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Australian Institute of Family Studies



Discovering what
works for families

Parental separation: 30 years years ago and now. Changes in financial and personal wellbeing implications?

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Paper presented at the 11th
Economic and Social Outlook
Conference, Melbourne, 20–21 July



Our brief & plan



Our brief

- Focus on family income and wellbeing
 - Including “decisions around work, life and family structure”

Focus

- Parental separation: financial and personal wellbeing associated with post-separation pathways some 30 years ago and recently

Initial data

- AIFS Economic Consequences of Marriage Breakdown (“Settling Up”), followed up in 1987 (“Settling Down”)

Huge societal changes since then

Have the broad patterns changed much?

- HILDA
- AIFS Longitudinal Study of Separated Families (LSSF)



AIFS “Settling-up” & “Settling Down”
(Follow-up study, 1984 & 1987)

AIFS Settling Up & Settling Down studies



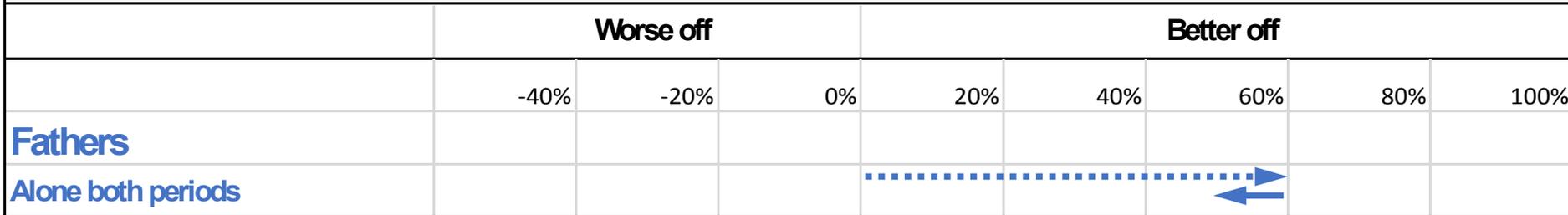
- Groups followed up:
 - Divorced in 1981 or 1983 in Melbourne Registry of the Family Court of Australia
- Sample (N=523)
 - Married for 5–14 years (never previously married)
 - 2 dependent children of the marriage
 - = the most common cases divorcing at the time
- Interval between separation and Wave 1 interview
 - 3–5 years (1981 divorcees)
 - <3 years (1983 divorcees)

Settling Up & Down follow-up

Equivalised disposable household income by post-separation pathways



Changes in equivalised HH disposable income: 1984 & 1987 (Mostly 2–5 then 5–8 years after sepn)



