1 year	0.038	0.031		−0.007	0.125		0.002	0.015		−0.042	0.032		0.037	0.026		0.004	0.016	
2 years	0.021	0.024		0.085	0.166		0.006	0.012		−0.020	0.028		0.015	0.022		−0.001	0.018	
3 years	0.001	0.019		0.579	0.561		0.001	0.011		0.005	0.031		0.000	0.015		−0.006	0.024	
4 years	0.047	0.023	*	0.199	0.183		0.007	0.009		−0.021	0.034		0.041	0.023		−0.026	0.028	
5 years	0.014	0.019		0.133	0.173		−0.003	0.004		−0.005	0.035		0.016	0.019		−0.009	0.030	
Women with older children																		
1 year	0.031	0.025		−0.193	0.053	***	−0.015	0.011		−0.036	0.028		0.046	0.023	*	0.005	0.013	
2 years	0.021	0.021		−0.194	0.081	*	−0.010	0.006		−0.025	0.026		0.032	0.022		0.004	0.013	
3 years	0.019	0.026		−0.143	0.077		−0.009	0.006		−0.013	0.034		0.028	0.025		−0.006	0.017	
4 years	0.032	0.021		−0.232	0.104	*	0.000	0.007		−0.018	0.026		0.032	0.020		−0.013	0.018	
5 years	0.028	0.024		−0.251	0.096	**	−0.011	0.005	*	−0.030	0.033		0.039	0.023		0.002	0.020	

Notes for Table A.11: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.11. Effect of separation on financial outcomes up to five years after separation, by employment before separation—HILDA survey women (continued)

Women who were not employed before separation																
	Poverty			Household income: proportional change			Remains in poverty		Stays out of poverty			Enters poverty			Escapes poverty	
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.
Without children																
1 year	0.281	0.045	***	−0.513	0.325		0.026	0.032	−0.284	0.041	***	0.255	0.041	***	0.003	0.028
2 years	0.197	0.046	***	−0.710	0.356	*	0.044	0.028	−0.180	0.052	***	0.142	0.045	**	−0.011	0.026
3 years	0.162	0.046	***	−0.571	0.407		0.047	0.030	−0.115	0.041	**	0.102	0.036	**	−0.024	0.028
4 years	0.126	0.059	*	−0.629	0.479		0.019	0.029	−0.093	0.045	*	0.087	0.035	*	−0.011	0.026
5 years	0.097	0.042	*	−0.550	0.433		0.027	0.030	−0.052	0.035		0.054	0.030		−0.015	0.026
With children below school age (0–4 years)																
1 year	0.282	0.039	***	−0.178	0.086	*	0.022	0.025	−0.247	0.040	***	0.260	0.038	***	−0.035	0.024
2 years	0.135	0.052	**	−0.072	0.092		−0.003	0.024	−0.113	0.048	*	0.131	0.038	***	−0.005	0.030
3 years	0.059	0.041		−0.111	0.077		0.011	0.023	−0.018	0.042		0.045	0.031		−0.012	0.027
4 years	0.118	0.046	**	−0.166	0.085		0.010	0.021	−0.040	0.033		0.094	0.032	**	−0.020	0.029
5 years	0.087	0.048		−0.104	0.114		-0.002	0.020	−0.017	0.035		0.075	0.029	**	0.014	0.029
Women with older children																
1 year	0.265	0.071	***	−0.293	0.088	***	0.051	0.039	−0.233	0.070	***	0.215	0.064	***	−0.032	0.025
2 years	0.123	0.062	*	0.224	0.511		0.010	0.024	−0.123	0.068		0.111	0.053	*	0.025	0.032
3 years	0.097	0.057		−0.102	0.149		0.003	0.023	−0.099	0.065		0.083	0.047		0.006	0.031
4 years	0.178	0.063	**	−0.304	0.091	***	−0.006	0.022	−0.157	0.068	*	0.159	0.050	**	0.001	0.031
5 years	0.159	0.055	**	−0.368	0.107	***	−0.008	0.009	−0.118	0.086		0.133	0.043	**	−0.007	0.032

Notes for Table A.11: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.12. Effect of separation on financial outcomes up to five years after separation, by employment before separation—ACLD women

	Employed before separation			Not employed before separation		
	Effect	Std. err.		Effect	Std. err.	
Women without children						
Poverty	0.076	0.003	***	0.097	0.007	***
Household income (proportional change)	−0.068	0.010	***	−0.106	0.028	***
Remains in poverty	0.003	0.002		0.003	0.006	
Stays out of poverty	−0.076	0.003	***	−0.088	0.006	***
Enters poverty	0.073	0.002	***	0.094	0.005	***
Escapes poverty	−0.001	0.002		−0.009	0.005	
Women with children below school age (0–4 years)						
Poverty	0.143	0.005	***	0.231	0.008	***
Household income (proportional change)	−0.216	0.035	***	−0.191	0.037	***
Remains in poverty	0.011	0.003	**	0.050	0.006	***
Stays out of poverty	−0.131	0.006	***	−0.193	0.008	***
Enters poverty	0.133	0.004	***	0.182	0.007	***
Escapes poverty	−0.012	0.005	**	−0.038	0.006	***
Women with older children						
Poverty	0.093	0.004	***	0.165	0.009	***
Household income (proportional change)	−0.216	0.017	***	−0.203	0.046	***
Remains in poverty	0.006	0.002	**	0.029	0.007	***
Stays out of poverty	−0.085	0.004	***	−0.134	0.009	***
Enters poverty	0.087	0.003	***	0.136	0.006	***
Escapes poverty	−0.007	0.002	**	−0.031	0.007	***

Notes for Table A.12: See Table A.3. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Appendix Table A.13. Effect of separation on financial outcomes up to five years after separation, by employment before separation—ACLD men

	Employed before separation			Not employed before separation		
	Effect	Std. err.		Effect	Std. err.	
Men without children						
Poverty	0.042	0.003	***	0.054	0.012	***
Household income (proportional change)	−0.019	0.009	*	−0.029	0.052	
Remains in poverty	−0.001	0.001		−0.005	0.010	
Stays out of poverty	−0.044	0.003	***	−0.050	0.012	***
Enters poverty	0.043	0.003	***	0.059	0.007	***
Escapes poverty	0.002	0.002		−0.004	0.010	
Men with children below school age (0–4 years)						
Poverty	0.023	0.005	***	0.078	0.024	**
Household income (proportional change)	0.144	0.024	***	0.238	0.131	
Remains in poverty	−0.004	0.003		0.026	0.026	
Stays out of poverty	−0.030	0.005	***	−0.054	0.017	**
Enters poverty	0.028	0.003	***	0.052	0.012	***
Escapes poverty	0.006	0.004		−0.024	0.023	
Men with older children						
Poverty	0.039	0.003	***	0.065	0.018	***
Household income (proportional change)	0.010	0.016		0.061	0.095	
Remains in poverty	0.003	0.002		0.016	0.016	
Stays out of poverty	−0.040	0.004	***	−0.046	0.016	**
Enters poverty	0.036	0.002	***	0.049	0.009	***
Escapes poverty	0.001	0.003		−0.019	0.018	

Notes for Table A.13: See Table A.4. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Appendix Table A.14. Effect of separation on financial outcomes up to five years after separation, by age at separation—HILDA survey women

	Poverty			Household income: proportional change			Remains in poverty			Stays out of poverty			Enters poverty			Escapes poverty		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Age at separation: <=30 years, has not had children by time of separation																		
1 year	0.127	0.024	***	−0.486	0.119	***	0.023	0.011	*	−0.091	0.024	***	0.104	0.023	***	−0.036	0.014	**
2 years	0.074	0.023	**	−0.532	0.105	***	0.023	0.013		−0.041	0.023		0.051	0.022	*	−0.033	0.014	*
3 years	0.015	0.022		−0.371	0.130	**	0.010	0.011		0.015	0.026		0.005	0.020		−0.030	0.020	
4 years	0.067	0.029	*	−0.420	0.182	*	0.015	0.012		−0.034	0.037		0.052	0.026	*	−0.033	0.022	
5 years	0.032	0.026		−0.299	0.179		0.022	0.014		0.012	0.031		0.010	0.021		−0.044	0.022	*
Age at separation: <=30 years, has had children by time of separation																		
1 year	0.167	0.038	***	−0.094	0.091		0.010	0.024		−0.152	0.037	***	0.157	0.028	***	−0.015	0.024	
2 years	0.063	0.029	*	−0.029	0.101		−0.007	0.019		−0.074	0.031	*	0.070	0.026	**	0.011	0.023	
3 years	0.039	0.036		−0.024	0.089		0.006	0.022		−0.039	0.035		0.033	0.028		0.000	0.026	
4 years	0.080	0.038	*	−0.066	0.085		0.008	0.022		−0.065	0.044		0.072	0.031	*	−0.015	0.028	
5 years	0.041	0.033		0.012	0.111		−0.029	0.019		−0.076	0.047		0.070	0.032	*	0.034	0.034	
Age at separation: >30–<=50 years, has not had children by time of separation																		
1 year	0.081	0.048		−0.239	0.214		−0.002	0.022		−0.083	0.046		0.084	0.042	*	0.001	0.019	
2 years	0.073	0.043		−0.170	0.124		−0.003	0.023		−0.075	0.042		0.076	0.038	*	0.002	0.020	
3 years	0.030	0.043		−0.074	0.301		0.005	0.026		−0.019	0.039		0.025	0.035		−0.011	0.021	
4 years	0.021	0.048		0.022	0.323		−0.009	0.028		−0.026	0.048		0.030	0.044		0.005	0.026	
5 years	0.054	0.049		−0.341	0.485		0.016	0.031		−0.046	0.047		0.038	0.039		−0.008	0.025	
Age at separation: >30–<=50 years, has had children by time of separation																		
1 year	0.126	0.018	***	−0.207	0.042	***	0.004	0.006		−0.115	0.018	***	0.121	0.018	***	−0.011	0.007	
2 years	0.072	0.017	***	−0.194	0.062	**	0.001	0.005		−0.062	0.017	***	0.071	0.016	***	−0.010	0.007	
3 years	0.041	0.015	**	0.028	0.169		−0.005	0.006		−0.027	0.015		0.046	0.013	***	−0.014	0.008	
4 years	0.056	0.016	***	−0.243	0.062	***	−0.006	0.006		−0.038	0.016	*	0.062	0.016	***	−0.018	0.010	
5 years	0.050	0.019	**	−0.180	0.065	**	−0.008	0.005		−0.034	0.021		0.058	0.017	***	−0.016	0.010	
Age at separation: >50 years																		
1 year	0.141	0.034	***	−0.698	0.353	*	0.006	0.014		−0.146	0.036	***	0.135	0.031	***	0.006	0.017	
2 years	0.121	0.039	**	−0.116	0.508		0.006	0.018		−0.124	0.040	**	0.115	0.035	**	0.003	0.020	
3 years	0.149	0.041	***	−0.589	0.383		0.011	0.019		−0.148	0.037	***	0.138	0.031	***	−0.001	0.020	
4 years	0.091	0.038	*	−0.737	0.477		0.005	0.022		−0.098	0.038	**	0.086	0.030	**	0.007	0.023	
5 years	0.063	0.034		−0.136	0.295		0.004	0.016		−0.081	0.037	*	0.059	0.031		0.017	0.023	

Notes for Table A.14: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.15. Effect of separation on financial outcomes up to five years after separation, by age at separation—HILDA Survey men

	Poverty			Household income: proportional change			Remains in poverty			Stays out of poverty			Enters poverty			Escapes poverty		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Age at separation: <=30 years, has not had children by time of separation																		
1 year	0.038	0.020		−0.302	0.122	*	0.002	0.015		−0.027	0.022		0.036	0.021		−0.011	0.014	
2 years	0.038	0.027		−0.275	0.121	*	0.013	0.017		−0.024	0.029		0.025	0.021		−0.014	0.016	
3 years	0.035	0.021		−0.200	0.116		0.000	0.011		−0.030	0.030		0.035	0.020		−0.005	0.020	
4 years	0.017	0.025		−0.251	0.100	*	−0.009	0.009		−0.023	0.037		0.026	0.024		0.006	0.022	
5 years	0.015	0.025		−0.089	0.178		−0.004	0.014		0.001	0.033		0.020	0.022		−0.016	0.024	
Age at separation: <=30 years, has had children by time of separation																		
1 year	0.021	0.032		0.143	0.131		0.002	0.028		−0.007	0.033		0.018	0.021		−0.014	0.028	
2 years	0.014	0.033		0.416	0.152	**	0.005	0.030		−0.026	0.034		0.010	0.026		0.012	0.030	
3 years	−0.031	0.037		0.299	0.132	*	−0.006	0.033		−0.017	0.037		−0.025	0.027		0.047	0.037	
4 years	0.051	0.041		0.371	0.168	*	0.017	0.034		−0.074	0.039		0.034	0.027		0.022	0.039	
5 years	0.109	0.041	**	0.229	0.157		0.055	0.032		−0.124	0.047	**	0.054	0.031		0.015	0.045	
Age at separation: >30–<=50 years, has not had children by time of separation																		
1 year	−0.012	0.033		−0.021	0.093		−0.013	0.022		−0.004	0.034		0.001	0.019		0.016	0.021	
2 years	−0.013	0.037		−0.063	0.104		−0.031	0.017		−0.021	0.042		0.018	0.030		0.035	0.023	
3 years	−0.032	0.030		−0.079	0.098		−0.027	0.019		0.018	0.038		−0.005	0.020		0.014	0.023	
4 years	0.049	0.049		−0.096	0.160		−0.019	0.019		−0.058	0.058		0.068	0.045		0.009	0.025	
5 years	−0.027	0.038		−0.023	0.170		−0.024	0.018		0.005	0.047		−0.002	0.033		0.021	0.029	
Age at separation: >30–<=50 years, has had children by time of separation																		
1 year	0.048	0.019	*	0.119	0.066		0.015	0.011		−0.027	0.016		0.033	0.015	*	−0.021	0.012	
2 years	0.012	0.013		0.106	0.048	*	0.003	0.010		0.001	0.013		0.008	0.010		−0.013	0.012	
3 years	0.025	0.018		0.121	0.056	*	0.004	0.011		−0.002	0.019		0.021	0.015		−0.023	0.013	
4 years	0.041	0.016	**	0.298	0.218		0.006	0.011		−0.006	0.017		0.034	0.012	**	−0.034	0.012	**
5 years	0.025	0.017		0.106	0.081		0.011	0.009		0.009	0.017		0.014	0.016		−0.034	0.014	*
Age at separation: >50 years																		
1 year	0.098	0.037	**	−0.353	0.337		0.009	0.016		−0.094	0.030	**	0.089	0.028	**	−0.004	0.016	
2 years	0.102	0.034	**	−0.524	0.357		0.018	0.018		−0.085	0.032	**	0.083	0.032	**	−0.016	0.014	
3 years	0.138	0.038	***	−0.290	0.430		0.031	0.022		−0.110	0.037	**	0.107	0.036	**	−0.028	0.019	
4 years	0.012	0.042		−0.284	0.528		−0.012	0.019		−0.016	0.037		0.025	0.033		0.004	0.020	
5 years	0.020	0.039		−0.425	0.199	*	0.016	0.024		−0.006	0.039		0.004	0.034		−0.014	0.022	

