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## SOLE PARENTS AND PUBLIC POLICY

Proceedings of a Conference held in Sydney,  
30 August 1990

edited by Peter Whiteford



## Social Policy Research Centre

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## FOREWORD

This report contains the papers presented at the Conference titled **Sole Parents and Public Policy** held in Sydney on 30 August 1990.

We are currently experiencing an important period of change in the social circumstances of sole parents. Equally significant developments are also taking place in the policy arrangements affecting the well being of sole parents and their children. This conference, sponsored by the Social Policy Research Centre as part of its program to promote public discussion of issues in social policy, was held at an important moment in this history.

The same broad patterns of change have been emerging across a number of countries whose culture and social policy frameworks are similar to ours. Some at least are deeply rooted, most significantly changes in marriage, fertility and the roles men and women play in family and paid employment. Other common trends have their basis in the economy, including changing demands for skilled and unskilled, full- and part-time workers. In a number of countries also public expenditure is increasingly tightly constrained. Common consequences have been increased numbers of sole parents and high rates of poverty among them.

The social policy responses of a variety of governments have also had common elements. These have been concerned to address the scale of public expenditure on sole parents, the adequacy of public income support levels, the role of noncustodial parents, and barriers to the workforce participation of sole parents. The Conference, **Sole Parents and Public Policy**, examined the policy framework for sole parents taking shape in present-day Australia. The papers published here featured discussion across the broad spectrum of issues and policy instruments.

Two papers bring the special insights of British researchers to bear on the Australian situation. Jane Millar was Visiting Scholar at the Social Policy Research Centre for two months during 1990. Her paper reviews the circumstances of sole parents and the developing policy regimes in Britain with an eye to parallels and differences with their Australian counterparts. Maureen Colledge is a member of the British Department of Social Security. She wrote her paper on the workforce barriers affecting Australian sole parents while on an exchange with the Australian Department of Social Security. Her paper on the Workforce Barriers for Sole Mothers explores the circumstance of Australian women with an awareness of the comparisons with women in Britain.

Russell Ross and Peter Saunders of the Social Policy Research Centre ask whether different factors shape the labour force participation of single mothers than decisions to work by married women with children. Using microeconomic analysis, they ask whether the decision to work outside the home, full- or part-time, is influenced by motherhood, or by the fact of sole responsibility for children. Their findings are surprising in important respects.

Bettina Cass, Marie Wilkinson and Anne Webb add a further level to the discussion of the circumstances of sole parents through a focus on the particular experiences of three migrant groups: Vietnamese, Turkish and Spanish speaking women from South and Central American countries. Their paper is an early report from an original field study and examines the economic labour market and social circumstances of these women and their children.

This collection also includes two papers evaluating programs intended to increase the incomes of sole parent families. Cathy Walters of the Social Policy Division of the Department of Social Security reports data from an interim evaluation of the Jobs, Education and Training (JET) Program. Margaret Harrison of the Australian Institute of Family Studies provides an account of the AIFS evaluation of the first stage of the Child Support Scheme.

Those able to attend the Conference already know the original research reported in these papers. With their publication we hope to share the benefit more widely.

Peter Whiteford organised the Conference. On his behalf, I wish to thank Centre staff responsible for the work of its presentation in written form. Diana Encel completed the collection of papers from their authors and edited the resulting volume. Jackie Comer and Gerry Ringham typed manuscripts with skill and care. Jennifer Young has patiently worked arranging charts and diagrams and also in overseeing the publication of the collection as a whole.

Sheila Shaver  
Acting Director

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## OPENING ADDRESS

Con Sciacca, MP

It's a pleasure to be speaking with you today. It's vital to have a forum such as the Social Policy Research Centre to discuss issues of concern to Australian society. As my colleague, Social Security Minister Graham Richardson, has stressed - the plight of sole parents is one of the greatest problems facing Australia today. Social Security is at the heart of Labor philosophy and is an essential part of Australia's economic fabric. It therefore needs to be flexible in the face of social change. And what greater social change have we seen in the past 15 years or so than the almost doubling of the number of sole parents.

The sole parent pension recognises the difficulties of caring for children alone by providing an adequate level of income support while encouraging them to work and train. This is not just an effort to reduce government outlays. It is a recognition of the needs of sole parents (more than 90 per cent of whom are women) to upgrade their skills and increase their confidence after years at home caring for our most important resource.

Government assistance for families such as increased levels of rent assistance, the indexation of all child related payments and increased levels of family allowance have directly benefited sole parents. In 1987 the government introduced a number of measures to help reduce the poverty traps facing sole parents such as: an increase in the free area of the pension income test from \$30 a week to \$40 a week for single pensioners; a doubling of the income test income disregard in respect of children from \$6 to \$12 per child per week; the abolition of the harsh separate income test on rent assistance; and the introduction of the earnings credit to enable pensioners to do casual work without it cutting into their pension (about 80 per cent earnings credit users are sole parents).

The April 1989 Economic Statement further addressed the issue of poverty traps and workforce disincentives by revising marginal tax rates and increasing the pensioner rebate (from \$430 in 1988-89 to \$664 in 1989-90); increasing the sole parent rebate (from \$780 in 1988-89 to \$940 in 1989-90) in the tax system; and indexing both rebates annually from 1990-91. (In 1990-91 the sole parent rebate is \$1,015.)

The Jobs, Education and Training Scheme (JET) was introduced in March last year to address the particular labour force disadvantages faced by sole parents and to provide the skills and child care support sole parents need to expand their life chances through work and training. The expansion of JET announced in the recent Budget and the extension of the employment entry payment to sole parents who gain access to substantial employment, plus additional financial help for young sole parents who undertake training, will considerably improve sole parents' workforce opportunities.

These measures are having an impact - the proportion of sole parent pensioners with income from employment has more than doubled since 1983 and their average earnings have risen from \$85 a week to about \$166 a week. Overall, the proportion of sole parent pensioners receiving a pension has declined from 79 per cent to 69 per cent between June 1986 and June 1990. Moreover, the proportion of sole parent pensioners receiving a part-rate pension has almost trebled over the term of the Hawke Government, rising from 13.8 per cent in June 1983 to 39.3 per cent in June 1990. From June this year a sole parent pensioner with two children aged between 6 and 13, receiving rent assistance, can earn up to \$528.80 a week before losing all entitlement to her pensioner - compared to \$258.70 in June 1983 (or \$430.27 in 1990 terms). In addition, from next July, the \$40 pension free area will be indexed so its value is not eroded over time by inflation.

The Government has also introduced the Child Support Scheme to reduce the number of sole parent families living in poverty and to ensure that parents who have the capacity to pay contribute to the support of their children. Stage One of the scheme began in 1988 and set up the Child Support Agency in the Australian Tax Office to register and collect maintenance from non-custodial parents. Stage Two of the scheme began in October last year and established a formula through the Agency to assess maintenance payments. I think this is probably an appropriate venue for me to take the opportunity to launch the Australian Institute of Family Studies Interim Report, *Who Pays for the Children*. This report evaluates early progress of Stage One of the scheme and a final report will be completed next February.

One of the highlights of the report is that it shows how much things have changed since the introduction of the Child Support Scheme. Before 1988, only 34 per cent of custodial parents were receiving regular maintenance which was an average of \$24 per week per child. In 1990, 80 per cent of people who register with the Child Support Agency now



get some money from their former spouse. The Government collection of maintenance is widely supported by the majority of custodial parents. Not surprisingly, the report shows that non-custodial parents are less in favour of the scheme and the use of the tax system to collect maintenance.

The report mentions a number of teething problems associated with the scheme which either have been, or are being, addressed. There seems to have been a high degree of uncertainty among custodial parents of how the scheme works and affects them. The Department of Social Security and the Child Support Agency are making vigorous efforts to rectify this misunderstanding - especially among the family law practitioners and welfare professionals to whom parents turn most often for advice. There has also been a delay between registering with the Agency and the first payment. This is a difficult problem to address as it flows mainly from the collection mechanism which is tied to PAYE tax instalments from employers. There would be major drawbacks in moving away from this mechanism as it is one of the main means of ensuring continuing, regular payments. While it must be noted that this time lag is experienced only once and then payments flow each month, the Child Support Agency is working hard to find a solution. But generally the program has vastly improved the maintenance system in this country. The report states that where, in the past, maintenance payments often stopped without notice, the Child Support Agency can now legally enforce continuing compliance. By November last year just over 25,000 maintenance cases were registered. Since then, the number of registrations has more than doubled to over 62,000 and the Agency is likely to have more than 90,000 cases by the end of the year. And the introduction of the child support free areas from July 1991 as announced in the Budget will ensure that the real value of the free areas are maintained over time.

There continues to be concern in the community about how much support the government gives to sole parents. But this stems from a limited understanding of the level of income support a sole parent family needs to achieve the same standard of living as other families. Research shows that a sole parent with one child needs somewhere between 80 and 100 per cent of the level of income of a married couple without children to have the same standard of living - currently a sole parent with one child receives between 76 and 84 per cent of the married rate of pension. And that's where the work of the Social Policy Research Centre is vital. It is currently on contract to the Department of Social Security to help develop appropriate benchmarks of adequacy for sole parents relative to other family types.

Conversely, there has been considerable concern about the poverty traps working sole parents face because of high effective marginal tax rates. Senator Richardson has placed high priority on examining ways to alleviate these effects. Income test arrangements for sole parent pensioners are currently being examined as part of a major OECD study. Many sole parents are also disadvantaged because of where they live in public housing and the cheaper private rental market on the urban fringes of cities. This means isolation from education and training opportunities, child care and facilities and other services. Our efforts to reduce peoples' reliance on social security won't work if their access to opportunities is limited.

The Government's recently announced National Housing Strategy will give a more flexible approach to housing to provide secure, affordable housing near to schools, child care, public transport, health and community services and work opportunities. The issues of access to programs and services at all levels of Government are crucial to maximise opportunities for sole parents. The Government intends to re-examine State/Commonwealth responsibilities for a clearer definition of roles for better administration. So while we've achieved a great deal we recognise there is a lot of work ahead. But the efforts of the Social Policy Research Centre and reports such as this from the Australian Institute of Family Studies are paving the way for the massive reforms needed to improve the lives and opportunities for sole parents and their children.

## LONE-PARENT FAMILIES IN THE UK: POLICY CHOICES AND CONSTRAINTS

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### INTRODUCTION

Over the past twenty to twenty-five years there have been major changes in the family and in the labour market which have had, and are having, very profound implications for us as individuals and the way we live our lives; and for social policy, and especially social security provision.

The changes in family structure include more cohabitation, more child-bearing outside marriage, later marriage, smaller families with child-rearing compressed into fewer years, increased levels of marital breakdown, and increased life expectancy (for the UK these trends have been summarised recently in Kiernan and Wicks, 1990). One very visible outcome of these changes has been the growth in the number of lone-parent families. In the UK there are now estimated to be about 1.1 million such families, representing about 15 per cent of all families with children (Haskey, 1989). The number of lone-parent families has almost doubled since the early 1970s and this trend is also apparent in other developed countries, throughout Europe (Roll, 1988), in America (Kamerman and Kahn, 1988), and in Australia (Saunders and Matheson, 1989).

The changes in the labour market include the decline in manufacturing industry and the rise of the service sector, the increased labour market participation rates of women, especially women with children, and the growth of 'atypical' employment, that is part-time, temporary, seasonal, casual, and self-employment. Such atypical employment now accounts for a third of all employment in the UK and this proportion is still rising (Hakim, 1989). Most of the recent employment growth in Europe as a whole, and not just in the UK, has been of this type and in general women's employment has been growing while men's has been shrinking (EC, 1988; Meulders and Tytgat, 1989). In the UK women now make up over two-fifths of the workforce and this is projected to rise to half by early in the next century. Part-time work is the most common of these forms of 'atypical' employment, now accounting for about 20 per cent of all employment in the UK and with married women comprising 80 per cent of all part-time workers. Similar trends are apparent in Australia where the number of part-time jobs grew by 50 per cent between 1977 and 1986 and where again about a fifth (18.9 per cent) of all employment is part time and 60 per cent of part-time jobs are held by women.

Thus, families are changing and employment is changing and these changes raise some very fundamental issues about the relationship between family responsibilities and social policy provision. The problems for social policy created by the growth in the number of lone-parent families are a very clear and direct illustration of this. First, there is the question of the boundaries between family responsibilities and state provision. This has always been one of the central concerns of social policy (Finch, 1989) and in recent years, partly as a consequence of public expenditure constraints, there has been increasing pressure to move some areas of social policy provision from the state to the family.

But changing family patterns mean that there is increasing ambiguity about how far, and to whom, family responsibilities should extend. Divorce and re-marriage mean that family types have become much more diverse and that family ties and obligations can often extend across a number of different 'families' and households. If families separate who has claims upon whom? Do partners have claims on each other? Do children have claims upon both parents? Is this so even if they have little or no other contact with one parent? Do the claims of 'first' families take precedence over the claims of 'second' families? Thus the question of how to support lone-parent families raises very fundamental issues about what family responsibilities are and should be.

A second set of problems raised by changing family and employment structures concerns the difficulties of combining family responsibilities with paid employment. In 'traditional' families of 'breadwinner plus dependent spouse' the financial aspects of family responsibilities are broadly separated from the physical and emotional. Thus, men discharge their caring responsibilities to their families through paid employment, through being financial providers. Women, by contrast, discharge their caring responsibilities through unpaid domestic work in the home. But this model

is fast disappearing - most couples are now two-earner families, putting pressure on, if not yet radically changing, this family division of labour. And many families have only one parent and so cannot operate this division of labour.

The fact that many parents - mothers and fathers - are now employed raises two main problems for social security provision. First, there is the question of how to bring these 'new' forms of atypical employment into social security systems which have generally been developed to fit with patterns of full-time, and not part-time, employment. Thus, in the UK part-time workers - i.e. married women - are often excluded from national insurance benefits and employment protection, and made ineligible for income support by the operation of means tests. Second, there is the question of whether, and if so how, carers should be 'compensated' for income loss during caring. Should caring (for children, for the elderly, for other dependent persons) be recognised in the social security system alongside the more 'traditional' contingencies of unemployment, sickness and old age? Again this is a particularly pertinent issue for lone parents - should these parents be expected, or even obliged to work? Or should their family responsibilities take precedence? If so, how can they be guaranteed an adequate income?

Lone-parent families are the family type that raise these difficult, and strongly value-laden, issues in a particularly visible form. The two main sections of this paper address some of these issues through an examination of current and emerging policy towards lone-parent families in the UK, drawing on empirical data derived from a recent research study which included interviews with about 1800 lone-parent families throughout the UK (Bradshaw and Millar, 1990). Before looking at policy developments, however, it is useful to present some basic information about lone-parent families in the UK.

## LONE-PARENT FAMILIES IN THE UK

As noted above, in the UK there are currently just over one million lone-parent families with about 1.6 million children. These are a very diverse group of families, including young unmarried mothers with young babies who are going to need many years of child-care; widows and widowers whose children are almost ready to leave school and become independent; and divorced women with both pre-school and school-age children. However although lone parents are a heterogeneous group they are very likely to share three particular characteristics in common, and these characteristics are very important in understanding their situations.

First, almost all - nine in ten - lone parents in the UK are women. This means that when we talk about 'lone-parent' families we usually mean 'lone-mother' families. Second, the most common route into lone parenthood is through marital breakdown. Two-thirds of all lone parents are divorced or separated women. Despite the stereotypes only 28 per cent are single (i.e. unmarried) mothers. And, although the numbers of unmarried mothers have been growing in recent years this is at least in part because of an increase in cohabitation and the subsequent breakdown of consensual unions. Our recent research (Bradshaw and Millar, 1990) found that 21 per cent of unmarried mothers had been living with the father of their child(ren) before becoming lone mothers, and that these women were rather similar in their characteristics to the ex-married lone mothers.

Third, most lone mothers have low incomes in comparison with other families with children. Data from the Family Expenditure Survey (a national, annual survey of income and expenditure) show that, in 1988, the average gross incomes of lone parents was about £120 a week (about A\$275) - less than half the average for all households and only just over a third of the average for two-parent families with two children (DE, 1990). Furthermore the sources of income are also different - for couples with two children earnings provide, on average, about 86 per cent of gross incomes and state benefits only about six per cent. For lone parents, by contrast, earnings provide about 44 per cent of the total gross, and benefits about 39 per cent.

These three features - that most lone parents are women, that marital breakdown is the most common route into lone parenthood, and that lone mothers often have low incomes and a high risk of poverty - are by no means unique to the UK. Indeed the patterns and trends are very similar throughout the industrialised world, including Australia (Ross and Saunders, 1990). Many countries are facing similar situations but the poverty data suggest that very few countries are able to ensure adequate incomes for lone mothers and their children. In the UK, part of the reason for this has been policy neglect - social security support for lone parents has developed incrementally and, it can be argued, incoherently. Support for lone parents has recently come under closer scrutiny, however, with an inter-departmental

government committee examining current provisions, especially in relation to maintenance. The next section of this paper therefore examines maintenance/child support and the changes recently announced.

## MAINTENANCE/CHILD SUPPORT

Our recent research (Bradshaw and Millar, 1990) found that only 29 per cent of lone parents in the UK are receiving any maintenance and maintenance makes up, on average, only seven per cent of the incomes of lone parents. Single mothers rarely received any payments (13 per cent) compared with 32 per cent of separated women and 40 per cent of divorced women. The amounts received were variable but low with the mean payment being £16 (A\$37) per child per week.

Partly in response to the low levels of maintenance awarded and received some policy changes in relation to maintenance have just been announced by the Prime Minister. On the face of it these seem to be similar to the provisions introduced in Australia in the past few years, i.e. a Child Support Agency to enforce maintenance payments and the use of a 'formula' to determine the level of payments. Hopefully therefore some lessons can be learnt from the Australian experience and the evaluation here (e.g. Harrison, Snider and Merlo, 1990; Saunders and Whiteford, 1989). The exact details of the proposed UK scheme have not yet been announced but, from the information available so far, there appear to be two significant ways in which these proposals differ from the Australian model.

First, the formula will probably be based on income support rates (i.e. benefit rates) rather than on a percentage of the non-custodial parents' income. Thus, according to income levels, some non-custodial parents will be paying a greater proportion of their incomes in maintenance than others. Second, the amount is to include, not just child support, but money for the mother as well, also based on benefit rates. This latter proposal is justified on the grounds that it represents the cost of child-care. According to Tony Newton (Secretary of State for Social Security): 'Clearly, the costs of maintaining children do include the costs of having somebody to look after them' (*The Guardian*, 19.7.90). The *Guardian* report goes on to give some examples of the amounts of money that non-custodial parents might therefore be expected to pay: for a lone mother with one child under 11 this would be about £49 per week (or about \$113), and for a lone mother with two children under 11 this would rise to about £61 (about \$140). These figures represent about 18.6 and 23.3 per cent of average male earnings, respectively, although, of course, many men are not on average earnings.

In announcing these proposals Margaret Thatcher made a very clear statement about the family responsibilities that are being enforced: 'Parenthood is for life ... Legislation cannot make irresponsible parents responsible. But it can and must ensure that absent fathers pay maintenance for their children' (*The Independent*, 19.7.90). This echoed an earlier speech: 'when one of the parents not only walks away from marriage but neither maintains nor shows any interest in the child, an enormous unfair burden is placed on the other ... no father should be able to escape his responsibility' (M. Thatcher in a speech to the National Children's Home, 17.1.90).

As Janet Finch (1989) has recently pointed out, however, while governments might seek to enforce particular definitions of family responsibility they are not always successful in doing so, especially if these definitions are clearly out of line with what most people regard as proper and reasonable. The principle that parents should bear financial responsibility for their children would probably command general support but there are nevertheless a number of important unresolved issues about these proposals.

First there is the putting together of spousal and child support. Along with the general trend in divorce law in many countries (Eekelaar, 1984) in the UK there has been a move towards 'clean-break' divorce, that is to a situation where separating partners do not generally have any ongoing financial obligation to each other. The current proposal to seek maintenance for the woman as well as the child(ren) thus goes against this principle and our preliminary research in this area (albeit based on a very small sample of non-custodial fathers) suggests that spousal support is unpopular to a very strong - in fact universal - degree. (Davies and Murch, 1988, suggest that divorcing men have very strong views about the relationship between 'fault' and maintenance, although fault is not relevant to determining financial arrangements.)

This is not to say that the current arrangements for the distribution of resources between partners at the end of marriage are necessarily equitable. Indeed it has been argued that women are often inadequately compensated for their

financial contribution to the family during marriage, especially in relation to lost earnings because of family responsibilities (Maclean, 1987; Funder, 1989). But conflating spousal and child support does nothing to resolve this issue, and may well reduce the acceptability of child support, and hence the compliance rates.

A second issue concerns the objectives of policy in this area. There are various possible objectives: (1) to ensure that non-custodial parents meet their (moral) obligations to their children through taking some financial responsibility for them; (2) to improve the incomes and living standards of lone parents and their children; (3) to reduce the exchequer costs of supporting lone parents; (4) and to increase labour market participation rates of lone parents by providing them with an additional source of income.

These different objectives have different implications for policy, especially for the treatment of maintenance under social security rules, and for the issue of whether the maintenance payments should be guaranteed. Income Support (IS) is reduced pound for pound if maintenance is received - there is no disregard or free area. If the main objective is to improve the living standards of lone parents then a disregard should be introduced and payment should be guaranteed. If the main objective is to save money the disregard should be small or non-existent with no guarantee. Thus more attention needs to be directed towards clarifying objectives.

Third, the issue of implementation is crucial, since ongoing child support requires some ongoing contact between the parents. For many families this may not be a problem but for others it may cause significant difficulties. A fifth of lone mothers report that violence was a factor in the marital breakdown. About half had no contact with their former partner. A fifth of the lone mothers not receiving maintenance said that they did not want any. A third would refuse to give details of their former partner to the Department of Social Security because they do not want contact or fear violence (Bradshaw and Millar, 1990). A stricter maintenance regime might thus increase conflict between ex-partners to the detriment of the children.

Finally, there seems to be a grave danger of over-optimism, a view that maintenance will solve all the financial problems of lone parents and save the state substantial amounts of money. In fact many lone parents will not benefit at all from any improvements in child support because their former partners will be unable to pay. There is little evidence in the UK on the actual capacity of non-custodial parents to pay maintenance but as part of our research we asked the lone parents for information about their former partners. Lone parents are perhaps not the most unbiased source of such information, but our sample about equally divided into those who thought that their former partner could pay or pay more (45 per cent) and those who thought he could not (40 per cent). Of those not receiving any maintenance 15 per cent said this was because their former partner was unemployed and 14 per cent said that he could not afford to pay. Thus, while some lone mothers will benefit from better enforcement of child support many will not and child support by itself will rarely provide an adequate income for lone mothers.

## EMPLOYMENT

While most of the recent policy attention has focused on maintenance, little attention has so far been paid to the issue of employment. In the UK about 42 per cent of lone mothers are currently employed, 23 per cent full time (that is over 24 hours per week) and 17 per cent part time. Employment rates have been falling since the mid-1970s (with some recent small upturn) and lone mothers are now less likely to be employed than married mothers (54 per cent of whom are employed). The difference is mainly accounted for by much lower levels of part-time working among lone mothers (69 per cent of employed married mothers work part-time compared with 57 per cent of employed lone mothers).

At present lone mothers on Income Support (i.e. receiving social assistance) are not required to register for employment while they have children under the age of 16. The stated policy objective is that policy should be neutral, neither encouraging nor discouraging employment. This was recently expressed by the Department of Social Security as 'Social security benefits are structured so that, while not requiring lone parents with children up to the age of 16 to be available for work, they nevertheless do not unduly discourage lone parents from working if they wish to do so.' (NAO, 1990).

In recent years, however, both the nature and practice of this policy objective of 'neutrality' towards employment have come under attack from two different directions. First it has been argued that in reality there is little or no choice

for lone parents, because support for employment is far too weak (e.g. Millar, 1989). On the financial side it is argued that the incentives to work are limited and the system too complicated for rational decision-making (Joshi, 1990). Furthermore, there is a lack of jobs because of high unemployment, and a lack of adequate and affordable child care, the demand for which far exceeds supply (Cohen, 1988).

The second line of attack takes the opposite view and argues that, far from being prevented from working, too many lone parents are in fact choosing not to work because the system is too generous towards them while they are out of work (see Bradshaw, 1989; Brown, 1989). The fact that lone parents are guaranteed financial support and not required to work is thus said to encourage benefit 'dependency' - lone parents who are content to remain on benefit and make no efforts to seek work.

Thus there are two very different views - the first assumes that lone mothers want to work but are unable to do so because of external constraints. The second assumes that lone mothers do not want to work and are encouraged in this by a benefit system which supports 'dependency'. In considering these alternatives a useful place to start is with the reasons why some lone mothers do not currently have paid employment.

The first possibility is that lone mothers are choosing not to work. In our research (Bradshaw and Millar, 1990) we found that most lone mothers said they did want to work, but not necessarily straight away. Among the lone mothers on IS only nine per cent said they never wanted to work full time (some of these women had part-time jobs of a few hours a week). These were mainly older women with health problems and/or little or no experience of paid employment. A quarter (26 per cent) of lone mothers on benefit wanted to work (or work full time) immediately and many of these women were actively seeking work.

The remaining 62 per cent said that they did want to work (or work full time) but not straight away. Most commonly this was because they wanted to care for their children themselves (34 per cent) or because they could not find suitable child care (seven per cent). Mothers of young children often wanted to delay work until their children were school age. But it was not just mothers of young children who said they wanted to stay home to care for their children - some lone mothers also felt their children needed them at home to 'make up' for the trauma of the marital breakdown or to 'compensate' the children for the loss of their other parent. As one mother put it: 'I suppose I feel that, being at home, is giving them, you know, they've got more than if I went off to work and made them feel "well we've only got mum, and *she's* gone off to work"', and another 'because they've only got just me - I'm all they've got, they haven't got a father...not just now I couldn't work, not with the divorce going through and everything'.

Thus, the most important factor in relation to decisions about employment was the perceived needs of the children and some lone mothers were choosing not to be in current employment in order to care for their children. In this they were making similar decisions to those made by married mothers, although often with added anxiety about potential conflicts between being, on the one hand, a 'good' mother and, on the other hand, supporting themselves and their children financially. In order to get these lone mothers into employment there would have to be a policy of coercion and, as Cass and Whiteford (1989: 164) have noted (this time in the Australian context): 'those expecting female sole parents to very substantially reduce their reliance on government income support through full-time work would require sole parents to behave very differently from other women with children of the same age'.

A quarter of lone mothers on benefit did want paid employment, however, and our research found that the major barriers to employment, once the women begin to seek work, are low pay and lack of affordable child-care. The wage rates that lone mothers can command are on the whole low. On average, the lone mothers in full-time work (over 30 hours) in our survey had wages of 339p (\$7.81) per hour compared with 480p (\$9.40) for all employed women. This is clearly related to the more general problem of low pay among women and in the long term can only be improved through a sustained attack on pay inequalities. But those lone mothers most likely to be employed are those with some education and training, which gives them access to (relatively) higher rates of pay. Half of lone parents have no educational qualifications and 34 per cent have no recent experience of work. A training scheme targeted on lone parents and with provision for child-care costs could improve skills and give lone parents the opportunity to escape low-paid poverty.

There is no doubt that lack of child care is a major constraint on the employment of lone mothers. In our sample 38 per cent of the women looking for work said lack of child-care was the most important or main reason why they were not working. Those who said child-care was a problem most often mentioned cost as the main area of difficulty. Even among those women who said they were not currently looking for work 44 per cent said that they would look for work

sooner if child-care was available. In particular, mothers of pre-school age children said they could not work without child care. Thus, both the availability of child-care and the costs of child-care must be considered. Current government policy is that the market will provide - if there is a demand for child-care (from employees and employers) then the market will meet this demand. But levels of provision remain low and the policy implications of these results are quite clear - the choice to work for lone mothers can only be a real choice if child-care is available and affordable.

A final area that should be considered in relation to employment is the issue of the financial incentives offered by the benefit system. Our results suggest that the problem in relation to incentives is not that benefits out of work are too high - the level of out-of-work benefits had only a very small negative impact on the probability of full-time employment (Jenkins, 1990). There is a clear 'poverty trap', however, whereby low pay combined with means-tested benefits gives very little financial gain from working over a wide range of hours. In our study the median net equivalent resources (i.e. after tax and other deductions, work expenses and housing costs) were £72 for non-employed lone parents, £93 for those working 24 hours a week, and £122 for those working 37 hours a week (in dollars about 165, 215 and 280 respectively). Those who have paid work are thus better-off than those who do not but the gap is not large.

This suggests that changes are required to the structure of financial support - which would mean policies such as higher earnings disregards (i.e. free areas), more use of universal rather than means-tested benefits (e.g. higher child benefit rather than family credit), and subsidies to reduce specific costs of working such as child-care costs. The current system in effect means any choice regarding employment is a choice of either full-time work or no work rather than allowing a flexibility to choose part-time work. Part of the reason for this seems to be a fear that lone mothers will then 'settle for' part-time work and remain on benefits - but to effectively disallow this option seems a significant reduction of choice.

Two points are important to note in relation to lone mothers and employment. First, not all lone mothers want immediate employment and, even if all those who wanted to work were able to do so, there would still be a significant number of lone mothers who would require income support to enable them to stay at home and care for their children. For these families it is the level of benefit that is important to ensure an adequate income.

Second, while not all lone mothers want immediate work, there is still a significant untapped preference for employment. If all lone mothers who said they wanted to work were in work then the proportion in full-time employment would rise from 23 per cent to 32 per cent; the proportion in part-time employment would rise from 17 per cent to 23 per cent; and the proportion not employed would fall from 60 to 45 per cent. What is striking about this is how similar are the aspirations for employment among lone mothers to the *actual* levels of employment among married mothers. A 'hypothetical' employment rate, calculated on the basis that all lone mothers who currently want to work are employed, gives an employment rate of 55 per cent for lone mothers compared with the actual employment rate of 54 per cent for married mothers.