Henderson equivalence scale used

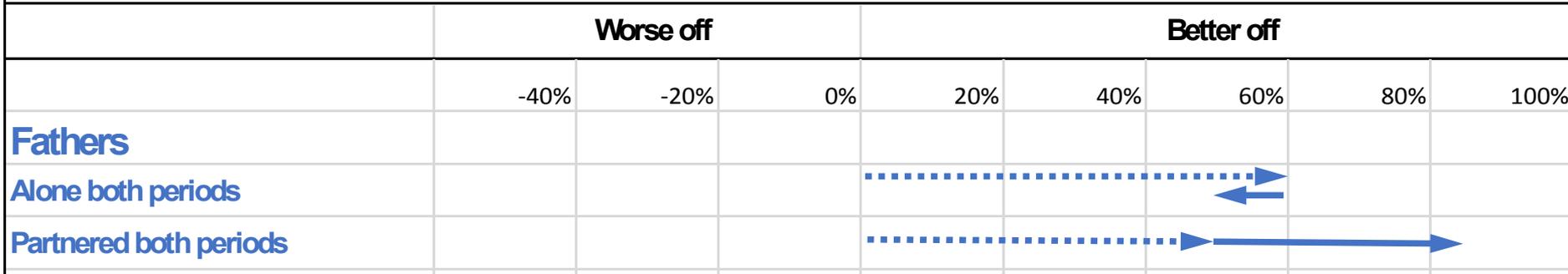
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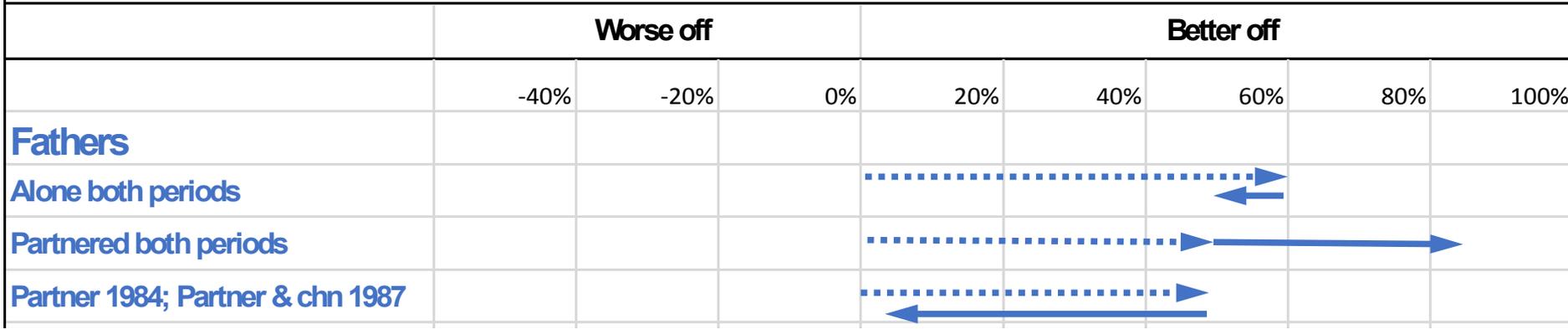
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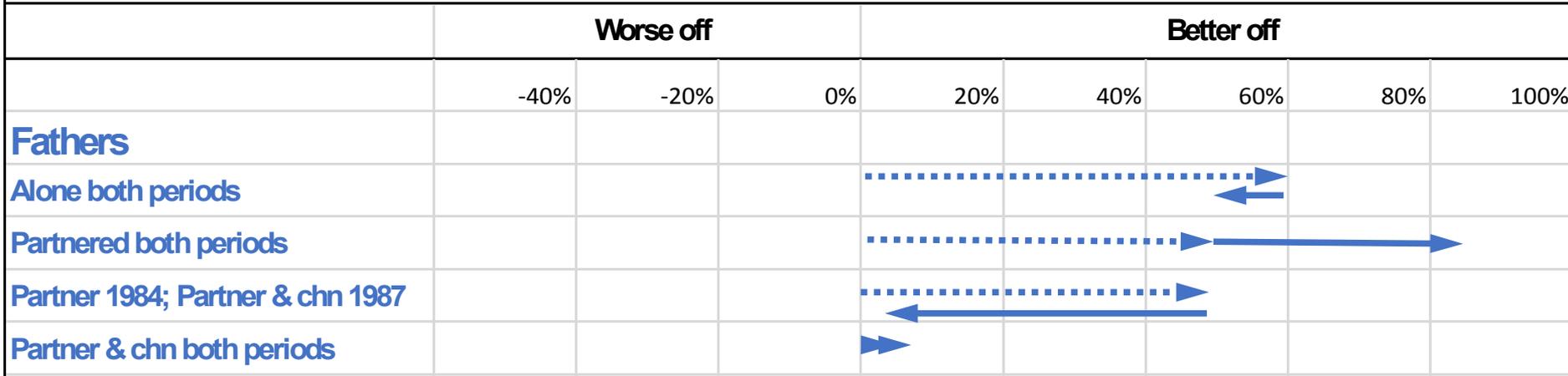
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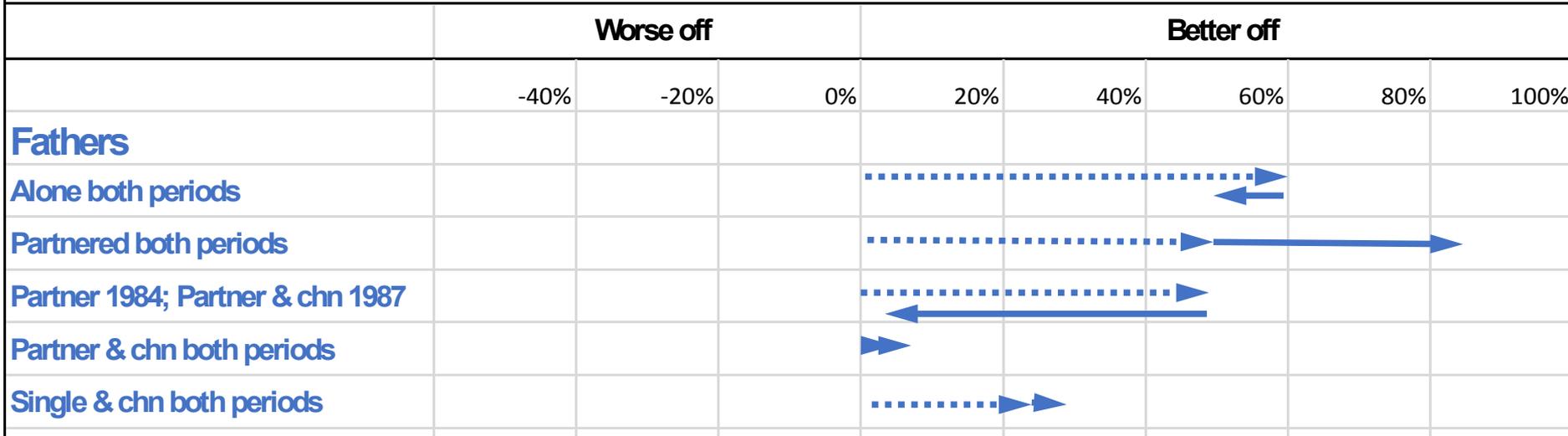
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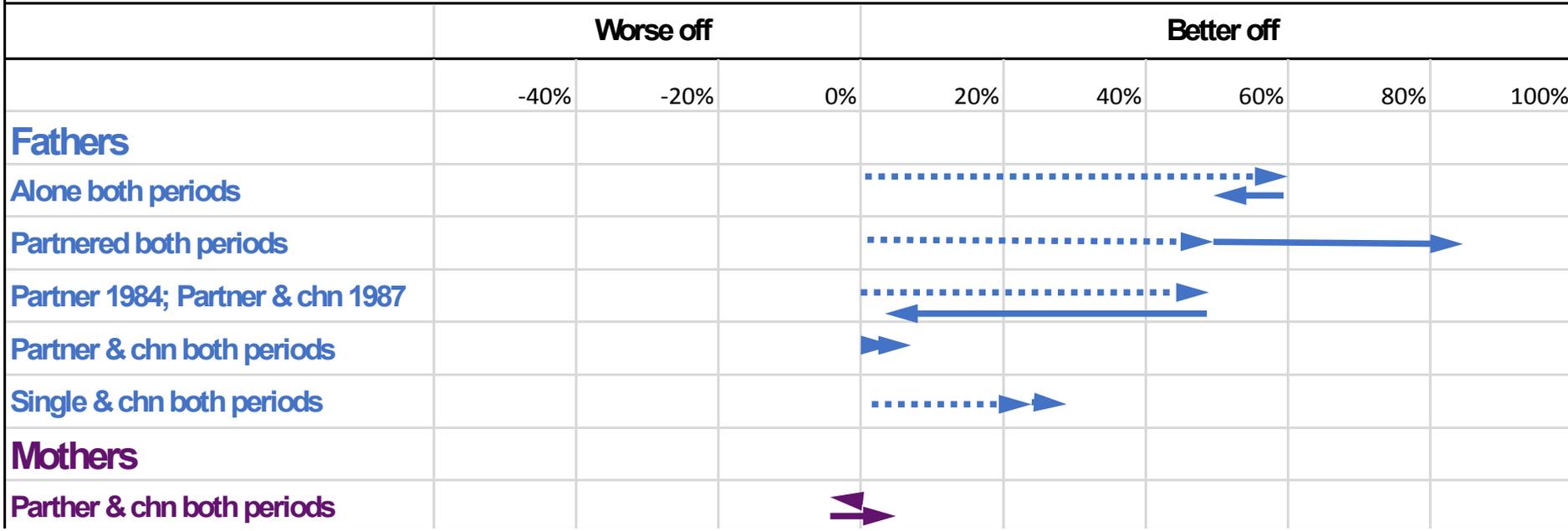
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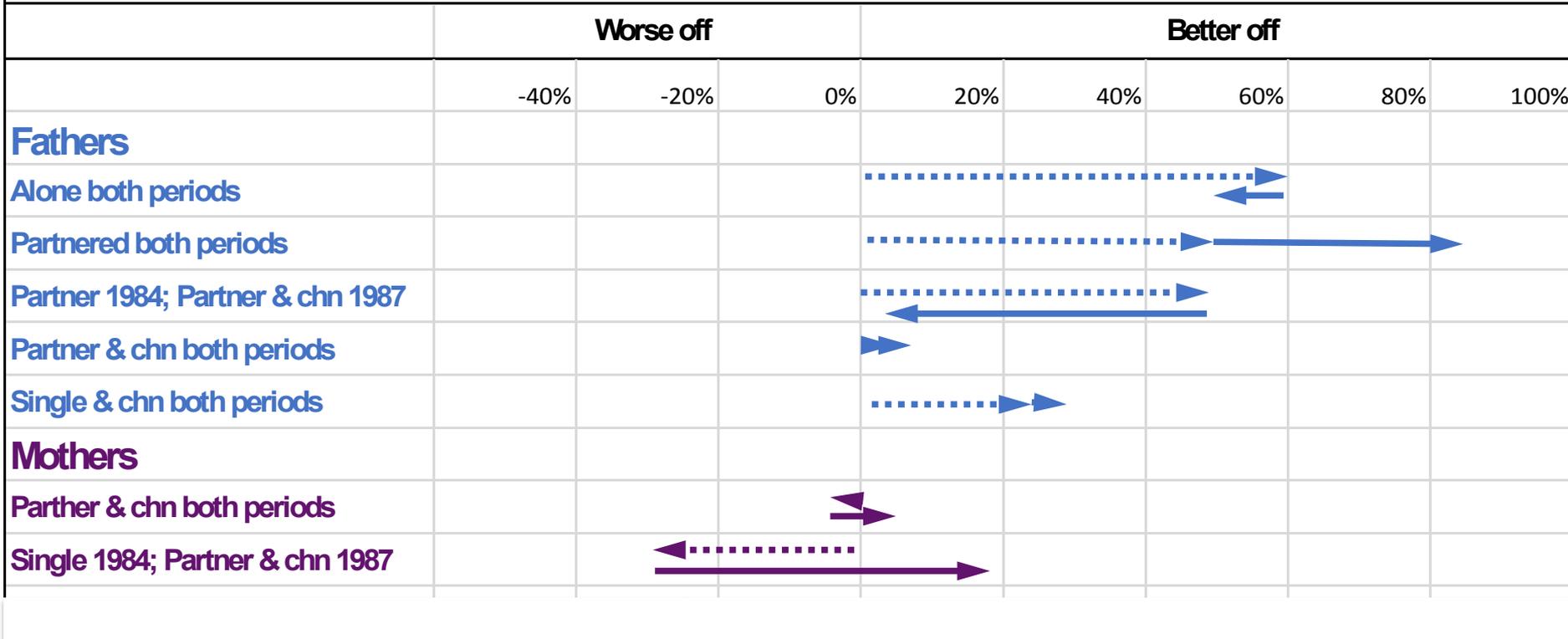
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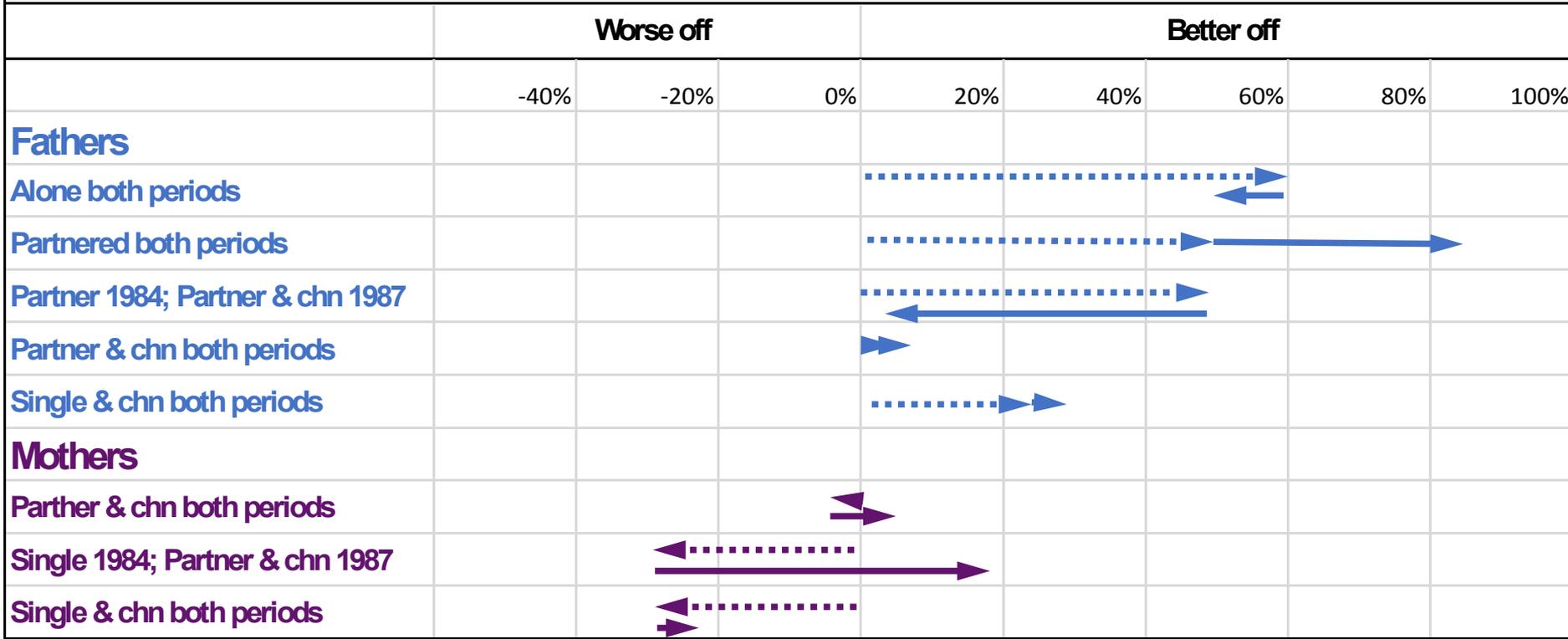
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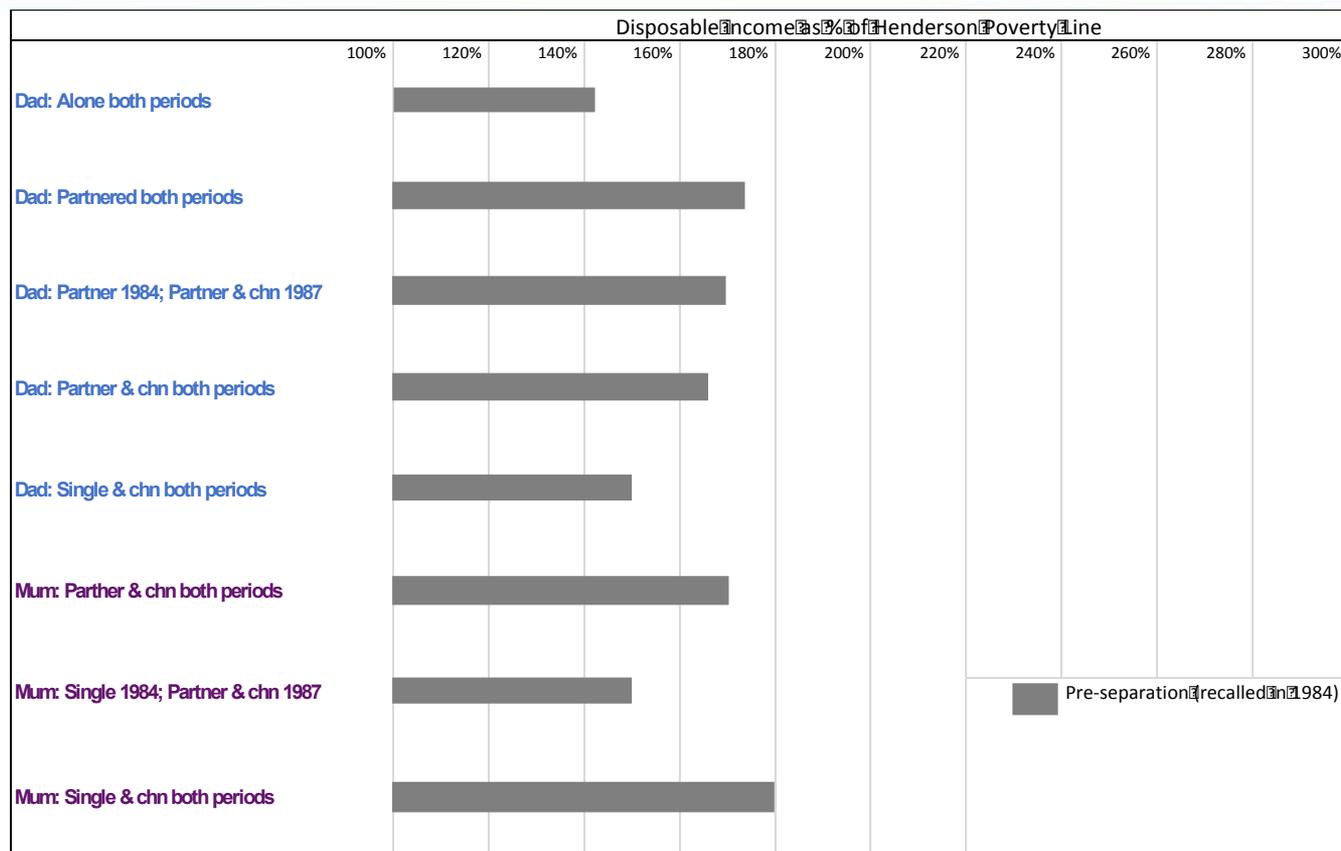
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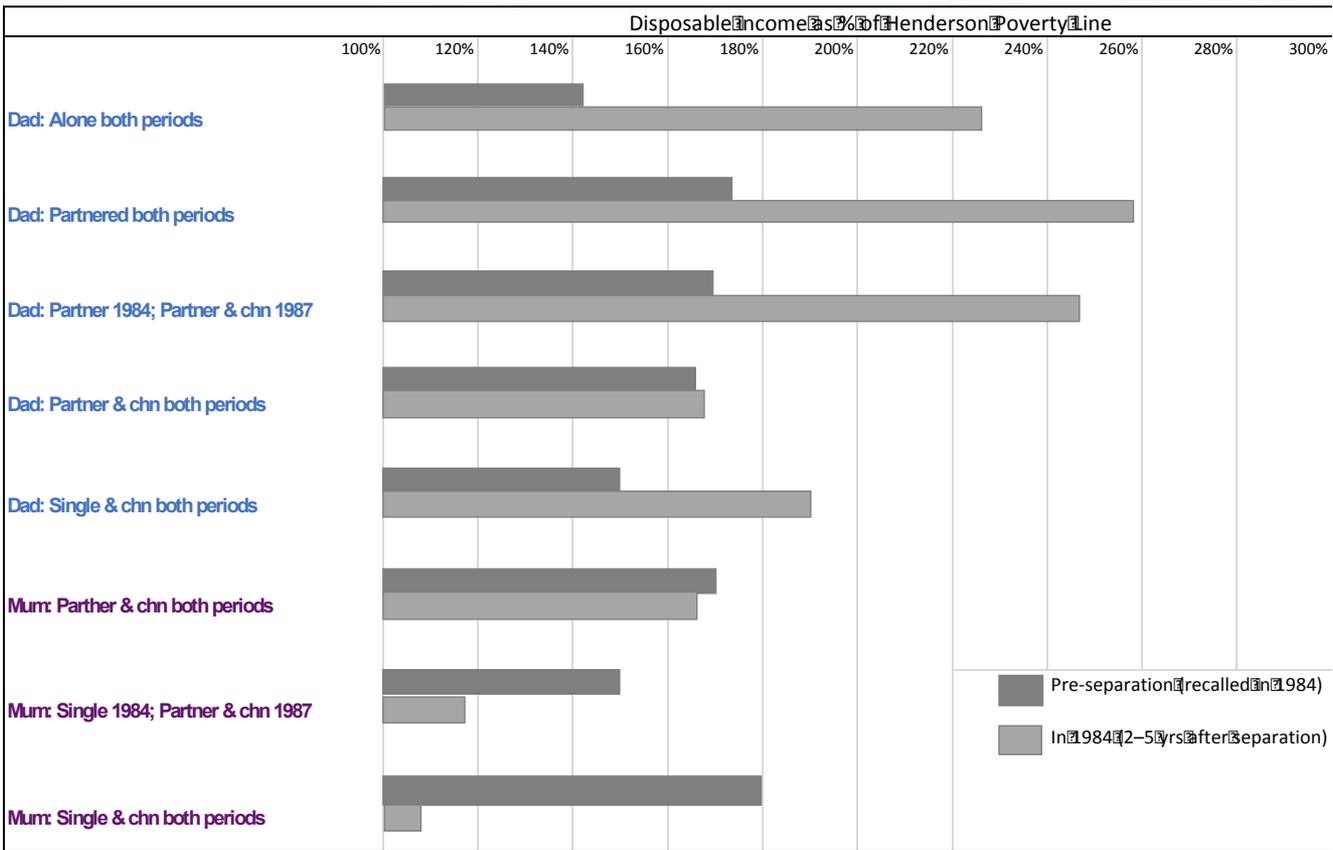
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Sample of divorced parents in the 1980s: Income as percentage of Henderson Poverty line by post-separation pathways