Notes for Table A.15: See Table A.2. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.16. Effect of separation on financial outcomes up to five years after separation, by age at separation—ACLD women

Separated at age 30 or younger

	Women without children			Women with children		
	Effect	Std. err.		Effect	Std. err.	
Poverty	0.114	0.005	***	0.221	0.010	***
Household income (proportional change)	−0.128	0.029	***	−0.215	0.045	***
Remains in poverty	0.008	0.003	*	0.034	0.008	***
Stays out of poverty	−0.101	0.007	***	−0.179	0.010	***
Enters poverty	0.106	0.005	***	0.187	0.008	***
Escapes poverty	−0.013	0.005	*	−0.042	0.008	***

Separated at age 31–50

	Women without children			Women with children below school age			Women with older children		
	Effect	Std. err.		Effect	Std. err.		Effect	Std. err.	
Poverty	0.077	0.005	***	0.156	0.006	***	0.116	0.004	***
Household income (proportional change)	−0.110	0.019	***	−0.192	0.022	***	−0.188	0.023	***
Remains in poverty	−0.003	0.003		0.015	0.003	***	0.012	0.002	***
Stays out of poverty	−0.074	0.005	***	−0.134	0.006	***	−0.102	0.004	***
Enters poverty	0.080	0.004	***	0.141	0.005	***	0.104	0.003	***
Escapes poverty	−0.003	0.003		−0.022	0.004	***	−0.014	0.003	***

Separated at age 51 or older

	Women		
	Effect	Std. err.	
Poverty	0.066	0.004	***
Household income (proportional change)	−0.076	0.013	***
Remains in poverty	0.004	0.003	
Stays out of poverty	−0.061	0.004	***
Enters poverty	0.062	0.004	***
Escapes poverty	−0.005	0.003	

Notes for Table A.16: See Table A.3. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Appendix Table A.17. Effect of separation on financial outcomes up to five years after separation, by age at separation—ACLD men

Separated at age 30 or younger									
	Men without children			Men with children					
	Effect	Std. err.		Effect	Std. err.				
Poverty	0.044	0.006	***	0.028	0.016				
Household income (proportional change)	−0.045	0.039		0.240	0.063	***			
Remains in poverty	0.003	0.003		−0.004	0.010				
Stays out of poverty	−0.034	0.007	***	−0.031	0.016				
Enters poverty	0.041	0.005	***	0.032	0.011	**			
Escapes poverty	−0.010	0.005	*	0.003	0.013				
Separated at age 31–50									
	Men without children			Men with children below school age			Men with older children		
	Effect	Std. err.		Effect	Std. err.		Effect	Std. err.	
Poverty	0.053	0.005	***	0.022	0.006	***	0.033	0.004	***
Household income (proportional change)	−0.022	0.020		0.134	0.024	***	0.025	0.024	
Remains in poverty	0.001	0.003		−0.006	0.003		0.001	0.003	
Stays out of poverty	−0.050	0.005	***	−0.026	0.005	***	−0.030	0.004	***
Enters poverty	0.051	0.004	***	0.028	0.004	***	0.032	0.003	***
Escapes poverty	−0.003	0.003		0.004	0.003		−0.003	0.003	
Separated at age 51 or older									
	Men								
	Effect	Std. err.							
Poverty	0.047	0.005	***						
Household income (proportional change)	−0.027	0.015							
Remains in poverty	0.003	0.003							
Stays out of poverty	−0.041	0.005	***						
Enters poverty	0.045	0.003	***						
Escapes poverty	−0.006	0.003	*						

Notes for Table A.17: See Table A.4. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006–11–16 and ACLD 2011–16; authors' calculations.

Appendix Table A.18. Transitions in and out of poverty by SA4—ACLD women (in percent and differences in percentage points)

SA4_NAME	Remains in poverty—separated	Difference separated vs partnered—remains in poverty	Stays out of poverty—separated	Difference separated vs partnered—stays out of poverty	Enters poverty—separated	Difference separated vs partnered—enters poverty	Escapes poverty—separated	Difference separated vs partnered—escapes poverty	Total percentage in poverty
Capital Region	11.2	3.0	65.1	−10.7	17.1	11.6	6.6	−3.8	28.3
Central Coast	9.6	0.9	65.5	−11.6	17.6	10.6	7.3	0.0	27.2
Central West	12.1	2.2	59.5	−16.7	20.5	15.8	7.9	−1.3	32.6
Coffs Harbour—Grafton	11.3	2.6	59.1	−11.0	18.4	10.2	11.2	−1.8	29.7
Far West and Orana	14.6	3.2	58.3	−15.4	17.0	12.0	10.0	0.1	31.7
Hunter Valley excl. Newcastle	10.9	1.9	61.3	−16.1	21.1	14.1	6.7	0.1	32.0
Illawarra	10.7	4.3	67.4	−10.4	16.8	9.1	5.2	−2.9	27.5
Mid North Coast	17.4	2.9	52.2	−14.1	21.4	13.2	9.1	−2.0	38.7
Murray	9.8	4.5	67.3	−12.8	16.5	8.0	6.5	0.4	26.3
New England and North West	15.3	1.5	58.9	−5.5	18.1	7.8	7.7	−3.8	33.4
Newcastle and Lake Macquarie	7.8	−0.8	67.3	−11.8	18.2	12.0	6.7	0.6	25.9
Richmond—Tweed	12.0	3.4	59.0	−13.6	19.1	11.1	9.9	−0.9	31.1
Riverina	10.0	−0.2	68.4	−7.6	15.5	10.2	6.1	−2.4	25.5
Southern Highlands and Shoalhaven	12.2	2.2	59.9	−7.9	21.7	11.9	6.2	−6.2	33.9
Sydney—Baulkham Hills and Hawkesbury	4.4	−1.3	76.5	−10.2	14.7	10.7	4.3	0.7	19.2
Sydney—Blacktown	12.9	0.3	62.5	−10.8	18.8	13.3	5.9	−2.7	31.6
Sydney—City and Inner South	5.8	1.3	74.3	−6.6	12.8	8.0	7.1	−2.6	18.6
Sydney—Eastern Suburbs	3.0	−2.6	81.8	−5.4	10.5	7.6	4.6	0.4	13.6
Sydney—Inner South West	12.9	−1.2	63.0	−8.0	15.2	9.4	8.9	−0.2	28.1
Sydney—Inner West	7.8	1.8	73.4	−7.5	13.0	7.9	5.7	−2.3	20.9
Sydney—North Sydney and Hornsby	2.6	0.0	82.6	−5.8	11.3	8.2	3.5	−2.4	14.0
Sydney—Northern Beaches	2.1	−0.3	81.8	−6.0	12.2	6.9	3.9	−0.6	14.3
Sydney—Outer South West	9.9	1.9	67.6	−12.1	16.6	11.4	5.9	−1.3	26.5
Sydney—Outer West and Blue Mountains	6.3	−1.3	71.6	−10.3	16.9	11.8	5.2	−0.2	23.2
Sydney—Parramatta	16.1	0.2	56.5	−9.7	16.9	9.0	10.4	0.3	33.0

Notes for Table A.18: See Table A.3. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006-11-16 and ACLD 2011-16; authors' calculations.

Appendix Table A.18. Transitions in and out of poverty by SA4—ACLD women (in percent and differences in percentage points) (continued)

SA4_NAME	Remains in poverty—separated	Difference separated vs partnered—remains in poverty	Stays out of poverty—separated	Difference separated vs partnered—stays out of poverty	Enters poverty—separated	Difference separated vs partnered—enters poverty	Escapes poverty—separated	Difference separated vs partnered—escapes poverty	Total percentage in poverty
Sydney—Ryde	6.4	−0.3	77.5	−6.0	9.7	4.8	6.4	1.5	16.1
Sydney—South West	20.5	1.4	52.8	−7.9	17.1	9.1	9.6	−2.6	37.6
Sydney—Sutherland	12.9	−1.2	63.0	−8.0	15.2	9.4	8.9	−0.2	28.1
Ballarat	9.2	−1.8	62.5	−9.2	20.1	14.3	8.2	−3.3	29.3
Bendigo	8.7	−0.3	66.0	−11.1	19.4	13.5	6.0	−2.0	28.1
Geelong	8.0	1.6	67.2	−15.4	18.7	14.3	6.2	−0.4	26.6
Hume	9.0	−1.8	68.5	−7.4	12.7	6.3	9.8	2.9	21.7
Latrobe—Gippsland	12.4	4.7	59.1	−12.4	21.6	12.1	6.8	−4.4	34.1
Melbourne—Inner	7.8	1.7	77.1	−6.7	10.3	6.5	4.9	−1.4	18.1
Melbourne—Inner East	6.0	−1.0	74.4	−7.0	13.8	8.7	5.9	−0.7	19.8
Melbourne—Inner South	5.1	−0.4	77.7	−7.0	12.0	7.7	5.1	−0.4	17.1
Melbourne—North East	10.1	0.0	66.4	−9.5	16.6	9.6	6.9	0.0	26.6
Melbourne—North West	15.3	0.9	57.7	−10.1	18.7	10.2	8.3	−1.0	34.0
Melbourne—Outer East	6.9	1.0	72.6	−11.1	14.8	9.1	5.7	1.0	21.7
Melbourne—South East	10.6	−1.0	63.7	−9.7	18.2	11.9	7.5	−1.2	28.8
Melbourne—West	12.8	1.7	62.2	−10.3	18.1	11.2	6.9	−2.7	30.9
Mornington Peninsula	6.0	−1.4	70.4	−9.3	17.9	12.1	5.7	−1.5	23.9
North West	14.5	2.9	59.1	−9.6	18.9	10.0	7.5	−3.2	33.4
Shepparton	11.2	0.6	65.6	−5.8	17.0	8.7	6.2	−3.5	28.2
Warrnambool and South West	7.6	0.2	63.4	−13.5	22.0	15.1	7.0	−1.8	29.6
Brisbane—East	5.2	1.1	74.4	−9.4	15.1	9.5	5.4	−1.1	20.2
Brisbane—North	4.8	1.1	75.6	−12.4	14.8	10.6	4.8	0.6	19.6
Brisbane—South	6.4	0.1	75.1	−5.1	12.3	5.3	6.2	−0.2	18.7
Brisbane—West	2.5	0.1	82.5	−8.6	11.3	8.3	3.7	0.2	13.8
Brisbane—Inner City	2.5	0.1	82.5	−8.6	11.3	8.3	3.7	0.2	13.8
Cairns	8.5	2.2	67.6	−12.7	14.9	7.5	9.0	3.0	23.4

Notes for Table A.18: See Table A.3. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006-11-16 and ACLD 2011-16; authors' calculations.

Appendix Table A.18. Transitions in and out of poverty by SA4—ACLD women (in percent and differences in percentage points) (continued)

SA4_NAME	Remains in poverty—separated	Difference separated vs partnered—remains in poverty	Stays out of poverty—separated	Difference separated vs partnered—stays out of poverty	Enters poverty—separated	Difference separated vs partnered—enters poverty	Escapes poverty—separated	Difference separated vs partnered—escapes poverty	Total percentage in poverty
Darling Downs—Maranoa	12.7	0.0	56.7	−14.4	22.1	15.8	8.5	−1.4	34.8
Fitzroy	7.8	1.4	66.1	−13.7	19.1	11.3	7.0	1.0	26.9
Gold Coast	5.8	−0.7	69.8	−9.3	17.1	9.5	7.3	0.5	22.9
Ipswich	12.7	4.2	61.3	−13.5	18.5	9.5	7.5	−0.2	31.2
Logan—Beaudesert	9.0	2.6	65.8	−12.2	18.9	12.4	6.4	−2.8	27.9
Mackay	4.7	−1.7	69.7	−11.3	20.9	13.3	4.7	−0.2	25.6
Moreton Bay—North	9.7	2.9	63.6	−15.6	19.8	12.4	6.9	0.4	29.5
Moreton Bay—South	3.4	1.0	78.5	−10.0	15.1	9.1	3.0	−0.1	18.5
Queensland—Outback	14.7	5.5	53.1	−22.0	20.4	14.2	11.8	2.3	35.1
Sunshine Coast	7.4	0.2	65.4	−9.8	19.2	10.4	8.0	−0.7	26.6
Toowoomba	8.8	1.6	69.9	−9.4	17.3	11.1	3.9	−3.4	26.1
Townsville	6.1	0.6	71.6	−12.6	17.1	11.7	5.2	0.3	23.2
Wide Bay	16.7	2.5	54.5	−11.0	19.8	11.8	9.0	−3.4	36.5
Adelaide—Central and Hills	5.3	0.7	77.1	−7.6	12.5	8.2	5.1	−1.3	17.8
Adelaide—North	10.3	1.4	66.2	−7.2	17.9	7.8	5.7	−1.8	28.2
Adelaide—South	6.4	−1.5	71.7	−8.2	17.0	9.8	5.0	−0.1	23.4
Adelaide—West	13.6	3.4	65.7	−10.0	14.9	9.3	5.7	−2.8	28.6
Barossa—Yorke—Mid North	14.1	1.7	60.2	−7.8	15.6	6.4	10.1	−0.2	29.8
South Australia—South East	12.3	2.3	60.0	−10.7	18.9	11.4	8.8	−2.9	31.2
Bunbury	6.6	−0.1	70.4	−9.5	18.8	13.8	4.1	−4.4	25.5
Mandurah	6.0	−1.2	72.4	−8.3	16.9	11.1	4.7	−1.7	22.9
Perth—Inner	4.5	−0.4	76.0	−8.1	14.3	8.7	5.2	−0.2	18.8
Perth—North East	7.3	0.7	72.8	−9.4	17.0	10.4	2.9	−1.7	24.2
Perth—North West	5.2	1.2	74.1	−10.6	16.4	10.6	4.4	−1.2	21.5
Perth—South East	6.0	−1.2	72.4	−8.3	16.9	11.1	4.7	−1.7	22.9
Perth—South West	4.5	−0.4	76.0	−8.1	14.3	8.7	5.2	−0.2	18.8

Notes for Table A.18: See Table A.3. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006-11-16 and ACLD 2011-16; authors' calculations.