## CONCLUSION

Lone parents have been neglected in policy for some time. The present interest arises out of concern with the increasing numbers of such families, concern with the increasing numbers dependent on benefit, and concern with the increasing costs to the state of providing support. With regard to the latter the issue of benefit 'dependency' has received much attention. Joan Brown (1989: 3) has recently made a useful distinction between three different meanings of dependency:

*In the lives of lone parents in particular there may be periods of necessary dependency, if the family is to survive as a unit and the children be provided for. It has been increasingly recognised that the social security rules and the interaction of taxes and benefits can produce periods of enforced dependency, a situation for which change would be appropriately sought ... There is now much talk of passive dependency, a concept which ought to imply that dependence on social security is neither necessary nor enforced, but which is sometimes used to imply that all forms of dependency are equally to be deplored.*

Income Support is clearly of great importance to lone mothers - in our sample only 15 per cent had never been on IS since becoming a lone parent. Our research suggests that it is possible to describe a 'typical' pattern or 'life-cycle' of lone parenthood in relation to state support. Many lone mothers come onto IS either when they become lone parents or shortly afterwards - unmarried mothers because they have very young children and are thus rarely able or willing to work, other lone mothers effectively to replace the lost earnings of their partner. This often leads to a period of **necessary dependency**, the length of which might well primarily depend on the children - on their age, with mothers of young children less likely to look for work, and also on the mothers' views about the needs of the children and whether they would be better cared for by her staying at home. Some lone mothers will therefore come off benefit fairly quickly at this stage while others will stay on for much longer periods.

As time passes almost all lone mothers will no longer wish to remain dependent on benefit and start to try and find work. Here it is factors other than the preferences of the lone mothers which are important in their success. Finding work will be easier for some women than for others because of their educational qualifications, their previous employment experience, the availability of child care, the availability of jobs, etc. Some lone mothers will thus be able to find work and come off benefit, others will not and will become **enforced dependents** on benefit - with the danger that long-term receipt might lead to **passive dependency** because of discouragement and demoralisation (our results did suggest that the longer the lone mother is on IS the lower her chances were of coming off).

Policy is likely to be most effective if different measures are targeted at different types of lone mother and/or at lone mothers differently according to how long they have been on benefit. For example periods of **necessary dependency** should be recognised as such - when there are young children or for a period of some time after becoming a lone parent - and an acceptance of the legitimacy of an adequate level of support for these periods built into the system. There could also be encouragement to use these periods in positive ways - training and education during this time would make it easier to return to work when this was wanted, and to find better jobs with higher wages, and thus less need for state supplementation.

Second, the current 'either/or' approach to policy is unrealistic - the opposite of benefit 'dependency' is not likely to be employment 'independence', because even those lone mothers in employment often require some supplementation to give an adequate income. Similarly, 'dependency' on the former partner will rarely provide an adequate income, and for some will be much less acceptable than receipt of state benefits. Benefits, earnings, and maintenance should be seen not as alternative sources of income but as complementary sources. Combining income sources is likely to be the only way for lone mothers to achieve an adequate standard of living and therefore policy should be looking for ways to make such combinations easier.

Finally, in several respects, there are more similarities than differences between lone and married mothers. This is striking in relation to the preferred employment rates of lone mothers and the actual employment rates of married mothers. In addition in relation to pay, conditions, types of jobs and child-care arrangements those lone mothers who were employed and not receiving income support were very like employed married mothers. This is not surprising given that most lone mothers are ex-married mothers. Thus, the factors which make employment easy or difficult will often apply to both lone and married mothers. The needs of lone mothers in relation to support for employment are not therefore dissimilar to the needs of married mothers. It would make sense to consider policy for both groups together.

Indeed, returning to the question of how family responsibilities can be combined with employment it is clear that these issues are not only problematic in relation to lone mothers. The care of children imposes costs on women more generally, because of lost wages during breaks in employment and because of loss of seniority and a return to often part-time and lower-paid jobs (Joshi, 1987; Brannen, 1989). This has led to increasing discussion of how these indirect costs of children might be shared more equitably between mothers, fathers and the state (e.g. Moss, 1988) and in the longer term it could be argued that this is the only way to prevent lone mothers being almost automatically consigned to poverty. As the ILO (1989) has recently argued, the challenge for social policy in the next century is how to respond to these changes in the family and the labour market. Lone-parent families are a special case but they are not an unique case and the wider issues raised are of relevance for all types of families.



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## THE LABOUR SUPPLY BEHAVIOUR OF SOLE MOTHERS AND MARRIED MOTHERS IN AUSTRALIA: AN OVERVIEW

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### 1. INTRODUCTION

The increased prevalence of sole parenthood has created a number of dilemmas for economic and social policy. There is now a body of empirical research showing for a number of countries that sole parent families have high poverty rates - well above those for two parent families with children or for the population as a whole (Smeeding and Torrey, 1988). Since many sole parent families are reliant on income support provided through government social security schemes, this has raised questions about the adequacy of these payments. At the same time, others have argued that the level and availability of income support for sole parents has contributed to the growth in the number of sole parent families in several countries (e.g. USA: Murray, 1984; Australia: McDonald and Spindler, 1988). In the Australian context, it has also been argued that the income-tested nature of social security payments for sole parents has created a poverty trap that reinforces income support dependency once that support is received. The design of income support policy for sole parents thus confronts head-on the conflict between issues of adequacy and incentives.

Work decisions revolve around a far greater range of considerations than just the level, availability and conditions attached to income support payments (Cass, 1986; Brown, 1989). Factors such as the presence of children, particularly younger children, access to jobs, market wage rates and the availability and affordability of child care are equally significant in the overall calculus that ultimately influences the decision to work. Recent government policies for sole parents, guided by the analysis undertaken by the Social Security Review (SSR, 1986; Raymond, 1987), has recognised the need for a policy approach that is far broader in scope than income support alone, including also initiatives in child care, housing, wages policy, and education and training. Income support clearly plays a key role in influencing the relative financial rewards from work and thus the incentive to undertake paid work, but decisions are also framed and action pursued within an environment shaped by these other considerations.

However, despite the merits of the broader strategy for tackling what is a very difficult area of social policy, the extent to which the structure of income support provisions for sole parents is a factor - for some, the factor - causing high income support dependency remains unresolved. To argue that other factors are also important in the work decisions of sole parents does not, of itself, imply that the strength of any benefit-induced work disincentive effects are insignificant. Rather, it suggests that investigation of the presence and size of disincentive effects needs to be undertaken within a framework that also encompasses these other factors. Yet there has to date in Australia been no serious attempt to investigate the determinants of the work decisions of sole parents within such a framework.

This paper is part of a project analysing and comparing the labour supply behaviour of sole mothers and married mothers. Mothers are defined as women living with and caring for dependent children, and married mothers are those actually living with a spouse. The framework of analysis adopted in this project is the conventional microeconomic theory of female labour supply. It is used to evaluate how well the model explains the behaviour of married mothers as compared with single mothers and to highlight behavioural differences between the two groups. The project attempts to gain insight into the question of whether or not there are additional factors relevant to the work behaviour of single mothers that are not also relevant to the work decisions of married mothers. Or to put this differently, does being a single mother make any substantial difference to work decisions over and above those factors associated with being a mother, per se. It is to be emphasised, however, that the question of the impact of income support arrangements on work decisions is not addressed directly in the research but is left as a (potential) indirect implication of the results.

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The relationship between this paper and other papers from the project is as follows. Ross, Saunders and Payne (1989) had a longer discussion of the material covered here in Sections 2 and 3, and presented very preliminary results of the modelling process. Ross and Saunders (1990) is a substantially revised and rewritten version of Ross, Saunders and Payne (1989), particularly in relation to the estimation reporting. This paper is a non-technical version of Ross and Saunders (1990).

The paper is organised as follows: Section 2 briefly presents Australian evidence on the financial circumstances of single parent families (the vast majority of whom are headed by single mothers) relative to other families with children.<sup>1</sup> It also establishes the link between poverty status and the labour force status of single mothers. Section 3 reviews recent labour market trends and presents some comparative data on the labour force status of single mothers and married mothers. Section 4 describes the data and variables used to estimate the parameters of the labour supply model. Section 5 presents an overview results from the estimation procedure to date.

## 2. POVERTY AMONG FAMILIES WITH CHILDREN

Relative poverty is an indicator of the different financial circumstances of particular groups of the population. Measures of relative poverty indicate the proportion with incomes below a poverty line expressed relative to average income in the community as a whole. Previous Australian research has focused on relative poverty measures to indicate the position of single parents (or other groups). In line with the focus of later Sections of the paper, the data presented here compares the situation of single parent families with that of married couple families with children.

### 2.1 Poverty

In line with earlier poverty research, poverty has been measured using the 'Henderson' poverty line first established in the work of Ronald Henderson and his colleagues (Henderson, Harcourt and Harper, 1970) and used subsequently by the Commission of Inquiry into Poverty (1975).<sup>2</sup> The Henderson poverty line embodies a set of equivalence scales derived from the relative expenditure patterns prepared by the Budget Standard Service of New York in 1954. The poverty line for the 'standard family' (two adults, one in the workforce, and two dependent children) was set at 56.6 per cent of average earnings in August 1973, with the equivalence scales used to derive poverty lines for other income unit types. Over time, the poverty line has been adjusted in line with movements in average earnings, although the earnings index was subsequently replaced by an index of household disposable income per capita in the early 1980s. Although the Henderson poverty line is widely used to estimate poverty in Australia, it has not been officially endorsed by governments of either of the two main political persuasions. Neither has an alternative been proposed by government, despite the release of an official report on the subject in the early eighties (Social Welfare Policy Secretariat, 1981).

Table 1 summarises published evidence on the poverty status of income units with dependent children between 1972-73 and 1985-86. Over much of this period, the overall poverty rate at the point in time when the estimates were made was around 10 per cent, although by 1985-86 it had increased to 12.6 per cent. This increase reflects the sharp recession of 1982-83 and its disproportionate impact on families with children, combined with the low levels of income support payments for families with children in the first half of the 1980s (Saunders and Whiteford, 1987). Throughout the period, the poverty rate among sole parent families has been far above the overall poverty rate, rising from almost three times greater than the national poverty rate in 1972-73, to close to four times the national rate by 1985-86. The rise in poverty among sole parent families has thus been faster than the rise in the overall poverty rate, but slower than the rise in the poverty rate among couples with dependent children, although the latter began from an extremely low base in 1972-73.

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1. For a more complete analysis, see Saunders and Matheson (1990) or Ross and Saunders (1990).
  2. For a detailed discussion of the Henderson poverty line and other approaches to poverty measurement, see Saunders and Whiteford (1989).

The relative rise in the poverty rate among sole parents has been reinforced by the increased size of the sole parents population relative to the population as a whole. Table 1 indicates that the number of sole parent families in poverty rose from 45.3 thousand to 118.1 thousand between 1972-73 and 1985-86, an increase of 175 per cent. This has resulted in a change in the composition of the poverty population towards sole parents, who represented 18.1 per cent of all income units in poverty in 1985-86 compared with 11.3 per cent in 1972-73.

The very high incidence of poverty among sole parents indicated in Table 1 reflects their low income levels, which in turn largely reflects their low levels of labour force attachment. This is brought out in Table 2, which relates the poverty status of sole mothers in 1985-86 to the number of children and to their labour force status.<sup>3</sup> The estimates in Table 2 should be interpreted with caution because many of them are based on small samples and are thus subject to large standard errors. However, the estimates illustrate the great importance of paid work as a major route out of poverty for single mothers.<sup>4</sup> Overall, poverty is higher where there are two or more children than where there is only one child, although this relationship varies according to the labour force status of the mother. The poverty rate for all sole mothers not in the labour force is over 72 per cent. This falls to 63 per cent for part-rate workers, is almost halved to 32 per cent for permanent part-time workers, and falls further to below 6 per cent for full-time, full-year workers. However, only 24.3 per cent of sole mothers worked all year (either full-time or part-time) in 1985-86, while 59.2 per cent were not in the labour force. The poverty rate of sole mothers in full-time work for the entire year was only 5.8 per cent, well below the overall poverty rate for the population as a whole (Table 1).

These results thus indicate that poverty is not a characteristic associated with sole parenthood itself, but arises from the combination of sole parenthood and lack of labour market participation.<sup>5</sup> It follows that if the labour market is to offer a realistic route out of poverty for sole mothers, the barriers preventing their involvement in paid work must be overcome. Certainly, Table 2 suggests that a strategy that facilitates sole mothers' labour force participation, given the availability of appropriate job opportunities, has much to recommend it as a way of improving the financial circumstances of sole mothers and their children. In addition to the availability of jobs, the success of such a strategy depends on identifying the factors that inhibit the labour market decisions of sole mothers, in order that policies may be better tuned to facilitating entry to, and continuation in, the labour market.

## 2.2 Income Composition

A major reason for the low relative income levels of sole parent families is their high degree of reliance on income support, combined with the relatively low level of income support payments relative to the Henderson poverty line. Table 3 indicates that sole parents obtain half of their income in the form of wages and salaries, and a little over a third from government cash benefits (see also Johnstone, 1985). In contrast, non-aged couples with dependent children obtain about three quarters of their income from wages and salaries and only four per cent from government cash benefits. Other income sources (property income, self employment income, and so on) account for about 14 per cent of sole parents' income and around 20 per cent of the income of couples with children.

Given the high proportion of sole parent families resulting from marital breakdown, another area of cash income which merits consideration is receipt of maintenance and alimony. In a survey based on departmental records, Johnstone (1985) found that 25 per cent of sole parent pensioners in September 1984 were receiving maintenance,

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3. The differences between the aggregates shown in Table 2 and the poverty estimates in Table 1 reflect three factors: first, Table 2 excludes sole fathers; second, the estimates in Table 2 are based on the simplified Henderson equivalence scales; and third, revisions to household disposable income per capita have caused the poverty line itself to vary since the estimates reported in Table 1 were produced.
  4. The only other major route out of poverty for sole mothers is (re)partnering with a suitable partner; see Section 2.2 below.
  5. See also Bradbury, Encel, James and Vipond (1988: Appendix B) for similar evidence for 1981-82.

**TABLE 1: POVERTY RATES FOR FAMILIES WITH DEPENDENT CHILDREN, 1972-73 TO 1985-86**

Year	Couples with Children			Sole Parents			All Income Units		
	Total Number	Number in Poverty	Poverty Rate	Total Number	Number in Poverty	Poverty Rate	Total Number	Number in Poverty	Poverty Rate
	('000)	('000)	(%)	('000)	('000)	(%)	('000)	('000)	(%)
1972-73	1215.0	36.9	3.0	140.0	45.3	32.4	3916.0	399.4	10.2
1978-79	1498.1	111.6	7.4	210.1	76.3	36.3	4963.4	463.1	9.3
1981-82	1510.0	132.1	8.7	211.9	92.0	43.4	4844.7	489.3	10.1
1985-86	1523.0	159.5	10.5	249.7	118.1	47.3	5184.2	653.2	12.6

**Note:** The poverty lines and survey populations used to derive these estimates are broadly comparable, although some minor differences remain.

**Sources:** 1972-73: Commission of Inquiry into Poverty (1975), Tables 3.9 and 3.11.  
 1978-79: Social Welfare Policy Secretariat (1981), Table 5.6.  
 1981-82 and 1985-86: Social Policy Research Unit (1988), Table 5.

**TABLE 2: POVERTY RATES FOR SOLE MOTHER INCOME UNITS BY LABOUR FORCE STATUS<sup>(a)</sup>**

Labour Force Status	Sole Mother and 1 Child			Sole Mother with 2 or More Children			All Sole Mothers		
	Sample Size	Weighted Sample ('000)	Poverty Rate (%)	Sample Size	Weighted Sample ('000)	Poverty Rate (%)	Sample Size	Weighted Sample ('000)	Poverty Rate (%)
Full-year, full-time worker	36	25.2	7.1	26	18.1	4.0	62	43.3	5.8
Full-year, part-time worker	14	9.4	27.4	5	3.7	43.0	19	13.1	31.9
Part-rate worker <sup>(b)</sup>	34	21.3	60.7	21	14.9	65.8	55	87.1	62.9
Not in the Labour force	96	62.6	64.3	101	71.2	79.8	197	142.4	72.5
<b>Total</b>	<b>180</b>	<b>118.4</b>	<b>48.6</b>	<b>153</b>	<b>107.9</b>	<b>63.9</b>	<b>333</b>	<b>226.3</b>	<b>55.9</b>

**Notes:** (a) Poverty status has been determined using annual net income and the Henderson poverty line based on the simplified equivalence scales. The 1985-86 poverty line for the standard family (working husband, non-working wife and two dependent children) is set at \$240 a week.

(b) Includes both part-year, full-time and part-year, part-time workers because sample sizes prevented separate analysis for each group.

**Source:** ABS, 1986 Income Distribution Survey, unit record file.



with most payments falling between \$10 and \$30 a week (well below the prevailing free area of \$36 a week for a sole parent pensioner with one child). Among sole parents included in the 1986 Income Distribution Survey, 18.8 per cent reported receiving some regular income from maintenance or alimony. For these families, such payments comprised on average 17.4 per cent of their gross weekly income, the actual percentages ranging from 1.8 per cent to 80.6 per cent. The data also suggests, however, that the extent of dependence on maintenance payments indicated by the latter figure is probably only temporary in most cases. An examination of annual income data from the same source shows that while a similar proportion of sole parents had received maintenance income at some stage during 1985-86 as were doing so at the time of the survey, the overall proportion of gross annual income received from this source in no case exceeded 50 per cent.<sup>6</sup>

Improving the financial situation of sole parents thus involves them gaining access to additional income. There are two main ways of achieving this, as Millar (1989) has recently emphasised. The first is through living with an employed man. This is in fact quite common among sole parents. For example, Department of Social Security (DSS) statistics indicate that of the 105.7 thousand terminations of sole parent's pension in 1988-89, no less than 33.9 thousand (or 32 per cent) resulted from reconciliation with the spouse or because of involvement in a new relationship (DSS, Annual Report 1988-89, p. 65). The second route to improved financial circumstances involves the sole parent themselves joining the paid labour force or increasing their participation in it. The determinants of this second route are the focus of the rest of this paper.

### 3. PARENTS AND THE LABOUR MARKET

Two features have characterised changes in employment patterns in Australia since 1973. The first is the rapid growth in part-time employment, both in absolute terms and relative to full-time employment growth. The second is the growth in full-time female employment relative to full-time male employment, particularly for unmarried females. Between 1973 and 1989, total male employment grew at an annual average rate of 1.10 per cent, while total female employment grew almost three times faster, at 3.08 per cent a year. The annual growth rate of part-time employment (5.47 per cent) was almost five times the growth of full-time employment (1.14 per cent).<sup>7</sup> While the trend towards part-time jobs generally, and towards female jobs relative to male jobs, have both been in train since 1973, the period since 1983 has seen a much stronger growth in full-time employment relative to earlier years, associated with much better employment performance generally. Thus as labour market performance has improved since 1983, the movement towards part-time jobs and female employment has continued, but at a somewhat slower pace than in earlier periods. These developments would appear initially to be particularly beneficial to sole parents, most of whom are women, particularly those sole parents who prefer part-time employment.

#### 3.1 Labour Force Status of Sole Mothers and Married Mothers

The employment status of sole mothers and married mothers is compared in Table 4. The general trend towards part-time employment already noted is again apparent, but what is interesting here is the higher percentage of full-time employment amongst sole mothers as compared with married mothers. Over the last five years, the proportion of employed sole mothers in full-time and part-time employment has been approximately in the ratio 60:40, while for employed married mothers the ratio has been closer to 40:60. There is a common view in Australia that the relatively low part-time employment status of sole parents generally (and sole mothers in particular) results from the financial disincentives associated with the poverty trap. Certainly, as Whiteford, Bradbury and Saunders (1989) have recently established, the potential for the poverty trap facing supporting parent beneficiaries to adversely affect work incentives

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6. The significance of maintenance and alimony for sole parents is, however, likely to increase as the recently introduced Child Support Scheme takes effect.

7. Saunders and Matheson (1990, Table 20).

**TABLE 3: SOURCES OF GROSS INCOME BY INCOME UNIT TYPE (a)****(Percentages)**

<b>Income Source</b>	<b>Sole Parents</b>	<b>Non-aged couples with children</b>	<b>All non-aged income units</b>	<b>All income units</b>
<b>1981-82</b>				
Wages and Salaries	50.6	73.1	75.5	69.6
Government Cash Benefits	34.7	3.8	4.8	9.2
Other	14.7	23.1	19.7	21.2
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>1985-86</b>				
Wages and Salaries	50.1	77.7	77.4	71.2
Government Cash Benefits	36.6	4.2	5.5	9.8
Other	13.4	18.1	17.1	19.0
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Note:** (a) In this and subsequent tables, negative recorded incomes (e.g. from self employment) have been re-coded with a value of zero on the data files.

**Source:** As for Table 2.

is considerable. Cass (1986) however, argues that a range of other factors are also relevant to the work decisions of sole parents:

*In their daily attempt to combine child care, household duties and part-time employment, single mothers may find that the increased expenditure of time, effort and income involved in labour force participation does not yield a commensurately increased level of disposable income. As a result, the two most economically feasible options of income support are clarified: full-time employment or full benefit. (Cass, 1986, p. 8)*

Table 5 presents evidence that, while not confirming this view, is broadly consistent with it. The table compares the labour force states of sole mothers and married mothers by the age of youngest child. For both groups, labour force attachment increases sharply when the youngest child reaches the age of five and enters compulsory schooling. For female sole parents, there is a further increase when the youngest child reaches fifteen, although the reverse happens at this stage for married women. For both groups, increased labour force participation for those with a youngest child over five is concentrated in full-time employment, although part-time employment also rises compared to those with younger children. For sole mothers with a youngest child over fifteen, there is a marked switch from part-time to full-time employment, with a much weaker switch apparent for married mothers.

However, perhaps the most revealing aspect of Table 5 is the fact that (in both 1984 and 1989) the overall percentages in full-time employment are very similar for married mothers and sole mothers. In contrast, the rate of part-time employment for sole mothers is between 60 and 65 per cent of that for married mothers. Although these data indicate that there are life cycle factors that play an important role in the labour supply decisions of both married mothers and sole mothers, the difference in part-time employment rates remain important even when life cycle factors are standardised by comparing those with a youngest child in the same age range. While the evidence is not definitive as to the impact of the poverty trap on part-time employment among sole mothers, there is a presumption that this is a factor underlying the observed trends.

#### 4. LABOUR SUPPLY ANALYSIS

##### 4.1 Theoretical Framework

In order that the employment decision implications of the data described in the previous Section can be analysed, it is necessary to develop a theoretical model of labour supply behaviour. The framework used in this paper is the standard 'second generation' static labour supply model for estimating disaggregate labour supply functions and is outlined in Ross and Saunders (1990); a complete description is in Killingsworth (1983). The model is used to analyse the labour market behaviour of mothers.

By comparing the characteristics of mothers who are in the labour force with those of mothers who are not in the labour force, the importance of particular characteristics to the labour force participation decision can be gauged. Similarly, a comparison of employed mothers and mothers who are not employed will reveal the distinguishing characteristics important to the employment outcome. Finally, a comparison of the characteristics of mothers in full-time employment with those of mothers in part-time will reveal the characteristics which are important in determining whether employment is full-time or part-time.

The focus of the analysis reported in Ross and Saunders (1990) is on all three comparisons. The data used in this analysis are described in the remainder of this Section, while the main results of the analysis to date are outlined in Section 5.

**TABLE 4: FULL-TIME AND PART-TIME EMPLOYMENT STATUS OF MOTHERS, 1979-1989**

Year	Full-Time				Part-Time			
	Sole Mothers ( <sup>'000</sup> )	(%)	Married Mothers ( <sup>'000</sup> )	(%)	Sole Mothers ( <sup>'000</sup> )	(%)	Married Mothers ( <sup>'000</sup> )	(%)
1979 (a)	50.4	59.3	336.9	44.3	34.6	40.7	424.4	55.7
1980	55.0	63.4	345.3	43.4	31.9	36.8	450.6	56.6
1981	52.5	59.0	347.0	43.1	36.4	40.9	457.7	56.9
1982	55.1	60.5	351.4	43.6	36.0	39.5	454.6	56.4
1983 (b)	52.5	63.3	343.6	43.5	30.6	36.9	446.1	56.5
1984	52.8	56.5	360.4	43.6	40.6	43.5	466.3	56.4
1985	58.6	59.4	379.5	42.8	40.1	40.6	507.9	57.2
1986	66.2	60.6	396.8	42.1	43.1	39.4	545.2	57.9
1987	71.4	60.6	419.9	42.5	46.5	39.4	567.3	57.5
1988	67.7	57.5	427.7	41.7	50.0	42.5	598.6	58.3
1989 (c)	74.4	54.7	457.0	42.3	61.5	45.3	623.9	57.7

**Notes:** (a) Data for 1979 and 1980 for married mothers are slightly understated due to the non-inclusion of wives whose husbands were not in the labour force.

(b) Due to a change in estimation procedures in 1983, data for subsequent years are not strictly comparable with those before 1983.

(c) Data for 1989 not entirely consistent with earlier years.

**Sources:** 1979-1985: Social Security Review (1986), Table 6.  
 1986-1989: ABS, Labour Force Status and Other Characteristics of Families, 1986 to 1988, Catalogue No. 6224.0, various issues.

**TABLE 5: LABOUR FORCE PARTICIPATION OF MOTHERS BY AGE OF YOUNGEST CHILD, 1984 AND 1989**

	Age of Youngest child (years)	Full-time employment	Part-time employment	Unemployment	In the labour force
<b>1984</b>					
<b>Married Women</b>					
	0-4	11.2	19.1	4.0	34.3
	5-9	20.9	31.3	3.7	55.9
	10-14	27.0	28.7	2.1	57.8
	15-20	30.1	24.0	*	56.0
	Total	19.1	24.8	3.3	47.2
<b>Female Sole Parents</b>					
	0-4	8.8	10.4	5.1	24.2
	5-9	17.9	16.6	8.3	42.8
	10-14	25.8	16.9	6.3	49.0
	15-20	34.4	17.6	*	57.6
	Total	19.3	14.8	6.4	40.5
<b>1989</b>					
<b>Married Women</b>					
	0-4	13.8	28.6	2.8	45.2
	5-9	26.9	37.8	4.8	69.5
	10-14	32.8	34.8	2.2	69.8
	15-24	35.3	30.6	1.4	67.3
	Total	23.7	32.3	3.0	58.9
<b>Female Sole Parents</b>					
	0-4	11.0	16.5	6.4	34.0
	5-9	23.6	24.8	6.1	54.6
	10-14	32.4	24.5	4.2	61.1
	15-24	48.0	18.5	4.7	71.1
	Total	25.4	21.0	5.5	52.0

**Note:** An asterisk (\*) indicates that the sample is too small to produce reliable estimates.

**Source:** ABS, Labour Force Status and Other Characteristics of Families, Catalogue No. 6224.0, various issues.

## 4.2 The Data Base

The data are taken from the unit record file from the 1986 Income Distribution Survey undertaken by the Australian Bureau of Statistics (ABS). There are a total of 3202 mothers with dependent children on the file, 2841 of whom were married at the time of the survey and 361 of whom were sole mothers. Of the 361 sole mothers, 285 had previously been married and 76 had never been married. In this analysis, all sole mothers are grouped together because of the relatively small number who had never been married. However, it should be noted that sole mothers are a very heterogeneous group. Compared to the previously married mothers, the never married mothers are much younger (average age is 27 compared to 37 for previously married mothers, with 44 per cent of never married mothers aged less than 25 compared to only 6 per cent of previously married mothers under the same age). Never married mothers have twice as many young children but only a quarter the number of older children, reflecting their own relatively young age. The employment situation of never married mothers is also quite different to that of previously married mothers. For never married mothers, the incidence of full-time employment is 14 per cent, the incidence of part-time employment is also 14 per cent and the incidence of unemployment is 8 per cent; the corresponding figures for previously married mothers are 27 per cent, 15 per cent and 7 per cent, respectively.

Table 6 compares the labour market position of married and sole mothers in the sample. Although sole mothers have a lower labour force participation rate and a higher unemployment rate than is the case for married mothers, those sole mothers who are employed are concentrated more in full-time employment. The information presented in Table 6 highlights the central research question addressed in this paper. The key differences are that compared to married mothers, sole mothers have lower labour force participation but higher unemployment, and among those who are employed there is less part-time employment and more full-time employment. The research question raised is whether these reflect fundamental differences in the way sole mothers respond to labour market signals compared to married mothers, or whether sole mothers respond in the same manner as do married mothers, in which case the variations reported in Table 6 simply reflect differences in endowments of characteristics.

Table 7 compares sample descriptive statistics for employed and not employed, married and sole, mothers. The mnemonics used in Table 7 are defined in Table 8. It is clear that there are significant differences between the groups of mothers. Sole mothers have fewer children in all age groups than do married mothers. Employed sole mothers are marginally older, marginally more educated, and have marginally more labour force experience than do employed married mothers, but the reverse is true of mothers not in employment. Overall, the age distribution of sole mothers is more even than that for married mothers. Eighty per cent of married mothers are aged between twenty-five and forty-four, whereas only sixty-six per cent of sole mothers are in this age range. However, the biggest differences are in the income variables. Sole mothers have three times as much income from government cash transfer payments, but only around 10 per cent as much family income from other all other sources than married mothers. In addition to not having access to the earnings of an employed spouse, sole mothers have less than half as much income from all other sources than is the case for married mothers. For example, married mothers had spouses who, on average, earned around \$19,142 a year and had other family income of \$5,968 a year on average. By contrast, sole mothers had (by definition) no spouse income and the other sources of income averaged only \$2,109 a year.

## 5. EMPIRICAL RESULTS

The results of the analysis are presented in full in Table 9 of Ross and Saunders (1990). They can be summarised as supporting the following propositions:

- Mothers with pre-school aged children are most unlikely to be in the labour force and in employment, but if they are employed they are just as likely to be in full-time employment as they are to be in part-time employment;
- Mothers with primary school aged children are more likely than are mothers with pre-schoolers, but less likely than mothers with older children, to be in the labour force and to be employed;
- More highly educated mothers are more likely than other mothers to be in the labour force and are more likely to be in full-time employment rather than part-time employment;

**TABLE 6: THE LABOUR FORCE POSITION OF MARRIED AND SOLE MOTHERS, 1985-86**

	Married Mothers	Sole Mothers
	Number	
<b>Labour Force Status</b>		
In Labour Force	1659	162
Employed Full-time	583	85
Employed Part-time	933	50
Unemployed	143	27
Not in Labour Force	1182	199
Total	2841	361
	Percentage	
<b>Labour Force Statistics</b>		
Labour Force Participation Rate	58.1	44.9
Unemployment Rate	8.6	16.7
Incidence of Unemployment	5.0	7.5
Incidence of Full-time Employment	20.5	23.6
Incidence of Part-time Employment	32.8	13.9

Source: ABS, 1986 Income Distribution Survey, unit record file.