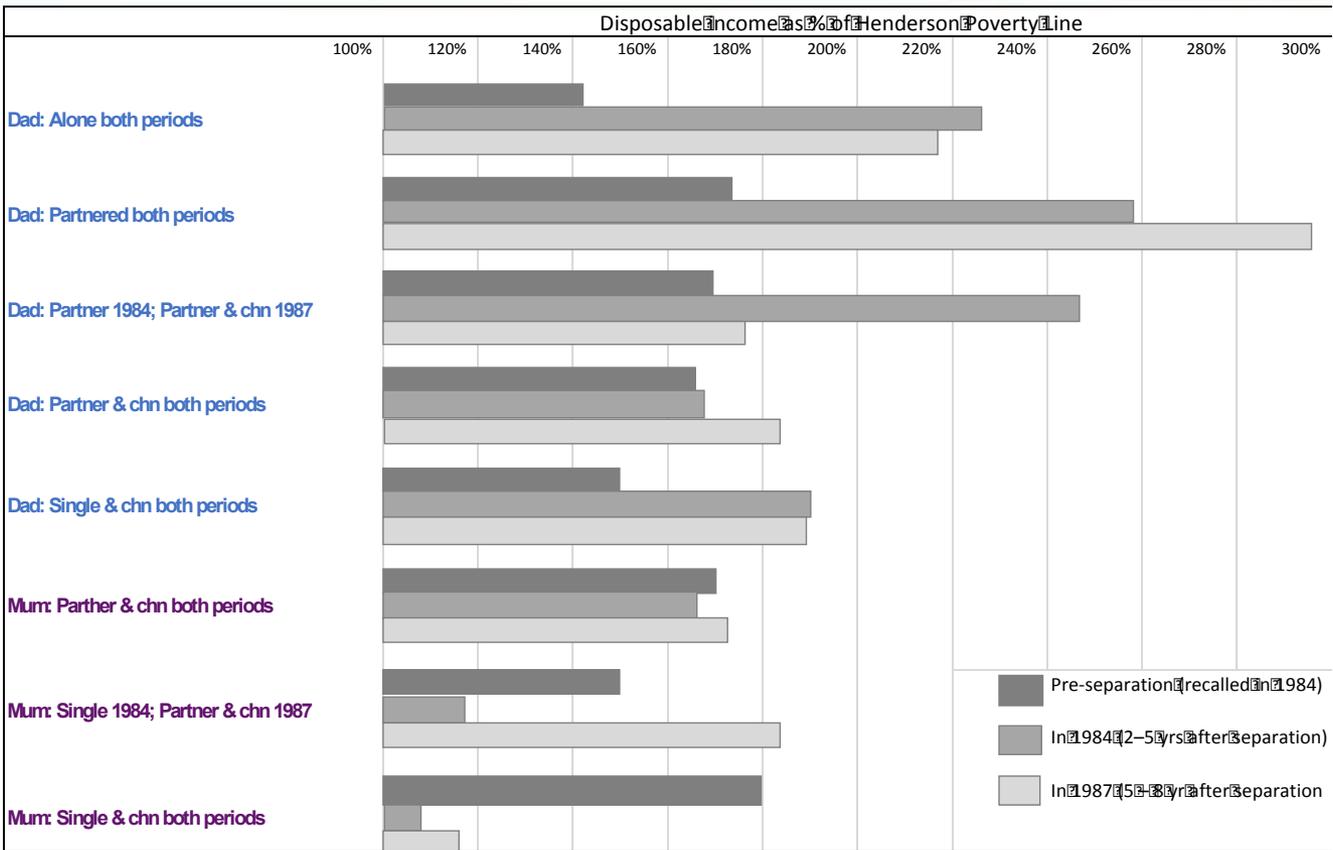
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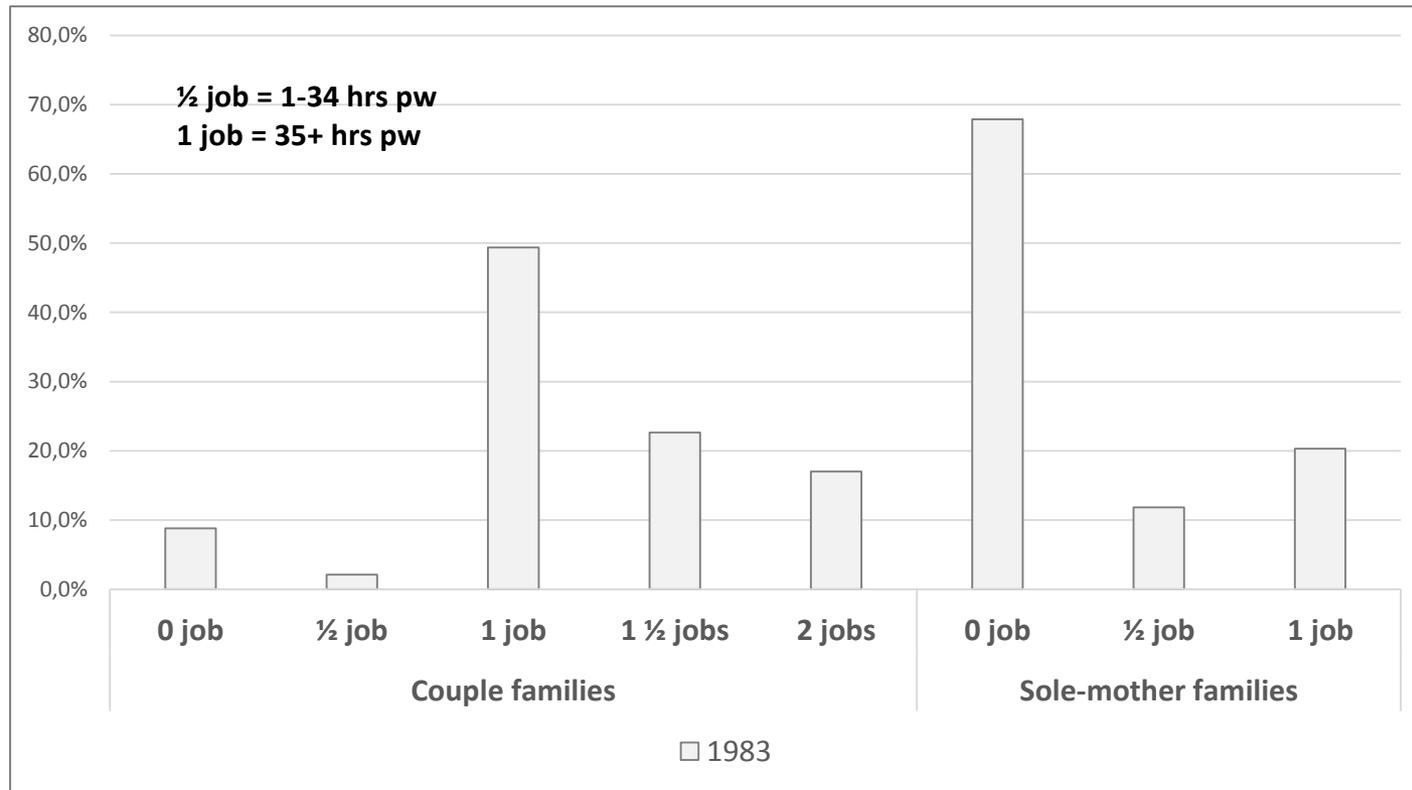


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Many changes over the last 30 years – for example:

- School retention to Year 12 – increased
- Higher education enrolment rate – increased
- Remaining longer in parental home
- Entering live-in relationship (and marrying) at later age
- Cohabitation – increased &
 - pre-marital cohabitation has become the norm
- Crude marriage rate – mostly fallen
- Becoming parents at later age
- Having fewer children (2 is now the norm)
- Ex-nuptial births increased
- Crude divorce rate – decreased
- % partnered (married or cohabiting) – decreased (except where 65+ yrs old)
- Employment rates of couple and single mothers – increased
- Among couples: dual incomes more common than single income

Families with children <15 or full-time students 15–24 yrs: Parental employment status, 1983

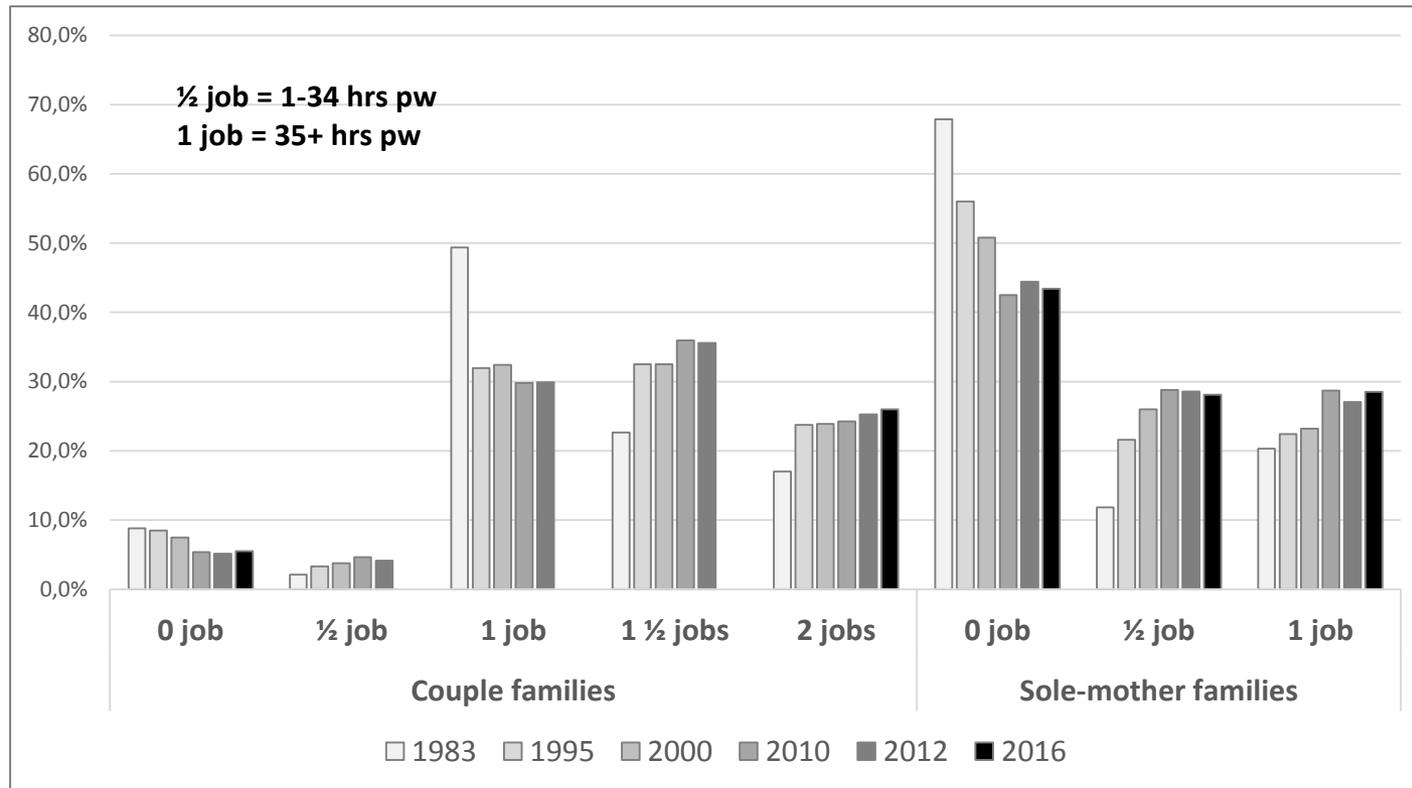


Note: In 2016, 69% of couple families with dependent children had 1/2, 1 or 1 1/2 jobs. The %s with each of these different arrangements were not available.

Sources: ABS – mostly from *Labour force and other characteristics of families* (various years) (Cat. No. 6224.0.55.001).



Families with children <15 or full-time students 15–24 yrs: Parental employment status, 1983–2016



Note: In 2016, 69% of couple families with dependent children had ½, 1 or 1½ jobs. The %s with each of these different arrangements were not available.

Sources: ABS – mostly from *Labour force and other characteristics of families* (various years) (Cat. No. 6224.0.55.001).





HILDA

Changes in equivalised disposable household income
around 2–7 yrs after separation by family type

OECD equivalence scale used

(“modified scale”):

Assigns 1 to HH head; 0.5 for each additional adult and 0.3 to each child

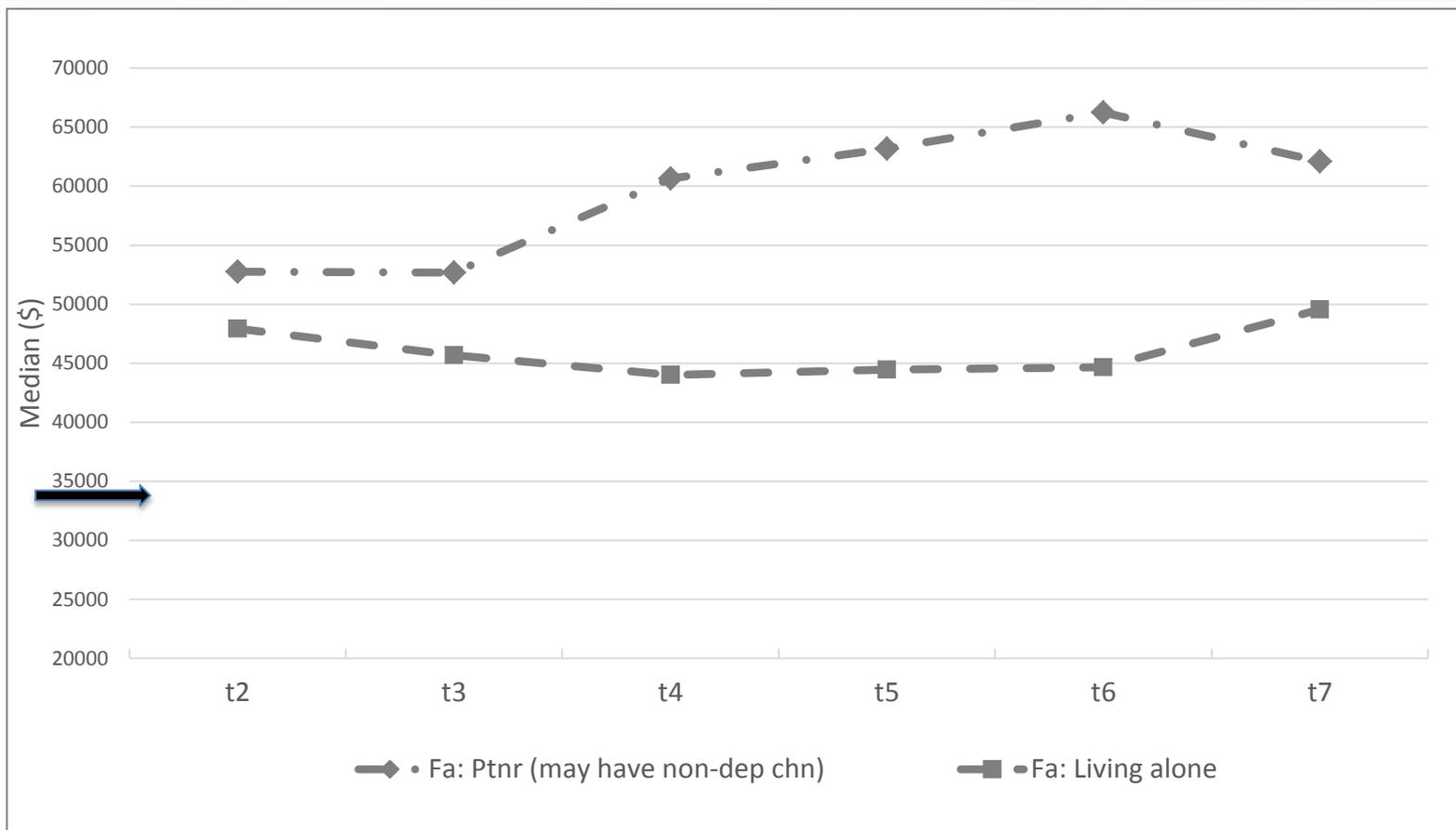


This section uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey.

