

# The Increasing Financial Dependency of Young People on their Parents

**Author:**

Schneider, Judy

**Publication details:**

Working Paper No. 96

SPRC Discussion Paper

0733405541 (ISBN)

1447-8978 (ISSN)

**Publication Date:**

1999

**DOI:**

<https://doi.org/10.26190/unsworks/228>

**License:**

<https://creativecommons.org/licenses/by-nc-nd/3.0/au/>

Link to license to see what you are allowed to do with this resource.

Downloaded from <http://hdl.handle.net/1959.4/34053> in <https://unsworks.unsw.edu.au> on 2024-03-28

# **THE INCREASING FINANCIAL DEPENDENCY OF YOUNG PEOPLE ON THEIR PARENTS**

---

by Judy Schneider

SPRC Discussion Paper No. 96

*February 1999*

ISSN 1037 2741

ISBN 7334 0554 1

The author would like to thank the Social Policy Research Centre and Ronald Henderson Research Foundation for the provision of assistance and scholarship monies to help make this research possible.

The Social Policy Research Centre (formerly the Social Welfare Research Centre) was established in January 1980 under an Agreement between the University of New South Wales and the Commonwealth Government. In accordance with the Agreement the Centre is operated by the University as an independent unit within the University. The Director of the Centre is responsible to the Vice-Chancellor and receives advice in formulating the Centre's research agenda from a Management Board.

SOCIAL POLICY RESEARCH CENTRE DISCUSSION PAPERS are intended as a forum for the publication of selected research papers on research within the Centre, or commissioned by the Centre, for discussion and comment in the research community and/or welfare sector prior to more formal publication. Limited copies of each DISCUSSION PAPER will be available on a first-come, first-served basis from the Publications Officer, Social Policy Research Centre, University of New South Wales, Sydney NSW 2052 [tel: (02) 9385 7800]. A full list of DISCUSSION PAPERS can be found at the back of this DISCUSSION PAPER.

The series is indebted to Diana Encel for her continuing editorial contribution.

As with all of the Centre's publications, the views expressed in this DISCUSSION PAPER do not reflect any official position on the part of the Centre.

Tony Eardley  
Editor

## **Abstract**

It is commonly mentioned in the youth policy literature that the financial dependency of young people on their parents is increasing and that this is likely to have an adverse effect on the well-being of young people, their families and the community in general. Possible consequences include lower living standards for young people and their families, family conflict, homelessness, crime and political cynicism. Reasons for the increase in young peoples' dependency include reductions in the availability of full-time work, greater participation in school and tertiary education and changes to government income support. To date, however, evaluation of the extent to which financial dependency has increased, for whom and when has been fragmented and limited by the data used. This paper aims to address this deficit by measuring the increase in financial dependency of young people in Australia using available published information from 1943 onwards and confidentialised unit record file information from the Income Distribution Surveys conducted by the Australian Bureau of Statistics between 1982 and 1996. The main findings are that dependency has increased substantially since the late 1960s and changes over the last 14 years have been particularly great for young people aged 15 to 20 years. Changes for this group are largely the result of increased participation in education and lower employee incomes. Further changes may occur as a consequence of changes to remuneration for young people which is currently under review by the Australian Industrial Relations Commission.

# 1 Introduction

This paper is concerned with the increasing financial dependency of young people in Australia. The first section provides a description of what is meant by young people and financial dependency, the second discusses the implications of this dependence and the third outlines available indirect evidence that it is increasing. The fourth section describes methods used in this study to produce a more direct measure of changes in financial dependence and the fifth section reports on the results obtained using this method. The sixth section discusses the results in terms of the groups of young people most affected. Possible causes and consequences are canvassed. The last section offers some conclusions regarding the magnitude of this social change and the need for further research on its effects.

## Definitions

Young people are defined as people aged 15 to 24 years, which is consistent with the definition adopted by the Australian Bureau of Statistics (ABS, 1997).<sup>1</sup> To help clarify what is meant by young people's 'financial dependency', it is useful to draw on the work of Fraser and Gordon (1994a, 1994b) and Gibson (1995), who have constructed frameworks to describe the overall concept of dependency. These authors see dependency as composed of a number of dimensions. For example, Fraser and Gordon (1994a, 1994b) identify four 'registers' of meaning for dependency: economic, socio-legal, political and moral/psychological. Briefly, these refer to dependence on other people or institutions for subsistence, legal matters such as signing contracts, for voting and participating in politics and in the case of particularly 'weak' individuals, excessive emotional or directional support (Fraser and Gordon, 1994a: 312). Similarly, Gibson (1995) identifies six 'spheres' of dependency of which four are basically the same as those of Fraser and Gordon and the additional two relate to dependence as a consequence of mental or physical disability. The relationship between the different dimensions of dependency in the two models is unclear. In particular, it

---

1        However, some of the literature cited in this paper refers to people aged 12 to 24 years whom the United Nations defines as 'youth' or 'young people' (Hartley and Wolcott, 1994: 2).

is not known to what extent the moral/psychological dimension, which for adults tends to give dependency its negative connotations (Fraser and Gordon, 1994b: 311), is related to the other dimensions. Possibly one type of dependence leads to another but this is not assumed by either author and it is not assumed in this paper.

The only dimension of concern here is the economic dimension of dependency. In particular, this paper is concerned with dependence on parents for young peoples' subsistence. It is also possible for young people to be economically dependent on employers or the government but this type of dependency does not have the same implications as dependency on parents and is therefore treated differently. In fact, income from the market or state, for the purposes of this paper, is referred to as 'independent' income (because it is more amenable to control<sup>2</sup> by young people acting independently of their parents).

Economic or financial dependence on parents may take the form of shared housing, board or cash allowances which are provided by parents to enable a young person to have at least a subsistence standard of living.