**TABLE 7: VARIABLES USED IN THE ANALYSIS, MEAN VALUES BY EMPLOYMENT STATUS FOR MARRIED AND SOLE MOTHERS, 1985-86**

Mnemonic	Married Mothers			Sole Mothers		
	Employed	Not Employed(a)	Total	Employed	Not Employed(a)	Total
AGE	36.31	35.00	35.70	37.28	33.55	34.95
AGE1524	.0382	.0785	.0621	.0532	.1991	.1462
AGE2534	.3620	.4468	.3973	.3259	.3673	.3369
AGE3544	.4752	.3464	.4100	.4011	.3142	.3558
AGE4554	.1189	.1026	.1150	.1980	.1018	.1402
AGE5564	.0057	.0157	.0156	.0218	.0176	.0209
KIDS04	.4104	.7268	.5614	.2777	.5885	.4792
KIDS59	.5210	.5925	.5498	.3767	.5089	.4661
KIDS10	1.0240	.7917	.9144	.9493	.7345	.8026
(total number of dependent children)	1.9554	2.1110	2.0256	1.6036	1.8319	1.7479
EDUCN (yrs)	11.74	11.19	11.48	12.08	11.02	11.42
EXPER (yrs)	11.21	10.34	10.77	11.94	9.85	10.67
SPWORK	.946	.828	.891	0	0	0
FAMINC (\$/p.a.)	26,573	23,937	25,110	2,378	1,941	2,109
TRANS (\$/p.a.)	850	1,881	1,336	1,966	5,260	3,989
NM	0	0	0	1,000	1,000	1,000
Sample size	1,516	1,325	2,841	135	226	361
Population Estimate	970,622	817,617	1,788,238	85,832	114,699	200,531

**Note:** (a) i.e. the Unemployed and Not in the Labour Force categories.

**Source:** ABS, 1986 Income Distribution Survey, unit record file.



TABLE 8: MNEMONICS AND DEFINITIONS OF VARIABLES USED IN THE PROBIT ANALYSIS

MNEMONIC	DEFINITION
AGE	mid-point of age group; 15 (15), 17 (16-19), 22 (20-24), 27 (25-29), 32 (30-34), 37 (35-39), 42 (40-44), 47 (45-49), 52 (50-54), 57 (55-59), 62 (60-64)
AGE1524	dummy variable, = 1 if aged 15-24, = 0 elsewhere
AGE2534	dummy variable, = 1 if aged 25-34, = 0 elsewhere
AGE3544	dummy variable, = 1 if aged 35-44, = 0 elsewhere
AGE4554	dummy variable, = 1 if aged 45-54, = 0 elsewhere
AGE5564	dummy variable, = 1 if aged 55-64, = 0 elsewhere
EDUCN	minimum number of years of formal education required to obtain highest educational qualification held (full-time equivalent years)
EXPER	full-time equivalent years of employment experience; instrumental variable defined as  $\text{EXPER} = -15.128 + 1.222 \times \text{AGE} - 0.011 \times (\text{AGE})^2 - 0.938 \times \text{KIDS04} - 1.398 \times \text{KIDS59} - 1.625 \times \text{KIDS10}$ <p>NB: this equation was derived from a regression analysis of the experience patterns of women in the 1980 Sydney Survey of Work Patterns of Married Women; see Ross (1986) for a description of that data set</p>
KIDS04	number of dependent children aged 0-4
KIDS59	number of dependent children aged 5-9
KIDS10	number of dependent children aged 10 and over
TRANS	gross annual family income from government cash transfer payments
FAMINC	gross annual family income from all sources other than the woman's own earnings from employment and TRANS
SPWORK	= 1 if woman's spouse is employed full-time = 0.5 if woman's spouse is employed part-time = 0 otherwise (i.e. if no spouse or if spouse not employed)
NM	= 0 if woman is currently married and living with her spouse = 1 if woman is not currently married and living with her spouse (i.e. if woman is separated, divorced, widowed, or has never been married)
LFPR	= 1 if in the labour force (i.e. if in paid employment or unemployed) = 0 elsewhere
EMP	= 1 if in paid employment = 0 elsewhere
LBRFT	= 1 if in full-time (i.e. at least 35 hours per week) paid employment = 0 elsewhere

- Mothers with working spouses are more likely than other mothers to be in the labour force and to be employed, but are much more likely to be in part-time employment than in full-time employment;
- Mothers with more previous employment experience are no more likely than other mothers to be in the labour force, but those that are in the labour force are more likely to be employed in full-time jobs;
- The age profile of employment is surprisingly very flat. After allowing for all other factors, all mothers aged up to forty-five are equally likely to be in the labour force and to be employed but mothers aged forty-five or older are less likely than younger mothers to be in the labour force.

Sole mothers appear to respond to labour market signals in exactly the same ways as do married mothers. The different patterns observed in Table 6 appear to be explained by differences in family characteristics such as ages of children, education, and access to non-work forms of income. The most striking result is that being a mother of a pre-school aged child has a far greater impact on participation than does being a sole mother.

## 6. CONCLUSIONS

There is now a body of evidence pointing to the poor financial and social circumstances of many single parent families in Australia. Rates of dependency on income support among single parents is high, although the duration of income support receipt is in many instances not unduly long. But such dependency, combined with the fact that this is the only form of income for many single parent families, serves to place them towards the lower end of the income distribution and thus with a high incidence of poverty. The evidence presented in Section 2 of the paper confirms that single parent families are among the least financially secure groups in Australian society.

One way of addressing this situation is to provide single parents with greater access to employment opportunities. A number of policy initiatives have been introduced in recent years with this aim in mind, including the provision of priority access to child care and measures to reduce the severity of the poverty trap facing sole parents in receipt of income support. It is interesting, however, to observe that the pattern of participation rates of single mothers in full-time employment are very similar to those of married mothers with a youngest child of the same age. In contrast part-time employment among sole mothers is well below that of married mothers with a youngest child of the same age. This latter evidence is suggestive of the fact that high effective marginal tax rates arising from interactions between the tax system and income-tested social security arrangements have resulted in disincentive effects for sole mothers, at least in relation to part-time work.

This paper has investigated this issue by estimating labour supply functions for single mothers and comparing these with the labour supply functions of married mothers. The focus of the analysis has been on establishing whether the labour supply behaviour of the two groups is different, and if so why. Specifically, the issues addressed relate to the question of whether or not being a sole mother makes any substantial difference to work decisions over and above those factors contributing to the work decisions of mothers, *per se*.

The evidence from Ross and Saunders (1990) discussed in Section 5 suggests that sole mothers do respond to labour market signals in much the same way as do married mothers. Overall, the findings reported in the paper are consistent with the view that the labour supply behaviour of mothers in Australia has more to do with the fact that they are mothers (and, more significantly, with the age of their youngest child), than whether or not there is an adult partner present. This suggests that the emphasis in understanding the labour supply decisions of single mothers should be placed more on the fact that they are mothers, rather than on the fact that they are sole mothers.

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## **WORKFORCE BARRIERS FOR SOLE MOTHERS IN AUSTRALIA**

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In November 1989 the OECD Working Party on Social Policy set up a panel to investigate workforce barriers for sole mothers. Australia, Austria, Canada, Finland, the Netherlands, Sweden, the UK and the USA are represented on the panel. As the labour force participation of sole mothers is high in some countries but substantially less so in others, and international comparison can help isolate the factors behind this and point to policies and programs which are effective in promoting labour force participation.

Australia is both a participant in the panel and has taken on the role of 'lead country'. This involves writing a country paper, as all participants are doing, and preparing a synthesis report of all country papers. The synthesis report is to be finalised in early 1991.

This paper is based on the Australian country paper which was drafted within the Social Policy Division of the Department of Social Security, with contributions from the Women's Bureau in the Department of Education, Employment and Training and the Child Care Strategic planning and Management Branch in the Department of Community Services and Health.

As well as reviewing the evidence on the factors commonly thought of as workforce barriers for sole mothers, the paper provides an opportunity for assessing how far change has been achieved since the Social Security Review. While the Review sought to improve the adequacy of income support for sole parents, it also argued that sole parents should be assisted towards long-term financial independence by easing the path to employment, including employment on a part-time basis (Raymond, 1987).

Unless otherwise stated the statistics used in this paper are from Australian Bureau of Statistics labour force surveys.

### **THE LABOUR FORCE PARTICIPATION OF SOLE MOTHERS: AUSTRALIA COMPARED TO OTHER OECD COUNTRIES**

Australia has had a relatively low rate of labour force participation by sole mothers compared with other OECD countries, as the comparison of mid-1980 rates overleaf shows. Only Britain, among these countries, had a similar participation rate for sole mothers to Australia. Both countries also shared the distinction of having a labour force participation rate among sole mothers significantly below that of married mothers, whereas for the other countries it was either the same or much higher.

As can be seen in Table 1, even though there has been an increase in sole mothers' participation in the Australian labour force in recent years, the rate remains below that of most OECD countries.

### **SOLE MOTHERS IN AUSTRALIA**

In May 1990 there were 305 400 sole mothers in Australia, representing 88 per cent of all sole parents. Department of Social Security data for those who receive income support indicate a majority are separated or divorced, although around 20 per cent have never been married (see Chart 1). Over 70 per cent of all sole mothers are aged between 25 and 44 and very few are teenagers (Chart 2). In June 1989 just over half (53 per cent) had only one dependent child, 31 per cent had two and 16 per cent had three or more. A third had a youngest child under the school starting age of 5 years, and a further 27 per cent had a youngest child aged 5 and 9 years.

**TABLE 1: LABOUR FORCE PARTICIPATION RATES FOR SELECTED COUNTRIES**

Country	Year	Participation Rates (%)	
		Sole Mothers	Married Mothers
Australia	1984	74	45
West Germany	1985	60	42
Finland	1985	92	85
France	1981	78	50
Great Britain	1982-84	39	49
Norway	1984	60	62
Sweden	1980	85	83
USA	1987	67	64
Australia	( 1985	41	51
	1989	52	59

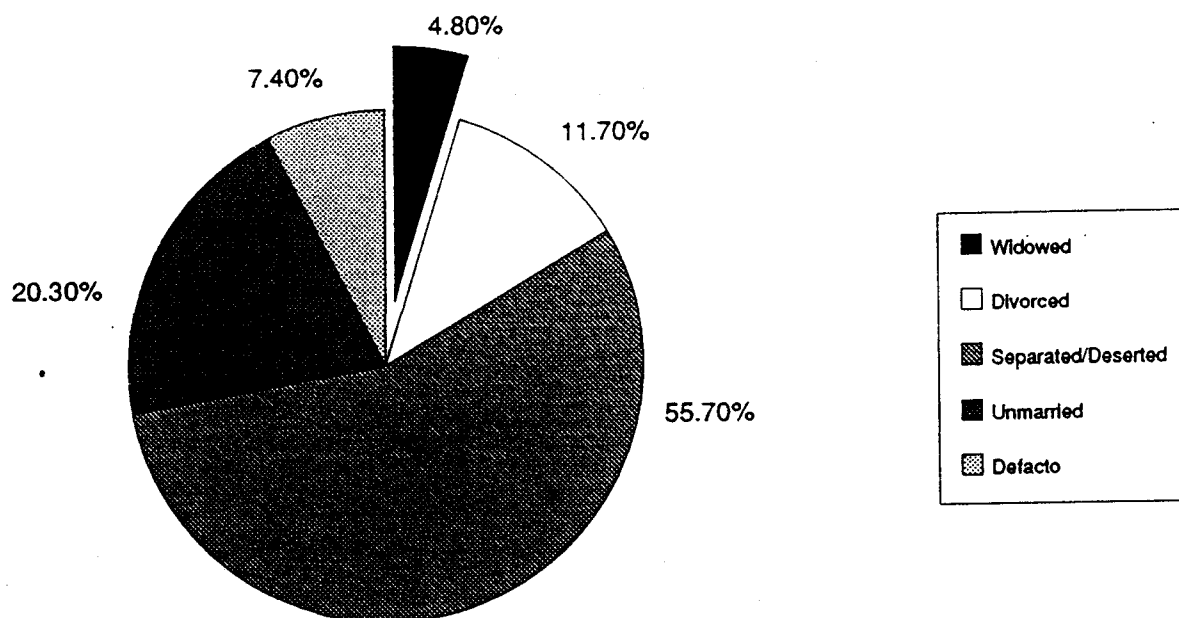
**Sources:** Australia - ABS Labour Force Surveys;  
other countries - Kamerman and Kahn (1989).

### THE INCOMES OF SOLE PARENTS

The main sources of sole parents' incomes are pensions and benefits, earnings and maintenance. Historically, the majority of sole parents in Australia have been almost entirely dependent on government income support, with little or no private income of their own. For example a 1986 ABS Income Distribution Survey found the main source of income for 61 per cent of sole parents was government pensions and benefits while for 33 per cent it was wages or salary. Over 70 per cent of those whose main source of income was pensions or benefit, received almost all their income from that source (ABS, 1986).

In recent years that pattern has changed. As Chart 3 shows, the number and proportion of sole parents receiving income support fell between 1986 and 1989, although in the last year both the number of sole parents and those receiving income support have risen. There has, however, been a clear upward trend in the numbers supplementing their pensions with other income. Between June 1987 and June 1990 the proportion of Sole Parent Pensioners receiving the maximum rate of Pension (in other words with very little other income) fell from 85 per cent to 61 per cent. The proportion with earned income has risen steadily - from 10 per cent in June 1983 to 14 per cent in June 1987, 17 per cent in June 1988 and 22 per cent in June 1990. Numbers receiving maintenance and the levels of maintenance received have also increased, especially since June 1988 when the Child Support Scheme was introduced. The proportion of Sole Parent Pensioners receiving maintenance increased from 24 per cent in June 1983 to 27 per cent in June 1988, to 34 per cent in June 1989 and 36 per cent in June 1990.

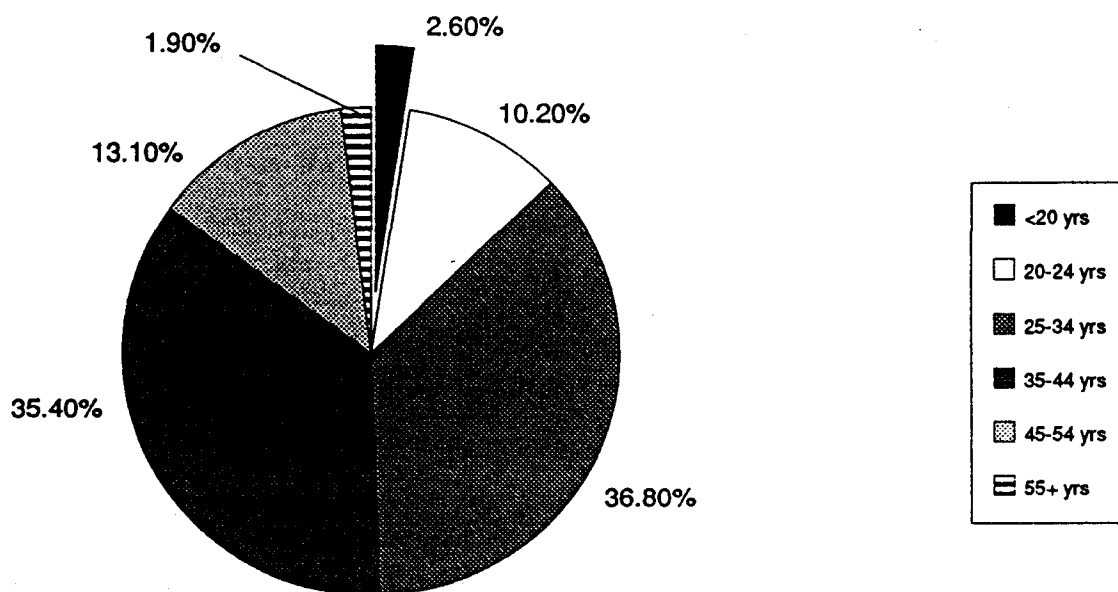
Chart 1: Marital Status of Lone Parent Pensioners (females only), June 1989\*



\* Note: Recent information on the marital status of all lone mothers is not available, but since 72% of lone mothers receive Sole Parent Pensions, this chart is a reasonable indication of the marital status of lone mothers.

Source: Department of Social Security

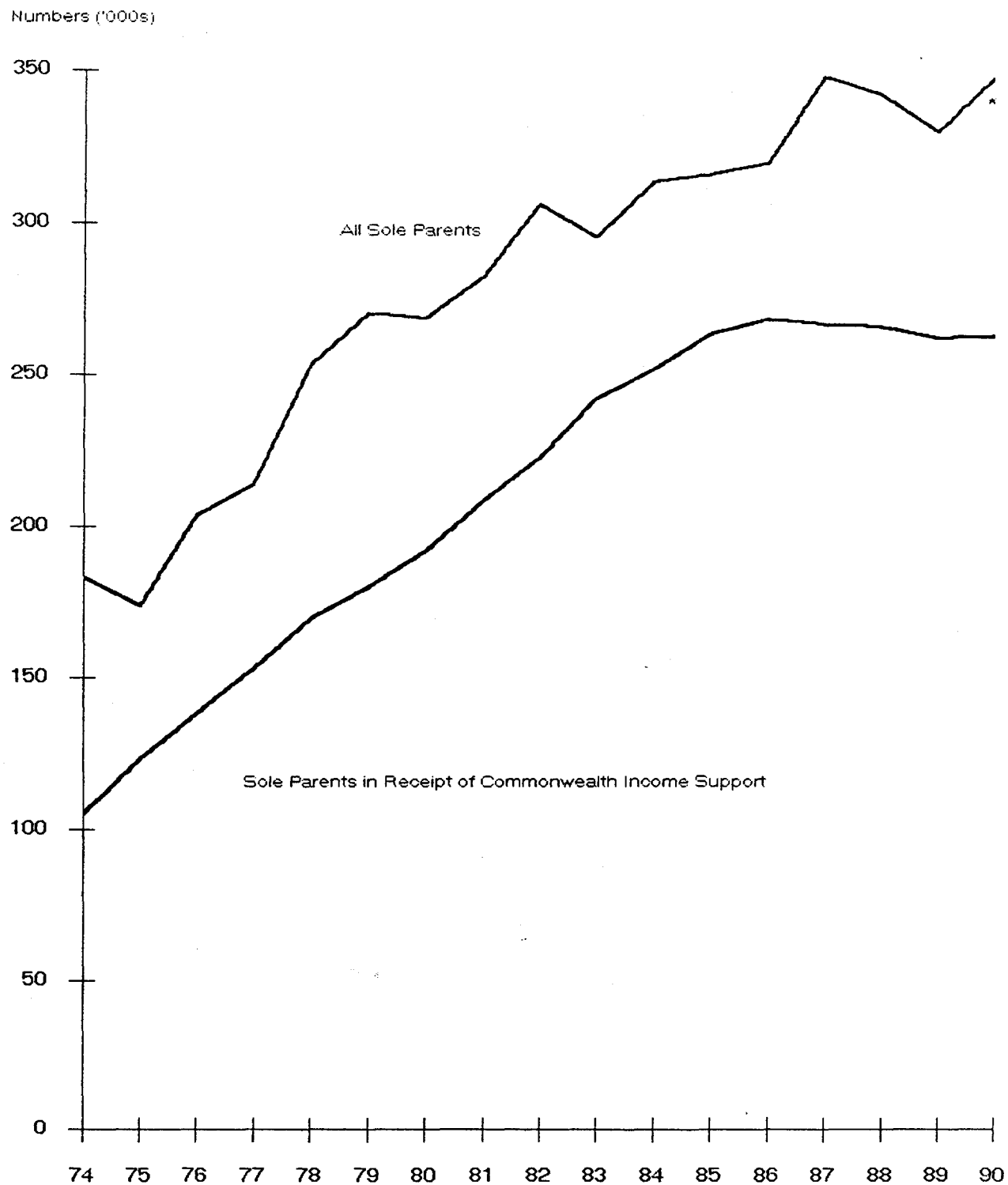
Chart 2: Age Distribution of Sole Mothers, June 1989



Source: Labour Force Status and other Characteristics of Families, June 1989 Australian Bureau of Statistics



Chart 3: All Sole Parents and Sole Parents in Receipt of Commonwealth Income Support, June 1974 to June 1990



Source: ABS Labour Force Surveys Estimates and DSS data.

\* The 1990 figure for all sole parents is for May 1990 as June not yet available.

## THE LABOUR MARKET

The participation of any group in the labour force can be affected by general conditions in the labour market. Like most OECD countries, Australia suffered a recession in the early 1980s, but since 1983 there has been considerable job growth in the economy. By May 1990 the employed labour force in Australia was 7.9 million, a 26 per cent increase on May 1983. Growth in employment has been higher for part-time compared to full-time work. The number of part-time workers increased by 56 per cent between 1983 and 1990, compared to a 20 per cent increase in full-time workers. Similarly female employment has increased more than male employment, by 41 per cent between 1983 and 1990 compared with a 18 per cent increase in male employment. Women now make up 41 per cent of the employed labour force.

Since the end of 1989 a slowdown in the economy has started to affect employment growth. While the number of jobs has continued to grow the rate has slowed and unemployment has started increasing after a sustained fall from the end on 1986. The expectation is of an increase in unemployment from 6.6 per cent in June 1990 to 7.5 per cent by June 1991.

## PARTICIPATION RATES

Employment growth since 1983 has been reflected in rising labour force participation levels which are now at historically high levels. The labour force participation rate of the population aged 15 and over was 64 per cent in May 1990, compared with 61 per cent in May 1983. However the participation rate for males has fallen from 77 per cent to 76 per cent during that period, while the rate for females has increased from 45 per cent to 53 per cent.

Since 1979 trends in the labour force participation rates of sole mothers compared to those of married mothers have been very different, as Chart 4 shows. From a similar starting point (45 per cent for married mothers and 43 per cent for sole mothers) there has been a divergence in rates which has begun to narrow only in the last few years. Married mothers' participation was fairly steady in the early 1980s, at 45 per cent in 1979 and 44 per cent in 1983, but since then has risen to 59 per cent in June 1989. Sole mothers' participation actually fell during the early 1980s, from 43 per cent in 1979 to 39 per cent in 1983, but has increased to 52 per cent by June 1989. The latest figures, for May 1990, show married mothers at 61 per cent compared with 53 per cent for sole mothers.

Sole fathers also have participation rates below those of their married counterparts. However at 81 per cent in May 1990 the participation rate for sole fathers is much higher than for sole mothers, but lower than the 95 per cent for married fathers.

As much recent job growth has been in part-time rather than full-time work, participation rates in full-time and part-time work are worth exploring. As Table 2 shows sole mothers are more likely to be participating in full-time work while married mothers are more likely to be participating in part-time work. For both sole and married fathers the pattern is generally full-time work.

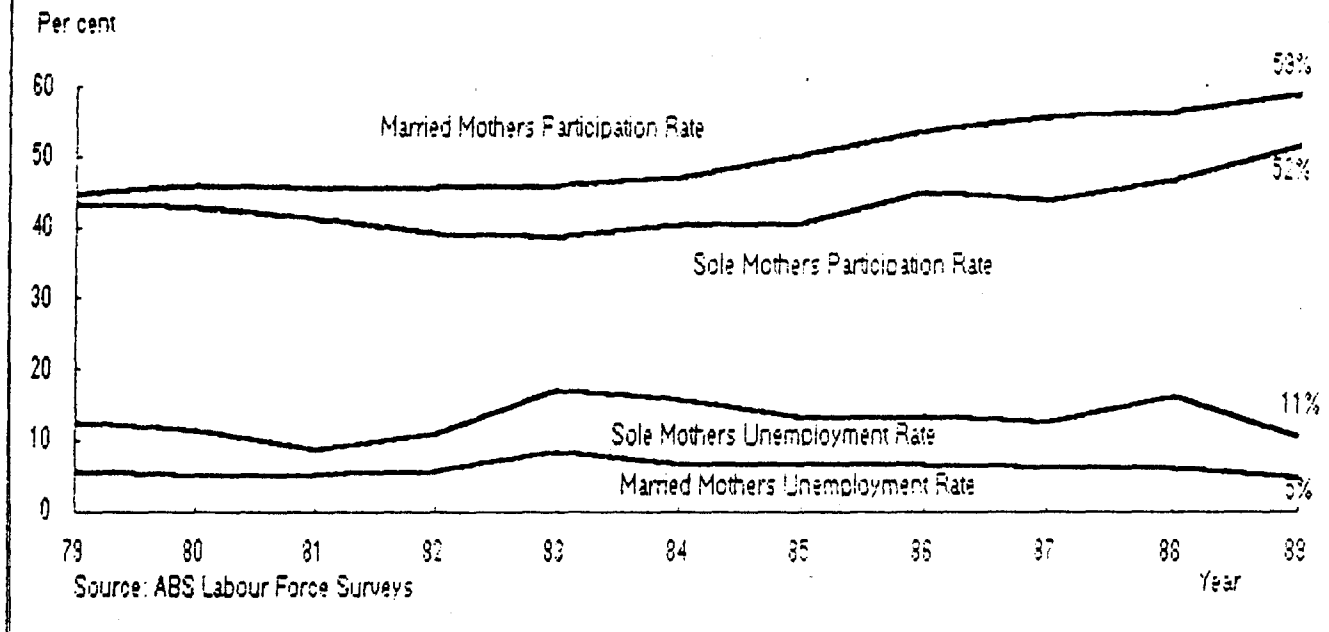
## FACTORS LIKELY TO AFFECT THE LABOUR FORCE PARTICIPATION OF SOLE MOTHERS

### 1. Age of the Mother and of her Children

Statistics show that the rates of labour force participation vary with the age of the mother and of her children (see Charts 5 and 6). The lowest participation rates are among the youngest and oldest age groups of lone mothers and among those with children below school starting age. In the case of sole mothers with children below school age this probably reflects the greater demands of child care, and possibly a stronger belief among mothers of young children that they should be with them rather than working. There is evidence from a recent survey of JET non-participants that this view is held by teenagers with children under a year old (DSS, 1990).

# Labour force participation of sole mothers

**Chart 4: Labour Force Participation Rates and Unemployment Rates of Sole Mothers and Married Mothers, June 1979 to June 1989**



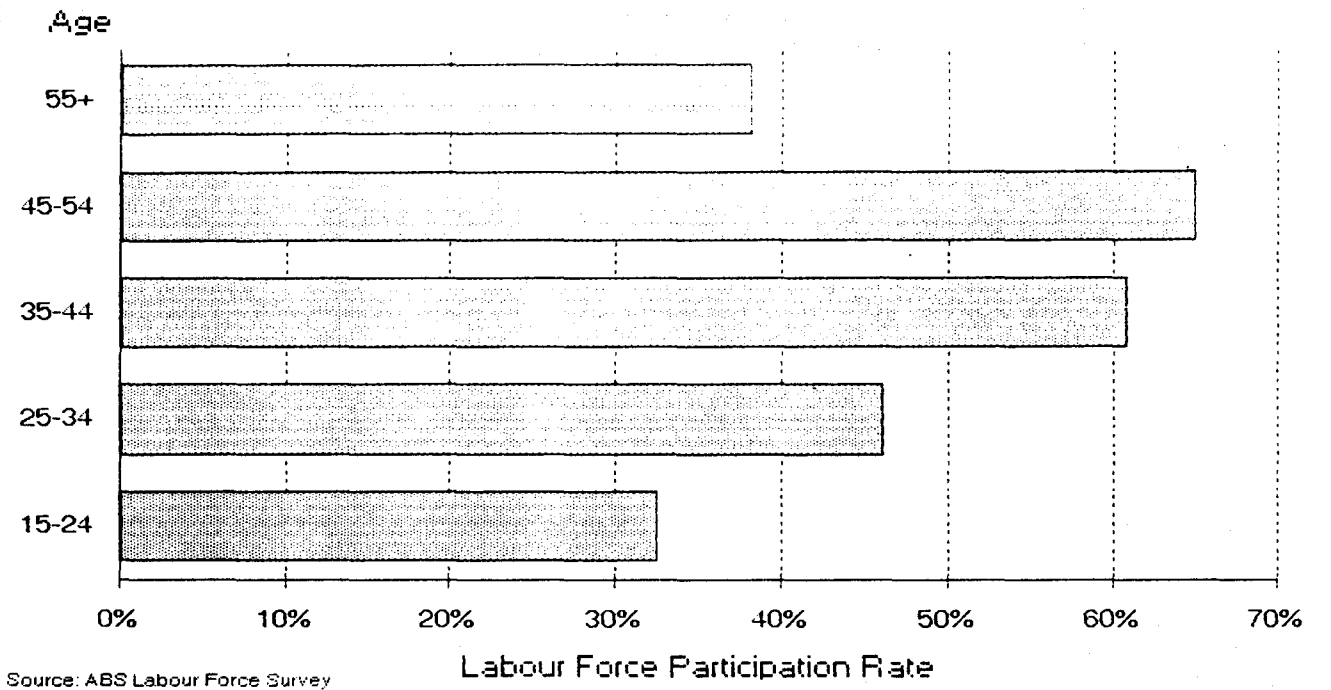
**TABLE 2: PARTICIPATION IN FULL-TIME AND PART-TIME EMPLOYMENT, MAY 1990**

	% employed	
	Full-time	Part-time
Married mothers	25.4	32.7
Lone mothers	26.8	20.3
Married fathers	88.8	2.5
Lone fathers	70.2	7.0

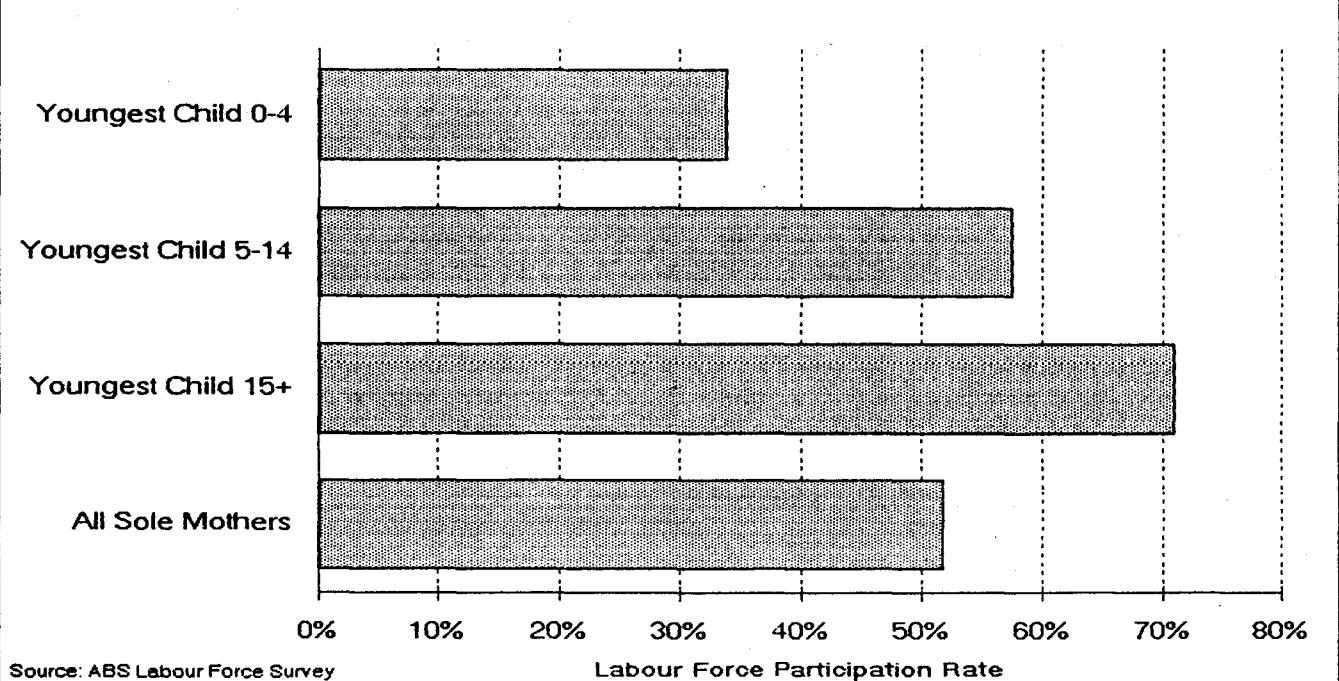
**Note:** Rates do not sum to overall participation rates because the unemployed are not included in this table.