The HILDA Project was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute).

The findings and views provided in this presentation, however, are those of the authors and should not be attributed to either DSS or the Melbourne Institute.

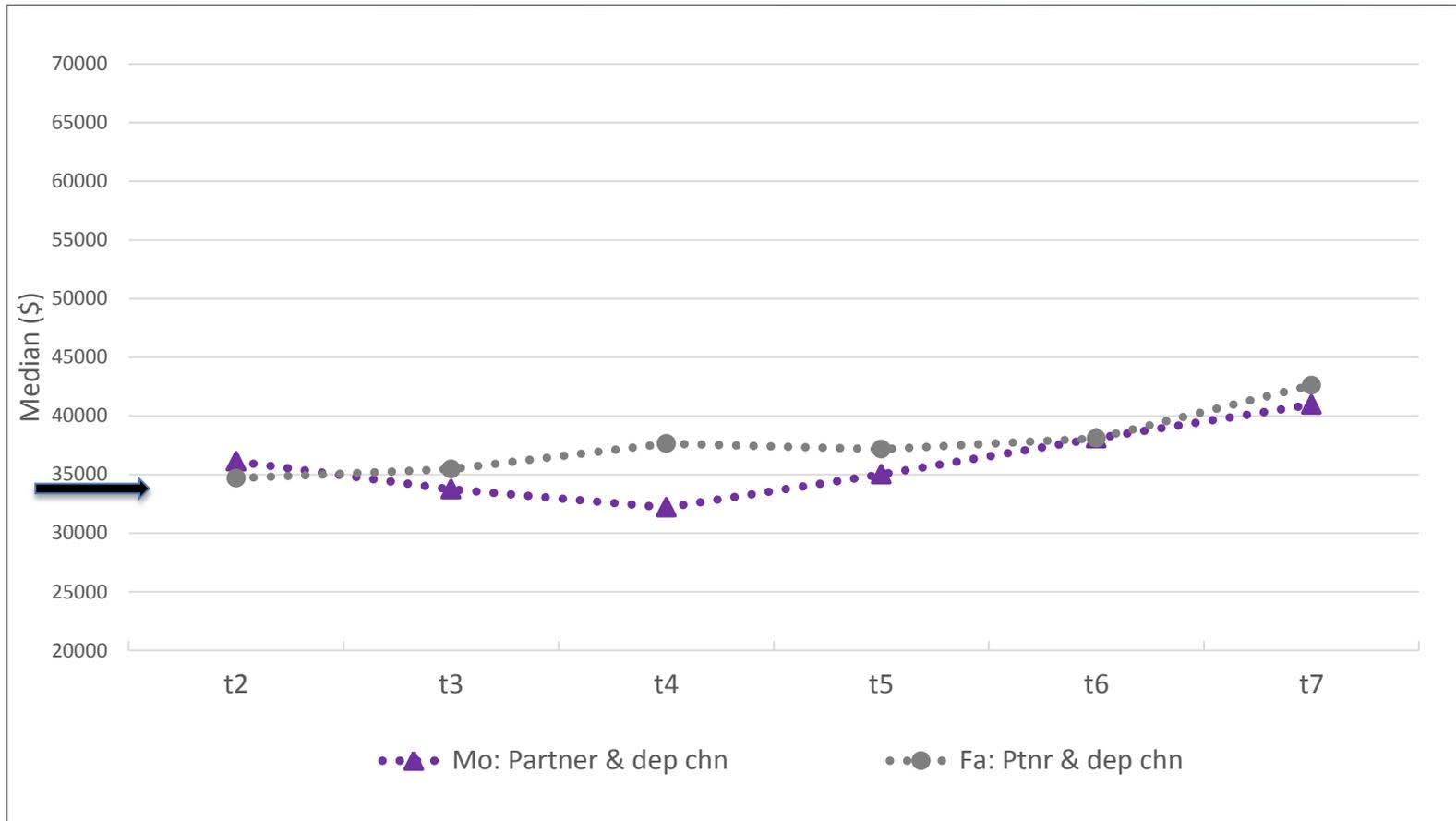
HILDA data: Changes in equivalised disposable household income around 2–7 yrs after separation by family type



Black arrow refers to median pre-separation equivalised disposable household income (fathers: \$34,500; mothers: \$34,000)

▼ Results only depicted where subsample N = 35+ for the period in question

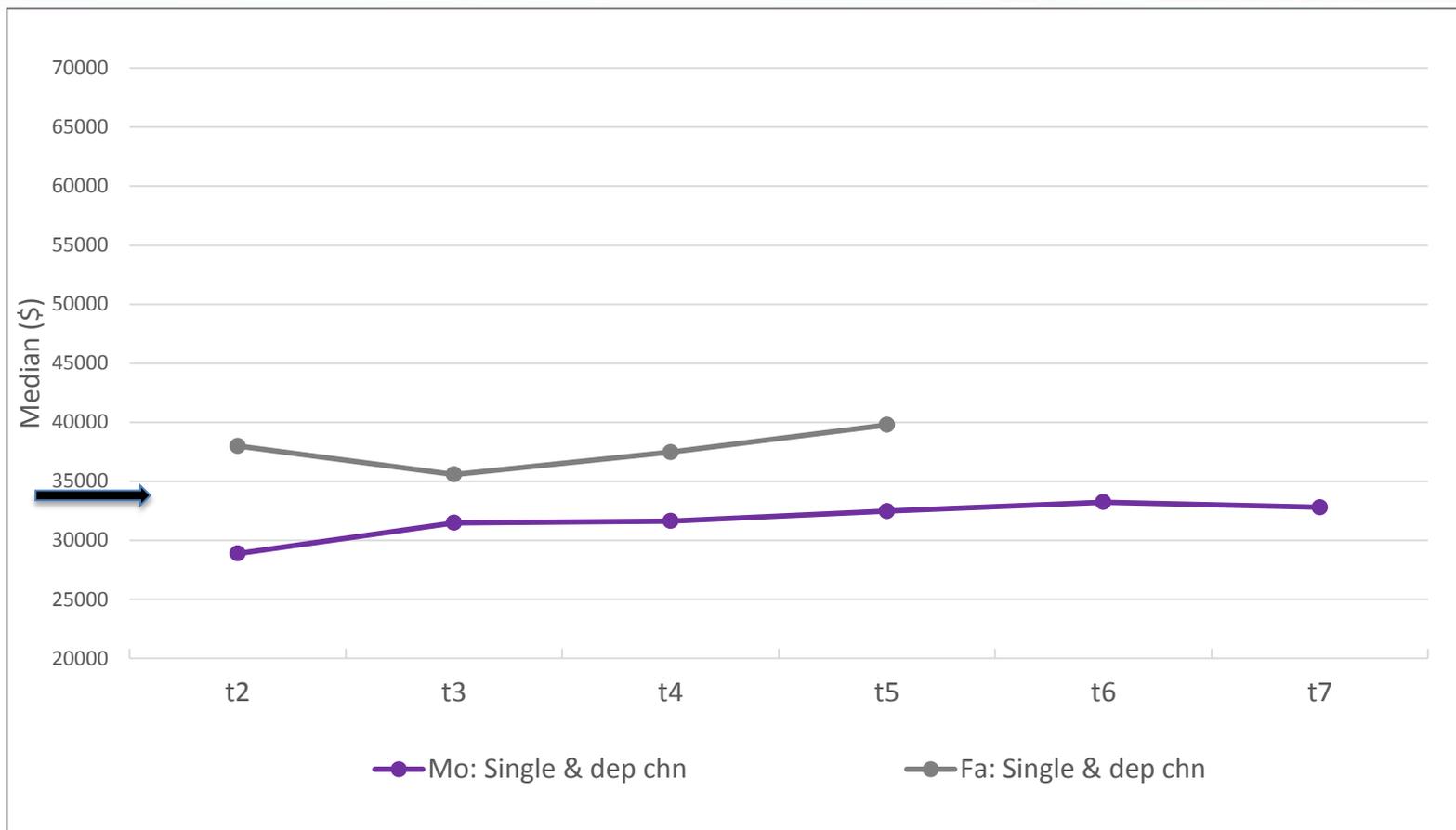
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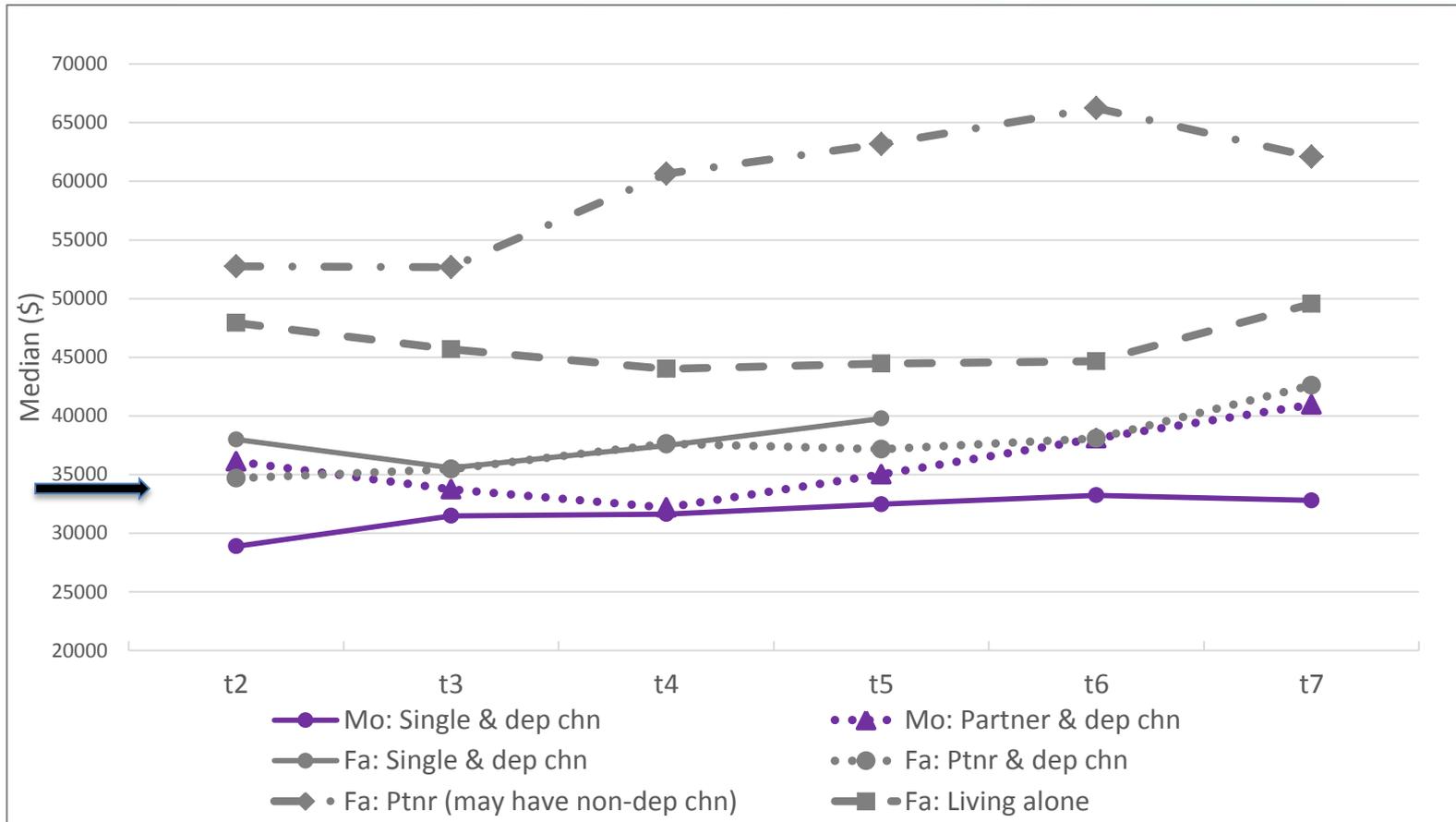
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**AIFS Longitudinal Survey of
Separated Parents (LSSF):**

2008, 2009 & 2012

Longitudinal Study of separated families (LSSF)



- Wave 1
 - 10,002 separated parents
 - who had separated after July 2006 and
 - whose case was registered in Child Support Agency in 2007
 - Who had a child under age 18 years
 - Telephone interviews between August & December 2008
 - Mean separation period = 15 months
- Wave 2
 - 70% of parents followed up one year later in 2009 (N = 7, 031)
- Wave 3
 - 58% of original sample followed up in late 2012 (N = 5,755)
 - Top-up sample: 3,273 parents from the same sample scope

Child-related questions focused on one child in the family

Annual gross household income



- Annual gross household income

Total gross income from all sources (wages, investment, government pensions and benefits) before tax or anything else is taken out

Wave 1: there was no instruction whether child support payment received should be included

Waves 2 & 3: child support recipients were asked to include such payments

Equivalised annual gross household income

- OECD equivalised gross household income (“modified scale”):
 - LSSF children who spent equal time (roughly 50:50) with each parent were assigned value of 0.15 (rather than 0.3) if <15 yrs, and 0.25 (rather than 0.5) if 15+ yrs.
 - Child support payers, W1-W3: actual payment was deducted
 - Child support payees, W1: actual payment was added
- Caution:
 - High level of missing data:
 - W1: 29% (due to missing child support data)
 - W2-W3: 15-16%