## **2 Why Dependency on Parents Matters**

The dependency frameworks developed by Fraser and Gordon (1994a, 1994b) and Gibson (1995) appear to be loosely based on the concept of citizenship as first developed by Marshall in 1949 (Marshall, 1963). This is useful not only for defining economic dependency, but also for explaining its implications.

### **Basic Citizenship Concepts**

Very simply, a person who has citizenship has full membership or is able to participate fully in his or her community (e.g. Barbalet, 1988: 2). To do this, citizens must possess certain rights which include: *civil rights* such as freedom of association and the right to justice; *political rights* allowing the person to elect or represent others in a political capacity, and; *social rights* which include the right to sufficient economic

---

2 This refers to 'control' as defined by Edwards (1983: 251) and relates to the ability of the person to influence decisions on how money is to be spent.

resources to allow a life of ‘civilised being according to the standards prevailing in society’ (Marshall, 1963: 74). If a person lacks one or more of these rights, then they are excluded from citizenship and may belong to groups which have been variously described as ‘socially excluded’, ‘vulnerable’, ‘marginalised’, ‘alienated’ or part of an ‘underclass’.<sup>3</sup>

To support the rights of others, and indirectly their own, citizens must also undertake certain duties (Lister, 1997: 20-3; Coles, 1995: 83). These duties are less clear from Marshall’s work and have been defined differently, from vague obligations such as neighbourliness through to more public and explicit forms of political participation (Lister, 1997: 23). Those who are not citizens are thought to have less of an investment in the community and therefore have less incentive to fulfil civic responsibilities (Jones and Wallace, 1992: 154-5; France, 1998; France and Wiles, 1997: 70). Low levels of citizenship are likely to undermine ‘community solidarity’ as discussed by Turner (1997: 9-11).

### **Implications for Young People**

If young people are in a situation of financial dependency then their economic rights are not provided directly by the social institutions of the state or market, but are mediated by their parents. Young people have a standard of living commensurate with the rest of the community according to the willingness and ability of their parents to provide it for them. Jones and Wallace (1992: 49-69) describe this relationship as ‘citizenship by proxy’. Allatt (1997) takes this concept further and argues that young people and their parents negotiate their own form of ‘private’ citizenship within the family, which may ameliorate or exacerbate effects of public citizenship.

The difficulty with ‘citizenship by proxy’ or ‘private citizenship’ is that it is not well understood and the outcomes for the well-being of different family members are largely unknown. That some young people are having difficulties obtaining public or private citizenship is evident in the

---

3 This relationship is assumed in much of the literature on youth citizenship. For example, at the Glasgow workshop for a ‘New Agenda’ on youth research in the EU, the following authors (if not more) made some reference to this relationship: Allatt, 1997; Bynner, 1997; Coles, 1997; and Chisholm, 1997.

most extreme form in youth homelessness, which is thought to be increasing (Chamberlain and MacKenzie, 1998: 101-11). Homelessness is widely accepted to be exacerbated by financial dependence (House of Representatives Standing Committee on Community Affairs, 1995: 18-20), which is thought to have a twofold effect. Firstly, it is thought to add to family conflict and tension as a result of economic scarcity or prolonging an improper power imbalance (Maas, 1990a: 25; Hartley, 1997: 39). Secondly, if young people are unsupported by their parents then they lack sufficient independent income to afford secure accommodation, leading to the most common form of homelessness, in which young people move from one temporary or insecure place to another (see Hartley, 1988; Jordan, 1995; Shaver and Paxman, 1995; and Chamberlain and MacKenzie, 1998).

Young people who are particularly vulnerable to homelessness and other difficulties associated with financial dependence or citizenship by proxy, are those whose parents are least able or willing to support them. This includes those who belong to low-income families (as discussed by Hartley, 1989a: 111; Hartley and Wolcott, 1994: 77), those who are wards of the state to whom families do not have legal responsibilities beyond a certain age (as discussed by Coles, 1995: 127-48; 1997: 72-5), and those reliant on the incomes of step-parents, with whom relationships are often tense and whose obligations to support the young people are unclear (see Hartley and Wolcott, 1994: 59).

Homelessness, which can result in extreme hardship for young people, is likely to be the tip of the iceberg. Interviews with homeless young people generally find that things have to be very difficult at home before young people leave (see Crane and Brannock, 1996: 40-5). As a result, it is likely that dependence has resulted in a great deal of unhappiness and material deprivation which is not evident using current measures because young people are still at home and very little research has been undertaken into their living conditions there.

Another possible symptom of difficulties associated with financial dependency or lack of income is crime. Recent studies in Melbourne, by White (1997: 56-8) and in Sydney, by Vinson, Abela and Hutka (1997:18-21) support the view that much crime committed by young



people, involving mostly stealing and drug dealing, is undertaken to supplement their incomes and in some cases, for ‘survival’.

### **Implications for Families**

Not only are young people likely to be experiencing a lack of public or private citizenship, but other members of their families are likely to be experiencing this as well (Maas, 1990a: 25). Harding and Szukalska (1998), for example, have recently shown that 21 per cent of households containing dependent young people<sup>4</sup> are living in households with equivalent incomes below the Henderson Poverty Line. In these situations, poverty studies generally assume that the whole family experiences poverty, although, as alluded to, there is also the belief that some members suffer more than others (see Pahl, 1989, and Jenkins, 1991, for discussion of within-household distribution). Families are also likely to suffer to the extent that financial stress adds to internal conflict (Maas, 1990a: 25).

### **Implications for the Community**

Exclusion of young people from citizenship is thought to lead to a reduction in their willingness and/or ability to exercise responsibility towards others in the community (e.g. Jones and Wallace, 1992: 154-5; France, 1998). This might be manifest in a lack of willingness to participate in community activities (France, 1998), committing crime (France and Wiles, 1997: 70; Allatt, 1997; Coles, 1997) and political cynicism (Civics Expert Group, 1994: 105; Vromen, 1995). This affects the quality of all our lives, as community solidarity is eroded, worries about personal and property crime increase and democracy is undermined.