**Source:** ABS Labour Force Survey, May 1990

**Chart 5: Labour Force Status of Female Sole Parents  
by Age (% distribution) - June 1989**



**Chart 6: Labour Force Participation Rates of Sole Mothers  
by Youngest Child, June 1989**



The lower participation rate among young sole mothers is likely to be linked to having younger children and to their lower levels of qualifications and labour market experience. At the other end of the age range, the lower rates of labour market participation among the oldest sole mothers could reflect higher levels of ill-health and longer periods out of the workforce. There is also evidence from the UK that routes out of sole parenthood are highly selective. The most typical route out of economic adversity for sole mothers is marriage or re-marriage, but those most likely to remarry are those in better economic circumstances, with higher skills and educational qualifications, leaving behind those least well-equipped for independent economic survival (Ermisch et al., 1990).

## 2. Qualifications and Skills

Population surveys show both married and sole mothers as having lower levels of qualifications on average than their male counterparts. For example, in the February 1989 ABS Labour Force Status and Educational Attainment survey, the percentages with post-school qualifications were:

married fathers	57.3%	married mothers	41.0%
sole fathers	42.1%	sole mothers	29.8%

Restricting the comparison to mothers with dependent children under 15 years old, sole mothers are still less qualified on average than married mothers: 33.7 per cent of sole mothers with a dependent child aged under 15 had post-school qualifications compared with 41.2 per cent of married mothers with a dependent child under 15 years. The pattern is similar across the three main types of post-school qualification: 4.9 per cent of sole mothers had degrees compared with 7.5 per cent of married mothers; and 2.6 per cent of sole mothers had trade qualifications or apprenticeships compared with 3.3 per cent of married mothers; and 25.6 per cent of sole mothers had diplomas or certificates compared with 30.0 per cent of married mothers. However an examination of qualification by age shows that it is the younger age groupings of sole parents which have lower qualification levels. For age groups over 45 years, sole mothers are on average better qualified than their married counterparts (see Table 3).

Within the sole parent population there is a clear link between qualification level and labour force participation. In February 1989, among sole mothers with a child under 15, 66 per cent of those with post-school qualifications were in the labour force compared with 36 per cent of those with no post-school qualifications.

A high proportion of non-working sole mothers express a wish to work. Nearly 60 per cent of sole mothers not in the labour force said they wanted to work in the September 1989 ABS Labour Force Survey. However, the extent to which these sole mothers can compete in finding work will be affected by their skills and work experience. Several surveys have found non-working sole parents to have been out of work for some time which can mean that their skills and experience are out of date. For example 1988 data from the Australian Bureau of Statistics survey of persons not in the labour force show that of those sole parents who were neither employed more formally unemployed but who nevertheless indicated a desire to work, 5 per cent had never been in a job before and 43 per cent had left their last job 5 or more years ago. There is also survey evidence that the range of skills sole mothers have to offer is limited. They tend to have worked in traditional, lower-paid female occupations and to express their employment preferences in terms of those occupations, and in some cases lack confidence in seeking work (Raymond, 1987; DSS, 1990; Frey, 1986).

For some time sole parents have been eligible for a range of employment and training programs. However their past low participation rate in these programs was one of the reasons behind the introduction of the Jobs, Education and Training (JET) program in March 1989. This provides an integrated program of assistance to sole parents through individual advice and counselling, and access to child care and education, training and employment opportunities. Its operation and success are the subject of the next conference paper.

**TABLE 3: QUALIFICATIONS: LONE AND MARRIED MOTHERS WITH A CHILD UNDER 15 YEARS, FEBRUARY 1989**

Age of Mother		15-19 %	20-24 %	23-34 %	35-44 %	45-54 %	55+ %	Total %
<b>Married Mothers</b>								
Post-school Qualifications		6.8	26.0	41.3	44.5	36.9	17.5	41.2
Degree		-	1.4	7.2	9.1	6.5	1.4	7.5
Trade Apprenticeship of Qualification		-	3.7	2.9	3.8	2.4	-	3.3
Certificate of Diploma		6.8	20.5	30.7	31.2	27.8	16.2	30.0
Other		-	0.4	0.5	0.5	0.2	-	0.4
Without Post-school qualifications		91.6	74.0	58.7	55.5	63.1	82.5	58.8
Still at school		1.6	-	-	-	-	-	-
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0
		No.	8,931	91,528	744,010	714,606	116,738	8,388 1,684,199
<b>Lone Mothers</b>								
Post-school Qualifications		-	17.8	31.2	41.6	51.0	26.1	33.7
Degree		-	-	4.1	8.2	8.2	-	4.9
Trade Apprenticeship of Qualification		-	2.6	2.0	2.6	2.6	8.8	2.6
Certificate of Diploma		-	14.9	24.1	24.1	30.6	17.3	25.6
Other		-	0.3	1.0	1.0	0.3	-	0.6
Without Post-school qualifications		98.1	82.2	68.8	58.4	49.0	73.9	66.3
Still at school		1.9	-	-	-	-	-	-
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0
		No.	5,926	28,712	111,772	79,015	18,565	3,180 247,169

Source: ABS Labour Force Status and Educational Attainment, February 1989,

### 3. Public Income Support

As in many other OECD countries, benefits for sole parents developed out of those for widows, which contained a strong presumption that benefit should compensated for the loss of the breadwinner's income and that mothers should devote their careers to child-rearing. This was the philosophy behind the introduction of the Australian widow's pension in 1942, and it remained largely unchallenged while income support arrangements were expanded to cover other categories of sole parents during the 1970s. However, by the time of the Social Security Review in 1986 there was growing concern about the number of sole parents dependent on income support and their high rate of poverty. With the rising rate of married mothers' labour force participation, the idea that sole parents should be encouraged to stay at home became increasingly questioned.

An issue addressed by the review and worth re-examining is whether income support was the reason for the falling labour force participation of sole mothers in early 1980s. Between 1980 and 1983 the labour force participation rate for sole mothers fell while that of married mothers continued to rise. There was concern that the availability and generosity of income support for sole parents, combined with a downturn in economic conditions, was encouraged many sole parents to withdraw from the labour force.

The analysis conducted for the Social Security Review led to different conclusions. Despite the decline in sole mothers' participation rates in the early 1980s, the actual numbers of sole mothers in the labour force had increased quite significantly in comparison with their married counterparts. For example, the number of sole mothers in the labour force increased by almost 60 per cent between 1974 and 1985, whereas the number of married mothers in the labour force increased by only 30 per cent. The reason for the falling labour force participation rate among sole mothers was identified as primarily due to a rapid increase in total numbers of sole mothers. The Review concluded that it is probably not surprising that labour force participation will fall during a period when numbers of sole parents are rapidly increasing, given that it must take some time to adjust to sole parenthood. Sole mothers who are in work when separation occurs are likely to withdraw from the labour force temporarily to cope with the new demands, while new sole mothers who have been out of the labour force for some time are unlikely to be able to take up employment immediately.

The Review also considered the question of whether the level of pension for sole parents discouraged labour market participation. Assistance for sole parents had increased in real terms between 1973 and 1985. However, the increase was greatest in the mid-1970s and since then sole parents' pension had only kept pace with inflation, while additional payments for children, which were not indexed, did not even manage that. Moreover the real disposable incomes of sole parent pensioners had increased at a rate well below the increase in average disposable incomes in the community generally. It seemed unlikely therefore that the level of sole parents' pension was a key factor in falling participation in the early 1980s, and this was corroborated by survey evidence which indicated that a majority of sole parents not in the labour force wanted to take up paid work.

The Review found that there were real constraints on workforce participation by sole parents, including sole responsibility for child care, generally low work skills and education levels, difficulties of access to jobs and child care, and little net financial gain from working as a result of the withdrawal of benefits and concessions interacting with the imposition of tax. The Review led to a major shift in the objectives of policy. These were revised to focus not only on the adequacy of benefit for lone parents but also to provide encouragement for lone parents to move off pension into employment. Subsequent changes altered income support and lead to additional labour market assistance and greater access to child care and child support.

In the field of income support the two main benefits for lone parents, Supporting Parents benefit and Class A widows pension were replaced from March 1989 with a new benefit, the Sole Parent pension. This effectively rationalised a situation where two groups were receiving similar payments but under different benefits determined by gender and reason for lone parenthood. It also extended the benefit to a small group of people who have substantial care and control of a child but not legal custody.

The main changes to improve adequacy and encourage labour force participation, some of which are still to come into effect, are:

- **measures to reduce poverty traps**

From July 1987 the 'free area' within the pension income test (i.e. the amount of income that a sole parent can have before benefit is reduced) was increased from \$30 to \$40 a week, the income test disregard in respect of children was doubled from \$6 to \$12 a week, and the separate income test on rent assistance was abolished. These measures increased substantially the level of income which sole parents can earn and still retain some pension income.

From November 1987 sole parents have been able to build up an 'earnings credit' of up to \$1 000 a year, the method of accrual of which was simplified from April 1990. This means they can earn up to \$1 000 from casual work without suffering a reduction in pension.

- **changed eligibility for lone parent pensioners**

From September 1987 eligibility to Supporting Parent's benefit (the main benefit at that time for sole parents) was restricted to those whose youngest child was under 16 years. Previously a qualifying child included a student aged 16 to 24. This measure, together with the gradual phasing out of Class B Widow's pension (a benefit introduced for older widows or sole parent pensioners who would have lost entitlement on the introduction of Sole Parent Pension), has resulted in many of those affected transferring to unemployment benefit. In the majority of cases the basic rate of assistance remains the same as long as the child is a student, but the parent is required to register and look for work and faces a tighter income test.

- **increased assistance for children**

In December 1987, the Family Allowance Supplement (FAS) replaced Family Income Supplement, and provided more generous payments to low-income families with children (including lone parent families) who are not in receipt of pension or benefit. From July 1989 the rate of FAS for older children and the rates of Family Allowance were increased substantially, as part of a planned approach to reaching benchmarks of adequacy in benefits for children by 1990. Both FAS and the Family Allowance provide important additional income for those on low earnings.

- **indexation of all family and child payments**

The basis rate of Sole Parent Pension is indexed twice a year by the consumer price index. From January 1990 all other family and child payments of lone parents and other families are indexed annually, protecting these benefits from inflation.

- **increased rent assistance**

With the introduction of FAS in December 1987, rent assistance to private renters was extended to FAS recipients and so covered low income families in work as well as pensioners. Rent assistance was increased in the 1988-89 and 1989-90 Budgets. In the first of these, separate and higher rates for families with children were introduced. These increases and indexation from March 1991 improve the adequacy of payments of low income private renters. A relatively high proportion of Sole Parent Pensioners (43 per cent in June 1989) are private renters.



- **indexation of the income test free area**

Annual indexation of the basic pension income test free area will commence in July 1991, which will prevent its erosion from inflation.

- **increased tax rebates**

The sole parent tax rebate has been substantially increased, to \$940 for the 1989-90 tax year, and its real value will be maintained by annual indexation. Sole parents have also benefited from increases in the separate pensioner rebate which is now \$664. In combination these rebates now mean a sole parent does not begin to pay tax until taxable income exceeds \$200 a week.

The effect of all these changes has been to increase and then maintain the value of pensions and benefits received by sole parents while at the same time reducing disincentives to take up employment, particularly employment on a part-time basis. Between March 1986 and March 1990, the real gain in overall income support payments to sole parents renting privately with a child or children aged under 13 has been between 4.0 and 4.8 per cent, depending on the age and number of children. For sole parents who are non-renters the real gain has been between 2.4 and 3.1 per cent. At the same time the proportion of sole parent pensioners with earnings rose from 11.4 per cent in 1985 to 21.7 per cent in 1990, and the labour force participation rate of sole mothers rose from 44.6 per cent in May 1986 to 53 per cent in May 1990.

#### 4. The Poverty Trap and Effective Marginal Tax Rates

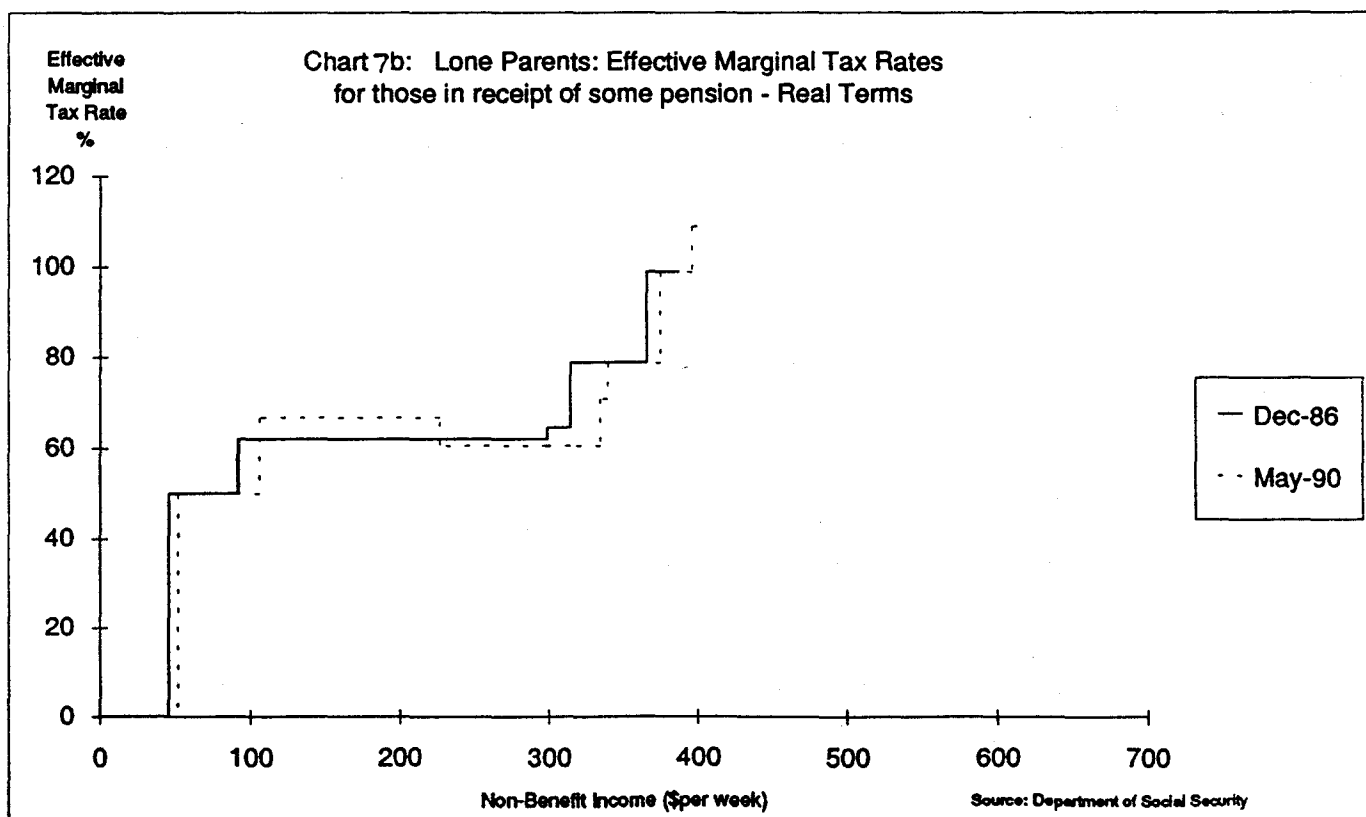
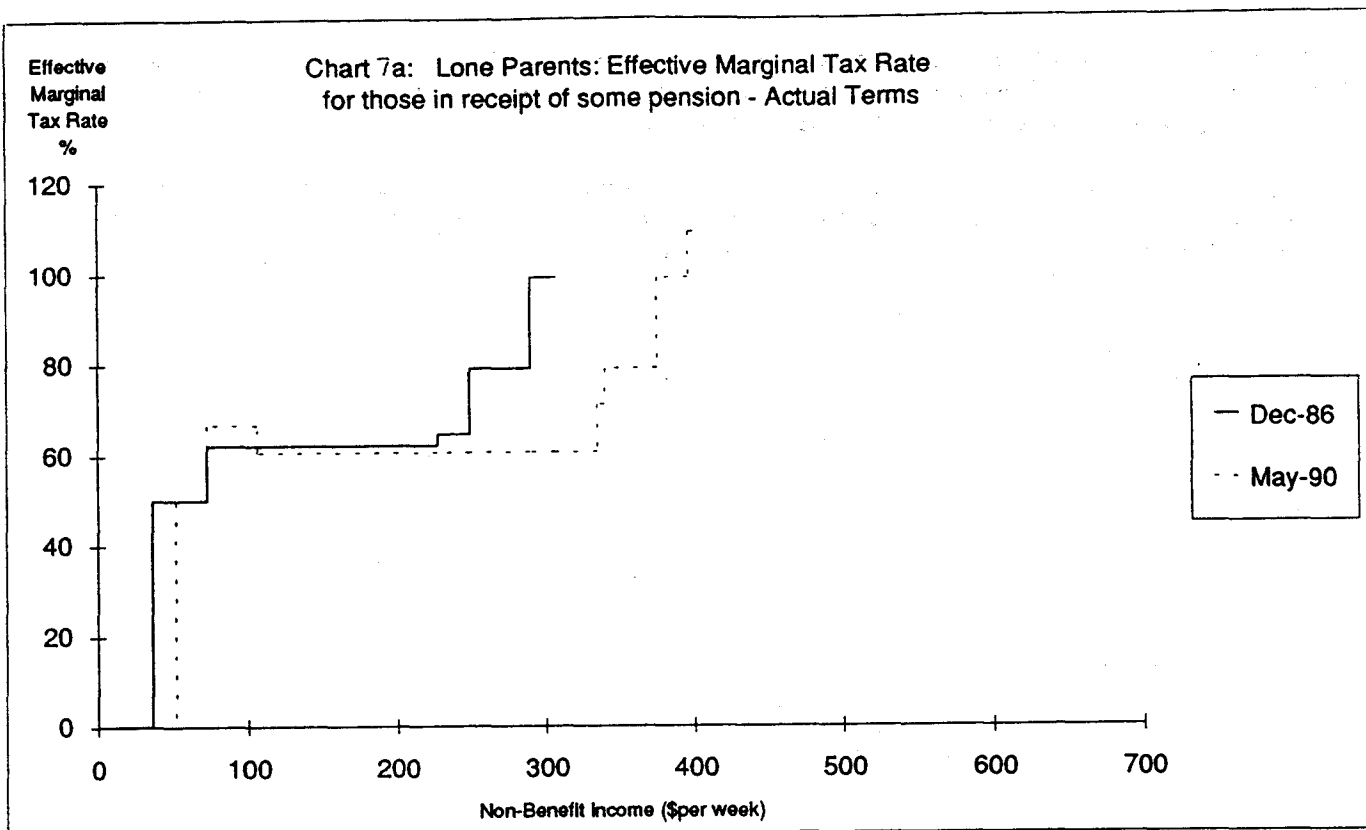
A continuing concern is the issue of the poverty trap for sole parents. This arises through the interaction of the pensions income test and the tax system, and is (to a greater or less extent) an unavoidable product of targeting payments on those in greatest need. The poverty trap is usually measured in terms of effective marginal tax rates (EMTRs), i.e. the percentage of each extra dollar of private income that is lost through paying extra tax and forfeiting pension/benefit or other income assistance as earned income rises.

The Social Security Review found EMTRs in 1986 were high at 62 per cent for a sole parent with one child and non-pension income of between \$73 and \$236 a week, increasing up to 80 per cent and then 100 per cent for non-pension incomes between \$250 and \$305 a week. By 1989 these had been altered so that EMTRs of over 70 per cent are not reached until non-pension income is over \$330 a week, although in real terms the improvement is less substantial (see Charts 7a and 7b).

However, while a higher level of income can be earned before loss of pension and the cutting in of taxes creates high marginal tax rates, these still exist for non-pension incomes in the range of \$334.40 to \$408.50 a week. In this range over 70 per cent of each extra dollar earned is lost. As the average weekly earnings in November 1989 for female employees were \$349.30, high marginal tax rates could still be creating disincentives.

Sole Parent Pensioners receive a Pensioner Health Benefits card which provides access to a range of health, transport and household accounts concessions. As with income support, the withdrawal of these fringe benefits as income rises can result in poverty traps where the value to the sole parent of the concession withdrawn erodes the value of the extra income earned. This could deter sole parents from working or working longer hours. In a recent survey of sole parents the health and transport concessions were found to be of greatest importance to sole parents. Of those surveyed, 44 per cent said loss of concessions would have some effect on their decision to work, 7 per cent said it would be decisive and 49 per cent said it would have not effect on their decision (DSS, 1990).

There are two measures which help to reduce the effects of the withdrawal fringe benefits. The Pensioner Health Benefits card can be retained for three months after income rises, if the increase in income is no more than 25 per cent above the income limits. From June this year sole parents who enter full-time employment from being on pension or



benefit will be entitled to a Health Care card for six months, without being subject to an income test. This does not provide the same range of fringe benefits as the Pensioner Health Benefits card but does cover the key areas of concessional pharmaceuticals and some State transport concessions.

The degree to which marginal tax rates have an effect is likely to depend on knowledge among sole parents of the tax and pension structure, on the extent to which other factors are perceived as greater work barriers and whether other, non-financial rewards from working are thought more important.

Two surveys of sole parents carried out for the Department of Social Security suggest that generally sole parents are not well-informed about the effects of additional non-pension income. One of these surveys, carried out in 1986, over-represented those who had some non-pension income and who might therefore be supposed to have a better knowledge of the effects of extra income on pension. The study found that most of the sole parents interviewed were not in a position to assess correctly the implications for their total income of changes in their non-pension income. There was a tendency to see the income test as being more stringent than it was, but generally they saw loss of pension or fringe benefits as less of a barrier to seeking employment than the welfare of children and health reasons (Crompton, 1987).

The other, smaller survey was carried out in 1987-88. It found that only a quarter of the sole parents interviewed had at best an adequate grasp of entitlements and effective marginal tax rates, and this was only for their current circumstances, not necessarily if their income changed. In over four-fifths of cases there was no discernible disincentive effect from marginal tax rates, and there was some evidence that work was preferred even when the person doubted whether it would be financially beneficial. However, the conclusion was drawn that the disincentive effect may still be there as in a fog of ignorance about the consequences of taking work, some sole parents may prefer to remain in a situation which, if not comfortable, is at least predictable (Jordan, 1989).

## 5. Child Support

The Child Support Scheme arose mainly out of concern to reduce poverty among sole parents and to share the costs of child-rearing more equitably. It was not established primarily to encourage labour force participation but care was taken to design it so as not to deter it or to create an extra poverty trap. A distinctive feature of the Australian scheme is that maintenance income does not affect the free area for earnings. This is achieved by having a separate income test for child support payments.

Prior to the new scheme, which was brought in in two stages from June 1988, less than one custodial parent in three received any regular maintenance payments (McDonald and Weston, 1986). The law courts determined and enforced maintenance but there were clear problems in terms of the adequacy of amounts determined by the courts and in the difficulties of taking action through the courts if payments stopped or were erratic. For sole parents on pension or benefit, the treatment of maintenance in the same way as earned income acted as a disincentive to employment.

Stage One of the scheme, from June 1988, reformed the collection and enforcement systems by establishing the Child Support Agency within the Taxation Office to deal with collection, and by using the Social Security system to transfer the payment to the sole parent. Stage Two of the scheme, which began on 1 October 1989, gave the Child Support Agency powers to take over the role of the courts in setting the level of maintenance in most cases, and provided for an administrative formula to be used in determining the level of child support.

Under the new scheme the separate maintenance income test for sole parent pensioners allows a free area of \$15 a week for the first dependent child, plus \$5 a week for each additional child. Where child support exceeds the free area, pension is reduced by 50 cents for every dollar of child support above the free area. The separate test leaves intact the free area for income from any other source before pension or benefit is affected, and thus minimises work disincentives for custodial parents.

The new scheme will take full effect in the longer term as new cases register and are assessed under the formula (the change to a formula only applies to those who separate or have a child after its commencement). However the effects of the scheme can already be seen in rising numbers of sole parents receiving maintenance, in increases in the amount paid and in greater enforcement of payment liabilities.

Department of Social Security data show that before the scheme commenced, approximately 26 per cent of sole parent pensioners received maintenance. This has risen steadily to 36 per cent in June 1990. Average weekly payments distributed by the Department under the scheme have risen from \$20.53 in August 1988 to \$55.71 in May 1990. This is a faster rate of increase than in the consumer price index, which an analysis of court orders prior to the scheme showed to be the previous trend by which amounts of maintenance rose. Prior to the scheme less than one court order in two was complied with. Under the new Scheme enforcement by the Child Support Agency is bring about payment in around 70 per cent of registered cases.

The new scheme of child support will help many sole parents by providing a regular, supplementary source of income to bolster pension, earnings or a combination of the two. However it has to be recognised that a substantial number of sole parents will receive little or no benefit because the non-custodial parent has very low income and can pay no or only a low level of child support, or is dead or untraceable.

It is also not clear whether the receipt of child support has an effect on labour market participation and if it does what that effect is. There are two possibilities: child support could be a supplement that makes working economically viable (especially given women's generally lower earnings); on the other hand receipt of child support might be seen by mothers as a substitute for earnings. A preliminary look at the Department of Social Security data for Sole Parent Pensioners with maintenance income also have earned income, whereas only 19 per cent of Sole Parent Pensioners without maintenance income have earned income. However it may be that receipt of maintenance is related to other factors, for example educational level, which make a sole parent more likely to find work. The role of child support is encouraging or discouraging labour force participation is an issue which would benefit from further investigation.

## 6. Child Care

There is considerable research evidence from surveys of sole mothers that child care provisions are of major importance to sole mothers' labour force participation (Brownlee and Napper, 1987; Frey, 1986; Australian Market Research, 1986). In Australia it is particularly important given that approximately 60 per cent of sole mothers have a child aged under 10, including a third with a youngest child under 5 years.

The main problems that sole parents have been found to face with child care relate to lack of appropriate care within their area, meeting child care costs, the inability of some types of care to look after sick children or children with disabilities, and the need for child care only at certain times, such as school holidays or before and after school hours. In recent years the Australian government has expanded and improved the provision of child care in an effort to tackle these problems.

In Australia, the Federal Government, in co-operation with State Governments, provides capital and recurrent funding to non-profit organisations to run child-care services under the Children's Services Program (CSP). The Government also provides a Income Fee Relief System to ensure affordable child care for low income users.

In funding child care services, the Government's priority is work-related care and over 80 per cent of CSP expenditure goes to services which support working parents. Under the priority of access guidelines which funded services must apply, children whose parents are working or training to enter the workforce are given top priority. Within this category, special consideration is given to families on low incomes, sole parents, and special needs groups.

The services available comprise:

Centre Based Day Care which provides full-time care (8 hours, 5 days a week) for children under school age;

Family Day Care which provides care in the private homes of individual carers for children aged 0-12;

Outside School Hours care and Vacation Care in school or community centres for children aged 5-12;

Multifunctional Centres in rural areas to meet the needs of both working and non-working parents; and

Occasional Care Centres where parents can leave their children on an infrequent basis.

There is also a significant commercial child care sector which, to date, has not received government subsidies. These services are subject to State licensing and regulation.

The number of child care places funded by the Government has grown from 46 000 in 1983 to 114 000 in 1989. There are no data available on the growth of the commercial sector but it is estimated to provide approximately 29 000 places for 0-4 year olds. In addition non-profit organisations (mostly State Governments) provide an estimated 10 000 places in day and outside school hours care. Many parents still continue to use and feel satisfied with informal child care (care by relatives or other informal arrangements). Some 50 per cent of families with work-related demand for care for 0-4 year olds indicated that they were satisfied with informal care, as did 87 per cent of parents requiring care for school-aged children. Taking account of the supply of places from all sources and the proportion of parents satisfied with informal care, there is an estimated unmet work-related demand for formal care for children aged 0-4 of 79 800 places and for school-aged children of 72 000 places.