Median equivalised gross household income, LSSF and HILDA



	LSSF		HILDA - households
	Fathers	Mothers	
2008 (LSSF W1, HILDA W8)	\$37,200	\$19,567	\$41,164
2009 (LSSF W2, HILDA W9)	\$37,733	\$18,061	\$44,303
2012 (LSSF W3, HILDA W12)	\$42,056	\$24,444	\$47,754

Poverty status

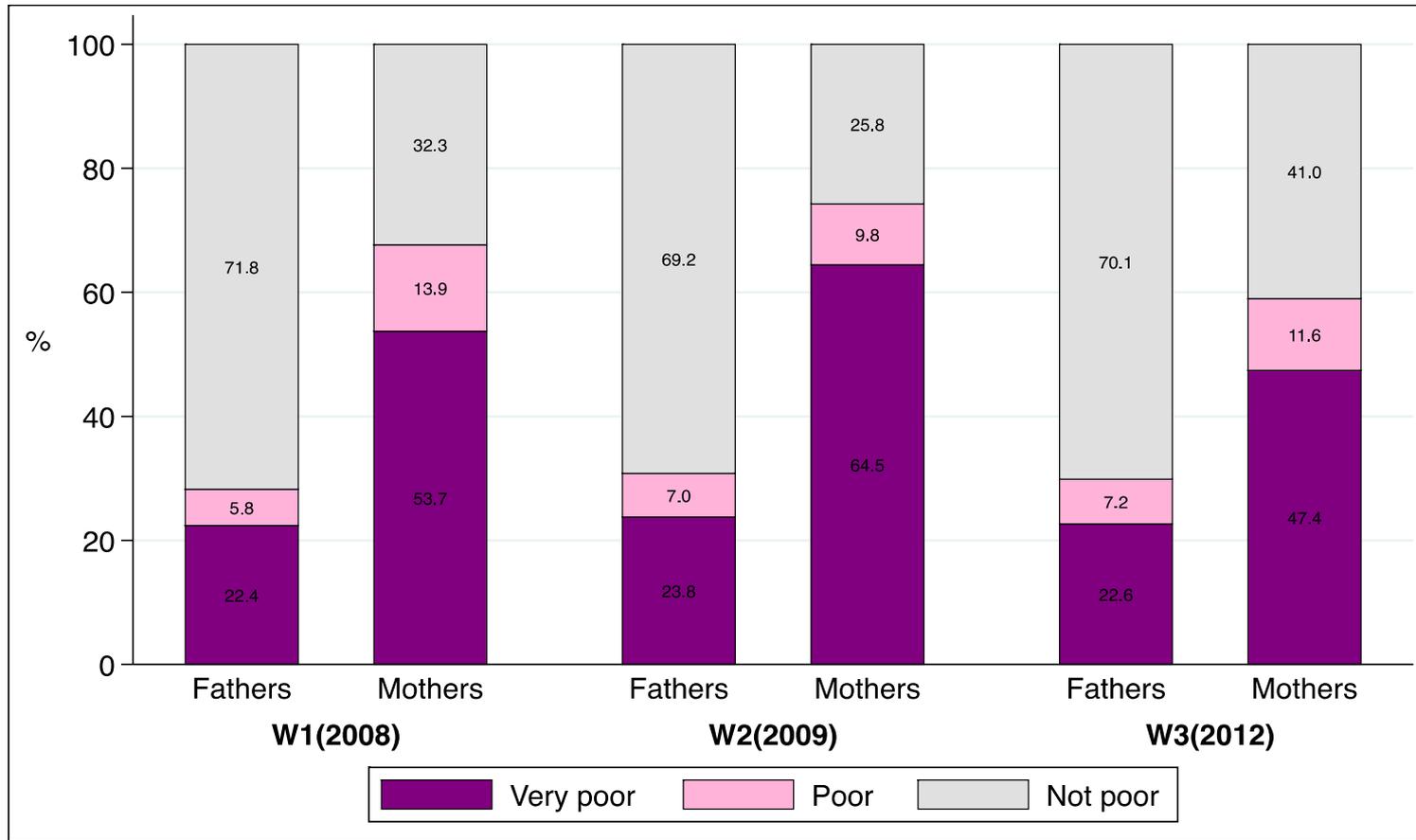


LSSF respondents in each wave:

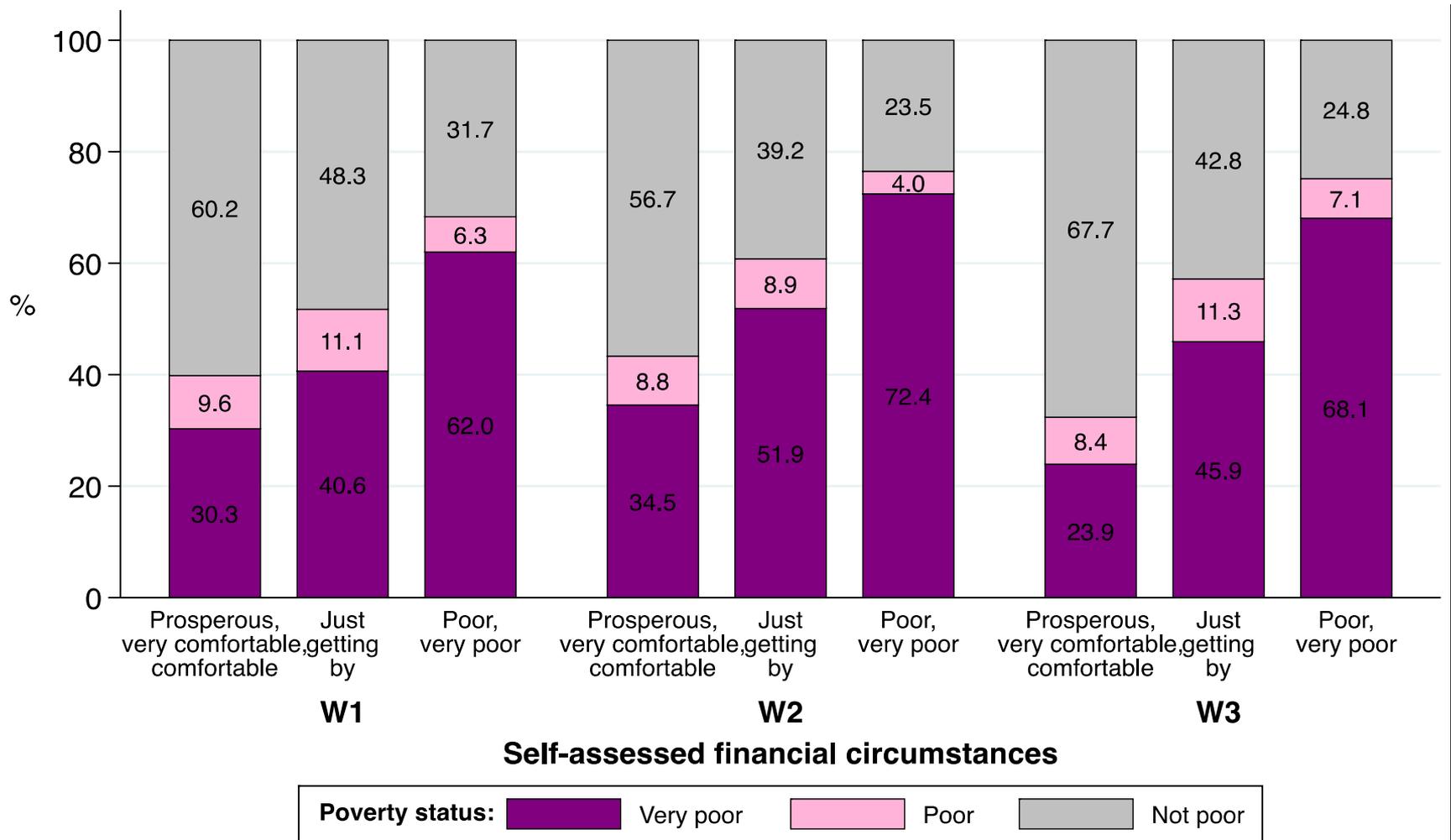
- Very poor: below 50% of HILDA median equivalised gross household income
- Poor: below 60% of HILDA median equivalised gross household income
- Not poor: 60%+

- Poverty status was based on HILDA data, for the years corresponding to LSSF waves (2008, 2009 & 2012)