## **3 Factors Contributing to Increasing Dependency**

Since the late 1960s, there have been considerable changes in the circumstances of young people in Australia and overseas, many of which

---

4 Dependent young people were defined as aged 15-18years and were full-time students.

are thought to have led to lower personal incomes for young people, thus increasing their dependence on their parents.

Jones and Wallace (1992) and Coles (1995) provide comprehensive descriptions of the social and economic changes in the United Kingdom which have led to youth incomes being delayed, lowered or made more precarious. These changes include greater school retention, increased participation in tertiary education, reductions in youth wages and growing levels of youth unemployment. They also note that much state support which was previously provided to students and the unemployed, has now been withdrawn. Harris (1988) has been particularly critical of reductions in social security payments made to young unemployed people in the United Kingdom. These were largely abolished for 16 and 17 year olds in 1988 and were cut to the extent that 25 year olds were no longer provided enough income to allow them to live away from home (Harris, 1988: 504). Harris describes government policy at the time as evidence of 'a deliberate policy of prolonging the dependence of the young unemployed on their families' (1988: 518). Reductions were also made to student allowances (Jones and Wallace, 1992: 65-6).

In Australia, similar observations have been made. Hartley and Wolcott (1994) draw attention to the 'prolonged dependence' of the current generation of young people as a consequence of their increased educational attendance and reduced employment opportunities. In an earlier study, Hartley (1989b) also comments on the inadequacy of junior wages for maintaining independence, as does McDonald in 1991. Maas (1990a: 24; 1990b: 19) describes a number of changes in young unemployment benefits in the late 1980s, including means testing of unemployment benefits for 16 and 17 year olds and the re-introduction of a less-than-adult rate of unemployment benefit for 18 to 20 year olds.

These studies in Australia and in the UK have tended to concentrate on the impact of one social change at a time and are therefore fragmented. They also have been based on very limited data, such as only one or two point estimates from official statistics, from which it is not possible to infer trends (ABS, 1993), and from small scale studies from which it is not possible to make inferences about the population. Thus, no attempt has been made to measure just how large the overall change in dependency for young people has been in any given country and nor has

there been an attempt to measure which groups of young people have been most affected.

This paper attempts to address this issue using two approaches. The first is to use official statistics to plot trends over the longest period possible for all the factors which might affect young people's dependency. These are shown in the next section. Following this, the methods and results sections detail a study using unit record data from ABS Income Distribution Surveys to examine the net effect of these changes on the incomes of young people. These data are only available in the form required for the relatively recent period of the last 14 years. Therefore the trend information has been assembled so that any findings can be put in greater historical perspective.

### **Indirect Australian Evidence of Increasing Dependence**

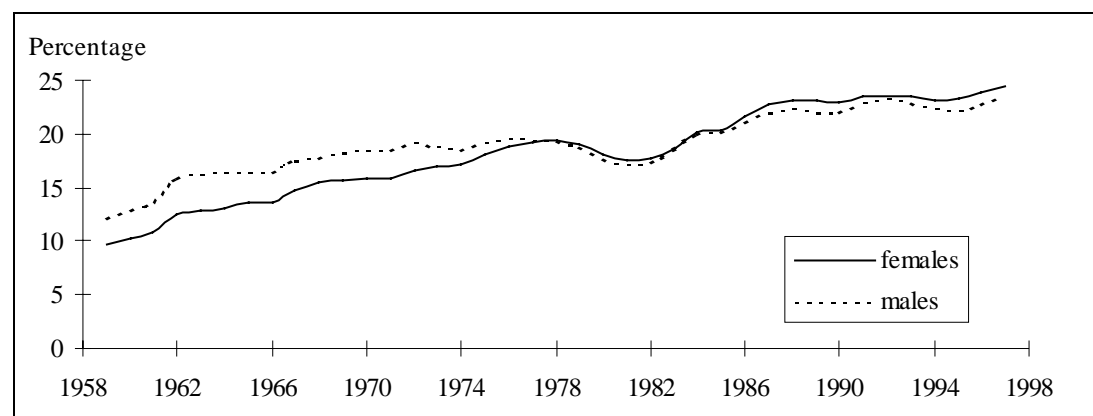
The following is divided into three sections. The first concerns young people who are students, the second concerns young people who are employed and the last section deals with those who are unemployed. In each case, available data are used to show how the proportions of young people in these categories, and their incomes, have changed. For students and the unemployed, changes in government benefits have been examined while for the employed, changes in average earnings are examined.

For government benefits, changes are shown in terms of the relative levels of benefits and parental means-test thresholds. Levels of benefits are important because there is an explicit expectation that parents will supplement these benefits where they are insufficient to meet the costs of living for young people. For example, Wilson (1992), writing in the journal of the Australian Department of Social Security, explains that lower rates of income support have been paid to single unemployed people under 18 years because 'they are expected to be the primary responsibility of their parents, and consequently parental support is also assumed' (Wilson, 1992: 50), and to those under 21 years living at home, because there is an expectation that they would 'normally be subsidised by some form of ongoing parental support' (1992: 52). Similarly, parental means testing implies that parents are expected to support their

children to the extent they are considered able to do so. Recently, under the new Youth Allowance, parental means testing has been extended to the unemployment benefits of 18 to 20 year olds because the Government wishes to 'encourage families, to the extent they are able, to support their children until they have achieved financial independence' (Centrelink, 1998: 2).

**Students:** Figure 1 shows school participation rates in Australia for young people since the late 1950s. While young people rarely stay at school beyond their 18th birthday, these figures have been expressed as a proportion of 15 to 24 year olds, so that the impact of school participation can be compared to other changes which are expressed as a proportion of this age group.