Appendix Table A.18. Transitions in and out of poverty by SA4—ACLD women (in percent and differences in percentage points) (continued)

SA4_NAME	Remains in poverty—separated	Difference separated vs partnered—remains in poverty	Stays out of poverty—separated	Difference separated vs partnered—stays out of poverty	Enters poverty—separated	Difference separated vs partnered—enters poverty	Escapes poverty—separated	Difference separated vs partnered—escapes poverty	Total percentage in poverty
Western Australia—Outback	8.6	3.7	67.1	−17.7	18.3	14.0	5.9	−0.1	26.9
Western Australia—Wheat Belt	8.4	−0.5	60.6	−14.4	20.6	14.7	10.4	0.2	29.0
Hobart	9.0	3.5	69.4	−10.7	16.0	10.5	5.6	−3.3	24.9
Launceston and North East	13.5	4.4	59.6	−13.8	20.6	13.5	6.3	−4.1	34.2
South East	15.0	2.7	56.5	−17.0	22.3	16.7	6.1	−2.4	37.4
West and North West	15.0	2.7	56.5	−17.0	22.3	16.7	6.1	−2.4	37.4
Darwin	15.3	3.6	64.3	−8.8	14.2	7.3	6.2	−2.1	29.5
Northern Territory—Outback	15.3	3.6	64.3	−8.8	14.2	7.3	6.2	−2.1	29.5
Australian Capital Territory	3.8	0.7	83.1	−6.0	10.9	6.8	2.3	−1.3	14.6

Notes for Table A.18: See Table A.3. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006-11-16 and ACLD 2011-16; authors' calculations.

Appendix Table A.19. Transitions in and out of poverty by SA4—ACLD men (in percent and differences in percentage points)

SA4_NAME	Remains in poverty—separated	Difference separated vs partnered—remains in poverty	Stays out of poverty—separated	Difference separated vs partnered—stays out of poverty	Enters poverty—separated	Difference separated vs partnered—enters poverty	Escapes poverty—separated	Difference separated vs partnered—escapes poverty	Total percentage in poverty
Capital Region	7.9	−2.3	73.3	−4.8	11.1	8.2	7.7	−1.1	19.1
Central Coast	5.1	0.6	77.3	−6.5	10.0	3.2	7.7	2.8	15.1
Central West	7.2	−0.1	74.1	−3.5	11.1	4.8	7.5	−1.4	18.3
Coffs Harbour—Grafton	10.8	1.4	66.7	−3.6	13.7	5.3	8.9	−3.1	24.5
Far West and Orana	9.2	0.0	66.2	−10.1	14.0	8.5	10.6	1.6	23.2
Hunter Valley excl. Newcastle	6.5	1.3	77.1	−3.0	9.7	1.6	6.7	0.2	16.2
Illawarra	6.1	−1.2	77.1	−2.4	11.1	5.6	5.8	−1.8	17.2
Mid North Coast	11.8	−0.5	62.2	−3.3	16.4	4.9	9.6	−1.1	28.2
Murray	7.5	2.1	74.9	−2.5	9.1	4.0	8.6	−3.5	16.6
New England and North West	9.8	2.6	69.4	−10.4	9.3	3.3	11.5	4.6	19.1
Newcastle and Lake Macquarie	5.9	1.1	79.7	−4.9	9.6	4.2	4.9	−0.3	15.5
Richmond—Tweed	11.1	0.8	66.4	−8.8	15.0	10.7	7.5	−2.8	26.1
Riverina	6.9	−1.6	71.7	−3.7	11.1	5.6	10.3	−0.2	18.0
Southern Highlands and Shoalhaven	10.4	2.3	68.7	−9.7	13.2	7.9	7.7	−0.4	23.7
Sydney—Baulkham Hills and Hawkesbury	2.5	−0.6	84.8	−1.7	7.7	3.7	4.9	−1.5	10.3
Sydney—Blacktown	9.7	1.6	74.1	−4.3	8.9	2.8	7.3	−0.1	18.7
Sydney—City and Inner South	4.8	−1.2	83.4	0.9	7.6	3.1	4.1	−2.8	12.4
Sydney—Eastern Suburbs	2.5	−1.3	86.2	−1.5	7.4	3.1	3.9	−0.2	9.9
Sydney—Inner South West	11.3	0.4	69.4	−3.9	9.4	3.5	9.9	0.0	20.7
Sydney—Inner West	6.4	0.4	80.0	−2.4	9.4	4.5	4.2	−2.5	15.8
Sydney—North Sydney and Hornsby	1.7	0.0	89.2	−0.5	5.5	2.2	3.6	−1.7	7.2
Sydney—Northern Beaches	2.3	0.9	88.1	−3.5	7.2	3.4	2.3	−0.9	9.6
Sydney—Outer South West	6.2	−0.1	77.7	−2.3	9.8	3.9	6.3	−1.5	16.0
Sydney—Outer West and Blue Mountains	4.9	1.3	79.9	−4.6	10.1	3.6	5.1	−0.3	15.0

Notes for Table A.19: See Table A.4. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006-11-16 and ACLD 2011-16; authors' calculations.

Appendix Table A.19. Transitions in and out of poverty by SA4—ACLD men (in percent and differences in percentage points) (continued)

SA4_NAME	Remains in poverty—separated	Difference separated vs partnered—remains in poverty	Stays out of poverty—separated	Difference separated vs partnered—stays out of poverty	Enters poverty—separated	Difference separated vs partnered—enters poverty	Escapes poverty—separated	Difference separated vs partnered—escapes poverty	Total percentage in poverty
Sydney—Parramatta	14.1	0.9	63.9	−4.5	11.5	4.6	10.5	−0.9	25.6
Sydney—Ryde	2.9	0.0	82.7	−3.7	8.6	5.1	5.8	−1.4	11.5
Sydney—South West	17.8	1.8	59.7	−4.2	11.3	3.0	11.1	−0.8	29.1
Sydney—Sutherland	11.3	0.4	69.4	−3.9	9.4	3.5	9.9	0.0	20.7
Ballarat	7.4	−0.8	70.2	−5.6	15.0	6.0	7.4	0.4	22.4
Bendigo	9.0	−2.3	72.9	−1.2	9.4	1.3	8.6	2.1	18.5
Geelong	6.0	2.3	75.2	−10.4	12.5	8.0	6.3	0.2	18.6
Hume	5.5	−1.6	74.2	−1.8	13.2	5.9	7.1	−2.4	18.6
Latrobe—Gippsland	8.6	−2.1	73.3	−1.8	9.0	2.8	9.0	1.0	17.6
Melbourne—Inner	4.6	−0.2	82.5	−4.3	7.0	4.1	5.9	0.4	11.6
Melbourne—Inner East	4.6	−0.7	81.2	−3.3	8.0	3.7	6.2	0.2	12.6
Melbourne—Inner South	3.6	1.7	84.1	−2.2	7.3	2.4	5.0	−2.0	10.9
Melbourne—North East	7.6	−0.4	75.6	−5.0	9.3	3.9	7.5	1.4	16.9
Melbourne—North West	13.2	1.7	68.2	−5.6	10.6	4.7	7.9	−1.0	23.8
Melbourne—Outer East	4.4	0.5	79.9	−7.0	9.8	4.2	5.9	2.3	14.3
Melbourne—South East	9.1	1.1	72.0	−7.2	12.0	6.8	6.9	−0.7	21.2
Melbourne—West	8.2	−0.8	71.6	−5.1	13.4	7.2	6.9	−1.3	21.5
Mornington Peninsula	4.0	0.0	79.1	−6.7	11.3	4.8	5.6	1.9	15.3
North West	11.8	2.1	69.7	−3.1	12.6	3.5	5.9	−2.5	24.4
Shepparton	7.9	−2.7	73.9	−0.6	9.8	4.3	8.4	−1.0	17.7
Warrnambool and South West	8.3	−1.3	71.5	−3.4	12.2	5.6	8.0	−0.8	20.5
Brisbane—East	3.0	−0.1	81.5	−5.8	9.8	5.0	5.7	0.8	12.8
Brisbane—North	1.9	−2.3	85.3	0.5	7.7	0.4	5.1	1.3	9.6
Brisbane—South	4.5	−2.4	80.0	−1.2	8.0	2.0	7.5	1.6	12.5
Brisbane—West	2.5	−0.1	87.5	−1.9	6.7	3.5	3.3	−1.5	9.2
Brisbane—Inner City	2.5	−0.1	87.5	−1.9	6.7	3.5	3.3	−1.5	9.2

Notes for Table A.19: See Table A.4. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006-11-16 and ACLD 2011-16; authors' calculations.

Appendix Table A.19. Transitions in and out of poverty by SA4—ACLD men (in percent and differences in percentage points) (continued)

SA4_NAME	Remains in poverty—separated	Difference separated vs partnered—remains in poverty	Stays out of poverty—separated	Difference separated vs partnered—stays out of poverty	Enters poverty—separated	Difference separated vs partnered—enters poverty	Escapes poverty—separated	Difference separated vs partnered—escapes poverty	Total percentage in poverty
Cairns	4.6	−2.3	75.1	−0.3	11.7	2.7	8.7	0.0	16.3
Darling Downs—Maranoa	7.6	−0.3	70.2	−4.7	11.8	5.3	10.4	−0.3	19.4
Fitzroy	6.1	−0.5	76.8	−4.7	12.1	6.7	4.9	−1.6	18.3
Gold Coast	4.1	−0.9	78.3	−2.8	10.1	3.8	7.6	0.0	14.1
Ipswich	6.0	−1.1	75.7	−2.8	12.4	4.7	5.9	−0.8	18.5
Logan—Beaudesert	6.1	1.0	72.8	−9.2	13.2	6.1	8.0	2.3	19.2
Mackay	3.0	−0.9	82.5	−2.4	11.9	4.5	2.6	−1.3	14.9
Moreton Bay—North	7.1	0.7	71.5	−7.2	13.0	4.6	8.4	1.9	20.1
Moreton Bay—South	2.8	−0.2	85.6	−2.4	9.0	2.7	2.5	−0.2	11.8
Queensland—Outback	11.3	−1.8	68.3	3.7	9.2	−1.5	11.3	−0.4	20.5
Sunshine Coast	4.6	−3.3	75.2	−6.2	13.4	8.0	6.8	1.5	18.0
Toowoomba	5.8	0.4	80.3	−0.2	8.7	1.0	5.2	−1.2	14.5
Townsville	6.4	2.6	79.2	−6.4	9.0	2.5	5.4	1.3	15.4
Wide Bay	14.1	0.5	62.1	−6.6	12.8	3.6	11.1	2.6	26.9
Adelaide—Central and Hills	4.2	0.6	82.8	−2.5	8.5	3.8	4.4	−2.0	12.8
Adelaide—North	6.9	0.0	72.9	−6.0	12.6	5.4	7.6	0.6	19.6
Adelaide—South	5.7	0.7	78.3	−5.0	10.8	4.6	5.3	−0.2	16.4
Adelaide—West	9.3	0.0	74.0	−5.5	10.1	6.0	6.6	−0.6	19.4
Barossa—Yorke—Mid North	10.9	1.5	70.0	−4.6	11.6	5.1	7.5	−1.9	22.5
South Australia—South East	9.5	0.2	68.9	−5.1	14.1	6.9	7.5	−2.0	23.6
Bunbury	3.9	−0.6	79.0	−4.5	11.3	5.5	5.7	−0.6	15.2
Mandurah	4.7	0.8	81.7	−1.8	8.9	2.5	4.7	−1.5	13.6
Perth—Inner	2.6	0.1	84.8	−3.9	8.1	3.3	4.5	0.5	10.7
Perth—North East	5.0	−0.3	80.5	−4.8	7.9	3.0	6.6	2.1	13.0
Perth—North West	3.4	0.4	84.1	−2.4	7.3	1.9	5.3	0.2	10.6
Perth—South East	4.7	0.8	81.7	−1.8	8.9	2.5	4.7	−1.5	13.6

Notes for Table A.19: See Table A.4. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006-11-16 and ACLD 2011-16; authors' calculations.

Appendix Table A.19. Transitions in and out of poverty by SA4—ACLD men (in percent and differences in percentage points) (continued)

SA4_NAME	Remains in poverty—separated	Difference separated vs partnered—remains in poverty	Stays out of poverty—separated	Difference separated vs partnered—stays out of poverty	Enters poverty—separated	Difference separated vs partnered—enters poverty	Escapes poverty—separated	Difference separated vs partnered—escapes poverty	Total percentage in poverty
Perth—South West	2.6	0.1	84.8	−3.9	8.1	3.3	4.5	0.5	10.7
Western Australia—Outback	7.6	2.4	79.1	−7.0	6.9	2.3	6.4	2.3	14.5
Western Australia—Wheat Belt	10.3	0.8	69.9	−2.8	11.0	2.2	8.8	−0.2	21.2
Hobart	6.4	−0.8	79.4	−3.8	9.2	4.1	5.0	0.5	15.6
Launceston and North East	10.0	0.4	71.7	−1.9	11.9	5.8	6.4	−4.3	21.9
South East	10.5	−0.9	70.6	−1.3	12.9	5.5	5.9	−3.4	23.5
West and North West	10.5	−0.9	70.6	−1.3	12.9	5.5	5.9	−3.4	23.5
Darwin	12.4	3.0	72.9	−6.0	8.3	3.3	6.4	−0.2	20.7
Northern Territory—Outback	12.4	3.0	72.9	−6.0	8.3	3.3	6.4	−0.2	20.7
Australian Capital Territory	1.7	−0.3	88.4	−6.1	6.9	5.0	3.0	1.4	8.7

Notes for Table A.19: See Table A.4. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: ACLD 2006-11-16 and ACLD 2011-16; authors' calculations.

