

Melbourne Institute Information Sheet 8/2012

Based on reports under the 2005-2009, and 2010 SPRS agreement

Outcomes for Women

Brief overview of key results

The findings regarding the theme of Outcomes for Women, as researched under the 2005-2009 and 2010 Social Policy Research Services Contract, are summarised in the overview in Appendix Table 1. In the 2005-2010 period, four reports focussed on women, or more precisely, they focussed on mothers, and one report focussed on young children in childcare arrangements.

Discussion of the results

Three of the five studies examine how mothers combine caring responsibilities with labour force participation. The fourth paper analyses the income support dependency outcomes for women who had their first child when they still were a teenager (that is, they were aged under 20), which is a group of particularly disadvantaged women. Although the fifth paper focuses on children rather than their mothers, it does include some interesting information on childcare use over time (for one child in the household from 0-1 years old to 4-5 years old) disaggregated by the parents', and specifically the main carer's (usually the mother), employment.

Buddelmeyer (2007) focuses on the care use by mothers receiving income support and finds that they are equally likely to use formal and informal care. However, when mothers on income support with a school-aged child move into employment they are more likely to use care compared to similar mothers who are not on income support. This is mostly due to an increased probability of using informal care. Mothers on income support with a pre-school child are less likely to use formal or informal care than similar mothers not on income support. For mothers on income support, an increase in the hours of work is more likely to lead to an increase in informal care only, compared to mothers off income support.

Houng, Jeon and Kalb (2011) focus on children who are observed from birth onwards up to the age of 4-5. However as part of their descriptive analysis they investigate the relationship between parents', and specifically the main carer's (usually the mother), employment and childcare use. The proportion of mothers working full time or part time increases from 39% in Wave 1 to 59% in Wave 3 as their child grows older, and with it the use of non-parental childcare grows. For couple families, the most observed employment combination in Wave 2 and Wave 3 is one partner working full time (typically the father) while the other works part time. Due to couples' ability to share the parenting responsibilities, it is not surprising that single parents use more childcare at a comparable intensity of labour market involvement. The type of childcare that is used changes as the child ages. In the first wave when children are aged 0-1, informal care is most frequently used, but this changes to the use of day care centres in wave 2 (children are aged 2-3) and then education-related care in wave 3 (children are aged 4-5). This pattern clearly illustrates how the needs of the child (although this is possibly combined with the availability of care) are likely to affect childcare choice, and ultimately affect the mother's labour supply.

In another report (Buddelmeyer and Fok, 2007), the focus is on mothers in the years just after childbirth, exploring factors that increase the probability of returning to work. Of all mothers who were employed in the year before childbirth 75 per cent returned to work within a period from one to four years. After four years, more than 90 per cent have returned and after one year just under 40 per cent have returned. Part-time work is most prevalent, both for women who previously worked part time and for women who worked full time. Jeon, Wilkins and Fok (2008) show that, for single mothers, part-time work can act as a stepping stone to full-time employment down the track.

Lower education decreases the time out of work after birth, thus it will be of interest to examine what happens once the Paid Parental Leave has been in place for a while. In addition, being single, having school-age children and higher skills as reflected in the previous occupation decrease the time out of work. The probability of returning (independent of timing) shows slightly different effects. It increases with being in work before birth, in more recent years (mostly due to increase in part-time work), with having high skill/education (particularly in full-time work), with being younger, with access to flexible working times and unpaid leave (paid leave is not significant: there is a positive effect on full time employment but a negative effect on part-time employment), and it first increases with time then decreases (due to fluctuations in return to part-time work).

Jeon, Kalb and Vu (2008) deal with a particularly disadvantaged group of (former) teenage mothers who have much worse labour market outcomes than other mothers. This group is much more likely to remain dependent on income support in the long term as well as in the short term after giving birth. A lack of education and poor health appear driving forces in long-term income support reliance. In addition, persistence in income support dependence appears to play a major role in the probability of receiving income support. This indicates early intervention may be important to improve outcomes for this group.

Contribution to knowledge on this topic

- Informal care seems an important substitution for the mother's care when she becomes employed starting from unemployment combined with income support, and similarly when she increases hours worked starting from employment combined with income support.
- The type of childcare that is used is influenced by the age of the child.
- Single-parent families have larger childcare needs than couple families with children.
- Mother's employment rate is 39% when her child is aged 0-1, this increases with 20 percentage points by the time her child is aged 4-5.
- Very strong income support persistence of teenage mothers, combined with a range of poor outcomes with regard to health, education and labour market participation.
- Parental leave and flexible hours appear important in retaining women in the labour market after childbirth. Stronger attachment to the labour market prior to birth is also relevant.
- Part-time work may be an effective way to maintain labour market attachment leading to future full-time work, at least for single mothers on income support.

Potential policy implications

- If informal care is important in facilitating employment or increased hours in employment this could be a major hurdle for immigrants (both from other States and from other countries).
- Special attention is needed for teenage mothers, not only in trying to reduce the number of teenage pregnancies but also in providing assistance to young mothers to prevent long-term dependency on income support. Education and health appear two important areas with which to start.
- Policies are required around the return to work after childbirth. It will be insightful to assess the impact of Paid Parental Leave, introduced at the start of 2011, on labour market participation and duration of return to employment of mothers with low levels of education.
- For income support recipients, facilitating and encouraging part-time work appears important.