Income distribution – poverty status by gender



Income distribution – poverty status by self-assessed financial circumstances

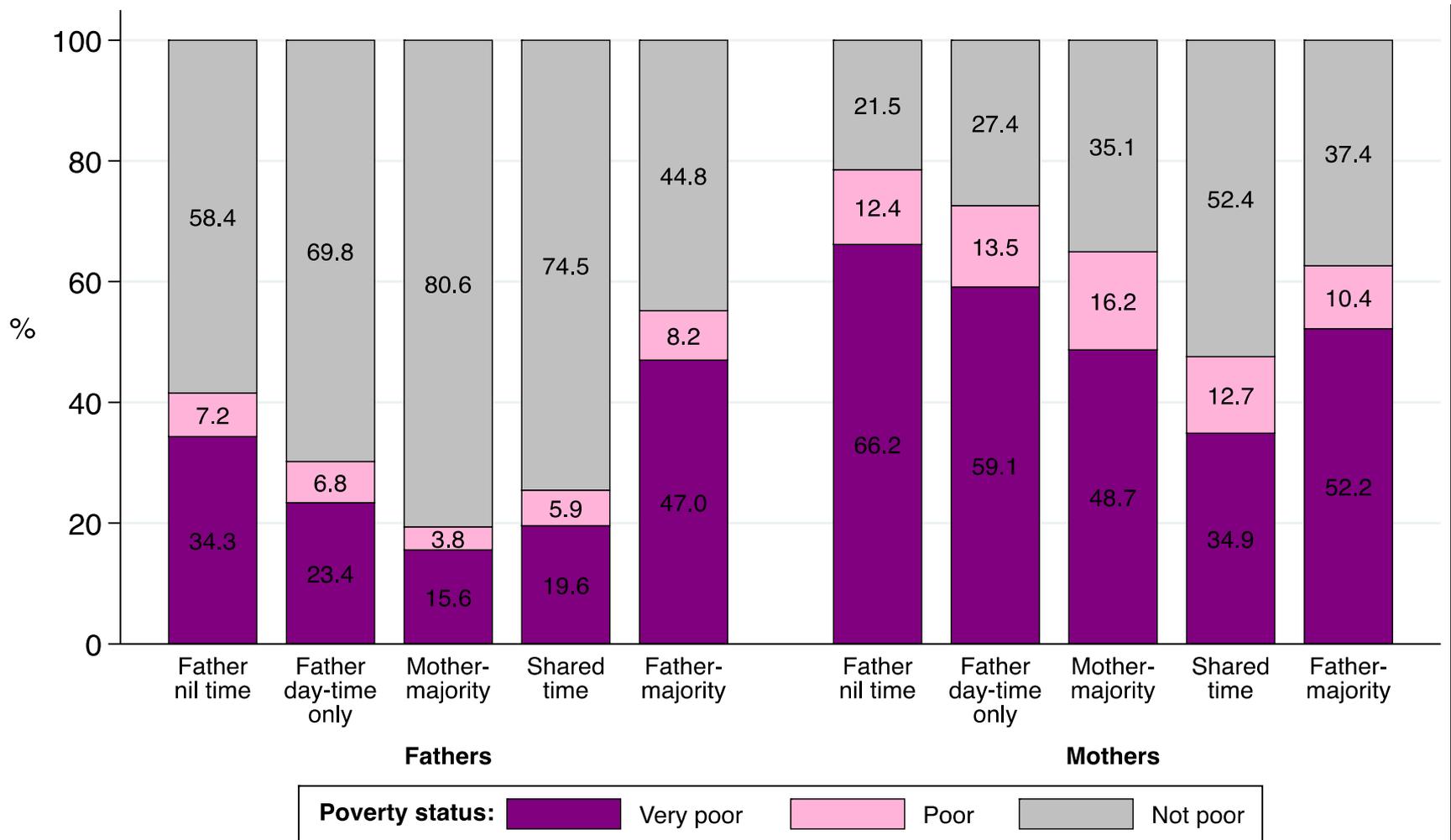


Care-time categories

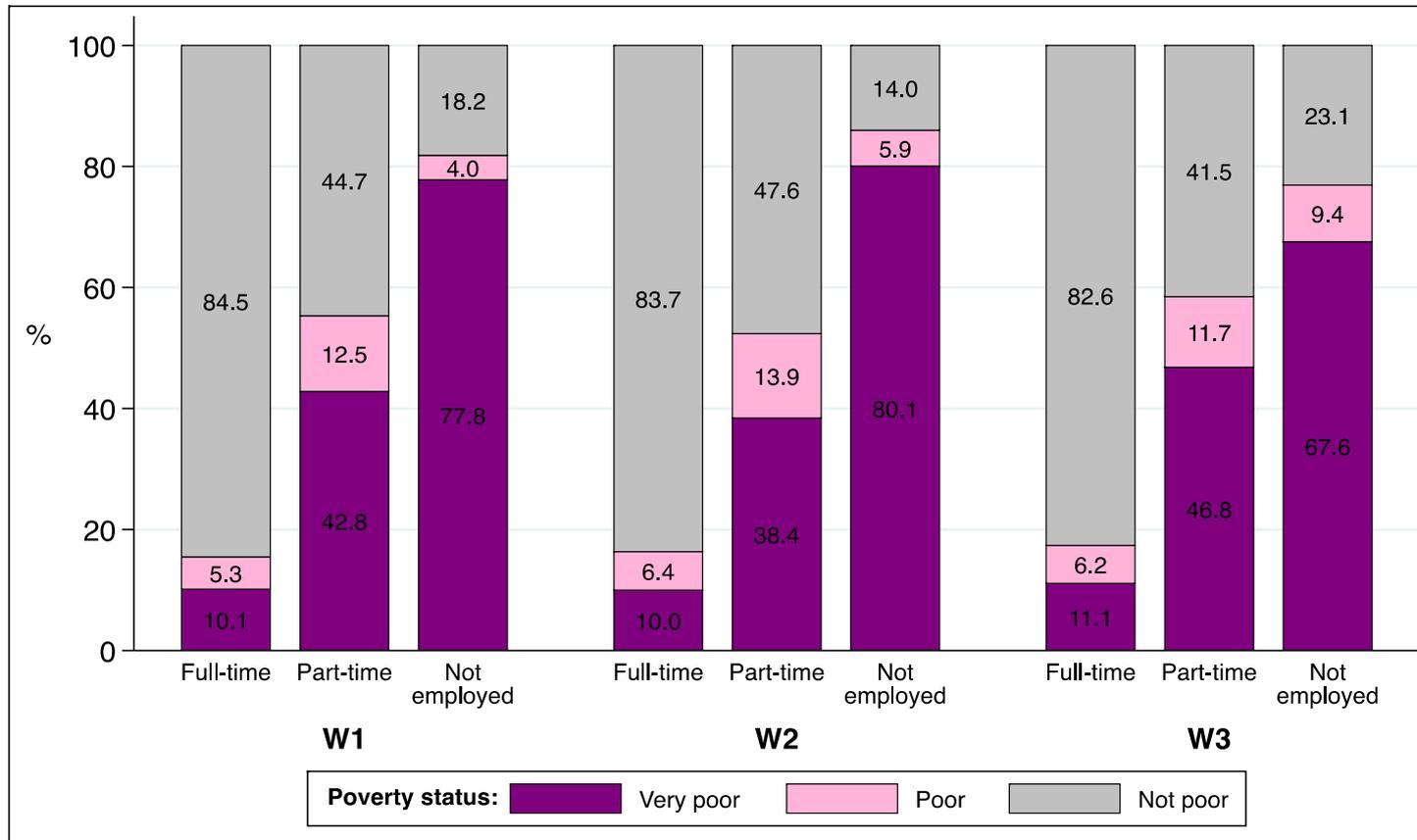


- Father: Nil time
- Father: Day-only time
- Mother-majority
 - 66–99% of nights with mother (1–34% with father)
- Shared time
 - (35–65% of nights with each parent)
 - This band is classified by DHS–Child support as “Shared care” and used in determining CS liability
- Father majority
 - 66–100% of nights with father (0–34% with mother)

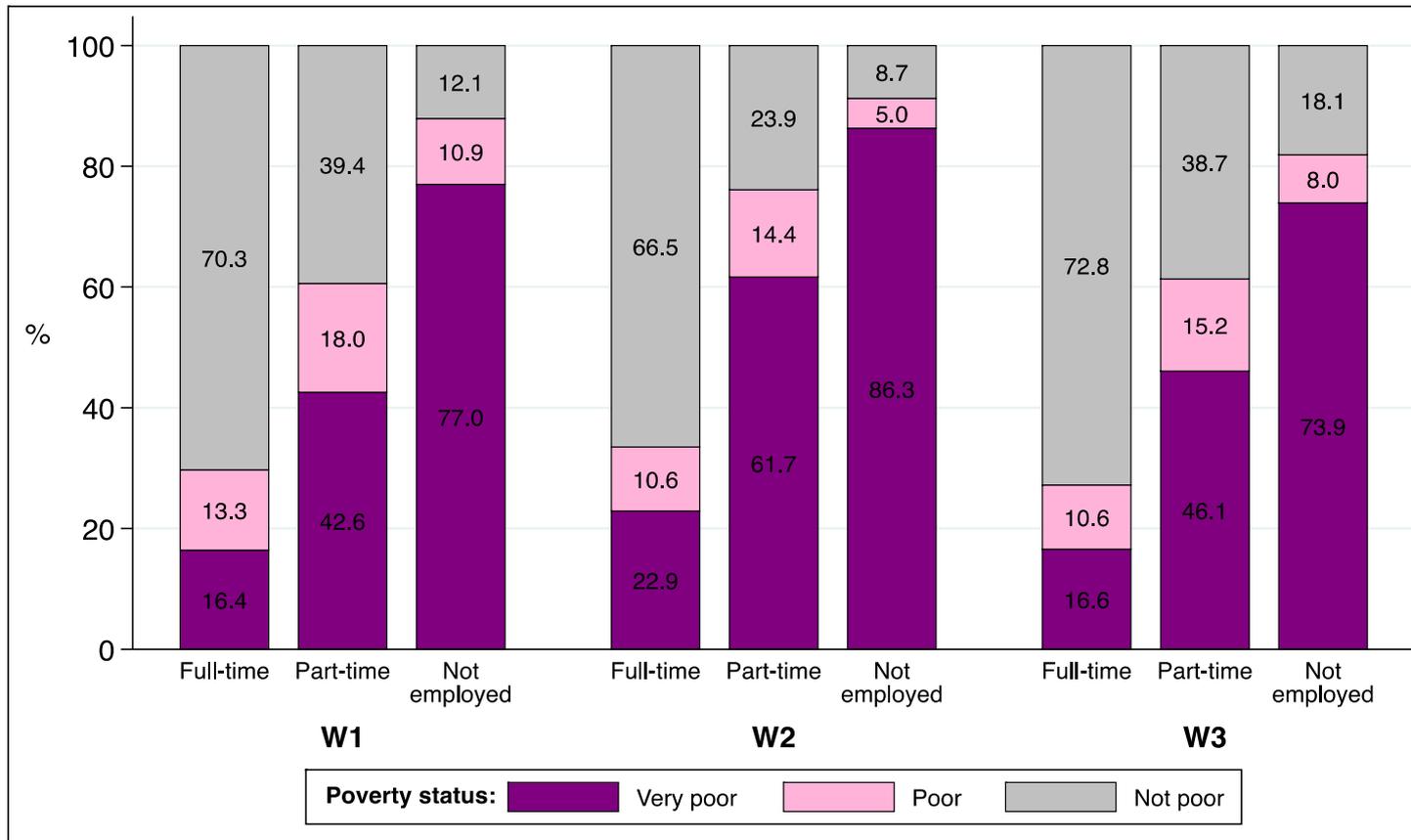
Income distribution – poverty status by care-time arrangement, W1



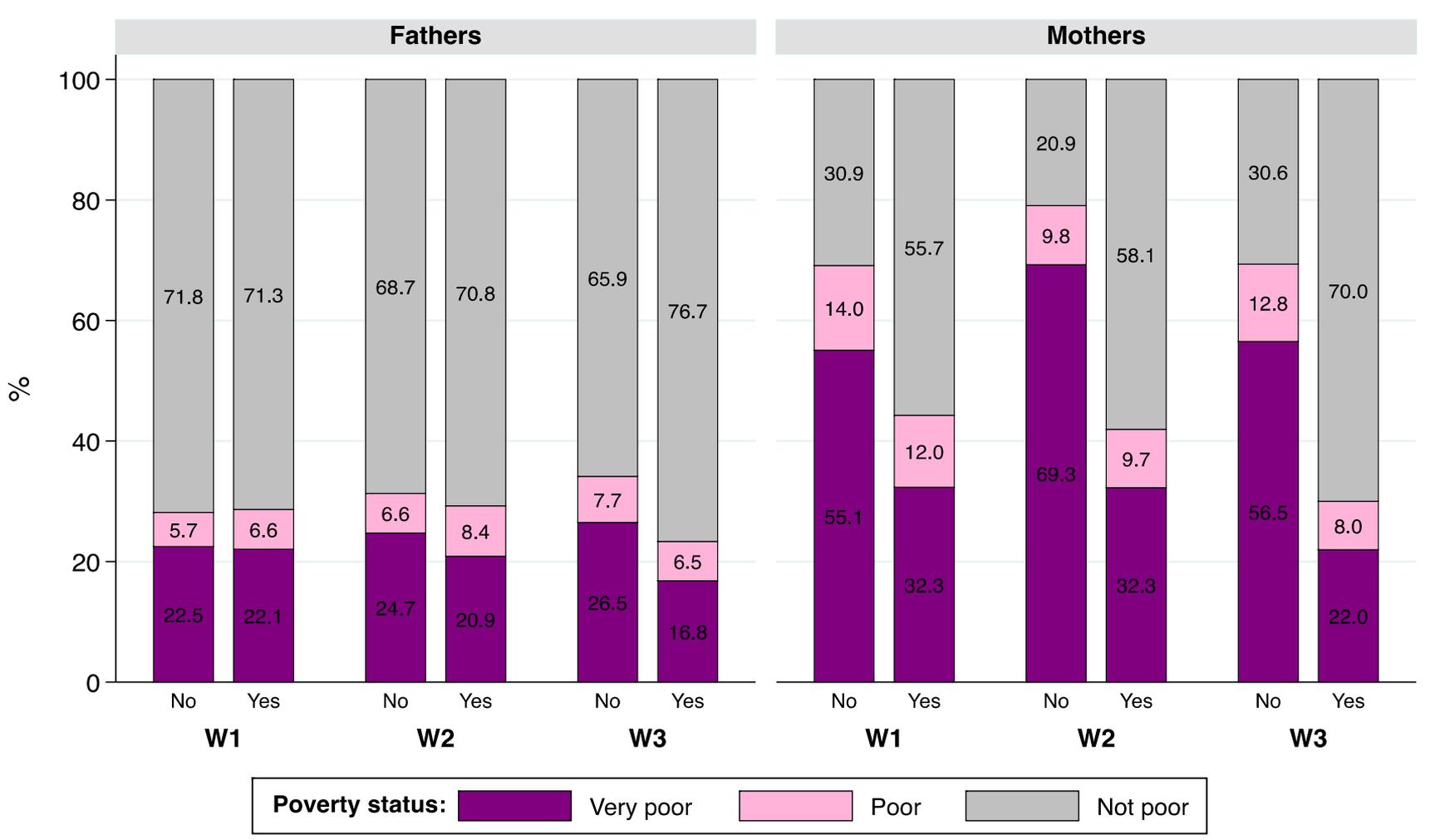
Income distribution – poverty status by employment status, fathers



Income distribution – poverty status by employment status, mothers



Income distribution – poverty status by whether re-partnered



Predicted probability of being “very poor”



Logistic regression of poverty status, very poor vs not poor (excl. the group of “poor”)

	Fathers		Mothers	
	W1	W3	W1	W3
Employment				
<i>Full time</i>	9%	10%	18%	13%
Part-time	44% ***	51% ***	52% ***	53% ***
Not employed	80% ***	66% ***	85% ***	81% ***
Whether living with a partner				
No	15% **	18%	62% ***	62% ***
Yes	24%	15%	38%	15%

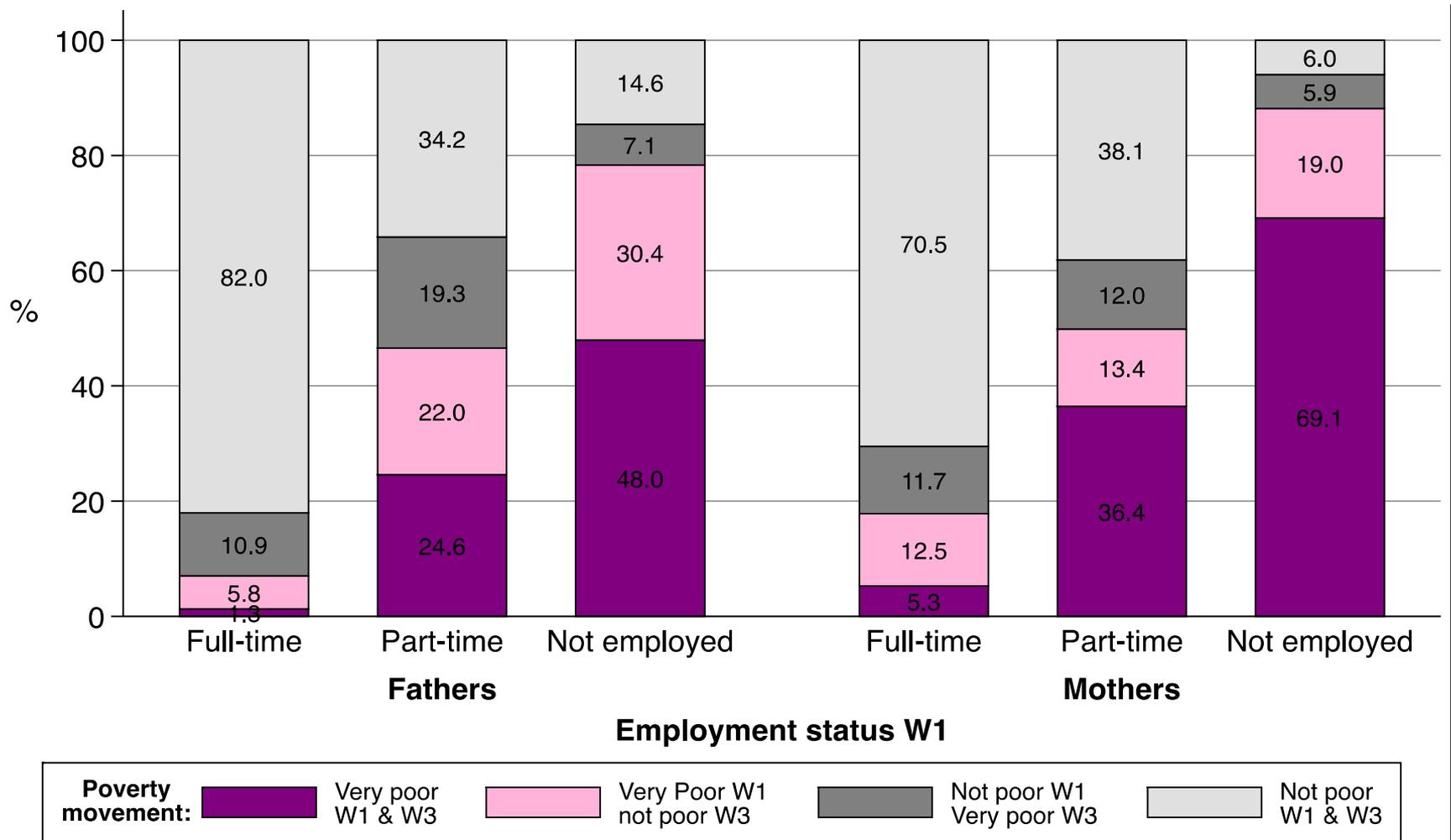
Control variables: education, country of birth, Indigenous status, care-time arrangements, age of study child, who initiated separation.