Appendix Table A.20. Effect of separation on labour market outcomes up to five years after separation—HILDA Survey women

	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Women without children															
1 year	0.012	0.017		0.017	0.010		−0.029	0.015	*	66.413	37.117		1.764	0.651	**
2 years	0.045	0.025		0.019	0.011		−0.064	0.023	**	147.347	46.038	**	2.931	0.912	**
3 years	0.060	0.022	**	0.025	0.013		−0.085	0.021	***	140.208	37.432	***	1.832	0.735	*
4 years	0.078	0.023	***	0.014	0.011		−0.092	0.024	***	153.112	57.064	**	1.844	0.926	*
5 years	0.104	0.030	***	0.012	0.010		−0.116	0.030	***	138.199	67.820	*	1.842	0.936	*
Women with children below school age (0–4 years)															
1 year	0.126	0.037	***	0.058	0.021	**	−0.184	0.038	***	41.195	53.551		3.084	1.028	**
2 years	0.164	0.035	***	0.028	0.019		−0.192	0.034	***	35.708	72.964		2.712	1.367	*
3 years	0.176	0.037	***	0.025	0.021		−0.201	0.040	***	51.164	68.751		2.447	1.550	
4 years	0.180	0.045	***	0.038	0.017	*	−0.217	0.042	***	104.172	81.899		4.341	1.562	**
5 years	0.191	0.051	***	0.080	0.023	***	−0.271	0.052	***	21.423	107.129		3.247	1.713	
Women with older children															
1 year	0.055	0.041		0.020	0.025		−0.076	0.037	*	47.861	61.811		−0.096	1.161	
2 years	0.075	0.043		0.017	0.020		−0.092	0.040	*	−18.163	78.078		−0.233	1.445	
3 years	−0.023	0.055		0.044	0.022	*	−0.021	0.048		22.988	94.537		−1.221	1.756	
4 years	−0.033	0.051		0.033	0.021		0.000	0.048		36.619	118.170		1.289	2.081	
5 years	−0.005	0.056		0.026	0.017		−0.021	0.053		−23.897	131.266		0.712	2.205	

Notes for Table A.20: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.21. Effect of separation on labour market outcomes up to five years after separation—HILDA Survey men

	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Men without children															
1 year	−0.039	0.018	*	0.039	0.012	**	0.000	0.015		147.541	59.781	*	1.806	0.705	*
2 years	0.008	0.023		0.026	0.014		−0.035	0.019		73.604	70.378		0.608	0.778	
3 years	0.043	0.020	*	0.017	0.011		−0.060	0.019	**	114.988	61.009		1.680	0.826	*
4 years	0.075	0.027	**	0.016	0.012		−0.091	0.026	***	251.976	89.687	**	2.552	0.895	**
5 years	0.112	0.029	***	0.020	0.013		−0.131	0.027	***	142.792	74.021		2.583	0.877	**
Men with children below school age (0–4 years)															
1 year	−0.020	0.031		0.005	0.023		0.015	0.022		68.165	79.287		−1.651	0.970	
2 years	−0.040	0.033		−0.015	0.022		0.055	0.027	*	17.407	89.818		0.098	1.388	
3 years	−0.070	0.043		0.029	0.026		0.040	0.038		−28.569	94.446		−2.038	1.228	
4 years	−0.012	0.048		−0.010	0.030		0.022	0.037		−140.714	107.898		−3.491	1.300	**
5 years	−0.011	0.049		0.001	0.032		0.010	0.040		−52.286	144.795		−1.719	1.511	
Men with older children															
1 year	−0.027	0.039		0.028	0.021		−0.001	0.035		−182.863	118.155		−2.191	1.412	
2 years	0.003	0.043		0.036	0.021		−0.038	0.041		−268.318	191.886		−1.821	1.473	
3 years	−0.015	0.050		0.023	0.019		−0.008	0.047		−207.563	235.486		−3.058	1.802	
4 years	0.016	0.055		−0.028	0.019		0.012	0.053		−356.222	223.379		−1.310	1.639	
5 years	−0.014	0.053		0.028	0.020		−0.014	0.048		−508.115	322.604		−3.321	1.941	

Notes for Table A.21: See Table A.2. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.22. Effect of separation on labour market outcomes up to five years after separation, by education—HILDA survey women

Women with university degree	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children															
1 year	−0.001	0.026		0.006	0.010		−0.004	0.025		206.702	92.655	*	3.259	1.089	**
2 years	0.023	0.036		0.023	0.017		−0.046	0.031		290.223	111.857	**	2.076	1.223	
3 years	0.081	0.036	*	0.014	0.017		−0.094	0.035	**	236.642	130.687		0.728	1.524	
4 years	0.068	0.044		0.012	0.015		−0.081	0.041		313.515	137.564	*	2.108	2.032	
5 years	0.117	0.052	*	0.001	0.010		−0.119	0.052	*	260.221	171.608		0.465	2.352	
With children below school age (0–4 years)															
1 year	0.077	0.067		0.071	0.036	*	−0.149	0.074	*	183.961	202.671		5.604	2.273	*
2 years	0.154	0.082		0.062	0.033		−0.216	0.079	**	163.830	213.359		4.955	2.303	*
3 years	0.111	0.110		0.044	0.033		−0.156	0.099		359.697	222.071		9.426	2.913	**
4 years	0.168	0.105		0.000	0.004		−0.168	0.106		76.719	271.618		9.159	3.748	*
5 years	0.214	0.092	*	−0.001	0.006		−0.214	0.093	*	233.554	329.540		6.162	3.420	
With older children															
1 year	−0.010	0.051		0.039	0.035		−0.029	0.053		10.322	234.656		0.553	2.415	
2 years	0.015	0.085		0.015	0.029		−0.030	0.084		−330.499	202.442		1.296	3.157	
3 years	−0.031	0.108		−0.011	0.010		0.041	0.109		−95.691	252.837		−1.149	3.425	
4 years	−0.069	0.109		0.000	0.000	***	0.069	0.109		−17.808	251.167		0.856	4.138	
5 years	−0.016	0.117		0.000	0.000	***	0.016	0.117		−19.955	268.416		6.711	4.540	

Notes for Table A.22: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.22. Effect of separation on labour market outcomes up to five years after separation, by education—HILDA survey women (continued)

Women without university degree															
	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children															
1 year	0.016	0.020		0.022	0.013		−0.038	0.015	*	46.908	28.752		1.586	0.751	*
2 years	0.056	0.022	*	0.018	0.014		−0.074	0.023	**	117.543	36.098	**	3.460	0.999	***
3 years	0.064	0.022	**	0.029	0.015		−0.094	0.030	**	104.055	45.237	*	2.399	0.915	**
4 years	0.083	0.028	**	0.020	0.014		−0.103	0.033	**	92.863	50.093		1.984	1.230	
5 years	0.103	0.037	**	0.016	0.013		−0.118	0.035	***	81.677	47.236		2.248	1.119	*
With children below school age (0–4 years)															
1 year	0.115	0.044	**	0.058	0.025	*	−0.173	0.041	***	−20.659	61.550		2.246	1.650	
2 years	0.129	0.044	**	0.021	0.020		−0.150	0.047	**	0.160	65.809		0.966	2.084	
3 years	0.138	0.049	**	0.046	0.022	*	−0.184	0.051	***	−42.946	71.004		−0.365	2.231	
4 years	0.137	0.051	**	0.050	0.021	*	−0.187	0.045	***	−21.676	76.973		2.180	2.431	
5 years	0.146	0.063	*	0.097	0.031	**	−0.243	0.053	***	−180.734	118.762		0.688	2.183	
With older children															
1 year	0.051	0.043		0.014	0.023		−0.065	0.045		73.777	67.446		0.202	1.478	
2 years	0.046	0.055		0.025	0.025		−0.071	0.052		62.821	89.090		0.307	1.605	
3 years	−0.039	0.053		0.051	0.028		−0.013	0.061		34.567	108.436		−1.046	1.790	
4 years	−0.063	0.052		0.048	0.026		0.014	0.054		37.370	133.736		1.684	2.148	
5 years	−0.021	0.062		0.029	0.020		−0.009	0.061		−42.930	142.403		0.461	2.430	

Notes for Table A.22: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.23. Effect of separation on labour market outcomes up to five years after separation, by education—HILDA survey men

Men with university degree	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children															
1 year	0.001	0.050		0.033	0.028		−0.035	0.038		310.513	199.973		1.858	1.770	
2 years	0.019	0.049		0.029	0.025		−0.048	0.039		−138.375	179.519		0.871	1.940	
3 years	0.111	0.048	*	−0.022	0.009	*	−0.088	0.046		234.750	217.910		3.486	1.735	*
4 years	0.133	0.051	**	0.006	0.023		−0.139	0.050	**	455.610	178.226	*	3.245	2.100	
5 years	0.150	0.066	*	0.029	0.036		−0.179	0.060	**	550.744	229.620	*	5.213	2.146	*
With children below school age (0–4 years)															
1 year	0.021	0.035		0.000	0.000	***	−0.021	0.035		487.770	492.387		3.023	2.955	
2 years	−0.048	0.071		0.034	0.048		0.013	0.051		689.541	603.978		3.441	3.678	
3 years	0.082	0.056		−0.059	0.034		−0.022	0.041		270.377	658.748		2.621	4.074	
4 years	−0.016	0.093		0.025	0.060		−0.009	0.065		−65.796	502.684		−0.486	3.258	
5 years	−0.039	0.072		0.053	0.069		−0.014	0.016		463.485	848.335		1.078	4.117	
With older children															
1 year	−0.024	0.044		−0.003	0.022		0.027	0.048		−606.193	1235.790		−2.973	2.941	
2 years	−0.064	0.048		0.036	0.031		0.028	0.042		−2177.040	2101.300		2.890	4.292	
3 years	−0.067	0.084		0.000	0.000	***	0.067	0.084		−1911.870	2522.710		−2.423	4.209	
4 years	−0.104	0.082		0.000	0.000	***	0.104	0.082		−3250.890	3451.850		−0.294	4.979	
5 years	−0.151	0.087		0.040	0.040		0.111	0.081		−1859.120	3940.330		−3.260	4.027	

Notes for Table A.23: See Table A.2. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.23. Effect of separation on labour market outcomes up to five years after separation, by education—HILDA survey men (continued)

Men without university degree															
	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children															
1 year	−0.072	0.017	***	0.039	0.017	*	0.033	0.017	*	99.365	48.353	*	1.601	0.802	*
2 years	−0.014	0.026		0.030	0.016		−0.016	0.023		125.053	54.895	*	0.245	0.887	
3 years	0.011	0.025		0.029	0.016		−0.040	0.023		96.014	52.348		1.230	0.829	
4 years	0.051	0.028		0.023	0.013		−0.074	0.029	*	241.679	95.289	*	2.545	1.033	*
5 years	0.091	0.026	***	0.017	0.016		−0.108	0.029	***	72.727	89.619		2.417	1.256	
With children below school age (0–4 years)															
1 year	−0.018	0.030		−0.001	0.023		0.019	0.029		-20.818	57.415		−2.091	1.012	*
2 years	−0.019	0.039		−0.017	0.028		0.037	0.034		−113.592	81.927		−1.273	1.641	
3 years	−0.071	0.049		0.048	0.035		0.023	0.035		−138.466	104.116		−2.859	1.305	*
4 years	−0.035	0.059		0.009	0.041		0.027	0.034		−215.084	112.430		−4.531	1.804	*
5 years	−0.023	0.050		0.009	0.032		0.014	0.040		−143.632	135.388		−1.716	1.874	
With older children															
1 year	−0.052	0.044		0.034	0.024		0.019	0.038		−185.656	83.585	*	−1.818	1.617	
2 years	−0.049	0.041		0.045	0.024		0.004	0.036		−213.438	102.710	*	−2.822	1.878	
3 years	−0.070	0.053		0.044	0.028		0.026	0.050		−173.125	138.611		−3.188	1.849	
4 years	−0.038	0.054		0.004	0.023		0.034	0.052		−312.220	128.070	*	−0.545	1.408	
5 years	−0.039	0.067		0.032	0.019		0.007	0.066		−407.099	164.166	*	−4.397	1.911	*

Notes for Table A.23: See Table A.2. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.24. Effect of separation on labour market outcomes up to five years after separation, by employment before separation—HILDA survey women

Women who were employed before separation															
	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Without children															
1 year	0.024	0.022		0.013	0.010		−0.038	0.017	*	94.665	44.250	*	2.639	0.688	***
2 years	0.054	0.024	*	0.010	0.010		−0.064	0.020	**	192.188	48.687	***	3.727	0.823	***
3 years	0.089	0.021	***	0.012	0.012		−0.100	0.019	***	190.619	48.716	***	2.743	0.801	***
4 years	0.129	0.024	***	−0.001	0.009		−0.128	0.023	***	166.381	62.639	**	2.272	0.907	*
5 years	0.154	0.034	***	−0.014	0.005	**	−0.139	0.033	***	142.413	67.214	*	2.146	0.972	*
With children below school age (0–4 years)															
1 year	0.164	0.046	***	0.027	0.019		−0.191	0.046	***	43.718	70.015		2.065	1.239	
2 years	0.184	0.055	***	0.019	0.016		−0.204	0.051	***	5.716	102.610		2.845	1.705	
3 years	0.179	0.052	***	0.039	0.024		−0.217	0.053	***	103.998	109.329		5.012	1.886	**
4 years	0.265	0.057	***	−0.006	0.021		−0.259	0.053	***	18.515	132.076		3.828	2.178	
5 years	0.260	0.053	***	0.068	0.029	*	−0.328	0.046	***	−4.523	144.776		2.905	2.559	
With older children															
1 year	0.082	0.030	**	0.022	0.022		−0.105	0.024	***	47.298	68.697		0.516	1.077	
2 years	0.110	0.033	***	−0.023	0.016		−0.087	0.029	**	−66.817	88.181		1.061	1.401	
3 years	0.079	0.036	*	−0.004	0.025		−0.075	0.032	*	−86.492	141.296		0.128	1.488	
4 years	0.137	0.053	**	−0.030	0.026		−0.107	0.044	*	−127.796	177.616		0.503	1.790	
5 years	0.186	0.057	**	−0.020	0.024		−0.166	0.054	**	−201.717	233.717		1.364	2.017	

Notes for Table A.24: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.24. Effect of separation on labour market outcomes up to five years after separation, by employment before separation—HILDA survey women (continued)