**Figure 1: School Participation Rates<sup>(a)</sup> for 15-24 Year Olds, Australia: 1959 to 1996**



Note: a) Participation rates have been calculated by dividing numbers of school students aged 15 years and over by estimates of resident population for 15-24 year olds.

Sources: ABS, 1991 to 1998, Catalogue No. 4221.0; ABS, 1959 to 1972, Catalogue No. 1301.0; and DEET, 1991.

As can be seen, school participation has been increasing throughout the last 45 years, except for a couple of brief episodes. The rate of increase has been faster for females, who are now slightly more likely to stay at school than males. Total proportions of young people staying at school have increased from approximately 10 per cent in 1959 to approximately 25 per cent in 1998. This increase in school retention has delayed the earning of independent income for a considerable proportion of young people.

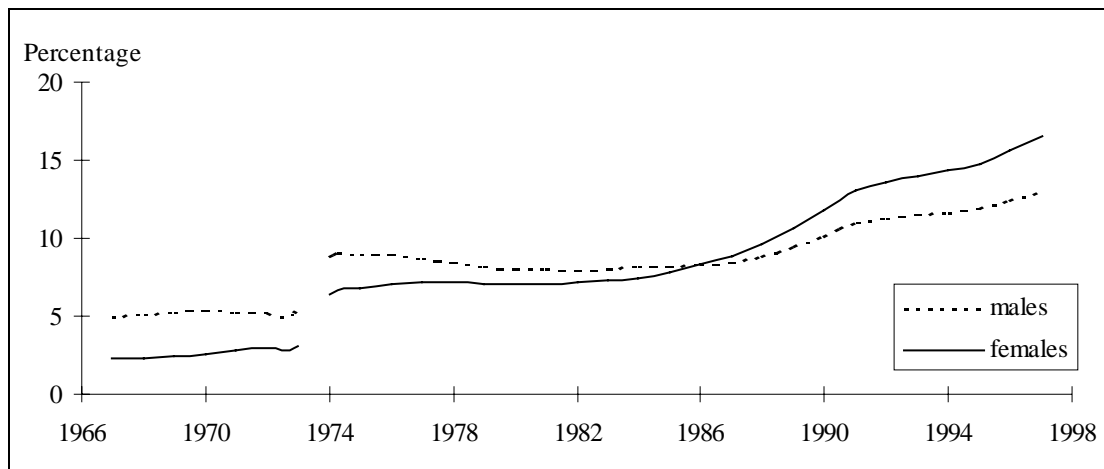
Reasons for the increase in school participation rates include lack of full-time employment for teenagers (Wooden, 1998: 34), which would explain the greater rates of participation for young women (Edwards, 1998: 24), and changes to the school curriculum (Sweet, 1998: 10). Additionally, a large increase in school students' allowances was introduced in 1987 to enhance families' ability to support children who wished to continue with post-compulsory secondary education.

Except for a brief period in the late 1980s, school student allowances have been and continue to be paid to parents, unless the parents request that the payments be made to their children (O'Donaghue, 1987). Thus while these allowances are important to family income, they are not directly received by students and are not covered in this paper.

Young peoples' tertiary participation rates have also increased, leading to further postponement of full-time work. Figure 2 shows changes in participation in higher education, which covers university and university-type education received at what were previously called 'colleges of advanced education'. Rates of participation for this type of education can be seen to have increased up to sevenfold for young women and to have doubled for young men. Nevertheless, even now, only about 15 per cent of all young people are participating in higher education, which is a relatively small group. Proportions of young people attending vocational education institutions are higher, but participation is usually part time and does not delay earning because it is often undertaken in combination with full-time work.

This increase in participation is thought to have been supply driven (McCormack, 1992, cited by Norris and Wooden, 1996: 30). Thus young people have attended tertiary education to the extent that places are available. Changes in participation may also have been associated with differences in perceived job opportunities for skilled and unskilled work, increased availability of part-time and casual work, differences in government benefits for students and the unemployed and changes in user charges (Gregory, 1995, cited by Norris and Wooden, 1996: 30; Marginson, 1998: 96-7).

**Figure 2: Higher Education Participation Rates<sup>(a)</sup> for 15-24 Year Olds, Australia: 1967 to 1997<sup>(b)</sup>**



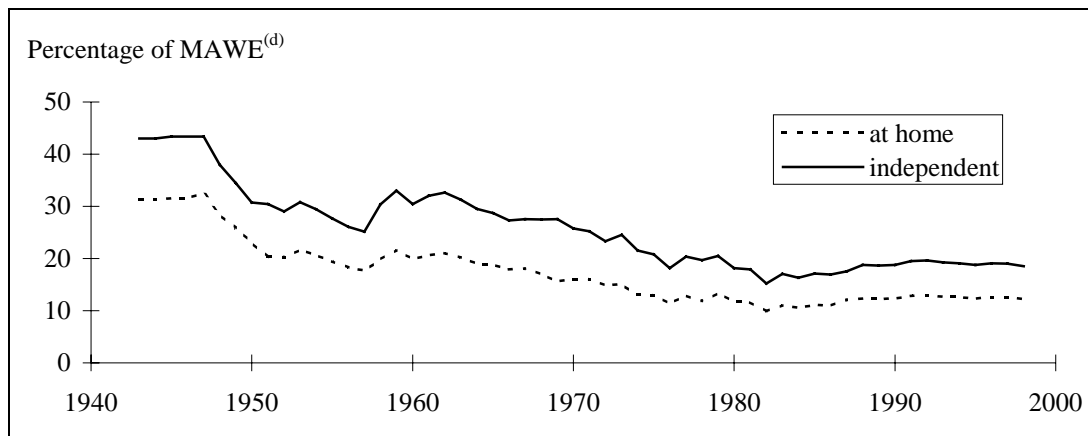
- Notes:
- a) Both full-time and part-time students are included; participation rates refer to both universities and Colleges of Advanced Education for the years 1980-1989 and all higher education institutions funded by the Commonwealth for the years following 1990. They exclude participation in private higher education institutions such as Bond University.
  - b) The bump in the data series in 1974 is artefactual. It results from the inclusion of College of Advanced Education students only from the year in which the Commonwealth assumed full responsibility for funding the Colleges and not from the time of their establishment in the early 1960s.