Separate regressions for fathers and for mothers in W1 & W3

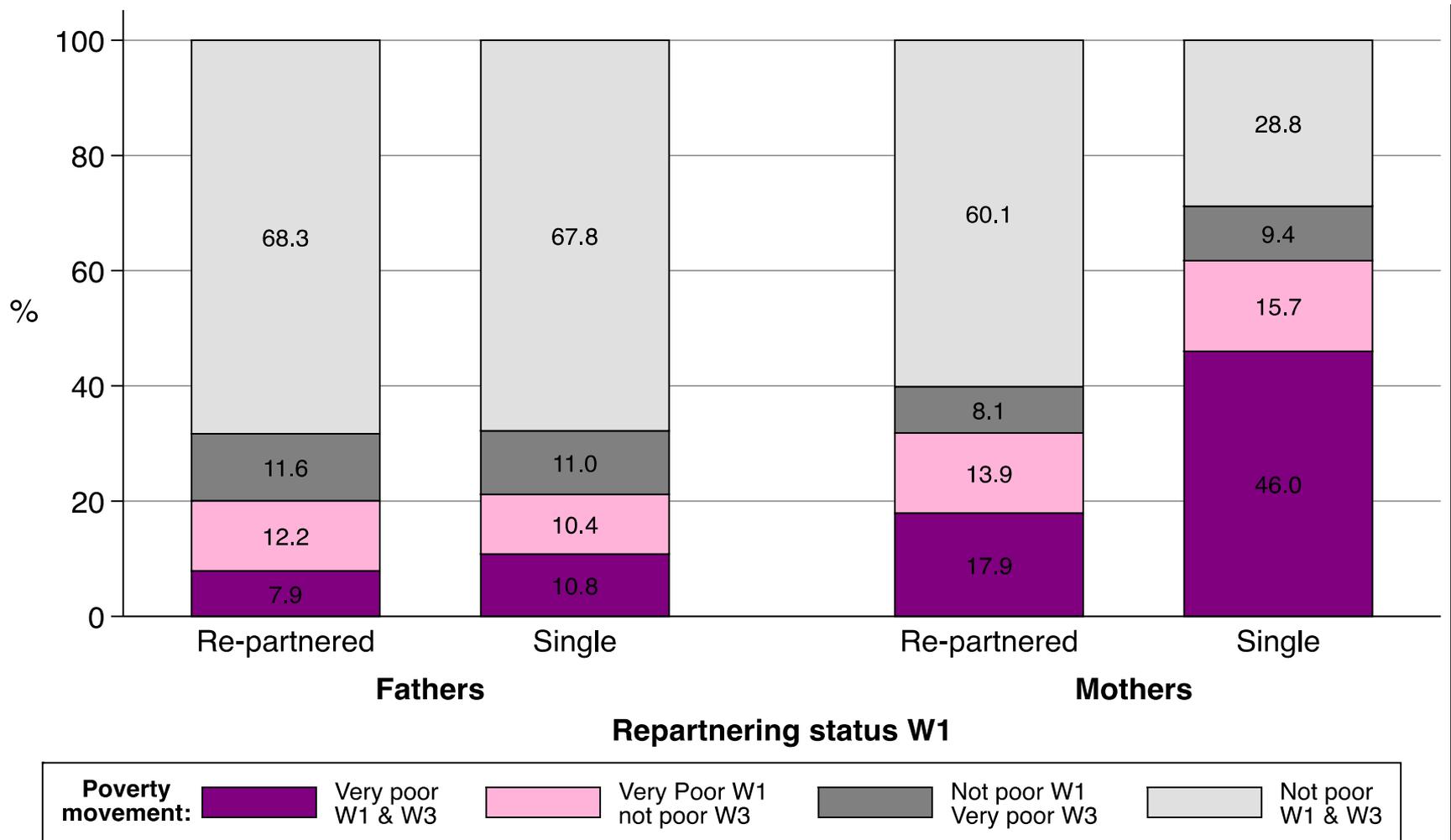
For employment, full-time = reference group

Asterisks = significance of underlying coefficients – e.g., part-time vs full-time; not employed vs full-time; re-partnered vs single. ** $p < .01$ *** $p < .001$

Poverty status movement between W1 & W3, by employment status W1



Poverty status movement between W1 & W3, by re-partnering status W1

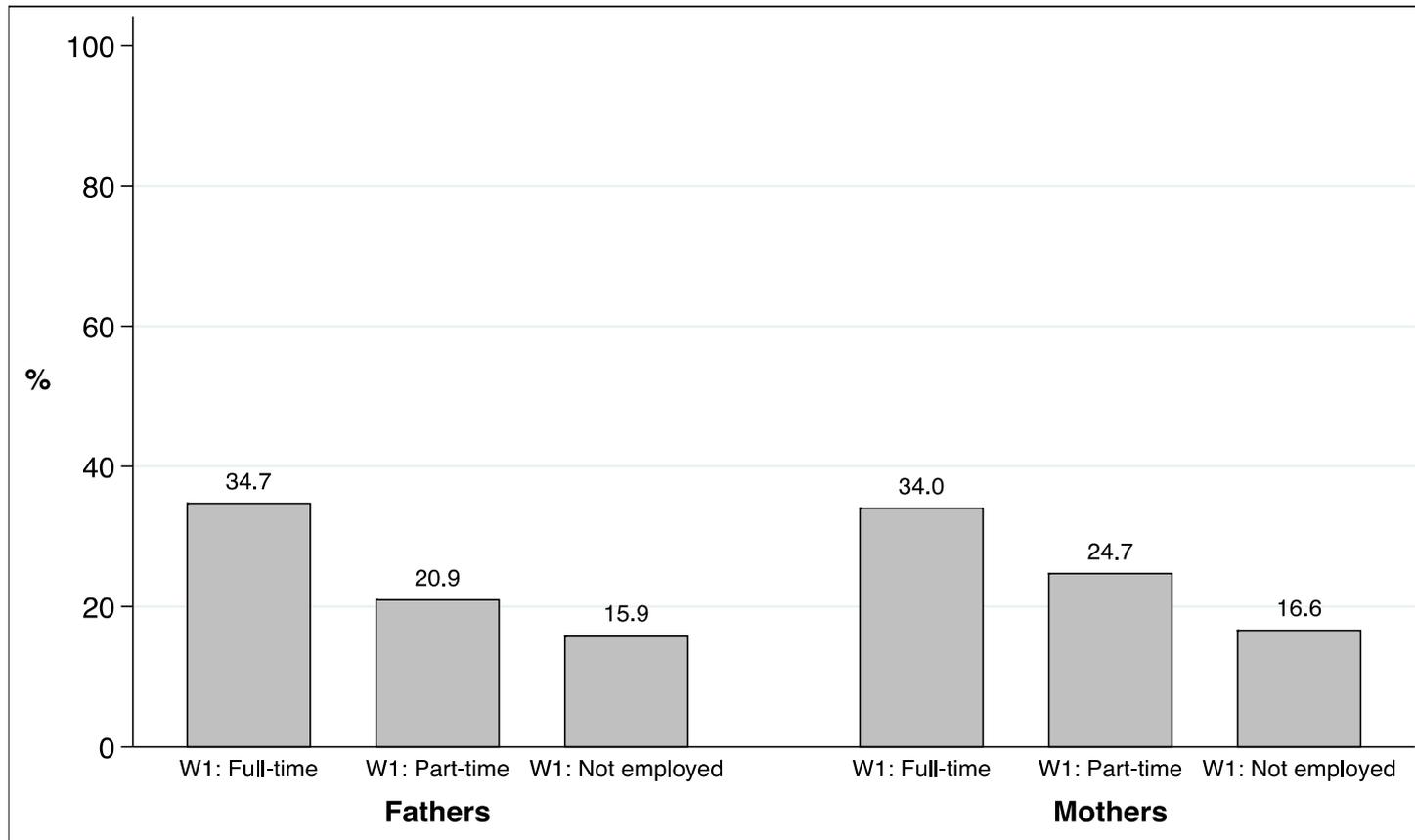




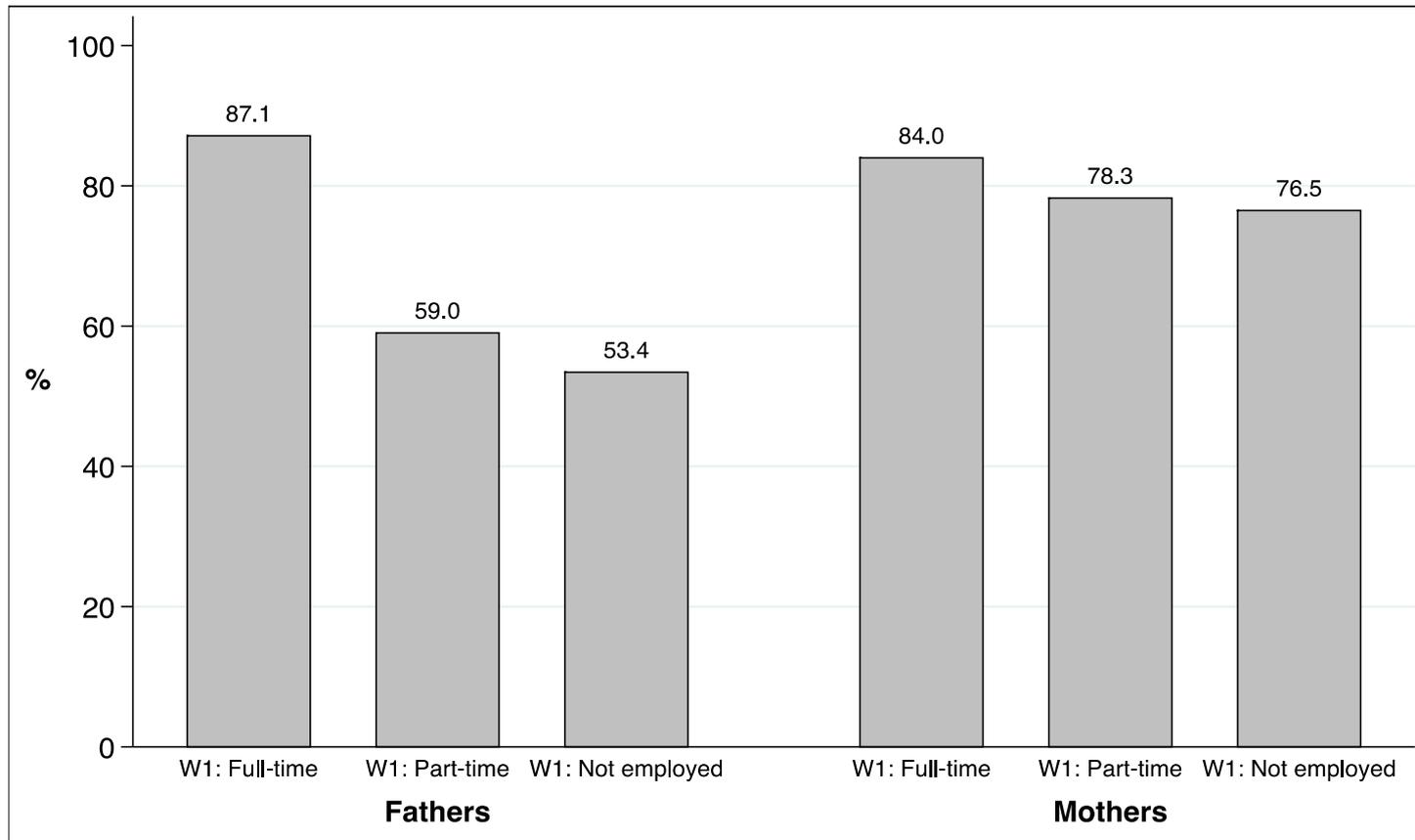
Links between employment status W1 & partnership status by W3

- (a) Where parents were single in W1
- (b) Where parents were partnered in W1

W1 **Single** parents: Partnering status W3 by employment status W1



W1 **Repartnered** parents: Partnering status W3 by employment status W1



Role in separation decision

- Despite their worse outcomes, a higher % of women than men initiate divorce (“Settling up”, HILDA & LSSF)

	Settling up (a)		HILDA (b)		LSSF	
	Fathers	Mothers	Men	Women	Fathers	Mothers
Her decision	59	58	35	58	46	59
His decision	?	?	27	17	26	21
Joint	?	?	38	28	27	20
Total			100		100	100

(a) Proportions reporting his decision and joint decision were not provided in the final report

(b) Reported by Hewitt, B., Western, M., & Baxter, J. (2006). Who decides? The social characteristics of who initiates marital separation. *Journal of Marriage and Family*, 68(5), 1165–1177



Parents' satisfaction with life

Parents' satisfaction with life



- “Settling up/Down”
 - Re-partnering and financial circumstances = significant predictors for fathers and mothers (especially re-partnering)
- Analysis of recent data:
 - How satisfied?
 - LSSF parents cf. HILDA parents?
 - Links with:
 - Financial circumstances
 - Partnership status
 - Care time with children
- Measures:
 - Mean ratings
 - %s:
 - Low (0–4)
 - Moderate (5–7)
 - High (8–10)

Life satisfaction: mean ratings and % of high satisfaction

LSSF vs HILDA



How satisfied with a life as a whole, rating options from 0 to 10, 0=completely dissatisfied; 10=completely satisfied