Women who were not employed before separation																
	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)			
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		
Without children																
1 year	−0.047	0.046		0.043	0.031		0.004	0.053		77.028	129.860		−2.933	3.260		
2 years	0.012	0.057		0.049	0.030		−0.061	0.060		−17.277	126.825		2.597	3.862		
3 years	−0.015	0.057		0.062	0.032		−0.047	0.057		−209.211	117.057		−3.196	3.183		
4 years	−0.047	0.053		0.068	0.029	*	−0.021	0.060		10.717	177.939		−0.651	3.981		
5 years	−0.004	0.053		0.077	0.031	*	−0.074	0.059		119.943	192.406		0.630	4.738		
With children below school age (0–4 years)																
1 year	−0.075	0.054		0.094	0.028	***	−0.019	0.056		−72.468	79.984		2.737	2.305		
2 years	−0.051	0.055		0.061	0.028	*	−0.010	0.050		−41.856	97.794		0.374	2.145		
3 years	−0.081	0.066		0.038	0.033		0.043	0.069		−102.454	81.419		−3.238	1.980		
4 years	−0.152	0.064	*	0.076	0.035	*	0.075	0.068		−31.251	90.811		0.537	1.894		
5 years	−0.110	0.064		0.100	0.037	**	0.009	0.078		−175.335	105.095		−1.820	1.784		
With older children																
1 year	−0.108	0.096		−0.007	0.047		0.115	0.088		110.247	122.519		1.940	4.324		
2 years	−0.093	0.095		0.057	0.047		0.037	0.094		−14.906	102.883		−3.275	3.220		
3 years	−0.206	0.099	*	0.050	0.045		0.156	0.106		32.107	96.552		−1.582	3.421		
4 years	−0.252	0.106	*	0.078	0.043		0.174	0.107		97.822	100.749		2.198	3.067		
5 years	−0.265	0.093	**	0.055	0.038		0.211	0.092	*	−46.630	116.992		1.998	3.154		

Notes for Table A.24: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.25. Effect of separation on labour market outcomes up to five years after separation, by age at separation—HILDA Survey women

	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Age at separation: <=30 years, has not had children by time of separation															
1 year	−0.009	0.028		0.045	0.023		−0.036	0.023		13.227	51.338		0.864	1.011	
2 years	−0.038	0.040		0.038	0.034		0.001	0.033		23.875	56.419		2.086	1.659	
3 years	−0.063	0.038		0.050	0.030		0.014	0.032		43.452	60.692		1.342	1.562	
4 years	−0.048	0.048		0.010	0.021		0.038	0.048		46.220	81.874		0.264	1.776	
5 years	−0.051	0.042		0.016	0.020		0.036	0.039		14.071	79.628		0.252	2.019	
Age at separation: <=30 years, has had children by time of separation															
1 year	0.072	0.042		0.053	0.027		−0.125	0.046	**	−16.862	55.332		1.527	1.584	
2 years	0.063	0.048		0.004	0.022		−0.067	0.045		−6.161	58.254		0.301	1.662	
3 years	0.027	0.058		0.018	0.027		−0.044	0.055		33.618	70.641		−0.364	1.828	
4 years	0.002	0.052		0.005	0.023		−0.006	0.049		58.476	69.975		0.518	1.688	
5 years	0.024	0.059		0.065	0.033	*	−0.089	0.051		28.853	78.267		0.714	2.056	
Age at separation: >30–<=50 years, has not had children by time of separation															
1 year	−0.055	0.052		0.027	0.043		0.028	0.045		196.716	117.123		3.867	1.475	**
2 years	−0.042	0.052		0.046	0.045		−0.003	0.046		237.560	127.577		3.751	1.835	*
3 years	−0.028	0.066		−0.008	0.033		0.035	0.062		192.235	146.927		0.525	2.184	
4 years	−0.044	0.077		−0.008	0.037		0.052	0.069		235.560	158.394		1.630	2.256	
5 years	−0.050	0.078		−0.001	0.031		0.050	0.073		124.241	171.985		0.319	2.278	
Age at separation: >30–<=50 years, has had children by time of separation															
1 year	−0.011	0.020		0.032	0.012	**	−0.021	0.017		74.213	31.737	*	1.988	0.602	***
2 years	0.011	0.021		0.022	0.011	*	−0.033	0.019		44.315	33.344		2.212	0.672	**
3 years	−0.019	0.022		0.027	0.012	*	−0.007	0.022		74.550	36.760	*	1.718	0.785	*
4 years	−0.010	0.022		0.021	0.011		−0.011	0.022		98.102	42.441	*	3.387	0.834	***
5 years	−0.006	0.022		0.024	0.012	*	−0.018	0.021		41.127	41.385		3.238	0.867	***
Age at separation: >50 years															
1 year	−0.059	0.035		0.001	0.013		0.058	0.031		68.511	97.297		0.654	1.157	
2 years	−0.013	0.041		0.001	0.011		0.011	0.042		209.492	107.791		2.083	1.526	
3 years	0.010	0.047		0.015	0.016		−0.025	0.045		189.616	117.811		1.457	1.565	
4 years	−0.013	0.042		0.044	0.019	*	−0.031	0.043		239.914	150.320		3.121	2.002	
5 years	0.064	0.045		0.021	0.020		−0.085	0.049		258.998	191.172		1.346	1.711	

Notes for Table A.25: See Table A.1. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix Table A.26. Effect of separation on labour market outcomes up to five years after separation, by age at separation—HILDA Survey men

	Employed			Unemployed			Out of the labour force			Weekly wage (if employed)			Weekly working hours (if employed)		
	Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.		Effect of separation	Std. err.	
Age at separation: <=30 years, has not had children by time of separation															
1 year	−0.038	0.036		0.031	0.025		0.007	0.020		−43.141	61.639		−0.094	0.915	
2 years	−0.011	0.027		0.016	0.019		−0.005	0.017		−60.614	59.316		−1.376	1.149	
3 years	−0.057	0.033		0.027	0.024		0.030	0.022		−58.798	86.561		0.078	1.297	
4 years	−0.059	0.031		0.005	0.016		0.054	0.027	*	−196.758	82.273	*	0.475	1.710	
5 years	−0.001	0.025		0.020	0.019		−0.018	0.014		−325.279	97.660	***	0.604	1.586	
Age at separation: <=30 years, has had children by time of separation															
1 year	−0.095	0.047	*	0.042	0.039		0.053	0.039		−88.095	83.863		−1.073	1.311	
2 years	−0.190	0.045	***	0.077	0.040		0.113	0.041	**	−162.559	90.455		−1.396	1.799	
3 years	−0.195	0.057	***	0.095	0.049		0.100	0.049	*	−189.279	96.430	*	−0.869	1.793	
4 years	−0.110	0.051	*	0.060	0.040		0.049	0.037		−226.356	134.006		−2.365	1.747	
5 years	−0.126	0.054	*	0.055	0.036		0.070	0.048		−206.281	173.665		−1.992	2.072	
Age at separation: >30–<=50 years, has not had children by time of separation															
1 year	−0.097	0.056		0.061	0.037		0.036	0.043		103.701	124.504		2.147	1.704	
2 years	−0.092	0.043	*	0.052	0.029		0.040	0.041		22.250	221.311		1.764	1.687	
3 years	−0.056	0.066		0.028	0.026		0.028	0.055		34.479	119.121		0.688	1.939	
4 years	−0.004	0.056		0.031	0.026		−0.028	0.051		452.389	298.527		2.364	2.481	
5 years	−0.002	0.072		0.033	0.044		−0.032	0.051		−7.818	246.414		2.517	2.419	
Age at separation: >30–<=50 years, has had children by time of separation															
1 year	−0.042	0.016	**	0.025	0.013		0.017	0.012		−85.835	68.575		−1.288	0.741	
2 years	−0.010	0.020		0.013	0.012		−0.002	0.016		−137.099	72.943		−0.558	0.842	
3 years	−0.024	0.016		0.029	0.013	*	−0.005	0.015		−93.069	81.557		−1.969	0.874	*
4 years	−0.025	0.019		0.006	0.012		0.019	0.019		−118.930	82.746		−1.430	0.976	
5 years	−0.034	0.019		0.019	0.012		0.015	0.020		−149.514	88.830		−1.860	0.976	
Age at separation: >50 years															
1 year	−0.111	0.034	**	0.048	0.021	*	0.063	0.039		179.712	207.258		1.824	1.365	
2 years	−0.113	0.048	*	0.058	0.026	*	0.054	0.047		−125.560	142.907		−1.065	1.608	
3 years	−0.041	0.054		0.015	0.020		0.025	0.053		69.581	140.452		−0.429	1.358	
4 years	−0.018	0.057		0.010	0.018		0.008	0.055		−48.538	188.144		0.480	1.599	
5 years	−0.056	0.051		0.027	0.023		0.029	0.053		132.266	251.351		−1.450	1.979	

Notes for Table A.26: See Table A.2. ***, ** and * indicate significance at the 0.1%, 1% and 5% levels, respectively.
Source: HILDA Survey, Waves 1 to 19; authors' calculations.

Appendix B: Technical appendix

Appendix Table B.1. Name and size of SA4 regions

SA4 name	State	Area in square km
Capital Region	New South Wales	51,896
Central Coast	New South Wales	1,681
Central West	New South Wales	70,297
Coffs Harbour—Grafton	New South Wales	13,230
Far West and Orana	New South Wales	339,364
Hunter Valley excl. Newcastle	New South Wales	21,491
Illawarra	New South Wales	1,539
Mid North Coast	New South Wales	18,851
Murray	New South Wales	97,798
New England and North West	New South Wales	99,146
Newcastle and Lake Macquarie	New South Wales	871
Richmond—Tweed	New South Wales	10,271
Riverina	New South Wales	56,985
Southern Highlands and Shoalhaven	New South Wales	6,704
Sydney—Baulkham Hills and Hawkesbury	New South Wales	3,251
Sydney—Blacktown	New South Wales	242
Sydney—City and Inner South	New South Wales	66
Sydney—Eastern Suburbs	New South Wales	58
Sydney—Inner South West	New South Wales	164
Sydney—Inner West	New South Wales	65
Sydney—North Sydney and Hornsby	New South Wales	275
Sydney—Northern Beaches	New South Wales	254
Sydney—Outer South West	New South Wales	1,278
Sydney—Outer West and Blue Mountains	New South Wales	3,968
Sydney—Parramatta	New South Wales	162
Sydney—Ryde	New South Wales	69
Sydney—South West	New South Wales	539
Sydney—Sutherland	New South Wales	296
Migratory—Offshore—Shipping (NSW)	New South Wales	0
No usual address (NSW)	New South Wales	0
Ballarat	Victoria	10,287
Bendigo	Victoria	11,842
Geelong	Victoria	4,429
Hume	Victoria	34,006
Latrobe—Gippsland	Victoria	41,554
Melbourne—Inner	Victoria	142
Melbourne—Inner East	Victoria	147
Melbourne—Inner South	Victoria	161
Melbourne—North East	Victoria	1,851
Melbourne—North West	Victoria	1,620
Melbourne—Outer East	Victoria	1,879
Melbourne—South East	Victoria	1,922

Appendix Table B.1. Name and size of SA4 regions (continued)

SA4 name	State	Area in square km
Melbourne—West	Victoria	1,416
Mornington Peninsula	Victoria	854
North West	Victoria	78,073
Shepparton	Victoria	10,934
Warrnambool and South West	Victoria	26,379
Migratory—Offshore—Shipping (VIC)	Victoria	0
No usual address (VIC)	Victoria	0
Brisbane—East	Queensland	653
Brisbane—North	Queensland	187
Brisbane—South	Queensland	265
Brisbane—West	Queensland	270
Brisbane Inner City	Queensland	82
Cairns	Queensland	21,338
Darling Downs—Maranoa	Queensland	166,340
Central Queensland	Queensland	117,588
Gold Coast	Queensland	1,858
Ipswich	Queensland	6,681
Logan—Beaudesert	Queensland	2,586
Mackay—Isaac—Whitsunday	Queensland	90,140
Moreton Bay—North	Queensland	4,344
Moreton Bay—South	Queensland	773
Queensland—Outback	Queensland	1,183,183
Sunshine Coast	Queensland	3,086
Toowoomba	Queensland	2,259
Townsville	Queensland	80,036
Wide Bay	Queensland	48,503
Migratory—Offshore—Shipping (QLD)	Queensland	0
No usual address (QLD)	Queensland	0
Adelaide—Central and Hills	South Australia	1,497
Adelaide—North	South Australia	940
Adelaide—South	South Australia	663
Adelaide—West	South Australia	159
Barossa—Yorke—Mid North	South Australia	37,716
South Australia—Outback	South Australia	877,816
South Australia—South East	South Australia	65,483
Migratory—Offshore—Shipping (SA)	South Australia	0
No usual address (SA)	South Australia	0
Bunbury	Western Australia	24,802
Mandurah	Western Australia	1,033
Perth—Inner	Western Australia	92
Perth—North East	Western Australia	1,762
Perth—North West	Western Australia	884
Perth—South East	Western Australia	2,024
Perth—South West	Western Australia	621

Appendix Table B.1. Name and size of SA4 regions (continued)

SA4 name	State	Area in square km
Western Australia—Wheat Belt	Western Australia	197,345
Western Australia—Outback (North)	Western Australia	926,050
Western Australia—Outback (South)	Western Australia	1,372,033
Migratory—Offshore—Shipping (WA)	Western Australia	0
No usual address (WA)	Western Australia	0
Hobart	Tasmania	1,695
Launceston and North East	Tasmania	19,975
South East	Tasmania	23,822
West and North West	Tasmania	22,525
Migratory—Offshore—Shipping (TAS)	Tasmania	0
No usual address (TAS)	Tasmania	0
Darwin	Northern Territory	3,164
Northern Territory—Outback	Northern Territory	1,344,930
Migratory—Offshore—Shipping (NT)	Northern Territory	0
No usual address (NT)	Northern Territory	0
Australian Capital Territory	Australian Capital Territory	2,358
Migratory—Offshore—Shipping (ACT)	Australian Capital Territory	0
No usual address (ACT)	Australian Capital Territory	0
Other territories	Other territories	256
Migratory—Offshore—Shipping (OT)	Other territories	0
No usual address (OT)	Other territories	0

B.2 Additional information on kernel weights—HILDA

The analysis using the HILDA Survey applies kernel matching. Individuals who remain partnered are used as matching partners for individuals who are separating. These are weighted according to the difference between the separating individual *i*'s propensity score and that of their matching partner *j*:

$$w_{ij} = \max\left\{0; 1 - \left(\frac{|PS_i - PS_j|}{h}\right)^2\right\}$$

where w_{ij} is the weight assigned to an individual *j* who remains partnered as a matching partner to the separating individual *i*, PS_j and PS_i refer to the propensity scores of *j* and *i*, and *h* is the bandwidth of the kernel estimator. Provided that the bandwidth is not too large so that the results are biased, we prefer the bandwidth to be as large as possible so that standard errors are minimised. We perform the matching procedure using a number of different bandwidths between 0.0004 and 0.024 and compare the quality of the results. We use four measures of quality.