Sources: DEETYA, 1996a; DEETYA, 1997a; and ABS, 1985, Catalogue No. 4111.0.

Figure 3 shows changes in relative student allowances from the Commonwealth Government (excluding cadetships and state-based teacher traineeships). This is the first time that information from all the tertiary student allowance schemes has been brought together and standardised so that changes in relative benefits can be observed. As can be seen, there has been a considerable decrease in the level of benefits provided to individual students between 1940 and 1980, but since then there has been some increase. Reasons for these changes are likely to be related to changes in the perceived need for and value of tertiary education and the shift in targeting of assistance from a supposed merit-based system to more of a needs-based system.

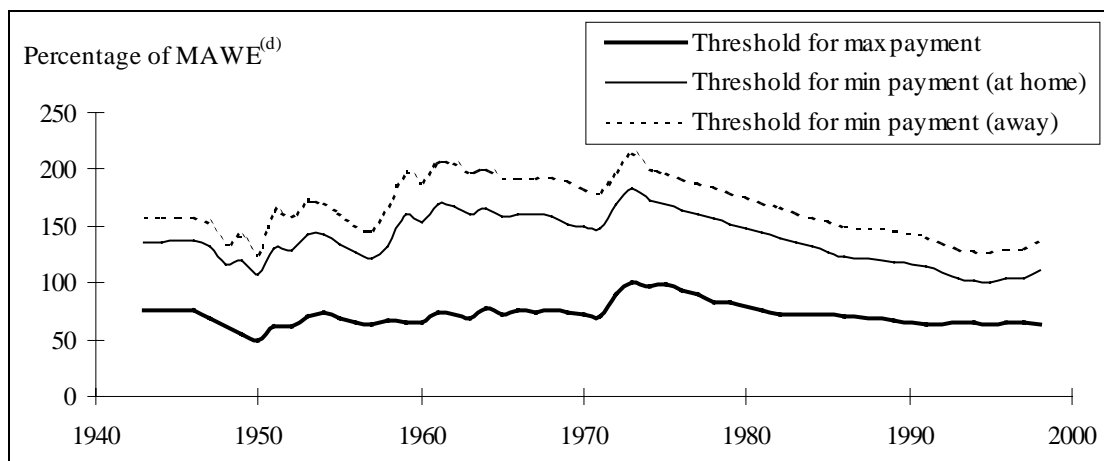
Figure 4 shows that parental income thresholds for obtaining maximum payments have stayed at relatively the same level over time, but thresholds for receiving minimum payments have become lower, making small payments more difficult to obtain. Recently, there has been a slight

**Figure 3: Relative Maximum Rates<sup>(a)</sup> of Tertiary Student Allowances<sup>(b)</sup>, Australia: 1951 to 1998<sup>(c)</sup>**



- Notes:
- a) Prior to 1986, rates refer to tertiary students who are 18 years or older. After 1986, rates refer to tertiary or secondary students who are 18 years or older.
  - b) Figures do not include incidental allowances.
  - c) 1998 figures refer to Youth Allowance.
  - d) Figures were indexed using all males average weekly total earnings.
- Sources: Welfare Rights Centre, 1998; DEET, 1993 to 1995; DEETYA, 1996b-1997b; Minister of State for Education (and equivalents), 1976 to 1992; Commonwealth Scholarship Board, 1959 to 1974; Universities Commission, 1951 to 1958; and Universities Commission, 1946; Centrelink, 1998a and b.

**Figure 4: Relative Family Income<sup>(a)</sup> Thresholds<sup>(b)</sup> for Tertiary Student Allowances, Australia: 1951 to 1998<sup>(c)</sup>**

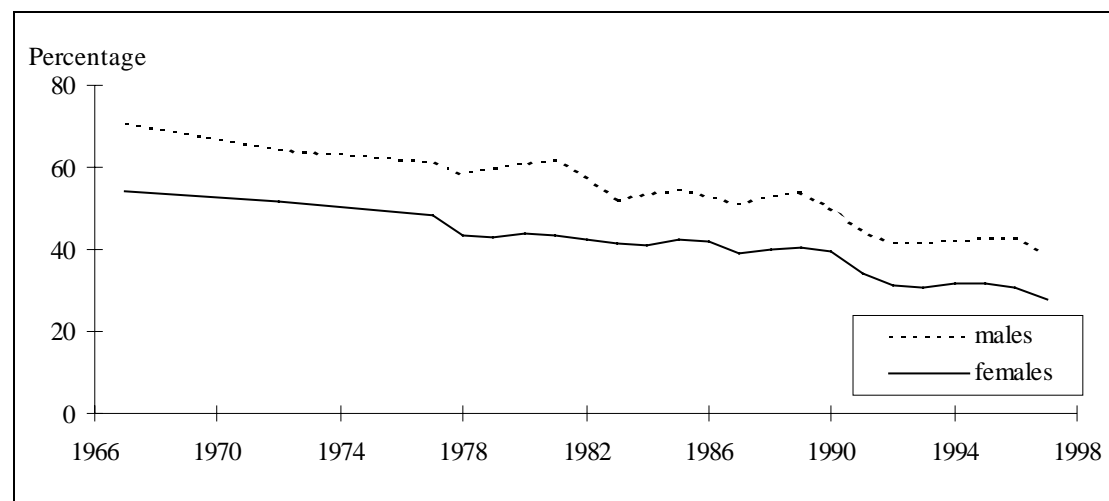


- Notes:
- a) Definitions of 'family income' have varied slightly over time.
  - b) Thresholds for minimum payments have been imputed prior to 1974, extrapolated from 1974 to 1990 and 1992. Real figures are used for all maximum payment thresholds and for 1993 to 1998 minimum payment thresholds; thresholds refer to those which apply to families with only one dependent student.
  - c) Prior to 1986, thresholds refer to tertiary students who are 18 years or older; after 1986, thresholds refer to tertiary or secondary students who are 18 years or older; 1998 figures refer to Youth Allowance.
  - d) Figures were indexed using all males average weekly earnings.
- Sources: See Figure 3.

increase in the threshold for minimum payments because, unlike AUSTUDY, the new Youth Allowance payments are made even if the annual entitlement is less than \$1000 pa (Centrelink, 1998a: 4).