Major influences are planned to tackle the problem of unmet demand. In 1988 a National Child Care Strategy was established under which the Federal Government, in conjunction with the State governments, will fund another 30 000 places. Following undertakings made in the 1990 election campaign, the Strategy is to be expanded to provide an additional 50 000 places in non-profit making services by 1995-96. Just over 60 per cent of all these extra places will be outside school hours care.

The Government also anticipate a growth of some 28 000 commercial/employer child care places by 1995-96 resulting from a decision to expand fee relief to the private sector for the first time commencing 1 January 1991.

Fee relief is currently only available to users of child care services funded under the CSP. Fees are paid direct to the providers for families covered. The income test for fee relief in Day Care Centres and Family Day Care Centres uses before-tax income less \$30 for each dependent child. There is also a maximum level for fees of \$92.50 for Day Care Centres and \$68 for Family Day Care, above this level the parents have to pay the extra 'gap fee'. Fee relief for Outside School Hours Care is available to families in receipt of FAS or other benefits and pensions which combined with allowable earned income equal the FAS entitlement income levels.

Those with an assessed family income up to \$250 a week are charged the minimum fee which is \$14 for full-time care and one child, or \$16 for full-time care for two or more children each week. When assessed family income is more than \$250 a week, the fee payable increases by 17 cents for every dollar for one child and 23 cents for two or more children, up to a maximum level.

A number of changes are planned to improve the affordability of child care. In the August 1989 Budget annual indexation was announced for assessed family income up to which the minimum fee applies as well as for the ceilings for fee relief. As part of the Government's election undertakings, extra measures are planned. The fee relief ceiling will be increased to \$100 per week; the threshold income for maximum fee relief benefit will be increased to \$370; and fee relief withdrawal rates will be reduced to 10 and 20 cents in the dollar for one and two children respectively (down from 17 and 23 cents). These improvements will come into effect from 1 October 1990.

Whilst there is no direct evidence on the part the expansion of child care has played in boosting labour force participation among sole mothers, the emphasis sole mothers place on the lack of it as a barrier means its contribution is likely to have been substantial. The importance so subsidised child care to sole parents can be seen in the fact that, in 1988, a Department of Community Services and Health census showed the children of lone parents represented 26 per cent of all children in Government-funded services. In the same year, sole parents comprised only 5.9 per cent of families using commercial child care services. Lone parents are more likely than other families with children 0-4 years old using such services for work-related reasons were lone parents, compared to sole parent representation among such families of 9 per cent in the general labour force; and 27 per cent of working families using outside school hours care were lone parents, compared to 15 per cent in the general labour force.

## 7. Labour Market Conditions

General labour market conditions can affect the participation of sole mothers. The decline in sole mothers' labour force participation in 1983-84 coincided with a general economic recession, which was likely to have been one reason

why employment growth among sole parents could not keep up with the rising numbers of sole parents. That married mothers' labour force participation did not decline at that time could in part be attributed to their much greater participation in part-time working. Between 1982 and 1984 part-time employment continued to grow (by nearly 5 per cent) while full-time employment stagnated (growing by less than 1 per cent). Since then both full- and part-time employment have grown, although the latter to a greater extent. Changes to income support payments to make part-time working more financially attractive to sole parents have also been made. This has been reflected in a faster rate of increase in part-time participation among sole mothers: their rate of participation in part-time work increased from 11.8 per cent in March 1983 to 20.3 per cent in March 1990 (a 72 per cent rise in the participation rate), while participation in full-time work increased from 20.3 per cent to 26.8 per cent (a 32 per cent increase) over the same period. Over the next year the outlook for jobs is less favourable, although it is likely to be more promising for part-time working. It may be that sole parents' increased participation in part-time working will make them less vulnerable to another downturn.

In many respects the problems sole mothers face in working are those that women in general face in the labour market. Despite equal pay decisions, women still earn on average less than men, in part due to their segregation into industries and occupations that pay lower wages. They also need more flexibility in hours and time off from work for maternity leave or to care for sick children. These factors make it harder for sole mothers to take up work and to become self-supporting.

In November 1989, adult women's earnings from standard hours full-time work were 83.1 per cent of men's earnings for standard hours full-time work (\$454.50 per week compared with \$547.00). If overtime and other elements are included, average total weekly earnings for women working full-time were \$467.60 or 78.5 per cent men's earnings. This gap in pay relativities is evident to varying degrees across all occupational groups.

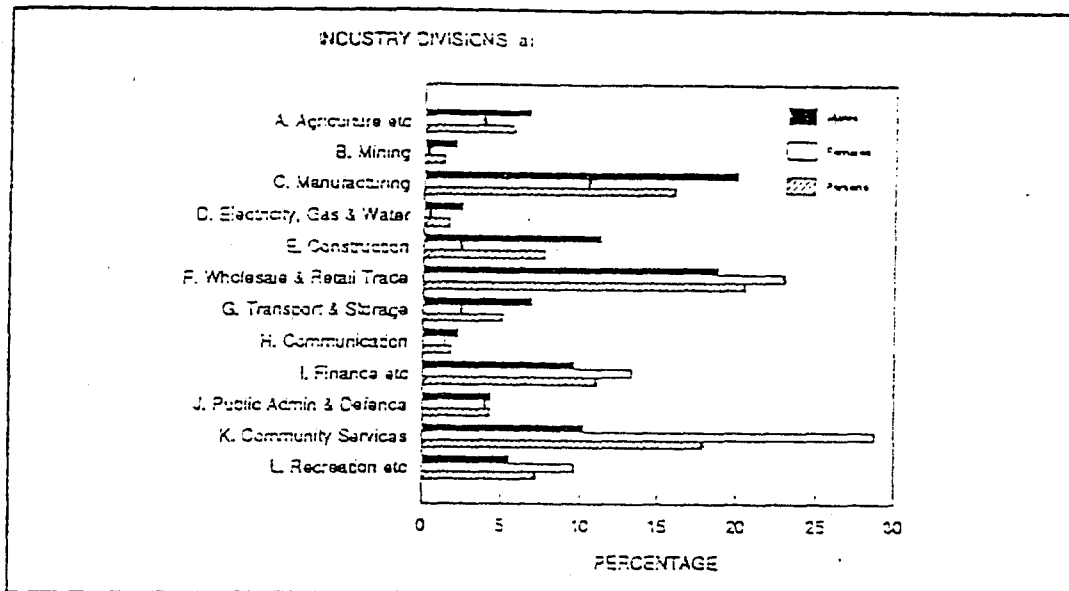
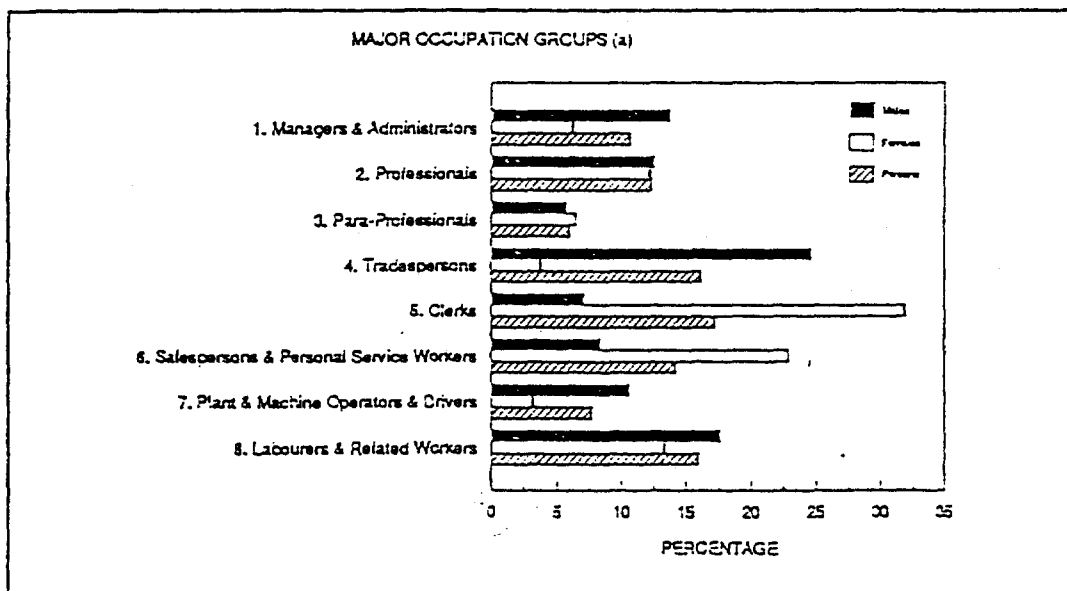
The factors which make it difficult to close the earnings gap are:

- Women workers are concentrated in lower paid industries and occupations. It can be argued that the comparable worth of jobs traditionally done by women and by men has not been fully considered in wage setting. For example, are 'people-oriented' jobs really worth less than 'machine' or 'money-oriented' jobs?
- Unequal sharing of the work of child-rearing can prevent women from building up employment experience as quickly as men.
- Even when child care is not a problem stereotyped ideas about male and female employees may result in women having less access to training and promotion than men.

Compared with other OECD-member countries, Australia has a high degree of female segregation in its labour force. About 85 per cent of the 3.1 million women workers are employed in just 5 of the 12 industry divisions, whilst men are spread more evenly across all division (see Chart 8). The two biggest areas of employment for women are in the service sector of the economy (in community services, which includes health, education and welfare, and in the wholesale and retail trade) where there is a high and increasing degree of part-time and casual work.

Women are also heavily concentrated in certain occupations (see Chart 9). Two occupational groups, clerks and salespersons and personal service workers, account for 55 per cent of the female labour force. Even groupings such as professionals, where women appear to be represented on a par with men, on closer examination show that women are still segregated by skill specialisation. Within that grouping, women are over-represented among teachers and under-represented among natural scientists and building professionals and engineers.

In March 1990, 15 per cent of women in the labour force were in the 20-24 years age group and 26 per cent in the 25-34 years age group, the key child-bearing and child-rearing years for the majority of women. Whilst maternity leave arrangements now apply to most jobs held by women, other child caring needs such as before and after school care, care in school holidays or when the child is sick usually have to be met by working shorter hours or taking leave. These factors make it difficult for many women to take up work and put pressure on them to take part-time work.

**CHART 8: INDUSTRIAL SEGREGATION OF WOMEN****CHART 9: OCCUPATIONAL SEGREGATION OF WOMEN, BY SKILL LEVEL**

Source: Women's Work, Women's Pay, paper prepared by the Women's Bureau, Department of Employment, Education and Training

(a) May 1989

## 8. Other Factors

Research studies within Australia have identified other factors affecting sole mothers' labour force participation, although as yet they have received little attention. These include:

- **Geographical location**

A research study carried out for the Social Security Review in 1986 found sole parents' expectations of finding a job varied markedly between regions, with only 38 per cent of rural sole parents as opposed to 71 per cent of city sole parents seeing themselves as likely to find jobs (Raymond, 1987). This is due in part to differences in the availability of jobs between city and rural areas. However, issues of location are increasingly important for the 25 per cent of sole parent pensioners who live in public housing. Many Housing Commission homes have been built in outlying and often new suburban areas where public transport is less developed, transport costs are higher and there tend to be fewer facilities and little industry. The opportunities for finding work or even undertaking training are much less for sole parents in these circumstances.

An analysis of the geographical location of sole parent pensioners carried out for the Social Security Review found that the highest concentrations were in metropolitan areas, and these tended to be either inner areas of cheap housing and declining industry or outer suburban areas with high levels of public housing and limited employment opportunities and services. In Australia house prices have risen substantially in recent years, especially in the major cities. These increases may further trap sole parents into areas where their chances of finding employment are relatively low.

- **Time constraints**

Studies have found the burdens of domestic labour, including child care, to be more of a barrier for sole mothers because unlike their married counterparts they have sole responsibility for child care as well as all the other duties of running a home. This can be particularly important in the context of child care where a partner may be able to provide some pre- or after-school care, or help with looking after children who are sick or on school holidays. When asked about their experience of being a sole parent and working, respondents to one study mentioned problems of tiredness, lack of time and the need to be well-organised (Vosey, 1986).

Family and society networks can to some extent compensate for the lack of a partner. Information collected for the Social Security Review indicated a high degree of use of formal networks (e.g. family and friends) for child care. Since then improvements have been made to the availability of public day care for children. As yet, however, there has been little public policy attention to the needs for sporadic child care or to the other domestic burdens faced by sole mothers.

## SUMMARY AND CONCLUSIONS

This paper has drawn together the available information on the factors which appear to affect the labour force participation of sole mothers in Australia. These factors are:

- the age of the mother and of her children;
- her educational qualifications;
- public income support;
- fringe benefits, especially health care concessions;



- child support;
- labour market conditions, both general conditions and the occupational segregation and wage disparities that affect women in general;
- lack of skills, recent work experience and confidence;
- geographical location; and
- time constraints.

While there is considerable information about the factors which link with sole mothers' labour force participation, there has been little work on the relative importance of factors. Several surveys have indicated that sole mothers see child care responsibilities as their most important barrier. Another indication of the relative importance of factors comes from the econometric modelling exercise using 1986 Income Distribution Survey data carried out by Russell Ross and Peter Saunders, which is the subject of an earlier paper at this conference. However, since the data for this exercise were collected considerable changes have been made which might lead to different outcomes.

In Australia, a major shift in policy from simply sustaining sole mothers on income support to actively helping them towards financial independence has resulted in new policies and programs in the fields of income support, child support, child care and education and training assistance. The diversity of sole parents and their employment problems has been recognised, with emphasis being placed on integrated help to both break down barriers and provide incentives to take up work. While it is too early yet to identify with certainty what effect these new developments are having, the recent trends in sole mothers' labour force participation are encouraging. Their participation rate has increased from 44.6 per cent in May 1986 to 53.4 per cent in May 1990.

Some issues however still remain. These include:

- The quite high effective marginal tax rates which still exist over certain ranges of non-pension income, especially as the improvements made since 1986 have largely been eroded by inflation. The tax rate changes from January 1991, announced in the February Economic Statement, will reduce the very highest EMTRs, while indexation of the Sole Parent and Pensioner tax rebates from this year and the pension income test free area from July 1991 will help minimise future increases in EMTRs. However, the interaction of pension withdrawal and tax imposition, when taken together with the withdrawal of other types of income-tested assistance such as child care fee relief and rental assistance, and the loss of pensioner concessions for rates, pharmaceuticals, transport and other services, will continue to diminish sharply the gains from working at certain income levels.
- The housing and location difficulties of sole parents which have received relatively little attention so far. The possibility of finding affordable housing which is accessible to employment, education, labour market assistance and child care is becoming an increasing problem as a result of property price rises and high interest rates. There may be a greater need than has been recognised so far to subsidise rentals or expand services to compensate groups such as sole parents.
- The extent to which general labour market conditions could undermine effort to help sole parents. The changes since the mid-1980s have had a relatively favourable economic climate to operate in. This is unlikely to be the case in the coming year or so, and the real test of the new programs may be what happens to sole mothers' labour force participation over the next period.
- Finally, there is the issue of how much can be achieved by focussing on sole parents when it is clear that some of the problems of sole parents are those of other families, especially low income families, or of many women. It is worth remembering one of the conclusions of the last OECD conference on sole parents in 1987, that despite the high proportions of sole parents working in most countries, a significant proportion of them have low incomes (Duskin, 1990). Given the similarities of women's work across countries this is not surprising, but it does mean that earnings, although important, are not a guarantee that disadvantage will not be perpetuated. It may be that some issues, e.g. low incomes in work, need to be tackled on a wider basis.

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## THE JET PROGRAM: RESULTS OF THE INTERIM EVALUATION

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### INTRODUCTION

The Jobs, Education and Training (JET) Program was introduced in March 1989 as part of the Government's broader strategy of providing improved opportunities for sole parents to enter the labour market. It is also a key element in the Government's social justice strategy, as well as its National Agenda for Women, which aims to advance the status of women in Australian society and to promote their economic security and independence.

The overall objective of JET is to improve the financial circumstances of sole parents by aiding their entry to the labour market through an integrated program of assistance, providing individual advice and counselling, as well as access to child care, education, training and employment opportunities. The key elements of this objective are to:

- increase the number and proportion of sole parents in employment; and
- reduce Social Security outlays on sole parent pensions.

The Program is jointly administered by the Departments of Social Security (DSS), Employment, Education and Training (DEET) and Community Services and Health (DCSH). JET Advisers in Social Security offices assess sole parent pensioners' employment aspirations, needs and readiness to enter the labour market, referring them to a range of services, including the Commonwealth Employment Service (CES) and assisting them to formulate appropriate employment plans. DEET provides JET clients with assistance to obtain employment through job placement services, additional places in training and employment programs, and extra income support under AUSTUDY and the Formal Training Allowance. DCSH offers assistance in organising child care for JET participants who cannot obtain child care independently, while they attend training or education courses and for the initial 12 weeks once they enter employment.

Participation in the Program is voluntary because it is recognised that some sole parents, such as those with very young children or those with children who are chronically ill or have disabilities, would find it very difficult to work and care for their children at the same time. The voluntary nature of the Program is seen as crucial to its success.

While participation in the Program is open to all sole parent pensioners, there are three main target groups:

- sole parents who have children over the age of 6 years and who have been receiving sole parent pension for at least 12 months, who may therefore be in a position to consider returning to employment;
- pensioners who will lose eligibility for sole parent pension within two years, when their youngest child turns 16. Early intervention for this group is designed to give them the opportunity to prepare and plan for the time when they will lose entitlement to sole parent pension; and
- teenage sole parents, who are regarded as among those most at risk of long-term dependency on the income security system.

JET is being phased in through progressive placement of JET Advisers in selected DSS Regional Offices. At the time of the evaluation there were 48 JET Advisers in all States and Territories, in both metropolitan and non-metropolitan areas. When fully implemented in March 1991 there will be 80 JET Advisers Australia wide.

An interim evaluation of JET<sup>1</sup> was undertaken in 1989-90 by the three participating Departments. It focussed on the level of interest in the Program by sole parents and the success of the program in meeting social objectives. Each Department analysed JET information from their data systems. DSS undertook a personal interview survey of participants and non-participants<sup>2</sup> to find out reactions to JET by sole parent pensioners, reasons for decisions whether or not to participate in JET, workforce barriers, and, for participants, what they liked or disliked about the Program. DEET undertook a survey of CES staff involved in JET to find out their reactions to the Program.

As a result of the phasing-in of JET and the time it takes to attract sole parents to the Program, provide labour market and child care assistance and then for them to find a job, it was considered too early to draw any conclusions about the success of the program in terms of employment outcomes. A copy of the implementation timetable is in the Appendix. A full evaluation focussing on employment outcomes will be conducted in 1990-91, when the Program is fully implemented and sufficient numbers have had time to move into employment after receiving other types of labour market assistance.

## MAJOR FINDINGS

There has been a high level of interest in JET by sole parents. In 1989-90 over 13,000 sole parent pensioners attended an interview with a JET Adviser. This represents about 5 per cent of the current number of sole parent pensioners.

Interviews by JET Advisers of sole parent pensioners come about from a variety of sources, including:

- referral by other DSS staff;
- referral by CES staff;
- letters from JET Advisers to sole parent pensioners in the target groups, inviting them to attend an interview;
- publicity in the media;
- word of mouth; and
- distribution of information packages to sole parent pensioners by DSS.

A general finding was that sole parents place a high value on the personal contact and individually tailored assistance offered under the Program and particularly the chance of a fresh start with new or updated skills. In particular many sole parents are requiring intensive counselling, motivation and confidence building before they are at a stage where they feel they can undertake training or education or enter employment. Without the active intervention of JET it seems unlikely that many of these sole parents would be able to enter the labour market in the near future.

Many clients also seek on-going support and encouragement from JET Advisers as they progress to training, education and finally employment. The high level of response confirms what previous studies have shown; that most sole parent pensioners do want to work, but need specially targeted assistance to help them overcome the particular workforce barriers they face.

JET Advisers agreed that the interview process enabled them to assess clearly a client's workforce barriers. They considered that it is the most efficient way to check client understanding of the additional assistance available under the Program, and to help them make appropriate choices from the options available. The interview also allowed

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1. The full report on the findings of the interim evaluation is available from the author.

2. Participants are defined as those who attended an interview with a JET Adviser. Non-participants are defined as those who were contacted by a JET Adviser about JET but did not attend an interview.

Advisers to develop a rapport with the client and offer appropriate support in order to encourage the confidence necessary for workforce participation.

The evaluation revealed that the level of demand for the Program has been particularly high in some areas, such as the high growth areas of Alderly and Woodridge in Queensland and Moorley and Mirrabooka in Western Australia. This has meant that clients can have to wait up to 3 weeks for an interview. A significant number of sole parents lose motivation during this time and do not attend the interview. The loss of potential clients as a result of the delays is a major issue in relation to the effectiveness of the Program.

The amount of time spent by JET Advisers on routine administrative, rather than specialised interview, referral, follow up and outreach activity has also been identified as a problem. It severely restricts the number of sole parents JET Advisers can assist.

Another concern identified in the evaluation is the difficulties some sole parents and CES officers experienced in making initial contact with JET Advisers - because JET Advisers are not always available to speak to clients or CES contact officers when they ring up. This also results in a loss of potential JET clients. In addition, JET Advisers have limited spare capacity to follow up clients, which means that some clients may drop out of training or education, or do not progress to employment because they do not have the ongoing support and encouragement they need from JET Advisers.

### Marketing

The Program is publicised to sole parent pensioners through a number of mediums including, advertising in local community newspapers, outdoor advertising, such as bus shelters, railway stations and shopping centres, and direct mail to target group sole parents by JET Advisers. The DSS client survey showed that the publicity was mentioned most often by clients as the main source of information for non-target group sole parents participating in the Program, and was the second most frequently mentioned source of information about JET for target group participants.

DSS JET Advisers also have a major role in promoting JET in the community through outreach activities such as field visits, telephone contacts, invitations to visit the regional office, shopping centre displays, participation in seminars and meetings and membership of various committees and working groups.

DCSH has engaged contractors, with experience in the child care field, to market the Program to child care service providers and liaise with service providers to negotiate add-on places for JET clients and collect information about vacancies in funded child care facilities.

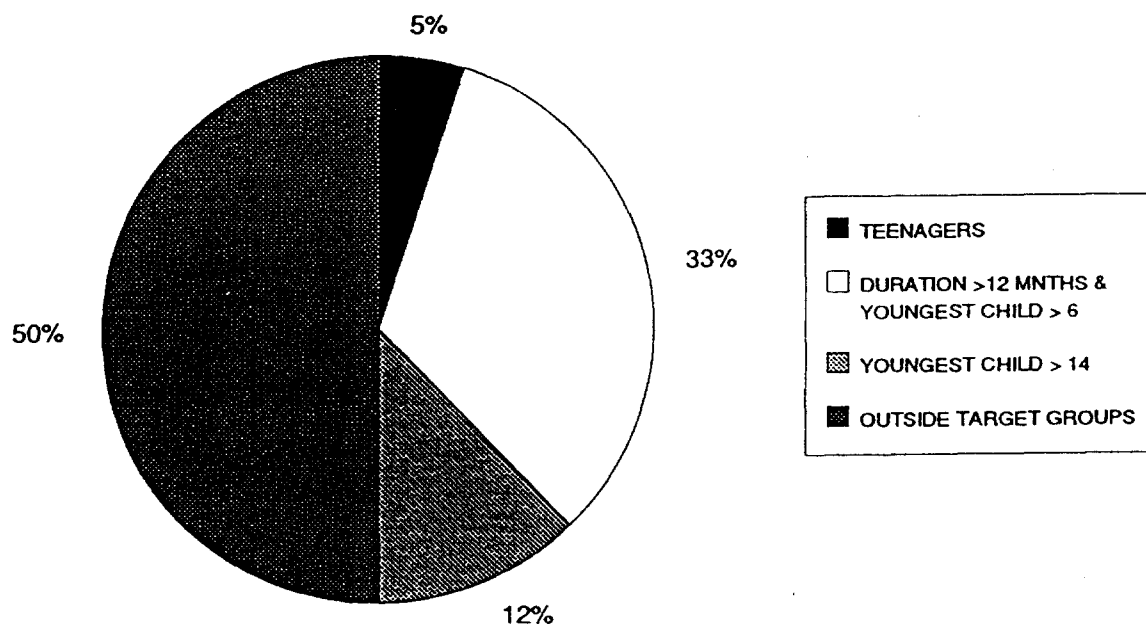
### Target Group Participation

The following summarises levels of participation in JET by target and non-target group sole parents in 1989-90 (see Diagram 1):

- 5 per cent of participants were teenagers;
- 33 per cent had been in receipt of pension for 12 months or more and their youngest child was over 6 years of age;
- 12 per cent had a youngest child over 14 years of age; and
- the remaining 50 per cent were from outside the programme target groups.

The level of participation by target group sole parents is somewhat disappointing, considering the special effort to attract these sole parents to the program. Target group participation is however, consistent with their proportions in the sole parent pensioner population

DIAGRAM 1: JET PARTICIPATION IN 1989-90



There is little difference between the basic characteristics of participants and non-participants in target groups which could have accounted for decisions to participate or not participate in the Program. Target group participants and non-participants have similar characteristics in terms of:

- age of youngest child;
- age of parent;
- number of children;
- duration on pension; and
- conjugal condition.

### **Non-participants**

However, half of the non-participants surveyed (all of whom were in the target groups) said that the main reason for not participating in the Program was that they did not wish to work or were unable to work. Many of these sole parents considered that their child care responsibilities precluded them from working (see Diagram 2). Many of the teenagers who had decided not to participate in the Program said their child was too young for them to consider entering the labour market at that stage, but indicated that they are interested in working in the future. Some older sole parents indicated that the reason they decided not to participate in JET was that they thought they were less competitive in the labour market and had few or outdated skills. They also tended to have more limited expectations and more often mentioned poor health or disabilities which restricted their labour market participation. Many of the remaining non-participants said personal reasons, such as a sick child or personal trauma such as being in the process of divorce proceedings, meant that they were not interested in JET at that time.

### **Non-target group participation**

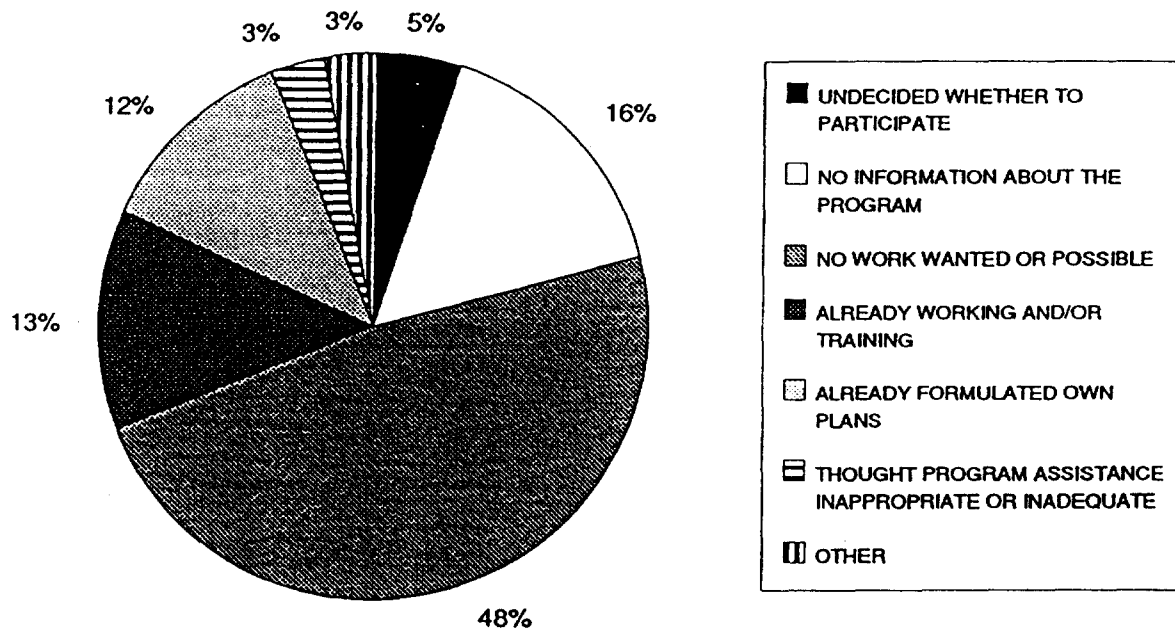
Non-target group participants generally had young children under 6 years of age and seem to have a higher attachment to the labour force than target group sole parents. They generally had more recent work experience, had not been on pension as long, tended to have higher educational qualifications and had been in higher status jobs than those in the target groups. They were less likely to face labour force barriers such as lack of confidence and work experience, unavailability of work and health problems but they did indicate that the availability of child care and lack of private transport were major barriers. JET seems to be providing substantial assistance to this group in helping them gain access to education, training and child care. Around half of this group were placed in education or training and 43 per cent assisted to find child care. DSS data shows that this group is, however, not any more likely to move off pension sooner than other sole parent pensioners. JET is therefore also fulfilling an important role in respect of these sole parents. Early intervention may be an effective strategy to get these sole parents back into the workforce before they become long-term dependents on income support.

An analysis of the characteristics of JET participants shows they are severely disadvantaged in terms of educational qualifications and workforce experience:

- most of those JET sole parents with work experience had been employed in jobs traditionally performed by women, with low incomes, poor career prospects, little job security and limited skills (many of which may quickly become outdated);
- a high proportion had been out of the workforce for some time - around 43 per cent of respondents to the DSS JET survey had not worked in the last 3 years;
- these characteristics may partly explain the high level of demand for work preparation courses and the emphasis on motivation and confidence building by JET Advisers.



DIAGRAM 2: REASONS FOR NOT PARTICIPATING IN JET



Sole parent pensioners born overseas are slightly over represented in JET when compared with their proportions in the sole parent pensioner population as a whole; 26 per cent of JET clients compared with 20 per cent of sole parent pensioners.