- The first measure is the number of separating individuals for whom a suitable matching partner cannot be found given the chosen kernel bandwidth. The smaller the bandwidth, the higher the risk that a separating individual cannot be matched.
- We estimate a probit model with separation as the dependent variable and all relevant explanatory variables on the already matched sample. The second measure of quality is the *p*-values for the F-tests assessing the joint significance of all coefficients in that model, with a value close to one being best.
- The third quality indicator is the average bias in the residuals of this regression (Rubin's B): $B(x) = \frac{\mu_t(x) - \mu_u(x)}{\sqrt{(V_t(x) + V_u(x))/2}} \cdot 100\%$, with $\mu_t(x)$ and $\mu_u(x)$ being the mean residual among the separating individuals and their continuously partnered counterparts, and $V_t(x)$ and $V_u(x)$ the respective sample variances. Lower values are desirable.
- The fourth quality indicator is the bias as defined above for every explanatory variable such as age, health, etc., which is averaged across all characteristics. Lower values are desirable.

Figures B.1 to B.4 show these quality indicators by bandwidth.

Figure B.1. Number of separating individuals with no suitable matching partner

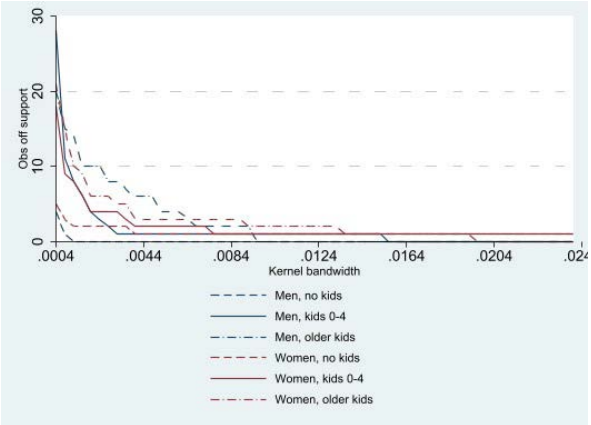


Figure B.2. Joint correlation of socio-demographic characteristics with separation, after matching

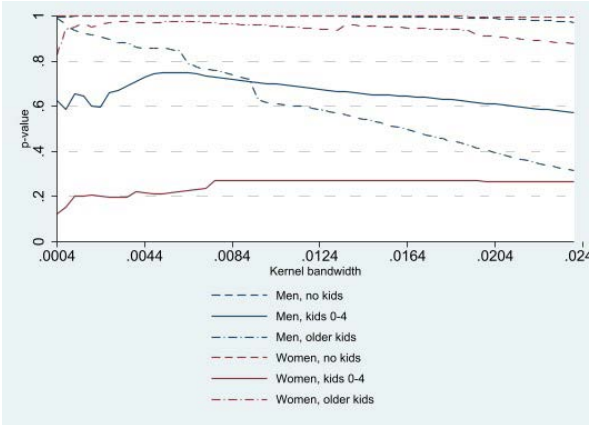


Figure B.3. Rubin's B (%)

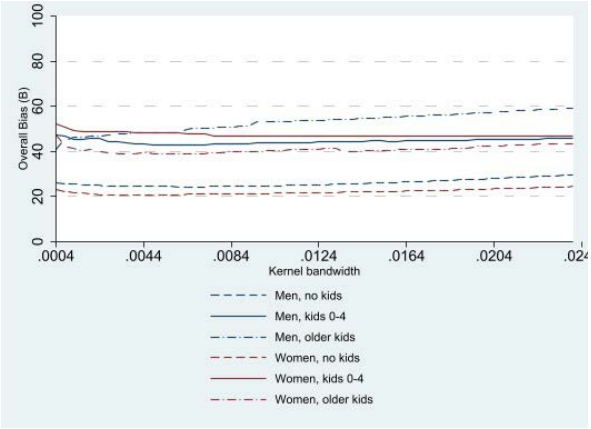
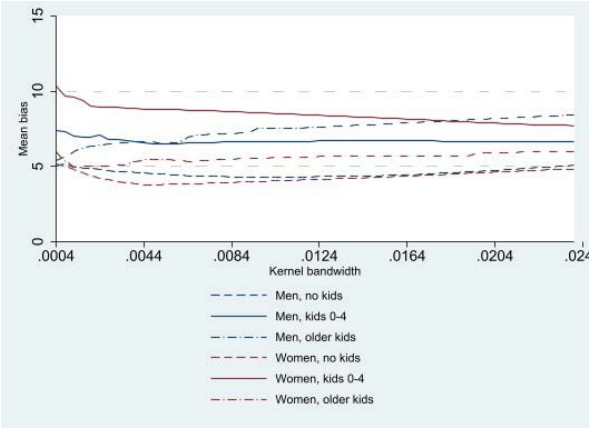


Figure B.4. Standardised bias in socio-demographic characteristics after kernel matching—mean bias over all characteristics (%)



The first figure shows that a kernel bandwidth below 0.044 comes at the cost of large numbers of separating individuals having to be removed from the sample as no matching partner can be found for them. The optimal bandwidth should thus not be smaller than 0.0044.

The second, third and fourth figures do not show a noticeable increase or decrease in quality when values further away from 0.0044 are used; that is, there is no discernible 'low peak' in bias or a noticeable drop in *p*-values at a higher bandwidth. Therefore, we choose the kernel bandwidth to be 0.0044, and all matching weights are calculated according to the formula:

$$w_{ut} = \max\left\{0; 1 - \left(\frac{|P_u - P_t|}{0.0044}\right)^2\right\}$$

B.3: Additional information on matching quality—distribution of propensity scores before and after matching

The more effective the matching procedure has been in removing bias from the estimation, the more similar the distribution of propensity scores will look after matching (separating individuals to continuously partnered individuals). Figures B.5 and B.6 show this for the analysis using the HILDA Survey, and Figures B.7 and B.8 for the analysis using the ACLD.

Figure B.5. Propensity scores—HILDA Survey women

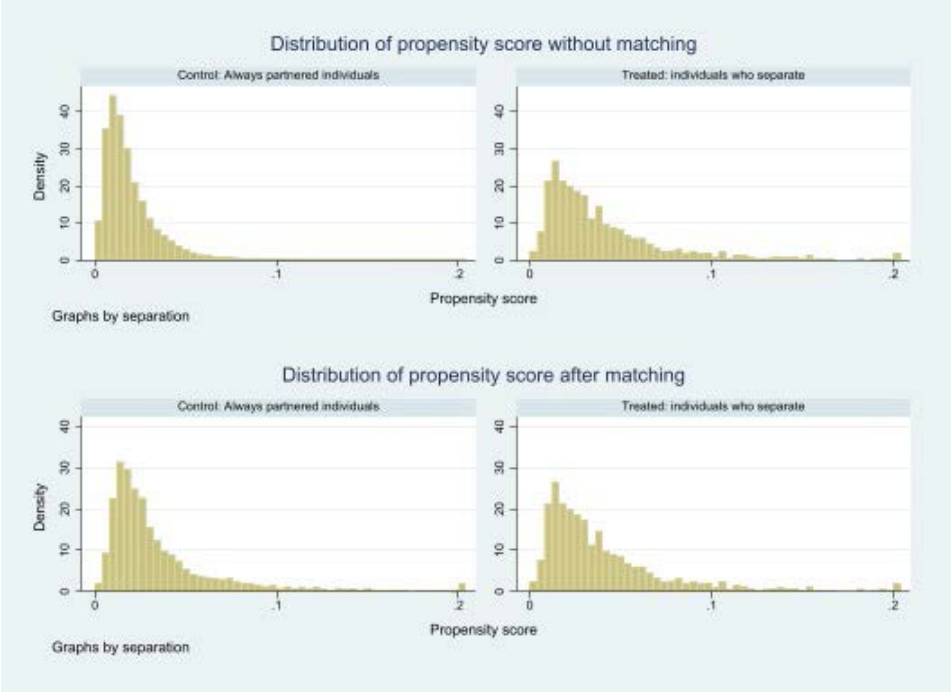


Figure B.6. Propensity scores—HILDA Survey men

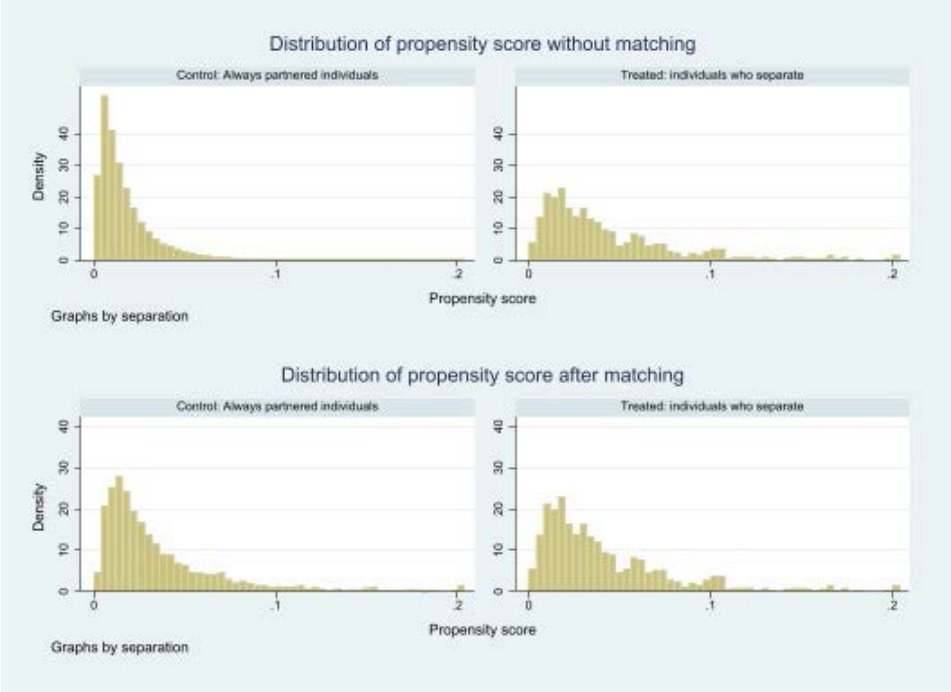


Figure B.7. Propensity scores—ACLD women

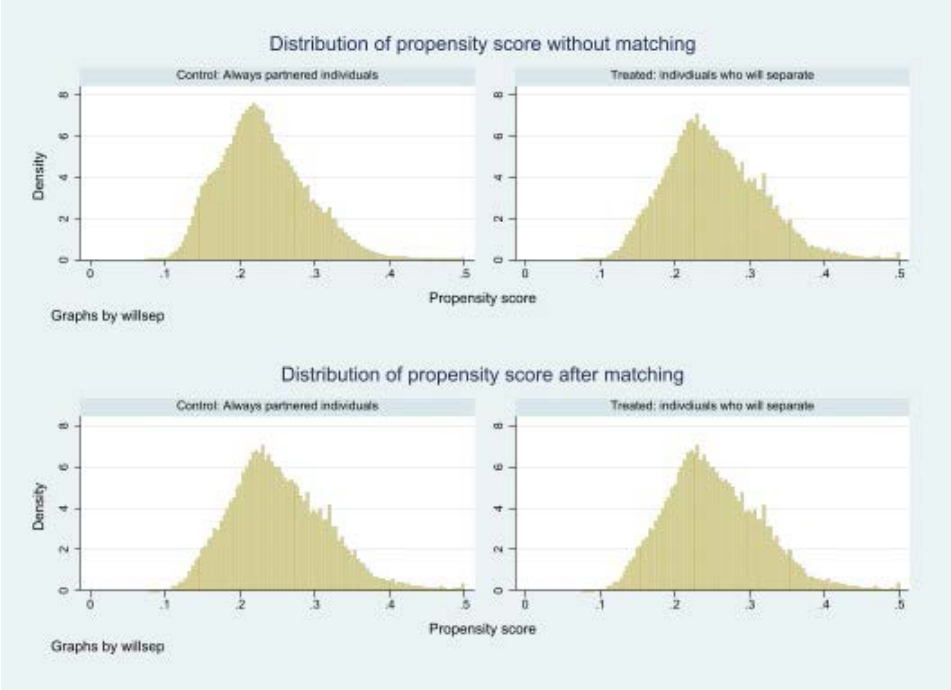
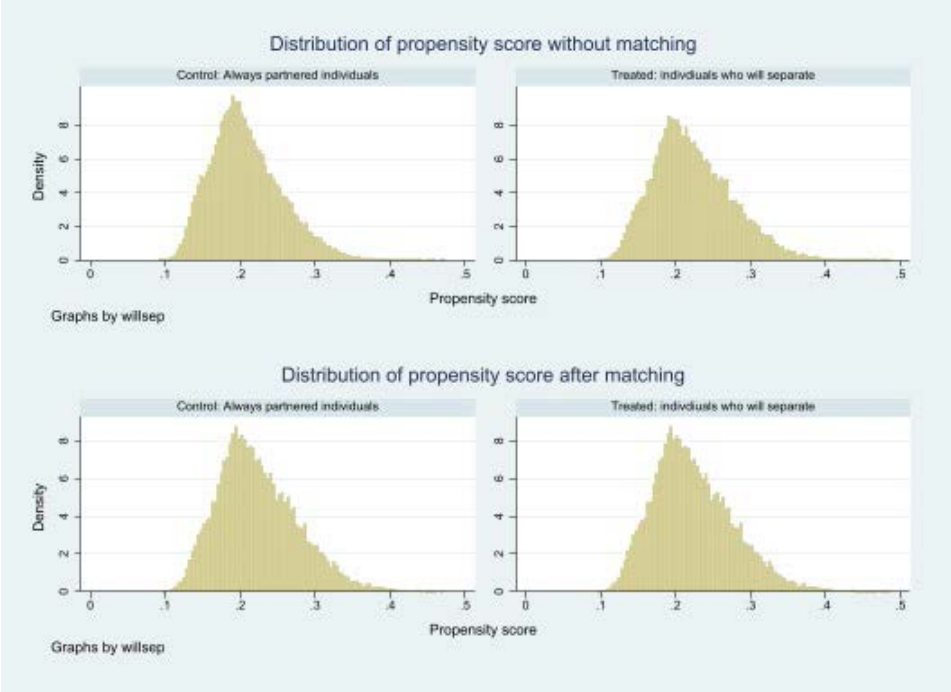