**Employed Young People:** Figure 5 shows the decline in young people working full time which has already been mentioned. It can be seen that in the late 1960s, the vast majority of young people worked full time. Since then, this proportion has decreased, with many more people working part time, studying or being unemployed instead. According to Kenyon and Wooden (1996: 23), this decline is a result of the increased participation in education and collapse of the teenage full-time labour market.

**Figure 5: Proportion of 15-24 Year Olds Employed Full Time, by Sex, Australia: 1967 to 1997<sup>(a)</sup>**

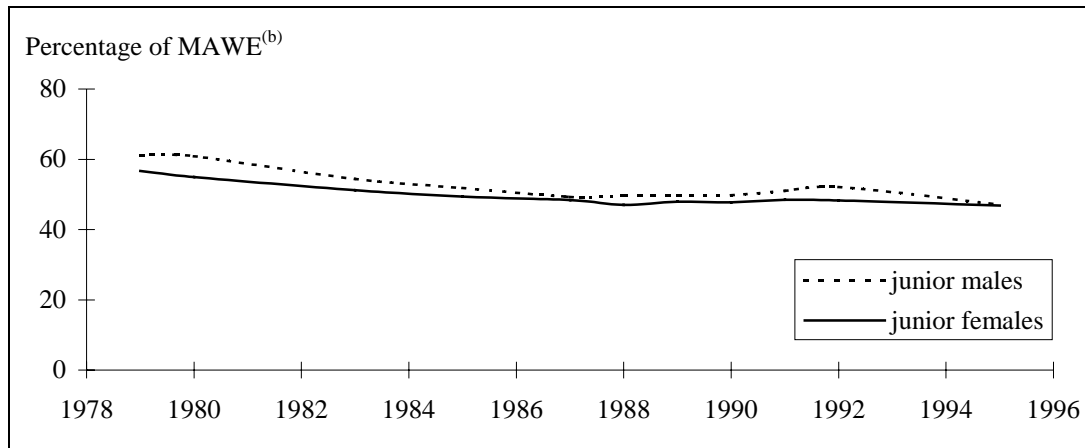


Notes: a) From April 1986, people who worked in a family business or farm without pay for one to 14 hours were classified as employed. Previously they were classified as unemployed or not in the labour force according to whether they were looking for work. Estimates prior to 1978 refer to the August Quarter, estimates after that time refer to the month of August. Data points for the period 1967 to 1980 are provided only for 1967, 1972 and 1977, the remainder have been extrapolated. After 1980, a point has been plotted for each year.

Sources: ABS, 1996 and 1997, Catalogue No. 6101.0; ABS, 1996, Catalogue No. 6204.0; and ABS, 1985, Catalogue No. 4111.0.

Figure 6 shows that young people aged under 21 years who work full time and are not paid at the adult rate for their occupation, earn less on average than 20 years ago when these data first became available. This is



**Figure 6: Relative Average Junior<sup>(a)</sup> Earnings, Australia: 1979 to 1995**

Notes: a) Junior employees are aged under 21 years and are not paid the adult rate for their occupation.

b) Figures were indexed using all males average weekly total earnings.

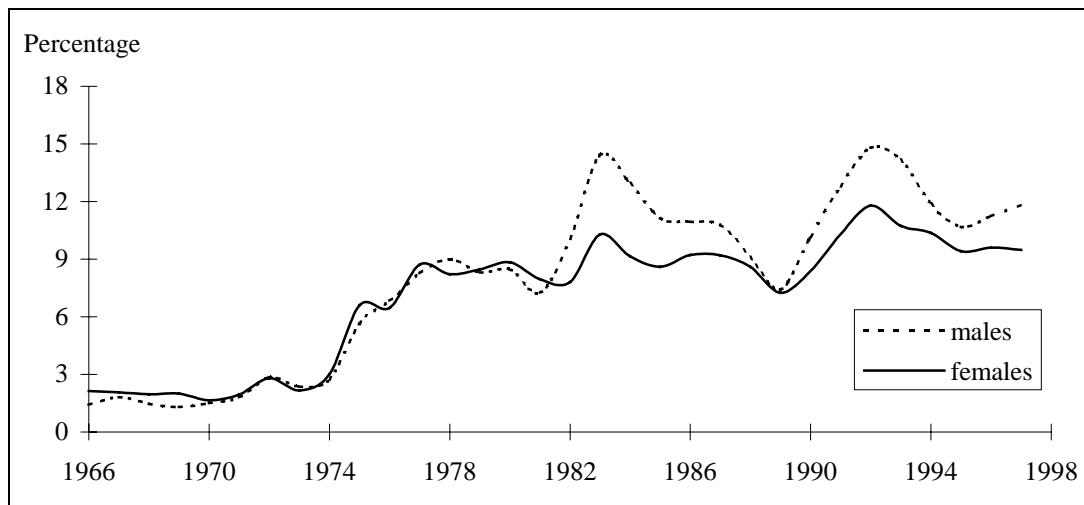
Source: ABS, 1979 to 1996, Catalogue No. 6306.0.

likely to be associated with decreasing demand for unskilled labour (Borland and Norris, 1996: 92-3) and the lower bargaining power of young people as a result of higher youth unemployment rates (Coles, 1995: 56). As can be seen, however, the relative reduction in junior earnings is fairly small.