Reference list for 2005-2010 SPRS projects

- 1/06 Buddelmeyer, H. (2007). [‘Use of Informal Childcare and Decisions on Work by Income Support Recipients.’](#)
- 5/07 Buddelmeyer, H. and Fok, Y.K. (2007). [‘What Determines How Long Women Spend Out of the Labour Force after the Birth of a Child?’](#)
- 1/10 Hounq, B., Jeon, S.H. and Kalb, G. (2011). [‘The Effects of Childcare on Child Development.’](#)
- 7/07 Jeon, S. H., Kalb, G. and Vu, H. (2008). [‘Teenage Mothers’ Income Support, Education and Paid Work: The Dynamics of Welfare Participation.’](#)
- 6/07 Jeon, S.H., Wilkins, R. and Fok, Y.K. (2008). [‘Full-time Work and Single Mothers.’](#)

Appendix Table 1 Summary Table of Reports Relating to Outcomes for Women

Authors/title	Data	Approach	Findings
Buddelmeyer, H. (2007) Use of Informal Childcare and Decisions on Work by Income Support Recipients	HILDA 2001-2005 and Child Care Survey 2002	Descriptive analysis, multinomial logit on a selective sample of mothers who increased hours worked, and dynamic multi-period multinomial logit model with random effects. Dependent variable: combined employment/care outcomes	<ul style="list-style-type: none"> • Mothers on income support are not more likely to use informal care relative to formal care. • When moving into employment, compared to mothers not on income support, <ul style="list-style-type: none"> • mothers with child\geq5 are: more likely to use care, which is due to being more likely to use informal care (formal care use about equally likely) • while mothers with a child <5 are: less likely to use formal and informal care • Increased hours of work is more likely to lead to an increase in informal care only and to an increase in all care for mothers on income support compared to those not on income support. This holds when controlling for other characteristics as well.
Buddelmeyer, H. and Fok, Y.K. (2007) What Determines How Long Women Spend Out of the Labour Force after the Birth of a Child	HILDA 2001-2005	Descriptive analysis, logit and multinomial logit. Dependent variable: Return to work, part-time vs full-time work, timing of return	<ul style="list-style-type: none"> • 75% of mothers working before birth return to work within the observation period in HILDA. After 4 years, more than 90% have returned and after 1 year just under 40% have returned. • Part-time return most prevalent (amongst those who worked FT before: 36% FT, 44%PT, 20% not returned yet, while it was 67% PT, 8%FT amongst those in PT work before) • Factors increasing the probability of return to work: in work before birth, first increases with time then decreases (due to fluctuation in return to part-time work), more recent years (mostly due to increase in PT), high skill/education (particularly in full-time), being younger, flexi-time, unpaid leave (paid leave is no longer significant: positive effect on FT but negative on PT) • women with intermediate skills less likely to return than women with low skills • women from non-English speaking background more likely FT, less likely PT • Factors decreasing the time out of work after birth: lower education, single, school-age children, high skills
Jeon, S. H., Wilkins, R. and Fok, Y.K. (2008) Full-time Work	HILDA 2001-2005	Descriptive analysis and dynamic panel multinomial logit. Dependent variable: not	<ul style="list-style-type: none"> • Part-time work serves to some extent as a stepping-stone to full-time work for single mothers with a youngest child under 12 and single mothers with a youngest child over 16. • Mothers in part-time work now are more likely than non-employed mothers to be in

Authors/title	Data	Approach	Findings
and Single Mothers		employed, PT , or FT employed.	full-time work next year.
Jeon, S.H., Kalb, G. and Vu, H. (2008) Teenage Mothers' Income Support, Education and Paid Work: The Dynamics of Welfare Participation	HILDA 2001-2005, Census 2001	Descriptive analysis and dynamic random effects probit. Dependent variable: welfare participation	<ul style="list-style-type: none"> • Strong correlation between teenage motherhood and education, but given timing of early school leaving (well before pregnancy), having a child is unlikely to cause early school leaving • Education of more recent birth cohorts of women has increased compared to earlier birth cohorts but not for those who became teenage mothers • In a comparison of women who had their first child as a teenager and women who had their first child at a later age, it is found that state dependence (effect of welfare participation in the previous period on current welfare participation) is more important for teenage mothers. Health status is more important for teenage mothers (increases welfare participation), while marital status is more important for older mothers (decreases welfare participation).
Houng, B., Jeon, S.H. and Kalb, G. (2011). 'The Effects of Childcare on Child Development.'	LSAC 2004-2008	Descriptive analysis of child care use and parents' employment using Wave 1 to Wave 3	<ul style="list-style-type: none"> • the proportion of mothers working full time or part time increases from Wave 1 to Wave 3 as their child grows older (from 0-1 to 4-5) • For couples, the most popular employment combination in Wave 2 and Wave 3 is one partner working full time (typically the father) while the other works part time • We observe a clear move from informal care in the first wave (children are aged 0-1), to day care centre use in wave 2 (children are aged 2-3) and education-related care in wave 3 (children are aged 4-5) • when parents are more involved in the labour market, more non-parental childcare is used for their children. • Compared to couple families, single-parent families use more childcare at a comparable intensity of labour market involvement