Figure B.8. Propensity scores—ACLD men



B.4. Additional information on matching quality—differences in characteristics after matching

Appendix Table B.2. Characteristics of separating individuals and their continuously partnered counterparts after matching—HILDA survey women

	Women, no children				Women, pre-school-aged children				Women, older children			
	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)
Age												
<=29 years	0.32	0.31	1.5	0.97	0.49	0.59	−24.7	0.95	0.05	0.06	−1.8	0.85
30–34 years	0.06	0.06	−0.4	0.98	0.23	0.22	3.9	1.09	0.10	0.09	2.4	1.04
35–39 years	0.05	0.05	0.7	1.05	0.19	0.14	12.5	1.18	0.26	0.25	3.7	1.03
40–44 years	0.08	0.07	1.8	1.08	0.07	0.04	10.0	1.86	0.32	0.36	−9.8	0.94
45–49 years	0.13	0.10	7.9	1.21	0.02	0.01	2.8	1.79	0.20	0.17	9.9	1.19
50–54 years	0.16	0.14	6.0	1.10	0.00	0.00	0.0	-	0.06	0.07	−3.7	0.83
>=55 years	0.21	0.27	−17.0	0.86	0.00	0.00	0.0	-	0.01	0.01	−0.3	0.94
Education												
Has university degree	0.24	0.24	−0.8	0.99	0.19	0.17	4.6	1.09	0.20	0.20	1.5	1.04
Has (advanced) diploma, Cert III or Cert IV	0.31	0.30	2.3	1.02	0.32	0.28	7.1	1.07	0.37	0.39	−4.0	1.09
Has completed Year 12	0.16	0.16	1.4	1.02	0.21	0.21	−1.3	0.99	0.13	0.10	7.8	1.24
Has not completed Year 12	0.29	0.31	−2.9	0.97	0.29	0.34	−11.5	0.92	0.30	0.31	−3.4	0.96
Health												
Excellent	0.10	0.10	−0.3	0.99	0.05	0.07	−5.4	0.77	0.07	0.08	−3.8	0.88
Very good	0.32	0.30	4.3	1.04	0.32	0.27	11.4	1.14	0.39	0.37	5.8	1.03
Good	0.33	0.33	−0.1	1.00	0.35	0.35	1.0	1.01	0.32	0.30	5.0	1.05
Fair/Poor	0.17	0.18	−3.1	0.93	0.13	0.13	−0.5	1.06	0.13	0.11	5.2	1.15
Missing	0.08	0.09	−2.9	0.92	0.15	0.19	−14.2	0.83	0.09	0.15	−19.8	0.66
Migrant status												
Born in Australia	0.78	0.76	4.0	0.96	0.88	0.86	4.8	0.90	0.85	0.79	13.4	0.82
Born in main English-speaking country	0.10	0.11	−2.3	0.94	0.06	0.05	1.8	1.09	0.09	0.09	−0.1	1.00
Born elsewhere	0.12	0.13	−3.0	0.94	0.06	0.08	−8.1	0.74	0.06	0.12	−17.4	0.59
Had previous marriage or de facto relationship												
No	0.15	0.12	7.3	1.22	0.24	0.18	14.4	1.24	0.32	0.26	15.1	1.16
Yes	0.57	0.60	−4.4	1.04	0.47	0.53	−11.7	1.05	0.59	0.67	−17.2	1.10
Missing	0.27	0.28	−2.6	0.99	0.29	0.29	−1.3	1.05	0.09	0.07	5.3	1.38
Duration of current legal marriage or de facto relationship	13.0	13.0	−0.4	0.77	5.4	4.5	8.4	1.61	12.8	12.0	7.2	0.77
Number of dependent children in household	0.00	0.00	0.0	-	1.89	1.97	−6.9	0.90	1.74	1.75	−1.1	1.04
Weekly wage from all jobs—1 year ago	722	686	3.6	0.92	383	305	7.8	0.76	533	517	1.6	0.88
Weekly working hours in all jobs—1 year ago	25.3	24.0	6.2	0.91	13.2	10.1	15.6	1.07	19.6	19.4	1.0	0.87

Appendix Table B.2. Characteristics of separating individuals and their continuously partnered counterparts after matching—HILDA survey women (continued)

	Women, no children				Women, pre-school-aged children				Women, older children			
	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)
Labour force status—1 year ago												
Employed	0.75	0.72	7.8	0.91	0.49	0.39	24.3	1.01	0.68	0.66	4.2	0.94
Unemployed	0.05	0.05	−2.6	0.91	0.05	0.05	−1.9	0.91	0.04	0.04	−1.5	0.98
Out of the labour force	0.21	0.23	−7.0	0.91	0.46	0.56	−24.9	0.99	0.29	0.30	−3.8	0.92
Total time spent not in work	6.6	7.0	−5.2	0.86	4.2	4.8	−9.9	0.80	8.2	8.0	3.4	0.93
Percent of time spent in work	75.22	74.95	1.1	0.95	64.57	55.26	37.5	0.79	65.37	65.95	−2.3	0.90
Household received income support—1 year ago	0.08	0.09	−3.3	0.89	0.13	0.15	−6.5	0.83	0.05	0.05	−0.8	0.98
Annual equivalised household income in 2019 dollars—1 year ago	62,114	62,772	−1.6	0.85	42,462	41,108	3.3	0.59	48,584	48,358	0.5	0.75
Partner's labour force status—1 year ago												
Employed	0.77	0.73	9.4	0.90	0.81	0.78	7.1	0.82	0.88	0.86	4.2	1.07
Unemployed	0.04	0.05	−2.9	0.90	0.08	0.10	−5.6	0.81	0.02	0.04	−6.3	0.67
Out of the labour force	0.19	0.22	−8.7	0.88	0.11	0.12	−4.8	0.86	0.10	0.11	−1.5	1.18
Mean % bias across all characteristics			3.8				8.8				5.4	
Median % bias across all characteristics			2.9				7.0				3.8	
Rubin's B			20.6				48.1				39.2	
Rubin's R				1.07				1.08				0.86
Regression of treatment status on all characteristics after matching												
LR-test: *chi-squared* (test statistic)		9.29				32.47				16.38		
LR-test: *p*-value		1.00				0.22				0.97		
Number of treated observations with no suitable matching partner		1				2				3		
Number of treated observations with 1–5 suitable matching partners		5				7				10		
Average number of matching partners of 6 or more		933				99				88		

Appendix Table B.3. Characteristics of separating individuals and their continuously partnered counterparts after matching—HILDA Survey men

	Men, no children				Men, pre-school-aged children				Men, older children			
	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)
Age												
<=29 years	0.34	0.33	3.7	0.91	0.38	0.47	−23.1	1.02	0.05	0.05	2.3	1.07
30–34 years	0.11	0.09	4.6	1.15	0.23	0.21	7.8	1.13	0.08	0.07	2.4	1.12
35–39 years	0.08	0.07	2.8	1.13	0.21	0.17	11.9	1.20	0.16	0.14	5.5	1.12
40–44 years	0.07	0.06	2.0	1.11	0.10	0.10	0.2	0.99	0.31	0.28	7.8	1.07
45–49 years	0.13	0.12	2.4	1.03	0.04	0.02	4.8	1.71	0.25	0.23	4.0	1.05
50–54 years	0.12	0.12	0.3	0.97	0.03	0.01	5.4	2.18	0.13	0.16	−10.6	0.81
>=55 years	0.16	0.22	−16.3	0.83	0.01	0.02	−2.1	0.52	0.03	0.08	−12.5	0.44
Education												
Has university degree	0.20	0.20	0.6	1.00	0.14	0.13	0.8	1.01	0.20	0.16	8.2	1.18
Has (advanced) diploma, Cert III or Cert IV	0.36	0.36	1.2	1.01	0.36	0.40	−7.9	0.97	0.46	0.51	−10.0	1.00
Has completed Year 12	0.19	0.18	3.0	1.03	0.19	0.14	15.2	1.28	0.05	0.05	0.4	1.05
Has not completed Year 12	0.24	0.26	−4.4	0.95	0.31	0.33	−4.4	1.05	0.28	0.27	2.5	1.01
Health												
Excellent	0.08	0.08	−2.0	0.93	0.09	0.09	0.2	1.00	0.10	0.11	−0.6	1.00
Very good	0.34	0.33	2.1	1.01	0.27	0.26	1.9	1.03	0.28	0.28	1.2	1.04
Good	0.32	0.31	1.6	1.01	0.37	0.34	6.6	1.04	0.34	0.28	12.7	1.11
Fair/Poor	0.17	0.17	−2.1	0.97	0.11	0.11	−0.6	0.96	0.14	0.11	7.4	1.31
Missing	0.10	0.11	−1.6	0.97	0.17	0.21	−13.4	0.87	0.13	0.22	−30.4	0.63
Migrant status												
Born in Australia	0.78	0.76	5.3	0.93	0.83	0.84	−1.5	1.04	0.89	0.85	9.1	0.80
Born in main English-speaking country	0.11	0.12	−4.3	0.91	0.12	0.09	9.0	1.25	0.06	0.06	−0.4	0.98
Born elsewhere	0.10	0.11	−2.8	0.92	0.05	0.07	−6.8	0.75	0.05	0.09	−11.5	0.64
Had previous marriage or de facto relationship												
No	0.17	0.13	8.3	1.18	0.22	0.19	7.8	1.09	0.33	0.25	17.6	1.19
Yes	0.49	0.51	−3.5	1.07	0.47	0.50	−6.2	1.00	0.56	0.65	−18.1	1.04
Missing	0.34	0.36	−4.9	0.95	0.31	0.31	−0.9	0.92	0.11	0.10	3.5	1.04
Duration of current legal marriage or de facto relationship	10.7	11.6	−7.6	0.73	5.4	4.5	7.9	1.55	12.4	11.8	5.2	0.65
Number of dependent children in household	0.00	0.00	0.0	–	1.96	2.05	−7.6	0.85	1.73	1.72	0.7	1.03
Weekly wage from all jobs—1 year ago	1,129	1,034	9.5	1.06	1,004	937	6.7	1.06	1,243	1,180	6.3	1.24
Weekly working hours in all jobs—1 year ago	36.1	33.7	11.7	0.89	34.7	33.6	5.6	0.96	39.2	38.3	4.6	1.06

Appendix Table B.3. Characteristics of separating individuals and their continuously partnered counterparts after matching—HILDA Survey men (continued)

	Men, no children				Men, pre-school-aged children				Men, older children			
	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)
Labour force status—1 year ago												
Employed	0.84	0.80	9.4	0.86	0.81	0.79	4.3	0.91	0.85	0.84	2.2	0.98
Unemployed	0.04	0.05	–5.6	0.80	0.08	0.11	–11.1	0.77	0.03	0.04	–4.6	0.77
Out of the labour force	0.12	0.15	–7.4	0.84	0.10	0.10	0.7	1.04	0.11	0.12	–0.1	1.14
Total time spent not in work	2.7	2.8	–1.9	0.97	2.5	2.3	2.6	1.12	3.0	2.7	3.6	0.81
Percent of time spent in work	86.78	86.53	1.0	0.97	81.73	80.60	4.6	0.86	88.84	90.43	–6.4	1.04
Household received income support—1 year ago	0.08	0.09	–5.7	0.88	0.13	0.14	–5.1	0.89	0.07	0.04	11.7	1.57
Annual equivalised household income in 2019 dollars—1 year ago	62,083	60,785	3.1	0.80	43,002	41,594	3.4	0.52	49,314	50,982	–4.0	1.76
Partner's labour force status—1 year ago												
Employed	0.77	0.72	9.8	0.90	0.46	0.38	19.0	0.98	0.67	0.69	–3.6	0.89
Unemployed	0.05	0.06	–3.2	0.91	0.05	0.05	–0.7	0.97	0.04	0.03	6.7	1.28
Out of the labour force	0.18	0.22	–8.9	0.88	0.49	0.57	–19.8	0.96	0.28	0.28	0.7	0.95
Mean % bias across all characteristics			4.6				6.6				6.6	
Median % bias across all characteristics			3.4				5.5				4.9	
Rubin's B			24.5				43.2				48.4	
Rubin's R				0.81				1.28				0.81
Regression of treatment status on all characteristics after matching												
LR-test: *chi-squared* (test statistic)		10.64				24.04				21.04		
LR-test: *p*-value		0.99				0.73				0.86		
Number of treated observations with no suitable matching partner		0				1				6		
Number of treated observations with 1–5 suitable matching partners		0				14				14		
Average number of matching partners if 6 or more		705				108				90		

Appendix Table B.4. Characteristics of separating individuals and their continuously partnered counterparts after matching—ACLD women