**Unemployed Young People:** Figure 7 shows that the proportion of young people who are unemployed has increased markedly since the 1970s. The stepwise increase in unemployment with each economic downturn is thought to be a consequence of greater proportions of people looking for work at the beginning of each upturn, higher labour productivity so that less workers are needed and increases in the number of long-term unemployed who are considered ‘unemployable’ (INDECS, 1995). An additional factor for young people, particularly early school leavers, is that as a result of structural change, there are less unskilled jobs available (Lewis and Seltzer, 1996).

Figure 8 shows that for those unemployed who receive unemployment benefits, relative benefit levels are now lower than the levels set by the Whitlam Government in the mid-1970s but higher than levels prior to that time. The introduction of parental means testing is relatively new and there has been little change to the thresholds until recently.

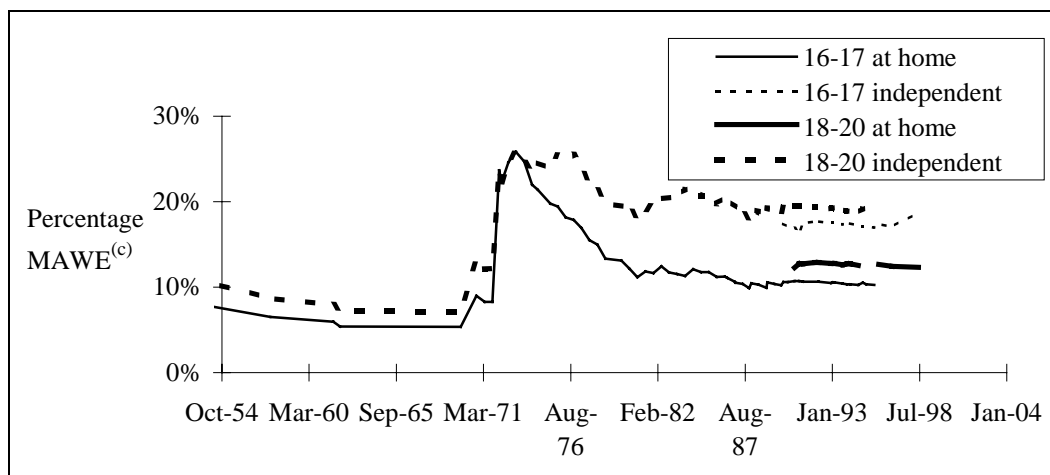
**Figure 7: Proportions of Unemployed 15-24 Year Olds, by Sex, Australia: 1966 to 1997**



Notes: See notes 1 to 3 for Figure 3.

Sources: ABS, 1996 and 1997, Catalogue No. 6101.0; ABS, 1996, Catalogue No. 6204.0; and ABS, 1987, Catalogue No. 6204.0.

**Figure 8: Relative Rates<sup>(a)</sup> of Unemployment Benefits, Australia: 1945 to 1998<sup>(b)</sup>**



Notes: a) Rates are for single people with no children.

b) 1998 rates refer to Youth Allowance.

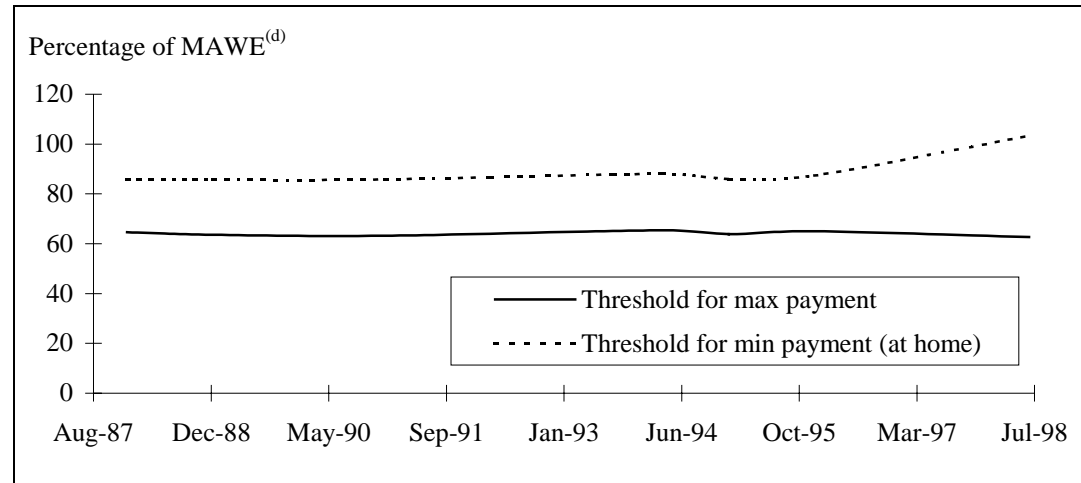
c) Figures were indexed using all males average weekly total earnings.

Sources: Centrelink, 1998c; Department of Social Security, 1996 and 1997; and Daniels, 1995.

Parental income testing was first introduced in 1987 and applied only to partial benefits of 16 and 17 year olds (part of their benefits was still paid regardless of parental income). It was not until July 1998 that parental means testing was extended to the whole of payments received by 16 to

20 years olds. The increase in the income thresholds for minimum payments seen in Figure 9 is associated with this change.

**Figure 9: Relative Family Income Thresholds for Unemployment Benefits for 16-17 Year Olds, Australia: 1988 to 1998**



- Notes:
- a) Rates apply to families containing no other children.
  - b) Thresholds for maximum payments were reported figures. Thresholds for minimum payments were derived using imputation and extrapolation except for July 1998 which were reported figures.
  - c) 1998 rates apply to Youth Allowance; means testing covered partial payments until 1 July 1998, after which it applies to the whole unemployment benefit.
  - d) Figures were indexed using all males average weekly total earnings.