### **Labour Market Assistance**

70 per cent of sole parents interviewed by a JET Adviser were referred to the Commonwealth Employment Service. Around 85 per cent of those referred to the CES by a JET Adviser (or 7,785) registered, and over half of these participated in labour market programs (see Table 1).

Based on data to the end of June 1990, 54 per cent of JET clients participating in labour market programs undertook office skills courses or obtained subsidised employment in clerical occupations, 8 per cent are concentrated in retail and 8 per cent in hospitality occupations. JET clients typically train for, or obtain subsidised employment under JOBSTART, in traditionally female occupations.

The overall number of sole parents participating in labour market programs more than doubled in 1989-90 compared to 1988-89, when JET was only operating for three or four months and on a much smaller scale. Between July 1989 and June 1990, 10,619 sole parents participated in labour market programs, compared with only 5,069 in the period July 1988 to June 1989. The increase is probably a spin-off from publicity about JET and what the CES has to offer sole parents, and also in response to other initiatives introduced recently to encourage sole parents to enter the labour market.

Of those JET clients who participated in labour market programs between March 1989 and April 1990:

- 67 per cent participated in the JOBTRAIN program which provides opportunities for the long term unemployed or otherwise specially disadvantaged to receive vocational training based on opportunities in local labour markets.
- 9 per cent participated in JOBSTART - a general wage subsidy program providing access to employment for job seekers who are considered disadvantaged in the labour market.
- 5 per cent participated in the Job Search Training Program and received intensive instruction in job hunting techniques and assistance with actual job search.
- 18 per cent received formal training assistance through SkillShare, a community based program which provides disadvantaged job seekers with skills training, personal support and enterprise activities. Another 18 per cent received non-training assistance under SkillShare.

Between March 1989 and April 1990 approximately 52 per cent of JET clients participating in these labour market programs, participated in other vocational courses, 9 per cent in an accredited vocational trade and certificate course, 16 per cent in non-accredited courses and 22 per cent in preparatory courses.

Over 20 per cent of JET clients who participated in labour market training programs undertook preparatory courses. This is seen as a reflection of sole parents' lack of confidence, long periods out of the labour market and uncertainty about their ability to enter the workforce. It is expected that many of these sole parents may move into specific skills training courses.

Only 2 per cent of JET clients participating in labour market programs were aged 15-19 years, even though they are a target group for assistance under JET. Participants in formal training courses, under 21 years of age, were not eligible for the Formal Training Allowance training component of \$30 a week in 1989-90. This may have contributed to the low participation rate of teenagers in JET and labour market programs.

**TABLE 1: PARTICIPATION IN JET - JULY 1989 TO JUNE 1990**


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JET Adviser interviews	13,252
Referrals to the CES	9,211
Registrations	7,785
Labour market programs	4,658

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Post labour market program outcomes are determined from voluntary responses to a questionnaire sent by the CES to labour market program participants three months after they cease labour market program participation. The Post Program Monitoring (PPM) surveys undertaken in 1989-90 revealed that JET clients are more likely than non-JET sole parents or all former labour market program participants to be in further training or education three months after ceasing their initial program participation.

### **Employment outcomes**

In 1989-90, 1,895 JET clients obtained employment. Of these:

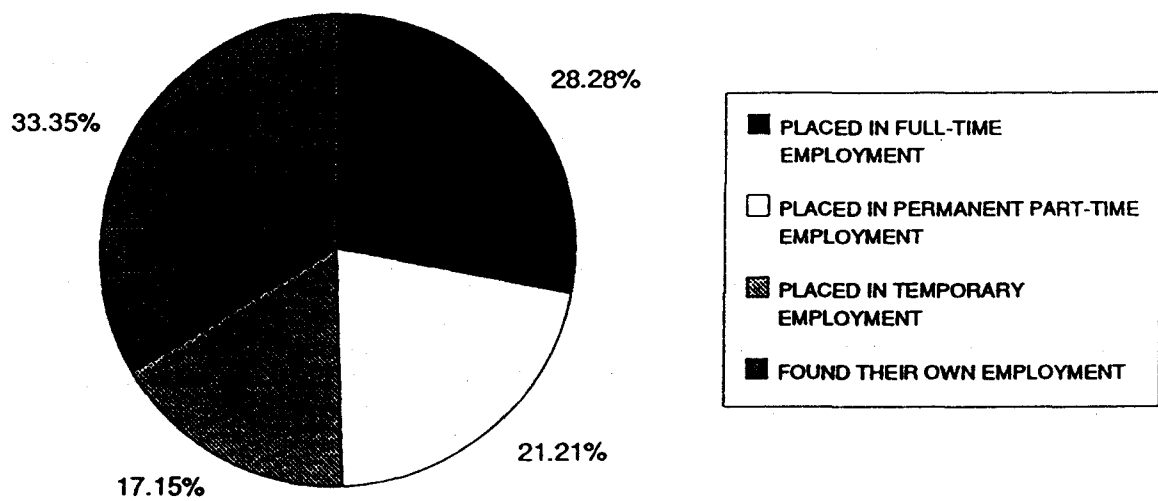
- 536 (28 per cent) were placed in full-time employment;
- 402 (21 per cent) were placed in permanent part-time employment;
- 325 (17 per cent) were placed in temporary employment; and
- 632 (33 per cent) found their own employment (see Diagram 3).

Of the 303 JET clients who responded to the PPM surveys in 1989-90, and were employed three months after cessation, 49 per cent found work in an office skills position (i.e. clerical/administrative), 18 per cent in hospitality occupations, 9 per cent in retail and 24 per cent in other occupations. The main industries JET clients tended to find employment in are community services (22 per cent), personal services (17 per cent), finance (16 per cent), and a variety of manufacturing, retail and other industries.

### **Education**

Around 25 per cent of JET clients (3,257 in 1989-90) were referred to education. While it is not known how many of these enrolled in education, it is known that there was a significant increase in the number of sole parent pensioners receiving the \$30 a week AUSTUDY supplement available to those who study full-time - there has been a 12 per cent increase in take-up by sole parents of AUSTUDY since JET was introduced. There are no data available on sole parents who study part-time and, therefore, do not qualify for AUSTUDY.

JET Advisers and CES staff expressed concern about the lack of assistance for sole parents who wished to study part-time. While sole parent pensioners who study full-time are entitled to a \$30 a week AUSTUDY supplement, those who study part-time do not receive any additional assistance. Part-time study is often the only viable option for sole parents, particularly those with pre-school age children.

**DIAGRAM 3: EMPLOYMENT OUTCOMES 1989-90**

## Child Care

DCSH has been fairly successful in arranging child care for JET clients. Around 1,000 (or 10 per cent) of JET clients sought assistance to find suitable child care, and around 80 per cent of these were successfully placed. Of the remaining 20 per cent, half were offered a child care place but turned it down. It is not known what child care arrangements other JET clients have.

## Barriers to employment

Of those participants and non-participants surveyed by DSS at the end of 1989, 51 per cent said that the loss of fringe benefits would affect their decision to work, or to work more, while 48 per cent said that the loss of all or some of their pension would affect their work decision (see Diagrams 4 and 5 respectively). The effect of the loss of fringe benefits should now be reduced since, from June 1990, entitlement to fringe benefits has been extended for six months to long term sole parent pensioners who lose pension because of earnings.

The relative importance of health and transport on the decision to work is shown in Diagrams 6 and 7 respectively. A major proportion of those surveyed said that health or transport had no effect on their decision to work.

The evaluation highlighted the difficulties sole parents face in meeting the initial costs of working, such as suitable clothes and union dues. The effectiveness of JET in breaking down work force barriers is reduced if clients reach the stage of work readiness, but are then unable to enter employment because they do not have sufficient resources to meet the initial costs of working.

## Satisfaction with JET

Some 60 per cent of those sole parents surveyed in the DSS Jet client survey said they were satisfied or very satisfied with the Program and 27 per cent said they were indifferent. Of the 13 per cent who indicated they were dissatisfied with JET, the main reasons were lack of choice in the type of training programs available to them, long hours of courses or expectation that participation in JET would automatically result in employment. As mentioned above, there were also complaints, even amongst satisfied clients, of a lack of follow-up by JET Advisers.

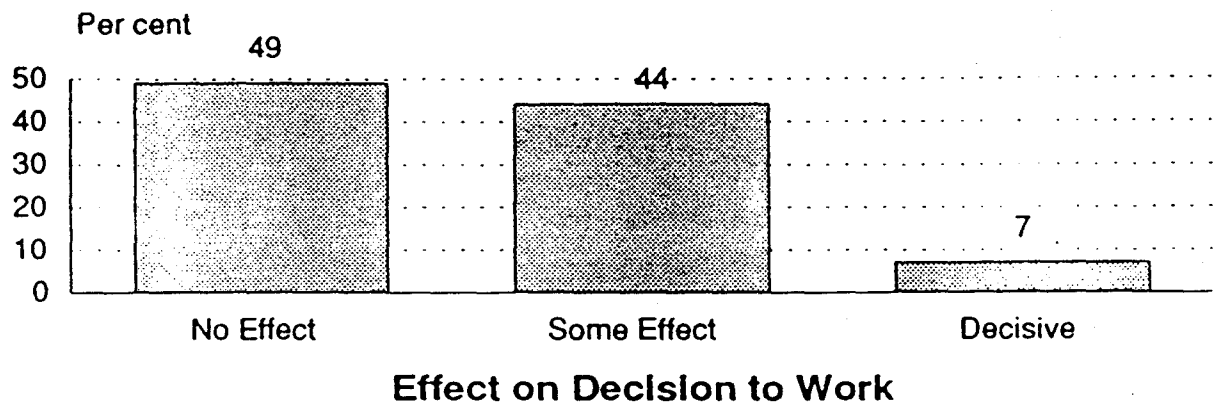
## Impact on pension outlays

Savings in pension outlays as a result of the introduction of JET and clients entering employment, were estimated to be in the order of \$0.1 million in 1988-89 and \$2.4 million in 1989-90. This compares with original estimates of \$0.2 million in 1988-89 and \$5 million in 1989-90 when JET was announced in the 1988-89 Budget. The lower actual savings are mainly due to:

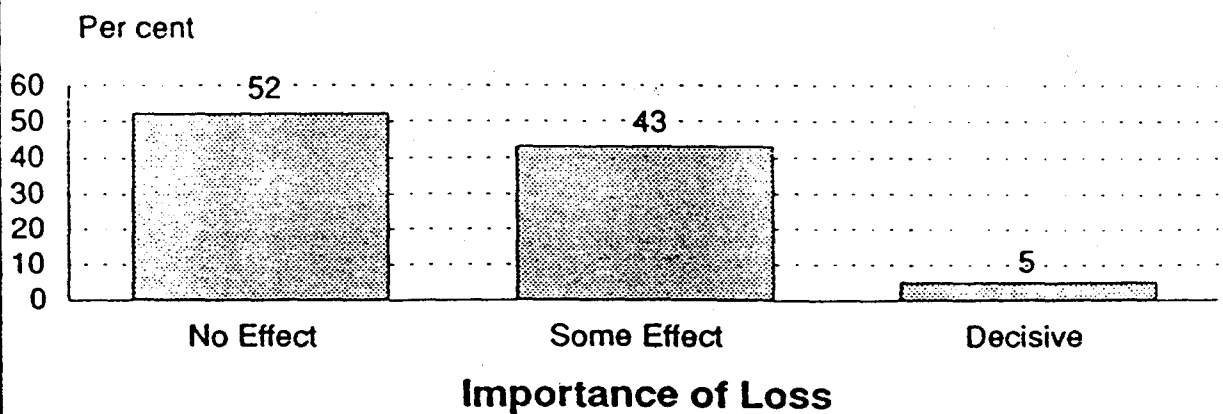
- the higher than expected number of JET clients undertaking training or education, rather than moving directly into employment;
- the lower than expected level of average earnings of sole parent pensioners who did enter employment;
- lower numbers of sole parent pensioners being interviewed by a JET Adviser, because of the more intensive advice, motivation and confidence building required, and the higher than estimated time spent by JET Advisers on administrative duties.

There will however, also be additional, indirect savings as a result of the taxation revenue generated by those sole parents who did enter employment.

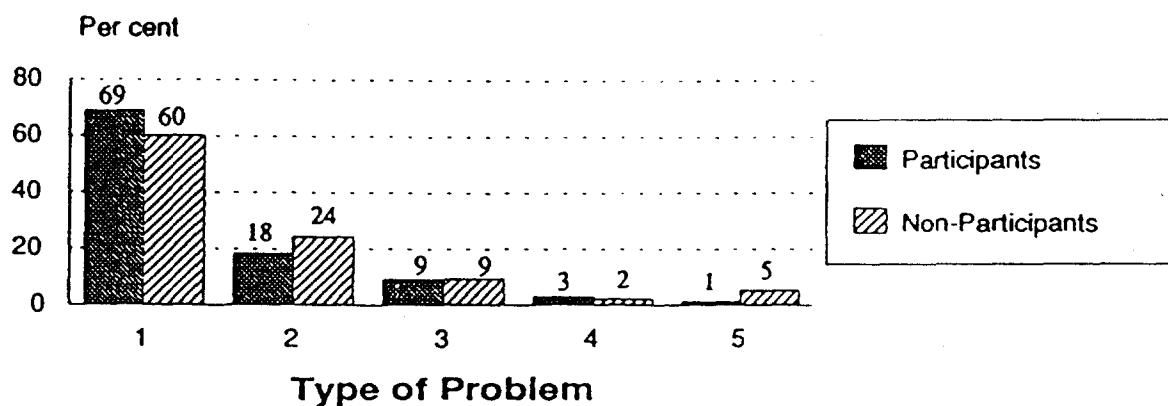
**DIAGRAM 4: EFFECT OF LOSS OF CONCESSIONS  
ON DECISION TO WORK**



**DIAGRAM 5: EFFECT OF LOSS OF PENSION ON  
DECISION TO WORK**

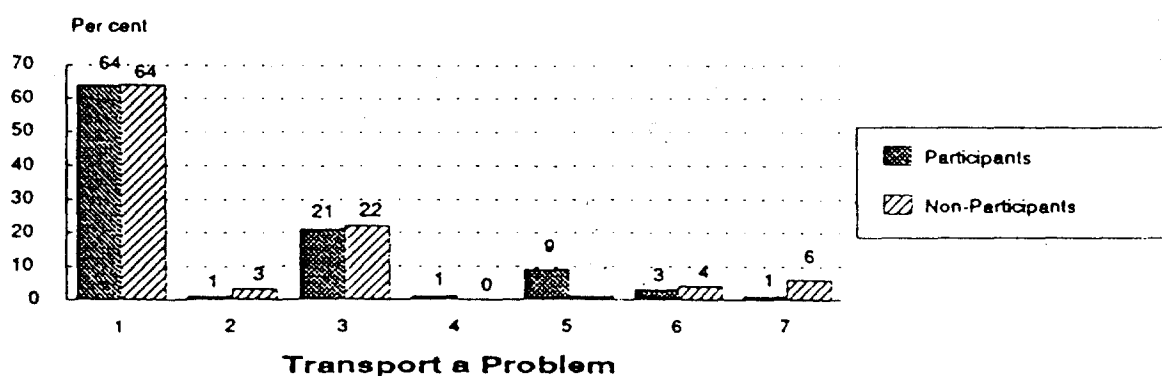


**DIAGRAM 6: EFFECT OF HEALTH ON DECISION TO WORK**



- 1 No health problems
- 2 Problem with own health
- 3 Problem with children's health
- 4 Problem with own health and children's health
- 5 Problem with other person's health

**DIAGRAM 7: EFFECT OF TRANSPORT ON DECISION TO WORK**



- 1 No problems
- 2 Cost of transport to work
- 3 Availability of transport to and from work
- 4 Availability of transport to and from child care
- 5 Availability of transport to and from work and child care
- 6 Cost and availability of transport
- 7 Can't say

## 1990-91 BUDGET

A direct outcome of the evaluation process was that the Government announced several enhancements to the Program in the 1990-91 Budget.

These were:

- an additional 13 JET Advisers in areas of high demand which one JET Adviser cannot adequately service and major non-metropolitan centres;
- part-time clerical support for JET Advisers, to undertake the routine administrative duties, which are currently severely restricting the number of sole parents JET Advisers can assist;
- the extension of the \$30 a week training component of the Formal Training Allowance to sole parents who are under 21 years of age. For these sole parents training is often the most appropriate option but is very difficult without additional financial support to help meet the extra costs they incur such as child care fees; and
- the extension of the \$100 employment entry payment available to the long term unemployed, to sole parents who take up substantial employment. This will help sole parent pensioners overcome the final workforce barrier they face - the initial costs of working, such as clothes and union fees.

The first two initiatives are expected to increase the number of interviews by JET Advisers by around 23,000 in a full year. The extension of FTA will assist some 500 young sole parents undertake training, and the employment entry payment is expected to assist some 15,000 sole parent pensioners.

A further evaluation of JET is being undertaken in 1990-91. It will focus on outcomes for those who have undertaken training, education or entered employment. A non-Government organisation will be involved in the evaluation to identify factors which contribute to the success or otherwise of the Program at the local level.



## APPENDIX

JET IMPLEMENTATION STRATEGY  
(SEPTEMBER 1989)

NSW      VICTORIA      QLD/NT      SA      WA      TAS

1988/89

## REVIEW IMPLEMENTATION STRATEGY AND LOCATIONS

March

## Area North

Glenroy/  
Coburg  
Preston/  
Northcote

## Area West

Footscray/  
Newport

April

South Metro  
Liverpool  
CampbelltownArea West  
Blacktown  
Mt DruittArea North  
Salisbury  
Elisabeth  
Port Adelaide  
Woodville  
CroydonArea South  
Noarlunga  
EdwardstownMay  
JuneArea Hunter  
Hornsby  
NewcastleArea Central  
AlderleyArea North  
Morley/  
Mirrabooka  
InnalooSouth Metro  
BankstownArea South  
WoodridgeArea South  
Freemantle/  
RockhamptonArea West  
ParamattaArea NT  
DarwinArea North  
Townsville

1989/90

## REVIEW IMPLEMENTATION STRATEGY AND LOCATIONS

July  
August  
SeptSouth East  
WollongongArea South  
Springvale/  
Oakleigh  
DandenongTasmania  
Glenorchy  
Hobart  
LauncestonArea Metro  
Bondi

## Area East

South West  
Wagga      Heidelberg/  
Greensborough

	NSW	VICTORIA	QLD/NT	SA	WA	TAS
	Area North Dubbo	Area West Ballarat/ Wendouree				
Oct	Area North	Area East	Area Central	Area South	Area North	
Nov	Lismore	Ringwood	Redcliffe	Torrensville	Midland	
Dec		Box Hill		Currie St		
Jan	South West	Camberwell	Area South	Glenelg		
Feb	Orange		Ipswich	Parkside		
March	Woden		Wynnum	Norwood		
				Marden		
	Area Metro	Area South	Area North	Modbury		
	Dee Why	Frankston	Cairns	Enfield		
		Penninsula				
	Area Hunter					
	Gosford					
April						
May						
June						

1990/91

## REVIEW IMPLEMENTATION STRATEGY AND LOCATIONS

July	Area South East	Area Central	Area South
August	Redfern	Maroochydore	Victoria Park
		Toowoomba	Gosnells
	Area West		
	Penrith	South Area	
		Southport	
	Area North	Rockhampton	
	Armidaale		
		Area North	
		Mackay	
		Area NT	
		Alice Springs	
Sept	South Metro	Area West	
Oct	Fairfield	Geelong	
Nov		Belmont	
	Area Hunter	Cono	
	Maitland		
		Area South	
	Area Metro	Morwell	
	Maroubra	Sale	
	South East	Area North	
	Hurstville	North Melbourne	
		Fitzroy	
	South East	Brunswick	
	Goulburn		



## SOLE PARENTS OF NON-ENGLISH SPEAKING BACKGROUND: OPPORTUNITIES FOR AND BARRIERS TO LABOUR FORCE PARTICIPATION

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### 1. INTRODUCTION

While recent research has documented the economic vulnerability of women who are sole parents (Jordan, 1989, Raymond, 1987; Cass, 1986), there is no research which examines in detail the socio-economic and labour market circumstances of migrant sole parents of non-English speaking background. It is essential, for both research and social policy purposes, that much more is known about the efforts of women who do not have English as their first language and who are bringing up children alone, to learn English, find suitable paid employment, gain access to information and services, gain entry to education and training courses, organise suitable childcare for their children, and find suitable and affordable accommodation. In addition, the extent to which the available services and programs are adequate and appropriate to meet these needs requires discussion. Are the general or 'mainstream' policies for sole parents adequate and appropriate for migrant sole parents, or must other factors also be taken into account in the design of policies and programs?

This study examines the economic, labour market and social circumstances of female sole parents of non-English speaking background, who are permanent residents in Australia. The particular focus of the study is the circumstances of three significant migrant groups in Sydney - Vietnamese women, Turkish women and Spanish speaking women predominantly from South and Central American countries, who are sole parents. Their sole parent status, in the great majority of instances, results from separation, divorce or widowhood, with only a minority being single parents in the sense of 'never-married'. In this they are similar to Australian-born sole parents, although sole parents of non-English speaking backgrounds are more likely than sole parents in the general population to become solely responsible for their children as a result of separation, divorce or widowhood (ABS, 1989).

To provide some figures on the proportion of all female sole parents who are overseas-born and of non-English speaking background, the 1986 Census of Population and Housing shows that there were 59,500 sole mothers who were born overseas, 21.9 per cent of all mothers bringing up their children alone (Table 1). Although it is difficult to make the distinction because of the birthplace categories used by the ABS, about 28,500 overseas-born sole mothers came from countries other than the main English speaking countries, comprising about 10.5 per cent of all sole mothers. Further, it should be noted that the incidence of sole parenting is higher amongst Australian born women and women from other English-speaking countries than amongst women from most non-English speaking backgrounds. Amongst Australian-born women with dependent children, 14.1 per cent were sole parents, compared with 10.1 per cent of overseas-born women. While overseas-born women from countries other than the main English-speaking countries comprised 18.3 per cent of all women caring for children in two parent families, they comprised 10.5 per cent of women with sole responsibility for their children.

Because of the clear social and economic importance of all forms of parenthood, and the significant contribution which overseas-born women are making to childcare and family life in Australia, it is of considerable importance to have better knowledge about the social and economic circumstances of overseas-born sole parents of non-English speaking background. The strains on relationships which may be imposed by migration, the low income and isolation

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\* The research on which this paper is based was supported by a grant from the Office of Multicultural Affairs, Commonwealth Government. This is a Working Paper and the Final Report is in the process of completion.

TABLE 1: BIRTHPLACE OF MOTHERS WITH DEPENDENT CHILDREN, 1986

Birthplace	Mothers in		Total Mothers N = '000	Proportion of Mothers who are Sole Mothers %
	Sole Parent Family N = '000	Two Parent Family N = '000		
Australia	210.8	1,280.7	1,491.5	14.1
Overseas	59.5	531.1	590.6	10.1
Africa	1.2	18.5	19.7	6.1
America	2.4	19.0	21.4	11.2
Asia	7.8	99.5	107.3	7.3
India	0.5	8.0	8.5	5.9
Lebanon	1.0	14.3	15.3	6.5
Malaysia	0.5	8.0	8.5	5.9
Vietnam	1.9	12.4	14.3	13.3
Europe	41.2	360.5	401.7	10.3
UK & Ireland	24.8	169.1	193.9	12.8
Other European	16.4	191.4	207.8	7.9
Oceania	6.9	33.6	40.5	17.0
New Zealand	6.2	25.9	32.1	19.3
Total	272.3	1,835.9	2,108.2	12.9

Source: ABS, Households Sample File No. 1, 1986 Census of Population and Housing. From ABS, Australia's One Parent Families, Cat. No. 2511.0 (unpublished).

which often accompany sole parenthood, exacerbated when the parent is not proficient in English, the need for sole parents to understand the Australian social security system, to make their way into the labour market and to find suitable and affordable accommodation; all these issues require much better understanding if public policy developments are to take full account of relevant ethnic, cultural and language differences.

## 2. LABOUR FORCE PARTICIPATION

In July 1984 (the earliest year for which the necessary data, disaggregated to some extent by birthplace, are available), the labour force participation rate for Australian-born female sole parents was 38.8 per cent, the rate for overseas-born sole parents from the main English speaking countries was 51.5 per cent and the rate for overseas-born sole parents from other non-English speaking countries was 45.3 per cent. Further, in that year, unemployment rates for sole parents were very high: 14.2 per cent for the Australian-born, 22.9 per cent for the overseas born from English-speaking countries and 19.9 per cent for overseas born sole mothers from non-English speaking countries. These figures suggest that a very considerable proportion of sole mothers were searching unsuccessfully for jobs in that year, in the aftermath of the acute recession of 1982-83.

The five years to June 1989 saw a strong increase in labour force participation rates for female sole parents, and a marked decline in unemployment rates. About 50 per cent of both Australian-born and overseas born sole parents from non-English speaking countries, and 66.3 per cent of overseas born sole parents from English speaking coun

tries were in the labour force in 1989 (Table 2). However, the increase in the labour force participation rate was less strong for sole mothers from non-English speaking countries than for their Australian born counterparts, while overseas born sole mothers from English speaking countries showed the strongest improvement.

These improvements in job opportunities took place in the overall context of strong job growth for women, particularly in part-time employment. The unemployment rate however for both Australian born and overseas born sole parents remained high (at about 10 per cent), compared with the average rate for the whole labour force of 6.5 per cent in 1989. This indicates that a significant proportion of sole parents in the labour force are unsuccessful in their job search, while another proportion of those outside the labour force might enter it if their qualifications, skills and possible job opportunities were in closer accord, and if they had the necessary childcare and other services to assist them to do so.

It is clear that very significant changes have been occurring in female sole parents' workforce patterns, changes which require careful consideration. Firstly, sole parents' labour force participation has been contrasted **unfairly** with the participation rates of mothers in two parent families, which saw consistent increases, even in the period of recession. What must be remembered however, is that employed sole mothers are considerably more likely than employed mothers in two parent families to be working full-time. In 1989, 54.8 per cent of employed sole mothers were working full-time, compared with 42.3 per cent of employed married mothers (Table 3). The proportion of all sole mothers who were working full-time in 1984 was the same as that for mothers in two parent families, and had increased even more strongly by 1989 (Table 4). Between 1984 and 1989 overall employment rates increased considerably for mothers in two parent families and for sole mothers but part-time employment saw the strongest increase for all mothers of pre-school children and of primary-school aged children.

In considering the public policy issues involved in the potential for female sole parents to make further increases in their participation rate, the question must be raised: should sole parents be expected to have higher full time employment rates than women in two parent families, given the fact that they must carry out not only their paid work duties but carry out single-handedly all the tasks of childcare and household work? There would be few if any arguments to support such a proposition. This consideration shifts the focus to part-time employment and the policies and programs required to support an increase, if these are choices which sole parents are more likely to make.

This project adds further evidence to the work of Raymond (1987) and Jordan (1989) who emphasise the heterogeneity of the population of female sole parents. These authors establish that it is a mistake to conceive of sole parents as a homogeneous group, and therefore to consider that policies need not take account of complexity. Their research shows differentiation on the basis of age, conjugal status, educational attainment and job qualifications, ages and

**TABLE 2: FEMALE SOLE PARENTS: LABOUR FORCE STATUS BY BIRTHPLACE, 1984-1989**

Birthplace of Mother	Year					
	1984	1985	1986	1987	1988	1989
<b>Women Born in Australia</b>						
Employment rate %	33.3	35.9	37.9	37.7	38.5	44.9
Unemployment rate %	14.2	12.1	13.6	12.9	16.5	10.9
Labour force participation rate %	38.8	40.8	43.9	43.3	46.1	50.4
N = '000	217.3	220.8	219.3	243.9	229.4	227.3
<b>Women Born Outside Australia:</b>						
<b>Main English Speaking Countries</b>						
Employment rate %	37.4	39.3	48.1	49.8	42.9	60.1
Unemployment rate %	22.9	14.2	11.2	9.8	13.4	9.4
Labour force participation rate %	51.5	45.8	54.2	55.2	49.6	66.3
N = '000	27.0	30.8	26.4	27.7	33.1	28.8
<b>Women Born Outside Australia:</b>						
<b>Other than Main English Speaking Countries</b>						
Employment rate %	36.3	26.9	39.5	34.9	40.8	45.1
Unemployment rate %	19.9	23.7	15.2	15.3	19.1	9.8
Labour force participation rate %	45.3	35.3	46.4	41.4	50.4	50.0
N = '000	30.0	27.5	33.9	35.0	37.5	36.8

**Source:** ABS, Labour Force Status and Other Characteristics of Families, Cat. No. 6224.0, 1984, 1985, 1986, 1987, 1988, 1989.

**TABLE 3: FULL-TIME AND PART-TIME EMPLOYMENT STATUS OF MOTHERS, 1979-1989**

Year	Full-Time				Part-Time			
	Sole Mothers ( <sup>'000</sup> )	(%)	Married Mothers ( <sup>'000</sup> )	(%)	Sole Mothers ( <sup>'000</sup> )	(%)	Married Mothers ( <sup>'000</sup> )	(%)
1979(a)	50.4	59.3	336.9	44.3	34.6	40.7	424.4	55.7
1980	55.0	63.4	345.3	43.4	31.9	36.8	450.6	56.6
1981	52.5	59.0	347.0	43.1	36.4	40.9	457.7	56.9
1982	55.1	60.5	351.4	43.6	36.0	39.5	454.6	56.4
1983	52.5	63.3	343.6	43.5	30.6	36.9	446.1	56.5
1984	52.8	56.5	360.4	43.6	40.6	43.5	466.3	56.4
1985	58.6	59.4	379.5	42.8	40.1	40.6	507.9	57.2
1986	66.2	60.6	396.8	42.1	43.1	39.4	545.2	57.9
1987	71.4	60.6	419.9	42.5	46.5	39.4	567.3	57.5
1988	67.7	57.5	427.7	41.7	50.0	42.5	598.6	58.3
1989	74.4	54.8	457.0	42.3	61.5	45.3	623.9	57.7

**Notes:** (a) Data for 1979 and 1980 for married mothers are slightly understated due to the non-inclusion of wives whose husbands were not in the labour force.

**Sources:** 1979-1985: Social Security Review (1986), Table 6  
 1986-1989: ABS, *Labour Force Status and Other Characteristics of Families*, 1986 to 1989, Cat. No. 6224.0.