	Women, no children				Women, pre-school-aged children				Women, older children			
	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)
Age												
<=29 years	0.20	0.21	−1.9	0.97	0.29	0.30	−3.9	0.96	0.02	0.02	0.8	1.04
30–34 years	0.07	0.07	0.4	1.02	0.31	0.31	−0.6	1.00	0.07	0.07	1.4	1.04
35–39 years	0.05	0.05	−0.1	1.00	0.28	0.27	1.9	1.02	0.19	0.19	0.0	1.00
40–44 years	0.05	0.05	0.9	1.04	0.11	0.10	2.7	1.07	0.29	0.30	−1.3	0.99
45–49 years	0.11	0.10	0.9	1.02	0.02	0.02	0.9	1.07	0.26	0.26	−1.7	0.98
50–54 years	0.18	0.18	0.1	1.00	0.00	0.00	0.1	1.02	0.13	0.12	1.4	1.03
>=55 years	0.34	0.34	0.3	1.00	0.00	0.00	2.5	1.73	0.04	0.04	2.0	1.10
Education												
Postgraduate degree	0.05	0.05	1.4	1.06	0.05	0.05	0.6	1.03	0.05	0.05	1.2	1.06
Graduate diploma/Graduate certificate	0.02	0.02	1.4	1.12	0.02	0.02	0.1	1.00	0.03	0.02	1.7	1.12
(Honours) Bachelor's degree	0.15	0.15	−1.0	0.98	0.20	0.20	−1.0	0.99	0.15	0.15	−1.4	0.98
Associate diploma or advanced diploma	0.10	0.10	1.1	1.03	0.11	0.11	1.2	1.03	0.12	0.12	1.0	1.02
Trade certificate level III/IV	0.11	0.11	0.1	1.00	0.13	0.12	1.9	1.04	0.11	0.11	1.5	1.03
High school completed (with certificate)	0.17	0.17	−0.5	1.01	0.23	0.24	−0.7	0.99	0.18	0.18	1.1	1.02
Year 10 to Year 12 (without high school certificate) and/or certificate I/II	0.26	0.27	−1.2	0.99	0.19	0.19	−1.1	1.00	0.26	0.27	−2.7	0.97
Year 9 or lower	0.10	0.10	0.4	1.01	0.04	0.04	−1.3	0.95	0.06	0.06	−1.6	0.97
Missing	0.04	0.04	0.1	1.00	0.03	0.03	1.4	1.08	0.04	0.04	1.3	1.06
Migrant status												
Born in Australia	0.66	0.66	−0.3	1.01	0.72	0.71	1.5	0.99	0.64	0.63	0.7	1.00
Born in main English-speaking country	0.12	0.11	1.7	1.04	0.09	0.08	2.5	1.08	0.12	0.11	2.2	1.05
Born elsewhere	0.20	0.20	−1.0	1.00	0.18	0.19	−2.5	0.95	0.23	0.23	−1.8	0.98
Missing	0.02	0.02	−0.4	0.97	0.02	0.02	−3.0	0.83	0.02	0.02	−2.1	0.88
Number of dependent children in household	0.00	0.00	–	–	2.04	2.01	3.6	1.07	1.87	1.84	2.8	1.09
Labour force status												
Employed	0.72	0.71	2.8	0.97	0.54	0.51	5.6	0.99	0.75	0.74	3.0	0.96
Unemployed	0.03	0.02	0.5	1.03	0.03	0.03	−1.0	0.95	0.03	0.03	0.7	1.03
Out of the labour force	0.25	0.26	−3.1	0.97	0.44	0.46	−5.3	0.98	0.22	0.23	−3.4	0.95
Weekly working hours	33.7	34.0	−1.8	1.10	23.4	23.3	0.6	0.98	30.5	30.7	−1.7	1.06
Weekly working hours missing	0.29	0.30	−2.7	0.98	0.47	0.50	−5.2	0.99	0.26	0.27	−3.0	0.97

Appendix Table B.4. Characteristics of separating individuals and their continuously partnered counterparts after matching—ACLD women (continued)

	Women, no children				Women, pre-school-aged children				Women, older children			
	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)
Partner's labour force status												
Employed	0.76	0.77	−2.7	1.03	0.88	0.89	−2.1	1.04	0.87	0.88	−1.1	1.03
Unemployed	0.04	0.04	3.4	1.21	0.03	0.03	1.5	1.06	0.03	0.03	0.5	1.02
Out of the labour force	0.21	0.21	1.5	1.03	0.08	0.07	1.4	1.04	0.10	0.10	1.0	1.04
Poverty	0.15	0.15	−0.9	0.99	0.18	0.18	−0.7	1.00	0.16	0.16	−1.4	1.02
Weekly equivalised household income in 2016 dollars	1,207.80	1,204.10	0.5	1.00	895.40	891.81	0.7	1.06	1,000.70	1,000.70	0.0	1.05
Mean % bias across all characteristics			1.2				1.9				1.5	
Median % bias across all characteristics			0.9				1.4				1.4	
Rubin's B			9.2				10.1				8.8	
Rubin's R				1.16				0.93				1.05
LR-test: *chi-squared* (test statistic)		131.65				52.45				84.91		
LR-test: *p*-value		0.00				0.00				0.00		
Difference in propensity score treated—control (Mean)		0.000003				0.000006				0.000004		
Difference in propensity score treated—control (Median)		0.000000				0.000001				0.000001		
Difference in propensity score treated—control (99th percentile)		0.000033				0.000100				0.000048		

Appendix Table B.5. Characteristics of separating individuals and their continuously partnered counterparts after matching—ACLD men

	Men, no children				Men, pre-school-aged children				Men, older children			
	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)
Age												
<=29 years	0.18	0.18	−0.2	0.98	0.17	0.18	−2.1	0.95	0.01	0.01	0.1	1.00
30–34 years	0.09	0.10	−0.7	0.98	0.26	0.26	−1.5	0.99	0.04	0.05	−0.9	0.97
35–39 years	0.07	0.07	0.3	1.01	0.29	0.29	0.7	1.01	0.13	0.13	0.5	1.01
40–44 years	0.06	0.06	0.6	1.02	0.18	0.18	−0.6	0.99	0.24	0.25	−0.9	0.99
45–49 years	0.09	0.09	1.2	1.04	0.07	0.06	3.7	1.14	0.27	0.27	−1.1	0.99
50–54 years	0.15	0.15	0.1	1.00	0.02	0.02	2.4	1.19	0.19	0.18	0.9	1.01
>=55 years	0.36	0.36	−0.6	0.99	0.01	0.01	0.6	1.06	0.12	0.11	1.6	1.04
Education												
Postgraduate degree	0.05	0.05	1.0	1.04	0.06	0.06	0.3	1.01	0.07	0.06	1.7	1.06
Graduate diploma/Graduate certificate	0.01	0.01	1.6	1.15	0.02	0.02	1.7	1.15	0.02	0.02	0.6	1.04
(Honours) Bachelor's degree	0.13	0.13	−1.1	0.97	0.16	0.16	−1.7	0.97	0.13	0.14	−0.6	0.99
Associate diploma or advanced diploma	0.08	0.08	1.1	1.03	0.08	0.08	−0.2	0.99	0.09	0.09	0.6	1.01
Trade certificate level III/IV	0.28	0.28	−0.1	1.00	0.29	0.29	−0.8	0.99	0.29	0.30	−1.7	0.98
High school completed (with certificate)	0.16	0.16	−1.0	0.99	0.17	0.16	1.1	1.02	0.14	0.13	1.1	1.02
Year 10 to Year 12 (without high school certificate) and/or certificate I/II	0.17	0.17	−0.3	0.99	0.15	0.15	0.2	1.00	0.17	0.17	−0.2	0.99
Year 9 or lower	0.08	0.08	0.1	1.00	0.05	0.05	0.5	1.02	0.06	0.07	−1.1	0.96
Missing	0.03	0.03	0.5	1.03	0.03	0.03	1.2	1.07	0.03	0.03	1.5	1.08
Migrant status												
Born in Australia	0.67	0.67	−0.7	1.03	0.70	0.70	0.6	1.00	0.63	0.64	−0.4	1.00
Born in main English-speaking country	0.14	0.13	1.0	1.03	0.10	0.10	0.3	1.01	0.13	0.12	1.6	1.04
Born elsewhere	0.18	0.18	0.0	1.01	0.18	0.18	−0.3	1.00	0.22	0.22	0.6	1.01
Missing	0.02	0.02	0.0	1.00	0.02	0.02	−2.3	0.85	0.02	0.02	−4.4	0.76
Number of dependent children in household	0.00	0.00	–	–	2.04	2.02	2.3	1.05	1.86	1.85	1.3	1.08
Labour force status												
Employed	0.84	0.83	1.8	0.97	0.90	0.89	1.2	0.98	0.90	0.90	0.1	1.00
Unemployed	0.03	0.03	−0.1	1.00	0.03	0.03	−1.4	0.93	0.03	0.02	0.8	1.04
Out of the labour force	0.14	0.14	−1.9	0.96	0.07	0.07	−0.5	1.00	0.08	0.08	−0.5	0.99
Weekly working hours	41.0	41.3	−2.1	1.09	42.0	42.0	−0.5	1.11	42.6	42.9	−1.9	1.14
Weekly working hours missing	0.18	0.19	−1.7	0.98	0.13	0.13	−0.5	1.01	0.13	0.13	0.0	1.01

Appendix Table B.5. Characteristics of separating individuals and their continuously partnered counterparts after matching—ACLD men (continued)

	Men, no children				Men, pre-school-aged children				Men, older children			
	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)	Separating	Remains partnered	% bias	V(T)/ V(C)
Partner's labour force status												
Employed	0.74	0.74	−0.4	1.01	0.53	0.52	1.3	1.00	0.75	0.75	−1.1	1.03
Unemployed	0.03	0.02	2.2	1.13	0.03	0.02	3.3	1.22	0.03	0.03	0.6	1.03
Out of the labour force	0.23	0.23	−0.4	1.00	0.44	0.45	−2.3	1.00	0.22	0.21	0.9	1.03
Poverty	0.11	0.11	−0.8	0.98	0.17	0.17	−1.3	0.98	0.14	0.14	0.4	1.01
Weekly equivalised household income in 2016 dollars	1,292.40	1,294.40	−0.3	1.01	916.12	915.90	0.0	1.03	1,028.60	1,028.60	0.0	1.05
Mean % bias across all characteristics			0.8				1.2				1.0	
Median % bias across all characteristics			0.7				1.1				0.9	
Rubin's B			5.6				9.6				6.7	
Rubin's R				1.06				1.14				1.01
LR-test: *chi-squared* (test statistic)		45.79				64.66				49.77		
LR-test: *p*-value		0.00				0.00				0.00		
Difference in propensity score treated—control (Mean)		0.000002				0.000005				0.000003		
Difference in propensity score treated—control (Median)		0.000000				0.000001				0.000000		
Difference in propensity score treated—control (99th percentile)		0.000033				0.000066				0.000039		

Appendix B.5. Outcome measures

Effect of separation on	Measure
Poverty	$Prob\ (Poverty_{s+t} = 1 \mid Separation_s = 1) - Prob\ (Poverty_{s+t} = 1 \mid Separation_s = 0)$
Transition into poverty: individual was not poor before separation and is poor after separation	$Prob\ (Poverty_{s+t} = 1 \wedge Poverty_s = 0 \mid Separation_s = 1)$ $- Prob\ (Poverty_{s+t} = 1 \wedge Poverty_s = 0 \mid Separation_s = 0)$
Remaining in poverty	$Prob\ (Poverty_{s+t} = 1 \wedge Poverty_s = 1 \mid Separation_s = 1)$ $- Prob\ (Poverty_{s+t} = 1 \wedge Poverty_s = 1 \mid Separation_s = 0)$
Transition out of poverty	$Prob\ (Poverty_{s+t} = 0 \wedge Poverty_s = 1 \mid Separation_s = 1)$ $- Prob\ (Poverty_{s+t} = 0 \wedge Poverty_s = 1 \mid Separation_s = 0)$
Remaining out of poverty	$Prob\ (Poverty_{s+t} = 0 \wedge Poverty_s = 0 \mid Separation_s = 1)$ $- Prob\ (Poverty_{s+t} = 0 \wedge Poverty_s = 0 \mid Separation_s = 0)$
Household income	$E\ (Income_{s+t} \mid Separation_s = 1) - E\ (Income_{s+t} \mid Separation_s = 0)$
Household income (percentage change)	$E\left(\frac{Income_{s+t}}{Income_s} \,\middle|\, Separation_s = 1\right) - E\left(\frac{Income_{s+t}}{Income_s} \,\middle|\, Separation_s = 0\right)$
Employment	$Prob\ (Employment_{s+t} = 1 \mid Separation_s = 1)$ $- Prob\ (Employment_{s+t} = 1 \mid Separation_s = 0)$
Unemployment	$Prob\ (Unemployment_{s+t} = 1 \mid Separation_s = 1)$ $- Prob\ (Unemployment_{s+t} = 1 \mid Separation_s = 0)$
Out of labour force	$Prob\ (Out\ of\ labour\ force_{s+t} = 1 \mid Separation_s = 1)$ $- Prob\ (Out\ of\ labour\ force_{s+t} = 1 \mid Separation_s = 0)$
Weekly wage (if employed)	$E\ (Wages_{s+t} \mid Separation_s = 1) - E\ (Wages_{s+t} \mid Separation_s = 0)$
Weekly working hours (if employed)	$E\ (Hours_{s+t} \mid Separation_s = 1) - E\ (Hours_{s+t} \mid Separation_s = 0)$

Breaking Down Barriers

The *Breaking Down Barriers* report series provides in-depth analyses of questions that will help us to better understand the challenges faced by individuals, families, communities and governments that affect the existence and persistence of deep and entrenched poverty and disadvantage in Australia. The analyses have been undertaken by Melbourne Institute researchers and utilise economic and statistical techniques which involves developing shared data environments to study disadvantage and developing data visualisations.

This report has been produced as part of an ongoing partnership between the Paul Ramsay Foundation and the Melbourne Institute with the goal of informing and shaping policy and practice to break cycles of disadvantage. This includes improving our understanding of the extent, nature and causes of socio-economic disadvantage in Australia and encouraging solutions that enable program development and policy innovation that foster opportunity and reduce poverty and disadvantage.

Melbourne Institute: Applied Economic & Social Research

The Melbourne Institute is a research-only, academic department in the Faculty of Business and Economics at the University of Melbourne with over 58 years of experience informing and shaping economic and social policy. The Melbourne Institute's list of longstanding accomplishments includes playing an active role in the establishment of the Henderson Poverty Line (by inaugural director Ronald Henderson), the development of the blueprint for Medibank/Medicare (John Deeble and Dick Scotton), the execution of the HILDA Survey and resulting analyses (Mark Wooden), the creation and running of the *Australian Economic Review*, the establishment of the consumer sentiment index (our longest-running survey having been established in 1973 and now conducted in partnership with Westpac), and a host of many other achievements that have resulted from the engagement of researchers as part of the bedrock that informs macroeconomic, microeconomic and social policy in Australia.

The Melbourne Institute is home to more than 50 economic researchers that are supported by survey methodologists and data scientists. Their work is recognised internationally by both academic and policy communities. All work undertaken by the Melbourne Institute is independent and impartial.

From its inception, researchers have been engaged in understanding poverty and disadvantage from a range of perspectives. This work has been in partnership with other organisations such as the Brotherhood of St. Laurence, as a node of the ARC-funded Centre of Excellence for Children and Families over the Life Course, and a range of commonwealth and state government departments. Current projects that affect our understanding of poverty or disadvantage include studies to understand employment, family dynamics, social housing, tax and transfer policies, consumer expectations, the delivery of health care, intergenerational disadvantage and studies of particular populations in Australia.

Paul Ramsay Foundation

The Paul Ramsay Foundation seeks to identify and partner with individuals, communities and organisations working to create an Australia where people can overcome disadvantage and realise their potential.

The late Paul Ramsay AO established the Foundation in 2006 and, after his death in 2014, left the majority of his estate to continue his philanthropy for generations to come.

His commitment to good works has allowed the Paul Ramsay Foundation to support the for-purpose sector with grants of more than $350 million made since 2016 to more than 90 different partners, committed as the Paul Ramsay Foundation is to achieving lasting change.