	Fathers		Mothers	
	LSSF	HILDA	LSSF	HILDA
Mean ratings				
2008	6.22	7.86	6.89	7.90
2009	6.81	7.83	7.27	7.85
2012	7.25	7.89	7.81	7.93

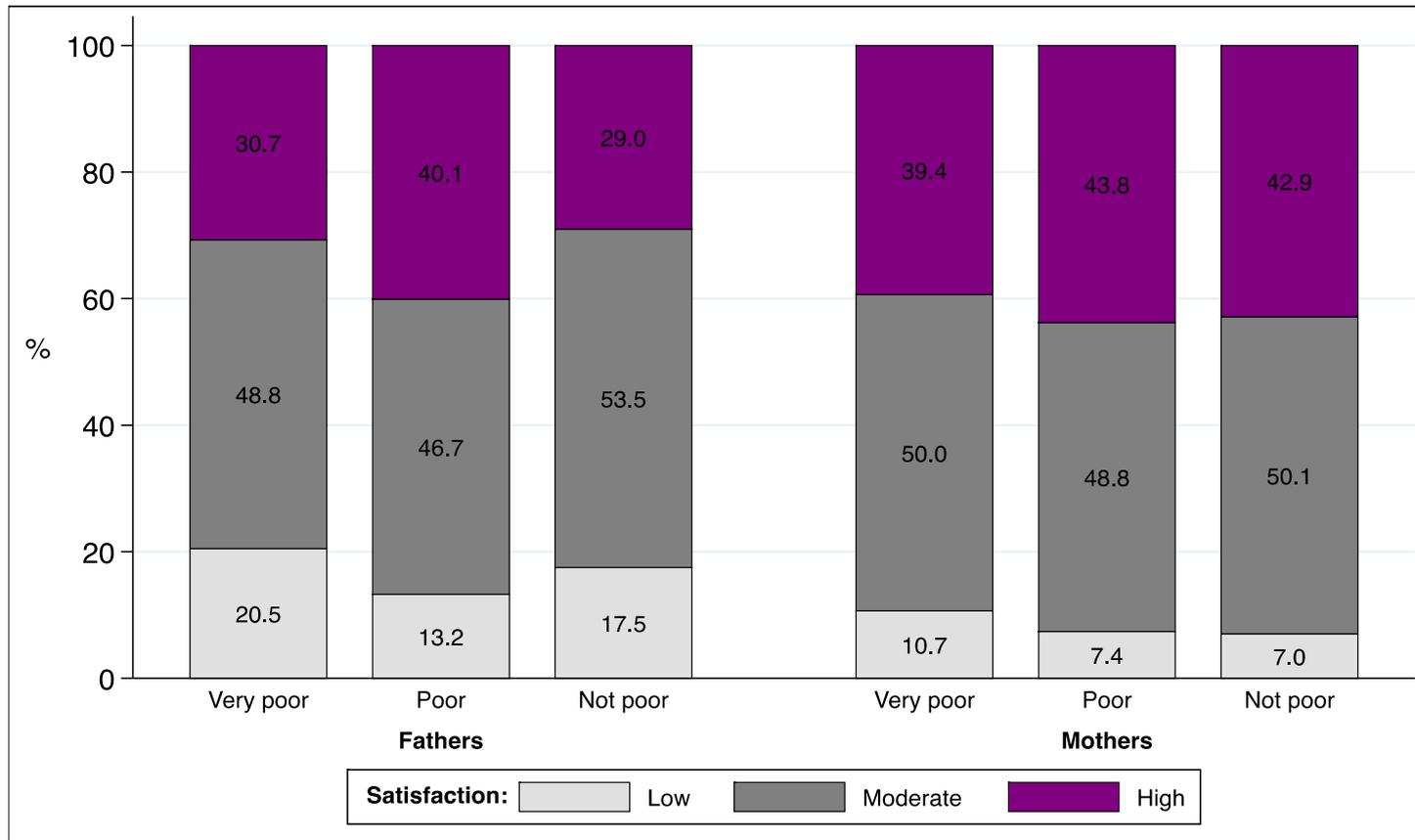
Life satisfaction: mean ratings and % of high satisfaction LSSF vs HILDA



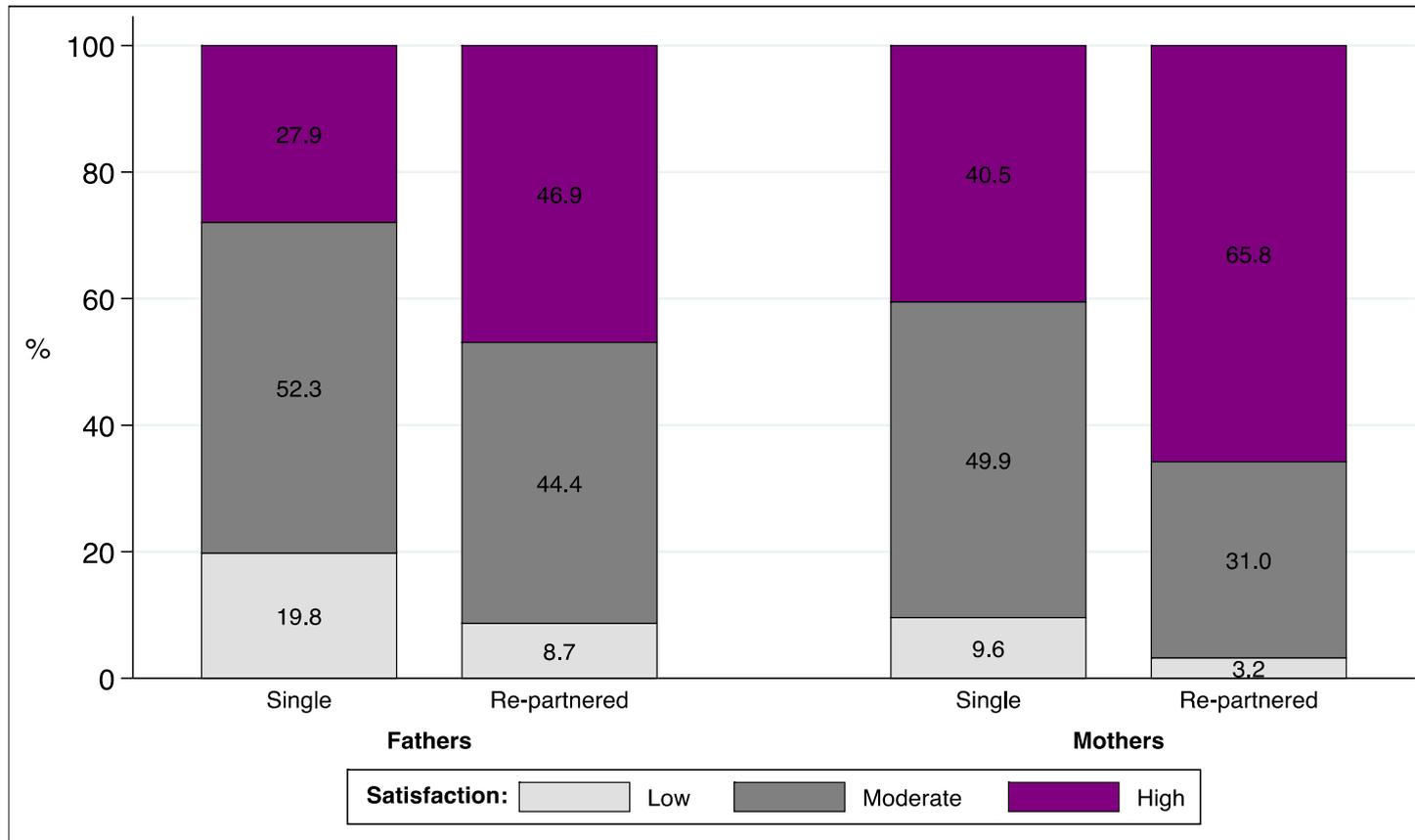
How satisfied with a life as a whole, rating options from 0 to 10,
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	Fathers		Mothers	
	LSSF	HILDA	LSSF	HILDA
Mean ratings				
2008	6.22	7.86	6.89	7.9
2009	6.81	7.83	7.27	7.85
2012	7.25	7.89	7.81	7.93
% high satisfaction (ratings 8-10)				
2008	30.5%	66.0%	42.0%	68.0%
2009	41.5%	66.5%	51.3%	67.1%
2012	53.9%	68.1%	65.7%	68.7%

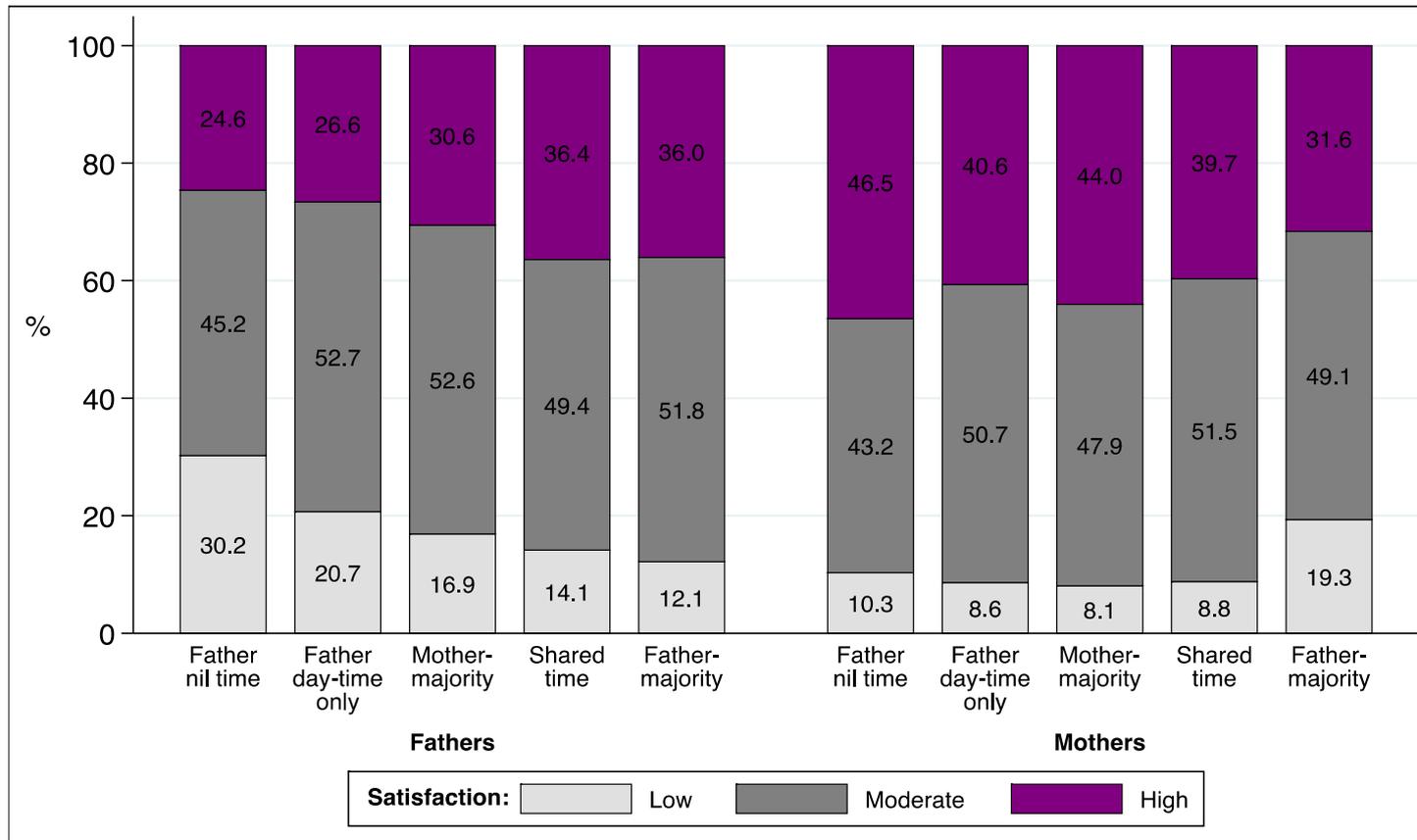
Life satisfaction by poverty status, LSSF W1



Life satisfaction by re-partnering status, LSSF W1



Life satisfaction by care-time arrangement, LSSF W1



Predictors of higher life satisfaction:
Ordered Logistic Regression analysis

Fathers



- Higher satisfaction where:
 - Re-partnered
 - Has shared or majority care time
 - Not poor
 - Employed full time (cf. not employed)
- Control variables:
education, country of birth, Indigenous status, age of study child, who initiated separation.

Predictors of higher life satisfaction:
Ordered Logistic Regression analysis

Mothers



- Higher satisfaction where:
 - Re-partnered
 - Child never sees father (cf. mother majority time)
 - These mothers reported problematic issues in pre-separation relationship: addictions, mental health problems, violence/abuse
 - Not poor
 - (but no longer significant when the effects of employment status were controlled)
 - Employed full time (cf. part-time; not at all)
- Control variables:

education, country of birth, Indigenous status, age of study child, who initiated separation.



Conclusions

Conclusions



Avoiding/escaping poverty

For resident mothers:

- Re-partnering continues to be key means
- Having paid work has become another common effective avenue

For fathers:

- Having paid work is the key

For both parents:

- Paid work is linked with re-partnering

Both paid work and re-partnering predict higher life satisfaction



Love & money inextricably linked

- Marcia Millman (1991)*:
 - “Money seeps into love and intimate relationships”
 - Who holds the purse strings, and who does not, strongly shapes relationships within immediate families and across generations
 - Classic examples: the eruption of conflicts over money: divorces, wills, family businesses
 - But money affects relationships within families in more subtle and insidious ways

* Millman, M. (1991). *Warm hearts and cold cash: The intimate dynamics of families and money*. New York: Free Press.

Love or money?

- Despite their greater financial vulnerability, mothers continue to be more likely than fathers to initiate separation

In short:

- “Money is not the only answer, but it makes a difference” (Barack Obama)