**TABLE 4: LABOUR FORCE PARTICIPATION OF MOTHERS BY AGE OF YOUNGEST CHILD,  
1984 AND 1989**

	Age of Youngest child (years)	Full-time employment (%)	Part-time employment (%)	Unemployment (%)	In the labour force (%)	Not in labour force (%)	N ( <sup>'000</sup> )
<b>1984</b>							
Married Women	0 - 4	11.2	19.1	4.0	34.3	65.7	797.9
	5 - 9	20.9	31.3	3.7	55.9	44.1	456.6
	10 - 14	27.0	28.7	2.1	57.8	42.2	442.4
	15 - 20	30.1	24.0	*	56.0	44.0	185.2
	Total	19.1	24.8	3.3	47.2	52.8	1882.1
Female Sole Parents	0 - 4	8.8	10.4	5.1	24.2	75.8	87.8
	5 - 9	17.9	16.6	8.3	42.8	57.2	73.6
	10 - 14	25.8	16.9	6.3	49.0	51.0	78.8
	15 - 20	34.4	17.6	*	57.6	42.4	34.0
	Total	19.3	14.8	6.4	40.5	59.5	274.2
<b>1989</b>							
Married Women	0 - 4	13.8	28.6	2.8	45.2	54.8	821.6
	5 - 9	26.9	37.8	4.8	69.5	30.5	444.6
	10 - 14	32.8	34.8	2.2	69.8	30.2	408.4
	15 - 24	35.3	30.6	1.5	67.4	32.6	255.9
	Total	23.7	32.3	3.0	59.0	41.0	1930.5
Female Sole Parents	0 - 4	11.0	16.5	6.4	34.0	66.0	96.9
	5 - 9	23.6	24.8	6.1	54.5	45.5	80.1
	10 - 14	32.4	24.5	4.2	61.1	38.9	68.9
	15 - 24	48.0	18.4	4.7	71.1	28.9	47.1
	Total	25.4	21.0	5.5	52.0	48.0	292.9

Source: ABS, Labour Force Status and Other Characteristics of Families, Cat. No. 6223.0.

number of children, health status. This project's objectives are to provide further detailed information on the ways in which migrant status affects the experiences of being a sole parent and the consequent possibilities of combining parenthood and wage-earning.

### **3. THE CONDUCT OF THE RESEARCH**

In this project, interviews were conducted with sole parents of Turkish, Vietnamese and Spanish speaking backgrounds, who were resident in the Sydney Metropolitan region, and in one case in Newcastle. A total of 66 interviews were conducted between November 1989 and July 1990 (24 women were from Central or South America, 22 from Vietnam and 20 from Turkey). Most interviews were conducted in the respondents' homes, as well as in women's refuges where several women were living with their children following experiences of domestic violence and homelessness. Several were conducted in community agencies and in other community settings which were chosen by the respondents themselves. The interviews ranged widely over a set core of questions and lasted for approximately two hours, although some interviews which were conducted without the assistance of interpreters took considerably longer.

Initial contact with 52 sole parents was made by ethnic community welfare workers who informed their women clients and migrant women's networks about the project and invited sole parents from the designated language and country of birth groups to participate in the research.

Because of the relevance of the Jobs Education and Training (JET) program for sole parents, participants in the JET program living in Sydney and of the designated birth place groups were invited by letter to contact the research team at the University of Sydney. Letters to JET participants were sent by the JET administration in the NSW Department of Social Security. These letters, translated into the relevant languages, assured recipients that the research team had not been told their names or addresses, and that contact would only be made if they themselves initiated it and volunteered to be interviewed. Fourteen women were interviewed following this process. Whilst the response from JET participants was low in relation to the total number of JET participants of the relevant birthplace groups in Sydney (a response rate of less than one third), it is likely that concern about intrusion into private life and lack of English language proficiency imposed barriers to the women initiating telephone contact with the researchers.

This paper presents a preliminary analysis of some of the data and issues which have emerged from these 66 case-studies, and examines in particular the constraints on and opportunities for the respondents' participation in education, training and the labour force. The stories of these women illustrate their strong perception of responsibility to their children in a cultural and social environment in which they are reminded of their parenting responsibilities by both their relatives and their ethnic community. At the same time, they have strong aspirations to improve their English language proficiency, to gain access to a range of education, training and employment opportunities. Both of these apparently contradictory pressures and aspirations must be fully appreciated for an adequate understanding of the labour market and social circumstances of migrant sole parents to be developed.

### **4. BIRTHPLACE, AGE AND PERIOD OF RESIDENCE IN AUSTRALIA, ENGLISH LANGUAGE PROFICIENCY**

At the time of interview the women's ages ranged from 20 to 51, but the average age was 36 years for all three birth-place groups. By far the majority (more than 80 per cent) were aged between 30 and 49, indicating many years of possible future employment and therefore the relevance of new opportunities for education, training and job placement.

Respondents had arrived in Australia between 1969 and 1990 and at the time of interview the average period of residence was 9 years. Turkish women who were part of a somewhat earlier wave of migration had an average period of residence of 15 years, Spanish-speaking women 6 years and Vietnamese women 4 years. Twenty one women (almost a third of the group who were interviewed) had migrated to Australia between 1987 and 1990 and many were still experiencing the tensions and adjustments inherent in the initial phases of settlement.

Half of the group indicated that they had little or no proficiency in English. Sixty two women spoke most fluently in the dominant language of their country of birth, while a minority were also proficient either in English or in French. There were in fact strong language resources amongst the group, but almost all the women perceived that their lack of proficiency in English, the language of education and the marketplace, was the major barrier to their entry into education and training and suitable employment, and to general social participation. In addition, longer periods of residence in Australia did not necessarily lead to better levels of English speaking proficiency, indicating that women's experiences of migration, particularly when they are responsible for the care of dependent children, may militate against opportunities to acquire English language competency.

## **5. ARRIVAL IN AUSTRALIA: THE FAMILY CONTEXT OF MIGRATION**

For the majority of the women interviewed, the migration experience had occurred within a family and kinship context. The commonest pattern was migration to Australia either with husband/partner (in most cases also accompanied by children) which was the case for 42 per cent of the group; or with children alone (in some cases also with relatives) which was the case for about 30 per cent of the group. In the latter category, sole parenthood had occurred prior to migration either through widowhood or separation, but the separation in some cases was temporary because the women were later joined by, or had come to join their husbands. Overall, almost two thirds of the women were mothers at the time of their arrival in Australia.

A considerably smaller group (9 women) migrated to Australia either as children or as young adults accompanied by members of their immediate family, while only 10 arrived alone.

In addition to migrating with family members, the majority of the group came to join or were later themselves joined by other relatives. While the family context of the migration experience is apparent, it must also be noted that the process of migration itself and prior events in the country of origin often tended to separate husbands and wives, parents and children, women from their parents and siblings. Many women experienced migration after long periods of disruption caused by war and political upheaval, sometimes in a context of long-term economic and social turmoil which had major implications for the stability of relationships.

The breakdown of a marriage relationship before, or frequently soon after arrival in Australia, often compounded the severance of ties with extended families, with the spouses' family and with other significant social and community networks. For some women the breakdown of the marital relationship (in a few instances desertion shortly after arrival in Australia), necessitated locational moves to other suburbs, or interstate, disrupting newly established networks.

## **6. MARITAL STATUS AND RESPONSIBILITY FOR CHILDREN**

When asked to describe their current marital status, the majority of respondents indicated that they were separated (61 per cent) or divorced (18 per cent) while a minority were either widowed (9 per cent) or had never been married (12 per cent). In the same proportion as for the general population of sole parents, by far the majority of women became solely responsible for their children as a result of separation, divorce or widowhood (88 per cent of this group) i.e. following the end of a marriage relationship. The average length of the women's relationship with their husbands or partners had been 9 years. The age at which the women became sole parents was on average 32, and at the time of interview the average duration of sole parenthood (i.e. the time spent caring for children alone) was 3 years.

Most women had one or two children (80 per cent of the group), and the average age of the 130 children whose mothers were interviewed for this project was 10 years. More than a quarter of the children were of pre-school age, while a further 42 per cent were in primary school. With a further 22 per cent in secondary school, it is clear that the childcare responsibilities of this group are considerable and have implications for women's participation in education and training programs and in paid employment.

## 7. EDUCATIONAL ATTAINMENT

There were clear differences between the three groups of women in terms of their school experiences, school retention rates and opportunities for post-school education, which reflect not only the significance of gender and culture in women's educational attainment but also the disruption to schooling which can result from war and political conflict and from the migration experience itself.

Of the three groups, the Turkish women had the least extensive school education with an average school leaving age of twelve years, compared with sixteen years for both the Spanish speaking and Vietnamese women. Almost half of the total group of women had completed the highest level of secondary school.

The Spanish speaking women had the highest participation rate in post school education before their arrival in Australia with qualifications in secretarial studies, teaching, nursing, as a nursing assistant and as a physiotherapist amongst their attainments, whereas for the Turkish women, post school education or training had been possible only for one woman who had completed a three month post school typing course.

Two of the three Vietnamese women who had attended University had their studies interrupted, whilst the other had completed her Veterinary Science course. Three other Vietnamese women had received some 'on the job' training in typing, or as banking staff, and one had trained as a teacher. Two other Vietnamese women, with training as an electrician and as a midwife, were eager to pursue their careers as soon as their English language proficiency permitted their participation in bridging or refresher courses, as their current qualifications do not permit them to continue their careers in Australia.

Of the nine women who had attended University in their own countries, three had completed their courses, one in Physiotherapy and two in Veterinary Science, whilst the other six women who had begun University had had their attendance interrupted by military conflict and by consequent closure of universities.

After their arrival in Australia, fifteen women had undertaken further education, almost all having participated in a certificate level course, or a short course at a TAFE college. In all, 39 women stated that they wished to undertake further education and training in Australia, while for a further 17 the priority was to learn English, or better English. Most of the women who wished to enrol in further education mentioned Certificate, Associate Diploma or Diploma level courses, signifying the importance of TAFE as a point of entry for women, especially for women from a non-English speaking background who wish to pursue formal education.

The responsibility to care for children, lack of confidence and self esteem and the pressing need to undertake paid employment were cited as important factors blocking the women's participation in further education or training. However, there is no doubt that lack of English proficiency was and remains the major barrier to the women's further participation in education or training programs. It must also be appreciated that class factors in a number of instances militated and continue to militate against the very idea of entering further education and training as an adult woman with responsibility for children, particularly one who has formerly been involved in poorly paid and low skilled work.

Several women, facing housing crises, lack of proficiency in English, the unavailability of child care, poor health or the trauma associated with the recent breakdown of their marital relationships, were unable to envisage when they would be able to undertake further education or training or even that they would ever be able to do so, unless such problems were resolved.

## 8. ACQUISITION OF ENGLISH LANGUAGE PROFICIENCY

Lack of proficiency in English was one of the major concerns expressed by this group of sole parents. There was a degree of congruence between the women's perceptions of their facility in the three areas of English language communication: speaking reading and writing. Approximately half the group considered themselves to have only 'fair' or 'poor' English language facility in these three areas of language proficiency.

Acquisition of English language proficiency is critical to the self confidence required to enter further education and training, and job search is dramatically impeded by the principal factor of language. Without English the women

understand themselves to be isolated and marginalised from every day access to knowledge and information which might assist them to participate more fully in a range of educational and social activities, likely to improve their community participation and job opportunities.

It is of note that 50 women had attended English language classes since their arrival in Australia, most of them through the Adult Migrant Education Program, with a small number learning English through a special purpose University or College program, while two had participated in the Home Tutor Scheme. Half of the women had commenced English language classes within one year of their arrival in Australia indicating a significant level of commitment to the acquisition of English language skills.

Eight women had not commenced English language classes until they had been resident in Australia for many years, one woman having been a resident for twenty years before beginning classes. Several stated that they had been prevented by their husbands from attending most activities outside the home and had been able to enrol in English classes only since the breakdown of their marital relationship. Other women mentioned a range of barriers which had precluded their enrolment, predominately the unavailability of child care, or the necessity that they pursue paid employment.

Ten women were attending classes at the time of the interview, most of them in the Adult Migrant Education Program. It is significant that 44 women wished to attend classes in the future. This number included many women who had previously attended AMEP classes but who considered that they needed better English proficiency to permit their entry into better jobs.

Participation in the AMEP is directed predominately to people who have been in Australia for under 5 years with priority given to those who have been resident in Australia for under 3 years, with 90 per cent of the AMEP Budget marked for 'on-arrival' courses. Of that part of the Budget, only 15 per cent is allocated for people who are not employed or seeking paid work. Those who have been in Australia for more than 5 years, and those who are not currently seeking employment are less likely to be accommodated. It is women, particularly those with child care responsibilities, who are less likely to gain access under these arrangements.

For migrant sole parents, current entry criteria to AMEP classes may not help them to gain access at that time in their lives when attendance has the most salience, i.e., when the need to enter further education, training and the workforce becomes imperative, which may be more than 5 years after arrival.

## 9. PREVIOUS AND CURRENT EMPLOYMENT HISTORY

In order to understand the constraints on and the opportunities for the group of women whom we interviewed to enter education, training and employment, it is necessary to examine their employment history, both in their country of origin, and after their arrival in Australia. Thirty six women had been in paid work in their country of origin: with the Spanish-speaking women much more likely to be employed than the Turkish women, for whom only one quarter had had any previous employment history prior to migration. However, it should be remembered that although the three groups of women had similar average ages at the time of interview, the Turkish women had arrived in Australia at a younger age and in an earlier period, before the increases in women's labour force participation in the 1980s. Levels of political instability, relative levels of military upheaval, rural/urban differences in unemployment and under-employment both between and within their countries of origin make it difficult to compare labour force participation, or even to expect paid work experience for young women in the 10 countries of origin from which these women emigrated.

What is important in the context of this study is that almost half the respondents had not been in paid work before their arrival in Australia (6 were school children), and therefore could bring no previous job experience to assist their possible entry into the Australian labour market. Of the 36 women who had been in employment before migration, the majority were in clerical, sales, service occupations, and a further small number were factory workers and labourers, either in rural or urban industry. The 8 women who had been in professional and para-professional jobs and in the trades as a teacher, nurse, veterinary scientist, physiotherapist and electrician had either been employed in less skilled jobs in Australia, or expected that they would have to be employed in less skilled jobs, while acquiring sufficient

English proficiency and taking steps to have their qualifications recognised through further training or bridging courses.

When labour force experience in both Australia and overseas is combined, it is apparent that the majority of women had been in the workforce at some stage, with only about one tenth having no workforce experience. In contrast to their occupational profile prior to migration, half of the respondents had been employed in Australia as factory workers, because lack of English language proficiency had made clerical and sales employment very difficult to achieve. It is worthy of note that the occupation in which this group had the most experience, factory work, is an occupation whose hours and conditions are least suited to the combinations of childcare and paid work which sole parents must negotiate and sustain. In addition, the total net income received is likely to be only marginally higher than the income from pension or benefit, making the considerable and exhaustive effort of workforce participation combined with sole responsibility for household work and childcare a very unattractive, indeed punitive alternative.

As one respondent noted:

*I looked [for work] in a factory. There was a problem - I get now \$430 each fortnight. Factory work is \$50 per week more. Tax and costs would mean I have less money.*

- a compelling example of the labour force disincentive effects of low earnings capacity caused by lack of recognised job qualifications and lack of English language proficiency.

At the time of interview, 14 women were in paid employment, 5 in full-time jobs (as nurse, teacher, physiotherapist aide, welfare worker and shop assistant). Most of the part-time workers (who were employed from 6 to 28 hours per week) were in unskilled jobs such as cleaning, process work, waitressing and aged care assistant, while two women, having completed the relevant short courses, were childcare assistants. The occupational profile for full-time employment reflects the wider experience for sole parents' workforce participation, namely, the much higher levels of participation for those with qualifications and therefore better earnings capacity.

Of the 52 women not in the workforce, 10 were looking for paid work. Of this group, 3 were either currently involved, or intended to participate in a training course. The major factor militating against these job seekers' success was that half had little or no English language proficiency. In addition, almost half of the women not currently employed had been outside the paid workforce for 6 years or more, while a minority had no previous employment experience. When asked their reasons for not looking for employment, the 42 women not currently in the labour force stated most frequently that language difficulties, lack of job skills and the age of the youngest child were the major factors. Three quarters of the women cited their difficulties with English, of whom some had been previously employed in occupations like factory work requiring little English proficiency. However, such employment was seen as unsuited to present circumstances, while English language difficulties barred entry to other fields. Those wishing to undertake office skills training and bridging courses recognised that the pre-requisite was a relatively high standard of English proficiency. Almost the same number of women, about three quarters of those outside the labour force, cited their lack of skills as a major impediment to job seeking, and of this group, most had been employed previously in factory work, or in jobs recognised as low skilled or whose skills were not readily transferable to the Australian labour market.

It must be emphasised however, that, as found in other surveys of barriers to sole parents' labour force participation (Frey, 1986; Jordan, 1989), the obligation to care for their dependent children is seen as the major barrier to job search, at least as important as lack of English language proficiency. Amongst the 30 women noting this concern, the average age of the youngest child was 4 years and children's ages ranged from 7 weeks to 13 years. Lack of childcare or the costs of childcare were considerations, but many women saw full-time mothering as their duty. While some believed that they had a choice but preferred to be at home with their children, others had not considered the possibilities of combining part-time employment with caring responsibilities, even if childcare were available. This strong perception of primary responsibility to children is comparable to the views held by Australian born sole parents, and is particularly understandable with respect to women who have suffered the double dislocations of migration and loss of a relationship. This suggests that workforce participation, English language courses, education and skills training need to be seen as compatible with mothering responsibilities, not as contradictory to this primary obligation.

Allied to this consideration is the observation made by almost half the women outside the labour force that they anticipated transport difficulties and a long journey to and from the nearest potential centres of employment. Women

citing this barrier to job search included recent arrivals unfamiliar with the transport system and those without access to private cars and forced to find accommodation in regions poorly serviced by both public transport and job opportunities.

Connected with this concern was the perception that the jobs which the women were likely to enter offered little flexibility in hours worked, hours which matched poorly with the school day. The prospect of arranging childcare for pre-school children, as well as before and after-school care for older children while also working inconvenient hours, often using public transport or commercial bus services to travel to a number of different destinations within the working day, presented formidable barriers to workforce entry.

Problems with their own health were cited by four out of every ten women who were not currently in the labour force. Poor health included both psychological and physical problems: with some women citing chronic physical problems which might prevent them from seeking work indefinitely, while others described acute conditions which they were hopeful of overcoming in the near future. Psychological problems included the sense of being trapped in a depressive cycle brought about and maintained by poverty and the pressures of bringing up children alone, sometimes in inadequate housing and without sufficient financial resources or social supports to improve their psychological well-being. In addition, a small number had psychological problems induced by experiences of torture and trauma prior to migration.

The constraints against and yet the importance of paid work in relieving health problems is shown in one woman's statement:

*The only way to forget problems is to work. I can't forget problems long enough to get a job.*

It should also be noted that one quarter of the group cited the poor health of their children as a factor militating against their seeking work. These problems ranged from chronic and potentially serious conditions like asthma to the problems created by the children's process of settlement. Clearly, this issue is an extension of the perceived obligation to give childcare first priority, particularly when the practical considerations of caring for a sick child without the support of another parent make it very difficult to contemplate the additional and contradictory responsibilities of paid work.

It is significant to note that the matter posed most often in the economics literature as a workforce disincentive for low income women, i.e. the interaction of the social security income test and tax liability on the net income of women who must make great efforts to stay in paid work, was mentioned less frequently than other barriers to participation. There was, however, considerable lack of information in the group about how these regulations would actually affect them. It should be noted however that the perception of being only marginally better off in paid work was a realistic one for women with low earnings capacity, making English language acquisition and further education and training very significant issues.

From the range of responses it is apparent that the women were confronting what they realistically perceived to be formidable barriers to labour force entry or re-entry. In addition, the great potential value of a program like JET is apparent for non-English speaking background women who are aware that better English language proficiency and further education and training are essential for the improvement of their job prospects and earnings capacity. It is also significant to note that a majority of the women who were in paid employment at the time of interview planned to improve their circumstances through further skills courses, English language courses, attempts to have their overseas qualifications fully recognised through further training, or through working longer hours when their children were older. These aspirations indicate that entry into paid work does not put an end to migrant sole parents' wish for further education and training, an observation likely to be relevant also to many Australia-born sole parents. This consideration indicates that it is inappropriate to conceptualise a one-way route from being outside the labour force, then entry into training and job search and employment: it is very likely that a range of pathways are taken depending on opportunities and circumstances, which include the upgrading of skills and qualifications after entering paid work.

Despite their perceptions of considerable constraints on workforce entry, 40 of the 52 women not in paid work stated that they intended or expected to be employed in the future. Of the remainder, 6 were uncertain about their employment plans, while another 6 believed that their poor health could continue to prevent them from taking paid

work. It should be noted that the numbers in this group are considerably less than those who cited ill health as a barrier to current job search, indicating optimism that their health would improve.

Those 40 women who expected to find future employment nominated the following factors which would help them to do so:

- when they had better English language proficiency;
- had been able to acquire better education and training; and
- when their children were older

were the most frequent responses. Training and improved English were seen as 'pathways' to suitable jobs, that is, those which offered accessibility through more appropriate hours of work and degree of flexibility and thus compatibility with childcare responsibilities.

Finally, responses to the question which asked the women what they saw as the barriers to their actual employment were analogous to the factors which impeded their job search: overwhelmingly, English language difficulties and lack of skills; and, even more importantly, the ages of their children and the necessity to find suitable childcare. Again, questions of distance and transport were frequently cited, as were the hours and times of available work. Women also cited cultural differences as a barrier, which included lack of English proficiency, perceptions of discrimination by employers, and their own embeddedness in cultural traditions where family and kin actively discourage mothers' workforce participation.

However, since the participation rates of mothers of non-English speaking background, both in two parent and sole parent families are virtually the same as the participation rates for Australian born mothers, it is clear that migrant women are overcoming contradictory pressures and formidable barriers. What is also clear is that their participation in English language programs, education and training, advice about their local labour market, assistance with job placement and childcare, and general support and information about their entitlements and opportunities are best facilitated by a program which is properly sensitised to the language and cultural heterogeneity of the sole parent population.

## 10. RECEIVING INCOME SUPPORT

The women's experiences of the social security system on becoming sole parents or on their arrival in Australia show the complexity of the various forms of income support on which they needed to rely at various stages. Non-Australian born sole parents are subject to eligibility requirements which stipulate residence qualifications for receipt of various types of income support.

To qualify for a sole parent's pension and prior to March 1989, for a class A widows pension or supporting parents benefit the person must:

- be an Australian resident (i.e. a permanent resident) and resident in Australia when making a claim for support;

and satisfy one of the following residence requirements:

either

- that the 'event' which precipitated sole parenthood, e.g. widowhood, divorce, separation or the birth of a child occurred while the person was an Australian resident;

or

- that the person has been an Australian resident for a continuous period of at least 5 years before making a claim for pension;



or

- that the person has been an Australian resident for a continuous period of at least 10 years at any time.

This means that for an overseas-born sole parent, eligibility to receive sole parents pension (and previously class A widows pension or supporting parents benefit) was and continues to be determined by whether or not the immediate cause of sole parenthood occurred while an Australian resident, or if this is not the case (e.g. if widowhood, divorce, separation or the birth of a child occurred overseas) then eligibility is conferred when the person has been an Australian resident for at least 5 years. This means that a certain proportion of overseas born sole parents must rely on other forms of income support, predominantly special benefit, unemployment benefit or sickness benefit, if they are unable to earn sufficient income.

To turn at this point to the wider Australian population, in May 1990, 7,316 sole parents were receiving a benefit (either unemployment, sickness or special benefit), comprising 3 per cent of all sole parents receiving some form of income support. However, while overseas born sole parents comprised 19.8 per cent of all sole parents receiving sole parents pension, they comprised 47.2 per cent of all sole parents receiving a benefit (see Appendix). In other words, non-Australian born sole parents are considerably more likely than Australian born sole parents to receive a benefit rather than a pension, and it is highly likely (given the residence requirements) that more recently arrived migrants would have an even higher likelihood of receiving a benefit rather than a pension than is reflected in these overall figures.

Amongst the women interviewed, three quarters (i.e. 48 women) had initially applied for and received either class A widows pension or supporting parents benefit, because the relevant 'event' causing their sole parenthood occurred while they were Australian residents. A further 16 women (about one quarter of the group) received either unemployment, special or sickness benefit, because they were not eligible to receive a pension payment.

At the time of interview, 42 women were receiving sole parents pension at either full or part payment, 18 were receiving either unemployment, sickness or special benefit, and 5 were in full-time employment (of whom 3 received family allowance supplement). The women receiving unemployment benefit were obliged to look actively for work; sickness benefit was received because of poor health status and special benefit because of the family's great financial hardship and lack of eligibility for any other form of support.

The experience of receiving income support was not continuous for all women: 14 who had received a pension or benefit at some stage had discontinued receipt during periods of employment or when they reconciled with their former spouse. These changing circumstances raise two major issues: the economic and social uncertainty of sole parenthood and the importance of social security payments in providing essential income support during such periods of intense financial and emotional insecurity.

This observation is relevant to all sole parents, but another set of issues pertains to non-Australian born sole parents. They are considerably more likely than their Australian-born counterparts to receive a benefit rather than sole parents pension. Pension criteria and conditions however are much more appropriate to the circumstances of people with sole responsibility for the care of their children. The work test for unemployment benefit requires active job search, which is likely to be incompatible with childcare responsibilities. Similarly, eligibility criteria for receipt of sickness benefit, requiring validation by medical certificate at three monthly intervals for a temporary medical condition which disrupts income earning capacity, can in fact serve to reinforce a 'sick role' for a parent who may well suffer from poor health, but whose major reason for receiving income support and being unable to enter the paid workforce is that she has sole responsibility for the care of her children. In the case of women receiving unemployment benefit, the evidence of this study suggests that the requirement to look actively for work may create anxiety and great difficulty with compliance for women with little previous workforce experience, little knowledge of the local labour market, considerable childcare responsibilities and little English language proficiency.

Further, the much tighter income test which applies to benefits makes it considerably more difficult for a sole parent to be employed part-time, without incurring high levels of benefit withdrawal, i.e., very high effective marginal tax rates. The more 'liberal' income test pertaining to sole parents pension enables a sole parent to receive combinations of part income support and earnings from part-time work which can considerably improve the net income of the family. Even more compelling is the fact that receipt of both sickness benefit and special benefit are totally incompatible with part-time employment, which is in fact contrary to their eligibility criteria. The incentive effects of receipt of these benefits

might well be to reduce the opportunities for the parent to enter education, training or employment, and little if any labour market assistance is linked to receipt of these benefits.

In fact, sole parents in receipt of a benefit are not eligible to participate in the JET program, which is available only to sole parent pensioners. This is likely to reduce significantly their access to a range of education, training, job placement and childcare opportunities.

Two factors interact: the residence requirements to qualify for receipt of sole parents pension, and the requirement that only sole parents in receipt of a pension are eligible to participate in the JET program. In this way, a certain proportion of migrant sole parents do not have eligibility for a form of income support most appropriate to their needs, and to an innovative labour market program which might significantly improve their acquisition of skills, their childcare support and their job opportunities. The question raised is why people in similar circumstances, in this case those solely responsible for the care of their children, should not be treated similarly in the social security system, particularly when sole parents pension has been linked beneficially since early 1989 to programs of training, education, employment advice, and childcare placement during training and initial workforce entry. Such a program might bring the family out of hardship, poverty and the marginality induced by long-term receipt of benefit.

## 11. CONCLUSIONS

This preliminary analysis of 66 interviews with sole parents of various non-English speaking backgrounds (Turkish, Vietnamese and Spanish-speaking), while clearly not able to be used as a basis for generalisation, nevertheless contributes substantially to knowledge about the needs of migrant women with sole responsibility for their children. On the one hand, it documents compelling evidence of economic vulnerability, predominately because most families had to rely on social security for their only source of income, few were in receipt of maintenance from the former spouse, and only a minority of the women had been able to surmount formidable barriers to enter the labour force and to be employed either full or part-time.

One of the main barriers to entering education, training and employment was the women's perceptions of their responsibility to care for their children. This is in close accord with the findings of similar research (Frey, 1986; Raymond, 1987; Jordan, 1989). In Frey's study of barriers to workforce participation, the major barrier was the responsibility to care for one's children, compounded by the scarcity of childcare services which might share some of that responsibility (Frey, 1986). For the migrant sole parents in this study there are very strong perceptions of responsibility to children. This could reasonably be expected, since migrant women of non-English speaking background are not only reminded of their parenting responsibilities by their relatives and their community, but they themselves are particularly anxious to ensure and protect the well-being of their children, given the absence of the male parent in a society of re-settlement, in a linguistic environment and culture in which they do not perceive themselves to have a secure place. In such circumstances, eligibility to receive a secure, adequate and appropriate form of income support which recognises the responsibility to care for dependent children is of critical importance for the well-being of the woman and her family.

On the other side of the coin is the clear evidence of the women's strong aspirations to acquire better English language proficiency, to gain access to education and training and to find suitable employment, when their children are older, or when they have access to appropriate and affordable childcare arrangements. It must be remembered that in Australia generally 50 per cent of overseas born sole parents of non-English speaking background were in the labour force in 1989, attesting to their desire and their willingness (in similar proportion to Australian born sole mothers) to combine parenting and wage-earning, often by working part-time. However the participation rates and the employment rates for sole mothers of non-English speaking background are lower than those for overseas-born sole mothers from English-speaking countries, which is likely to reflect language-based barriers to participation and lower educational and job qualifications.

Commenting on the findings of his Victorian study of sole parent pensioners' employment prospects, Jordan (1989) noted that by far the majority of women interviewed aspired to labour force participation, and that there was every indication that their participation and their earnings capacity could be increased, if appropriate encouragement and programs were provided. Nevertheless, migrant sole parents were over-represented in the group of women in Jordan's study who were categorised as having the fewest workforce opportunities and the poorest job prospects. In this group

also were older women (median age of 42 years), who had spent long periods out of the labour force, women troubled by their own ill-health or disability in the family, and women without formal job qualifications.

While such factors are likely to present formidable barriers to labour force participation, particularly if several interact in a woman's life, the strength of the aspirations demonstrated by women in this study indicates that provision of appropriate resources and services would be very likely to make a significant difference to their job prospects. However, it must be remembered that for migrant women without formal job qualifications, the acquisition of a job, in itself, is no guarantee of economic security (Alcorso, 1989). Clearly as the women involved actively in the JET program indicated to us, English language training, and the acquisition of accredited skills provide a much better guarantee of a secure and appropriately paid job than entry into poorly paid, unskilled work.

In this study, the **major** barrier to the realisation of the respondents' job aspirations is lack of English language proficiency, and lack of access to English language courses. Entry to education and training, job search, finding a job, are all impeded by the principal factor of language and absence of the additional services which sole parents need if they are to have access to and gain benefit from English language programs. Childcare services for pre-school children, and before and after school care arrangements were frequently emphasised as critical in this context, as they were in enabling migrant sole parents to take advantage of further education and training, and to enter and stay in paid work.

The importance of secure and affordable housing, housing located near job opportunities and much better serviced by public transport, whose time-tables reflect women's daily trips, are also raised by this analysis as community services required to surmount the barriers to migrant women's social and economic participation.

While identification of the barriers to migrant sole parents' participation in education, training and the workforce is the focus of this study, it must be remembered that migrant sole parents, like Australian-born sole parents, are carrying out particularly important and valuable responsibilities, caring for and rearing their children without the assistance of another parent. Their courage, struggle and determination in doing this caring work requires recognition and adequate levels of support. In order for sole parents to take on the additional demands of paid work, the necessary supports and services are required, both to make workforce entry possible and to sustain these dual responsibilities.

A major and beneficial program like JET, which presents new options to sole parents and creates better access to education, training, childcare and employment, broadening the range of women's possibilities, is of great importance for migrant sole parents. This is so because participation in JET is **voluntary**, and because the individual assistance provided can be sensitive to the particular and additional needs of migrant women of non-English speaking background, whose employment experiences may be very different to those of Australian-born women, and who may have little chance of gaining access to secure and well paid work without further education, English language courses and recognised qualifications.

The capacity of the JET program to respond appropriately to these differences is an issue of resources, and of proper recognition of the heterogeneity of needs, experiences, expectations and skills which migrant sole parents bring and can contribute. In addition, the anomaly which denies sole parents in receipt of benefit access to JET (merely because they are not sole parent pensioners) has its harshest effects on **migrant** sole parents, who are the group more likely to be receiving a benefit because of residence requirements. Such an exclusion cannot be justified, since it results in a highly vulnerable group of migrant women caring for children alone and reliant on a category of payment which is much less secure than sole parents pension, being excluded from a range of services which could substantially improve their job opportunities. Both the suitability of the form of income support which they are receiving, and their eligibility to participate in the JET program, require closer policy attention.

## APPENDIX

## ALL SOLE PARENTS: RECEIPT OF INCOME SUPPORT

		Sole Parent Pension <sup>(a)</sup>	Unemployment Benefit <sup>(b)</sup>	Sickness Benefit	Special Benefit	Total
Australian Born	N	192,525	1,859	611	1361	196,356
	%	98.0	1.0	0.3	0.7	100
Non-Australian Born	N	47,463	1,871	476	1,109	50,919
	%	93.2	3.7	0.9	2.2	100
Not Stated	N	371	21	4	4	400
	%	92.8	5.2	1.0	1.0	100
Total	N	240,359	3,751	1,091	2,474	247,675
	%	97.1	1.5	0.4	1.0	100

**Notes:** (a) At September 1989.  
(b) All Benefit numbers at May 1990.

**Source:** Department of Social Security Administrative Statistics.

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## SOLE PARENTS AND THE FIRST PHASE OF THE CHILD SUPPORT SCHEME EVALUATION

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The first phase of the AIFS evaluation of

Stage One of the Child Support Scheme involved two separate populations:

- (1) the pre-scheme sample of 3755 custodial and 204 non-custodial parents, and
- (2) a sample of early Child Support Agency registrants totalling 1940 custodians and 817 non-custodians.

Not surprisingly, the custodians in both samples were overwhelmingly female and the non-custodians male, although the pre-scheme sample was stratified to include a sufficient number of male custodial parents for analysis.

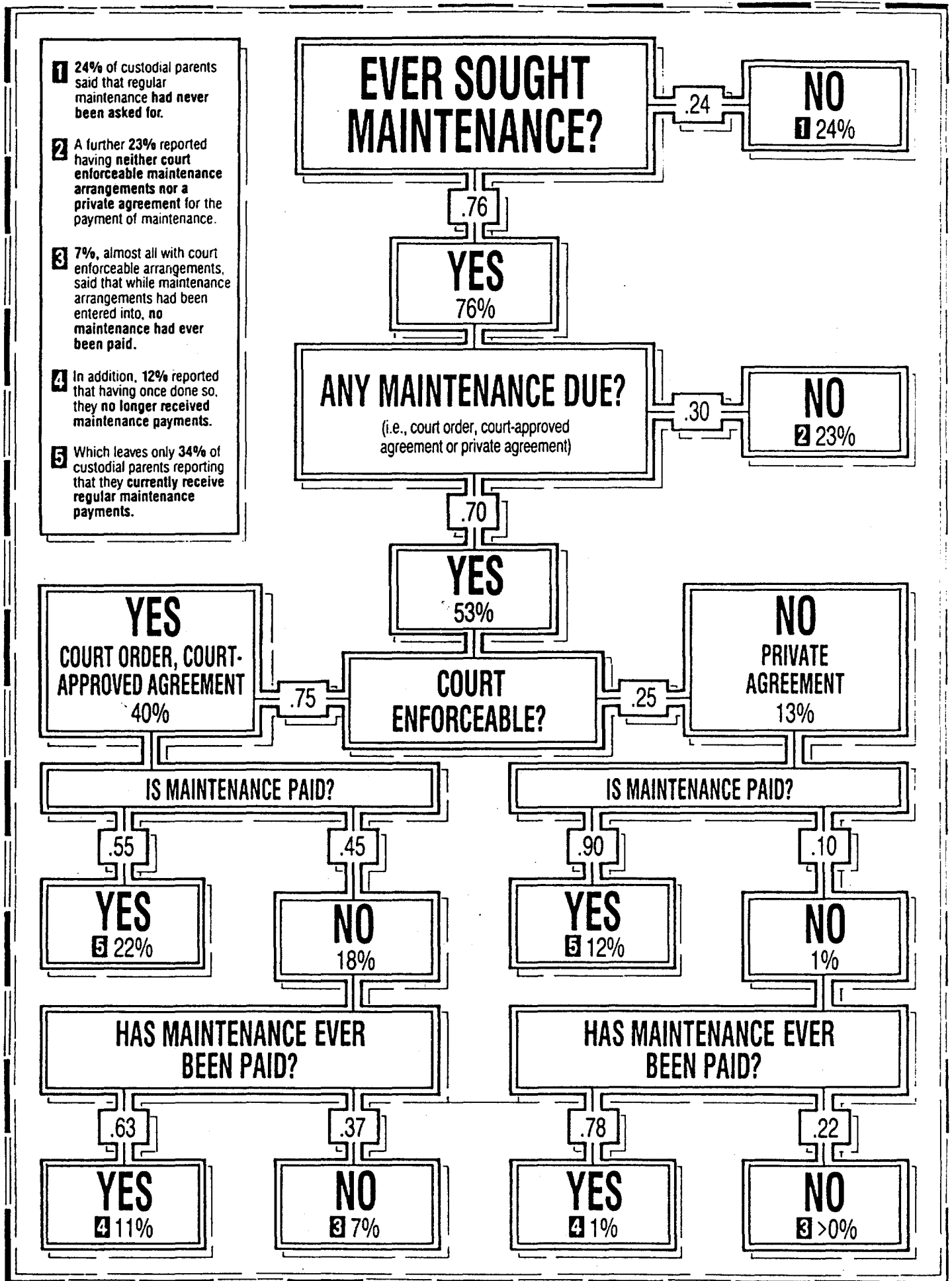
The pre-scheme parents were approached by mail in the first few months of the operation of stage one of the Scheme, and the accuracy of their classification was reinforced by the fact that only 16 custodians had registered with the Agency when they responded to the questionnaires. Agency clients were contacted in December 1988 and January 1989.

The nature, purpose and structure of the samples produced the result that approximately 60 per cent of the pre-scheme custodians were sole parents at the time of the survey, and about 84 per cent of these parents were sole parent pensioners. An additional 10 per cent of partnered parents were in receipt of some other form of pension. Seventy-seven per cent of the early Agency registrants were pensioners.

The Social Security review found that in 1985 pensions and benefits provided the main source of income for just less than two-thirds of Australian sole parent families, and 89 per cent of these families received some payment via pension or benefit. The report of the Child Support Evaluation and Advisory Group (1990) notes that, recently, sole parent pensioners have formed between 68 per cent and 75 per cent of the entire sole parent population. This paper concentrates on the characteristics and experiences of the sole parent pensioner custodial parents who were in the pre-scheme sample, together with complementary data obtained from the Child Support Agency and some impressions provided by those who were early clients of that Agency. The major phase of the evaluation has involved pre-scheme sample respondents being re-contacted and asked to complete a second mailed questionnaire. This is directed towards ascertaining the impact (if any) of the Child Support Scheme in the intervening months. The value of the information obtained from these parents in the evaluation's first phase is that it provides a clear picture of the minimal impact of maintenance payments before the implementation of the Scheme for custodial parents generally. This picture had been previously arrived at by the use of various calculations using different samples of divorced, and other parents whose children were eligible to receive support, but it had not been comprehensively documented.

Figure 1 shows the maintenance experiences of all pre-scheme respondents, regardless of their pensioner or partnered status. The pre-scheme data also show that the child support experiences of sole parent pensioners were not very different from those of non-pensioner custodians. For example, at the end point of the process pensioners had as good (or bad) a chance of being in receipt of periodic payments for their children as non-pensioners, but just over one-third of those in both groups reported actually receiving money at the time of the survey, either because of a court order or approved agreement, or a private agreement. Where support was being paid the average weekly amount for each child was \$23.33 for pensioner custodians and \$24.75 for non-pensioners. Pre-scheme non-custodial mothers were found to be particularly bad payers of child support. Although not shown in Figure 1, pension status was significant at intermediate stages: that is, pensioners were both slightly less likely to have sought maintenance initially, and less likely to have been successful in having an order or court approved agreement put in place - they consequently had a higher incidence of private agreements, which ironically had higher compliance rates than orders. However, only one-third of all pensioners and 46 per cent of non-pensioners would have been in a position to become immediate Child Support Agency clients by reason of their having registrable maintenance liabilities (either court orders or court approved agreements) in place.

Figure 1. The Maintenance Process



Sole parent pensioners and non-pensioners were similar on a number of dimensions, but there were obvious differences in their profiles, financial positions, and certain attitudes. In terms of their previous relationship with their children's other parent, sole parent pensioners were far less likely to have been divorced than non-pensioners, far more likely to be separated from a marriage, twice as likely to be separated from a de facto relationship and more than twice as likely to have never cohabited with their child's other parent.

#### **Sole Parent Pensioners**

39% were divorced  
31% were married/separated  
16% were de facto/separated  
14% never cohabited

#### **Non-Pensioners**

75% were divorced  
12% were married/separated  
7% were de facto/separated  
6% never cohabited

Their educational levels also differed, and far more pensioners than non-pensioners had year 9 or less education (31 per cent versus 20 per cent), or had higher qualifications (44 versus 64 per cent). When asked about their work preferences, only 11 per cent of sole parent pensioners, compared with 18 per cent of non-pensioners, said they would prefer not to work; most (62 per cent) would prefer part time work. Because of its policy importance for these parents, several questions about the JET scheme have been incorporated into the recently completed major phase of the evaluation, but the data are not yet ready for analysis.

In a series of questions specifically directed towards various aspects of the Child Support Scheme, fewer sole parent pensioners than non-pensioners said they had any prior knowledge of the scheme when they were contacted about the evaluation in mid 1988 (62 per cent versus 56 per cent), but 14 per cent of both groups assessed their understanding of the scheme as poor. As expected, pensioners were less likely to agree with the requirement that pensioners should be required to seek maintenance, but surprisingly 36 per cent of them strongly agreed with this, and another 32 per cent agreed. A total of more than two-thirds of the pensioner sample therefore had no objections to a requirement which could, for post June, 1988 pensioner claimants, involve them in legal proceedings and could also jeopardise their social security entitlements. At the other end of the spectrum, only 9 per cent of pensioners disagreed and 7 per cent strongly disagreed with the requirement that maintenance be sought.

When asked a number of questions designed to assess their current financial position, with possible answers falling into the categories of 'frequently', 'occasionally' or 'never', the economic vulnerability of sole parent pensioners became apparent. For example, 21 per cent of that group reported that they frequently had difficulty paying credit and hire purchase bills, 15 per cent frequently found it difficult to pay the rent or mortgage, 43 per cent said it was frequently difficult to pay for clothing, 19 per cent for food, 32 per cent paying educational costs and 22 per cent transport. The non-pensioner parents were sometimes not far behind them, (e.g. 13 per cent of non-pensioners frequently had difficulty paying for mortgage and rent), but overall pensioners were worse off. Seventy-eight per cent of pensioners (versus 57 per cent) said they had no money for leisure or holidays, and 80 per cent of pensioners (versus 64 per cent) said they had no money over at the end of the week.

Pensioners said they had no knowledge of the other parent's whereabouts in 18 per cent of cases, non-pensioners in 11 per cent. This figure possibly influenced the higher proportion of sole parent pensioners reporting that there was no contact between their children and the non-custodial parent. However, regularity of visiting patterns was virtually the same for both groups in those instances where access occurred.

### **THE MAINTENANCE INCOME TEST**

Information obtained from pre-scheme pensioners about their income from maintenance and earnings allowed the impact of the maintenance income test to be modelled according to their different circumstances. For the purpose of this modelling average amounts of income provided by pre-scheme respondents are used.

The table shows the financial circumstances of pensioners in accordance with their receipt or non-receipt of maintenance at the time of the survey. Their average weekly incomes, maintenance amounts and pension entitlements are relied on to calculate weekly income differences; the extent to which they gain or lose as a result of the introduction of the income test. As is apparent from the table, about one quarter (27 per cent) gain, to varying extents, for another 47 per cent income remains the same, and 26 per cent experience a reduction in their weekly income. This



**TABLE 1: IMPACTS ON THE WEEKLY INCOME OF PENSIONERS TAKING ACCOUNT OF THE  
RECEIPT OF MAINTENANCE AND EARNED INCOME AND THE APPLICATION OF INCOME TESTS**

	Respondent's Weekly Income	Weekly Maintenance Paid    Due		Weekly Pension Old    New		Total Weekly Income Old    New		Weekly Income Difference
<b>Pensioners Receiving Maintenance (N=572)</b>								
If Household Income = 0 (N=394)	0.00	39.31	39.92	193.07	183.62	232.38	223.54	- 8.84
If Household Income > 0 (N=178)	118.13	47.80	48.67	140.91	144.70	306.84	311.50	4.66
<b>Pensioners Not Receiving Maintenance (N=920)</b>								
Court Enforceable Maintenance (N=209)	43.46	0.00	36.22	177.01	168.04	220.47	247.72	27.25
Privately Agreed Maintenance (N=21)	28.04	0.00	39.27	182.50	171.74	210.54	239.05	28.51
No Maintenance Due (N=690)	34.89	0.00	0.00	173.22	173.22	208.11	208.11	0.00

was brought about by the absence of income other than maintenance, and the application of the maintenance income test.

Pensioners who experienced a reduction in weekly income were those who had no income other than maintenance. This reduction was brought about by the introduction of a separate income test on maintenance, which was more severe than the income test on combined income and maintenance which applied before the introduction of the scheme in mid 1988. A 'savings' provision was introduced with the new test, to ensure that no pensioner would initially be worse off under the new scheme. Its application would protect pensioners from being worse off, and they would be able to continue receiving the amount they received prior to June 1, 1988. However, over time such pensioners did not receive expected increases, such as CPI increases or increases in maintenance paid, until the 'saved' amount was used up. Thus, in effect, the 'savings' provision is more appropriately described as a gradual introduction of the new income testing arrangements. Pensioners with an amount of earned income combined with maintenance payment benefited from the separate income tests on maintenance and earnings, as the total amount of income they could receive before their pension was withdrawn was increased.

The joint impact of maintenance collection and the maintenance income test on pensioners' income (income plus maintenance plus pension) is shown in Figures 2 and 3. These illustrate the financial position of all sole parent pensioners. As is apparent, 50 per cent of these parents experienced no change in their income position, while about 25 per cent were worse off by up to \$60 per fortnight, and 25 per cent were better off.

At the end of the day there are several answers to the question: to what extent in its early stages has the Child Support Scheme improved the financial position of sole parent pensioners? The first answer is that only a small percentage of such parents are in a position to benefit. The vast majority are still outside the scheme because they do not have registrable orders/agreements. There are approximately 340,000 sole parent families in Australia and at the time of the first phase of the evaluation of the Scheme (early 1990) the Child Support Agency had registered a total of nearly 32,000 maintenance liabilities for both pensioner and non-pensioner families. Seventy-seven per cent of the sample of early registrants collected by the Institute as part of its evaluation were pensioners. This low coverage is not so much a criticism as a statement of fact. It is explained by a number of factors which are shown in Figure 1 and relate to pre-scheme attitudes, expectations and practices concerning the payment of child support. These are many and various, and include the Family Law Act provision which permitted pension entitlement to be taken into account when maintenance was being calculated, the failure to require the taking of maintenance action before a custodian became entitled to a sole parent pension, widespread knowledge of the low compliance rates and low amounts associated with orders, and the expense and unease about initiating legal proceedings. Some but not all of these difficulties have been resolved with the introduction of the stage one procedures, the remainder are addressed by administrative assessment procedures.

The extent to which the Stage One population will increase and the rate of its increase are both moot points. Theoretically, Stage One has another 16 years to run. It is possible that changing attitudes about the payment of child support, combined with the introduction of the Stage Two procedures will motivate those who have never sought child support, or have accepted long term non-compliance, to obtain or enforce orders or court approved agreements, or obtain variations. However, it is equally likely that custodians who have learnt to live without child support, whose new partners have accepted financial responsibility for their children, or who do not wish to be involved in any court proceedings, will take no steps.

In the first phase of the evaluation early pensioner Child Support Agency registrants had several concerns about their new status. These included fluctuating pension amounts, their inability to get information from DSS, their disenchantment at not actually being better off, and their general dislike of the income test. Those custodians who were receiving no income other than the pension before child support payments (re)commenced certainly saw themselves as being worse off with the new income test, and Table 1 shows that their perceptions were real.

The next and major phase of the evaluation will include larger samples of both pensioner and non-pensioner Child Support Agency registrants, as well as the re-interviews with pre-scheme parents, and these samples will allow their experiences to be more fully examined.

Figure 2. The Joint Impact of Maintenance Collection and the Maintenance Income Test on Pensioners' Income (Income + Maintenance + Pension) : All Pensioners

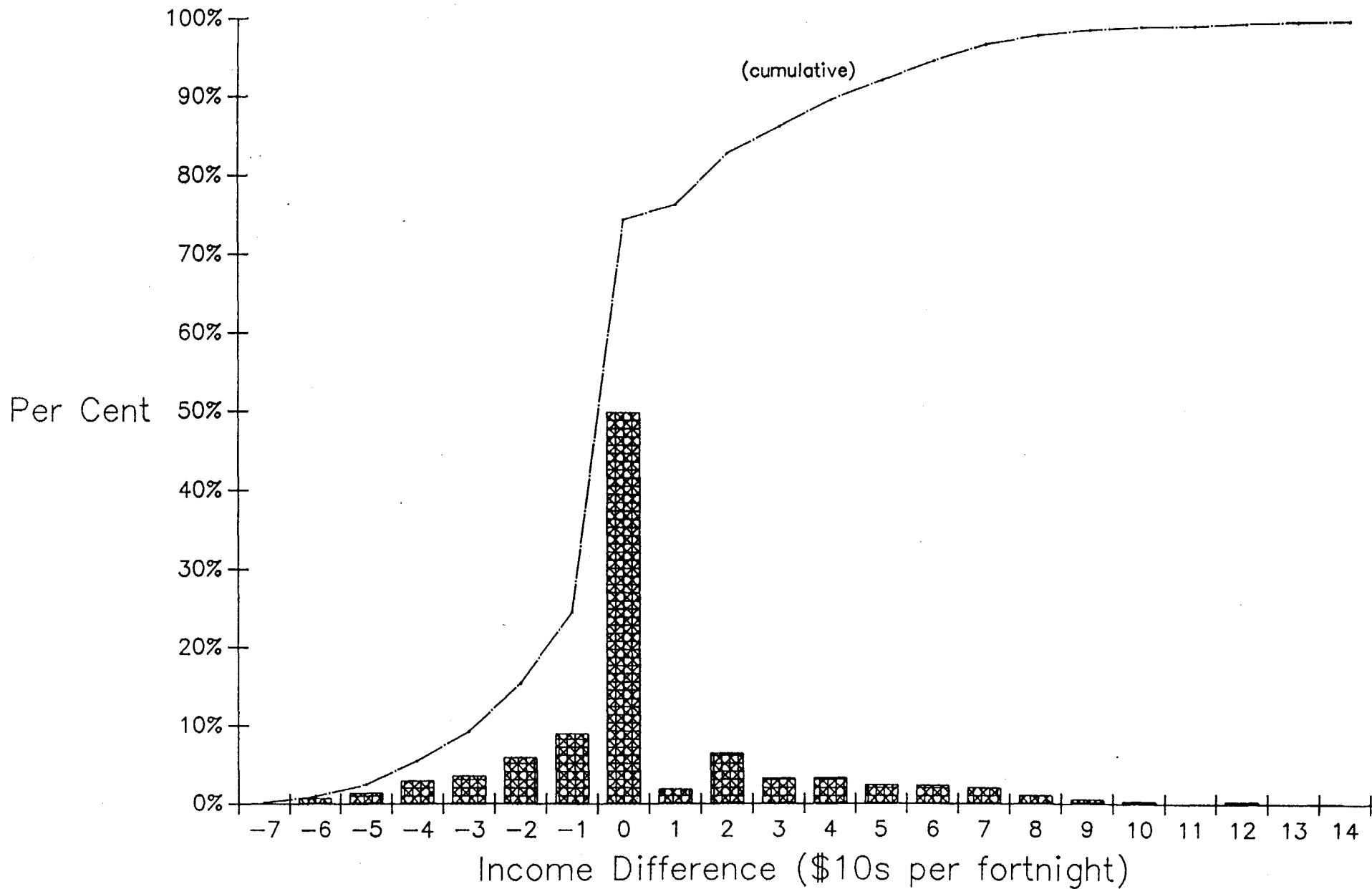
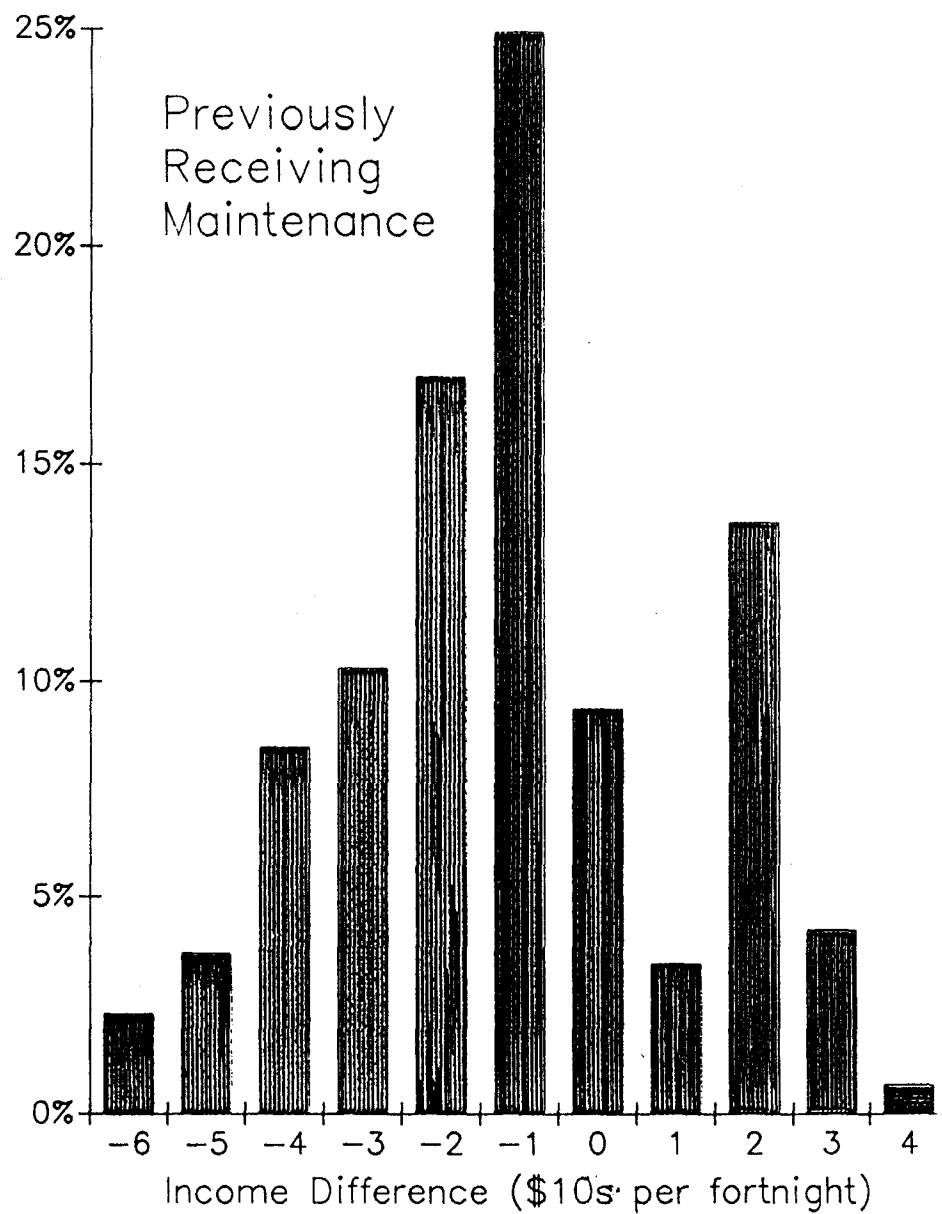
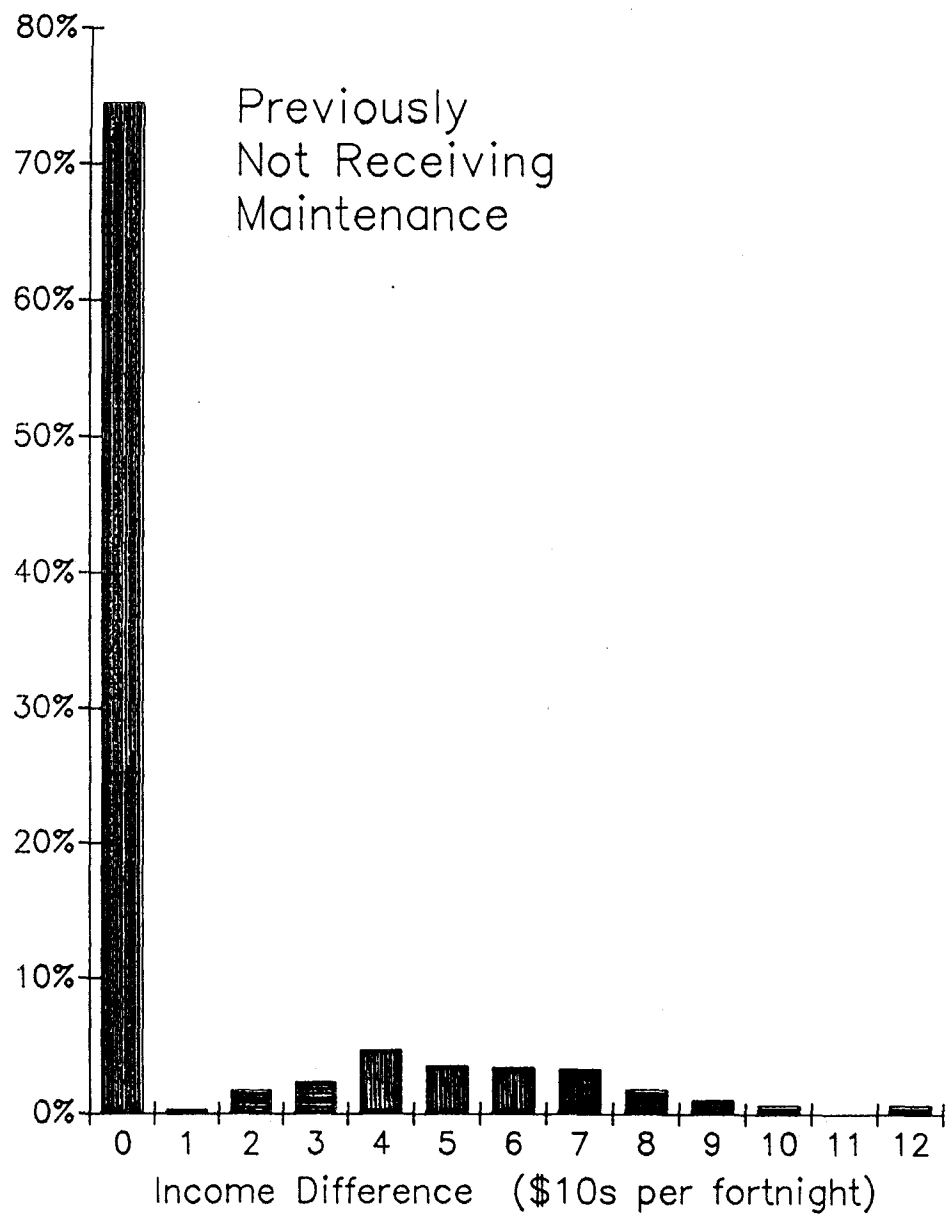


Figure 3. Income Differences of Sole Parent Pensioners According to their Receipt or Non-receipt of Maintenance



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