Sources: See Figure 3

To calculate the combined effect of these different trends on young people as a group and according to their main activities, an analysis of changes in young people's incomes was undertaken.

## 4 Methods

### Data Source

Changes have been measured using confidentialised unit record data from the Income Distribution Surveys conducted by the Australian Bureau of Statistics. Although the first of the surveys was conducted in 1969, unit record data has been available only from 1982 and so analysis

has been restricted to surveys from this time.<sup>5</sup> Despite being a related series, the Income Distribution Surveys have different official names. These are: for 1982, the 'Income and Housing Survey'; for 1986, the 'Income Distribution Survey'; for 1990, the 'Survey of Income and Housing Costs and Amenities'; and the last survey, which began in mid-1994 and is a continuous survey, the 'Survey of Income and Housing Costs'.

The last survey deserves some special mention because it is a little different. In the earlier surveys, approximately 15 000 households were interviewed between mid-September to mid-December in the survey year. In the continuous survey, interviewing is undertaken at a uniform rate which results in approximately 7500 households being interviewed each year. To produce estimates with the same sample sizes, and hence the same level of reliability as previous surveys, the ABS has combined the 1994-95 and 1995-96 surveys to produce estimates for '1994-1996' which have been used in this paper. These combined estimates are the result of a two-pronged approach by the ABS: they have combined the samples from 1994-95 and 1995-96 and calibrated the weight of each record so that when summed, these match 1995-96 population benchmarks; and they have updated the income estimates for 1994-95 using various indexes (see ABS, 1998 for further information). As a result, the estimates are based on data gathered from mid-1994 to mid-1996 but actually refer only to 1995-96.

## **Income Concepts**

The Income Surveys produce two types of estimates of income: current income, which refers to the income a person is receiving at the time of interview, and period income, which refers to income received over the previous financial year. The continuous income survey only collects

---

5 It might be noted that a source of similar income information is available from the ABS Household Expenditure Survey for which unit record data is available from as early as 1974-75. The difficulty with these data is that they are provided only at the household level and the required individual level data are not available until the 1989-90 Survey. Other official surveys which collect information on personal income tend to collect less detailed information and/or provide income estimates only in ranges (e.g. the Census and ABS Labour Force Surveys).

information on the characteristics of people, such as their age, employment and study status which relate to the time of interview (unlike the earlier survey which also collected information on changes in these characteristics over the previous financial year). Since the study aims to analyse how age and status affects income, current income estimates have been used because these relate most closely to the other characteristics since 1994-95. However, a disadvantage of using these estimates is that in the 1982, 1986 and 1990 surveys, they refer to incomes from between mid-September and mid-December while those for 1994-1996 refer to the whole of 1995-96. This means that estimates in the earlier surveys may be different from the last survey because they contain seasonal bias. However, the interviewing period mid-September to mid-December was especially chosen because it was a period that was not particularly associated with seasonal bias and so this is not thought to be a problem.

Current income includes all regular and recurring cash receipts that people receive from sources outside of their household. This includes receipts from employment, investments, government and from other households, including allowances paid by parents to children living away from home. It excludes transfers within households, whether they are in the form of unrequited allowances or payments for work performed around the house. It also excludes capital transfers such as loans and withdrawals from savings and non-cash assistance in the form of goods and services such as the donation of furniture or use of a washing machine. Whether it also excludes the informal economy outside the household and the criminal economy, which are stressed as important sources of income by White (1997), is unclear. The questionnaire allows reporting of such information and it is quite possible that income from odd jobs such as babysitting and house cleaning are reported under 'other income'. Income from criminal activity, however, is unlikely to be reported for fear of the information being passed on to legal authorities.

### **Improving Comparability Between Surveys**

One of the difficulties with working with the Income Surveys is that the estimates have been based on the responses of different groups of people over time. While demographic information including age and sex have

been collected for all people who were interviewed and were residing in private dwellings, current income information has not been collected or has been omitted from the confidentialised unit record file for various groups. In 1982, for example, current income information was not collected or omitted for the following groups:

- people still attending school,
- people arriving in Australia after the end of the most recent financial year, and
- people who had been away from Australia for over a year just prior to interview.

In the remainder of the surveys, the grounds on which people have been excluded from current estimates are less clear from unit record file information. It is unlikely that these exclusions have been exactly the same, however, because as shown in Table 1, the proportion of the population contributing to estimates is different for each survey.

**Table 1: Percentage of 15-24 Year Olds Contributing to Current Income Estimates**

Year	No. of young people flagged in scope for current income	Population estimate for young people	Percentage of population in scope for current income
1982	2 037 924	2 557 531	80
1986	2 043 589	2 685 155	76
1990	2 035 692	2 727 475	75
1995-96	2 590 865	2 590 865	100

Source: ABS Income Distribution Survey confidentialised unit record files.

To compensate for these differences, estimates have been calculated using different populations. Income estimates have been calculated for young people according to their main activities, using only those records with current income data. Population estimates, however, have been based on all records. Overall levels of dependency have been derived by taking the product of the population estimate by the income estimate for each activity and then adding these products together.

It was also necessary to impute the proportions of school students who were dependent in 1982, 1986 and 1990 for which there was no income

information available. It was rather bravely assumed that the proportions of school students who were dependent has not changed over the last 14 years and was equal to levels found in 1995-96. This is probably untrue since part-time work has become more prevalent, particularly for students (Gregory, 1995, cited in Norris and Wooden, 1996: 30). However, this assumption was considered to have less impact on the analysis than the alternative of excluding a group whose growth is thought to be responsible for much of the increase in young people's dependency.

In addition, it was necessary to impute proportions of tertiary students who were dependent in 1982. This was necessary because full-time tertiary students could not be distinguished from part-time students. For this group, it was assumed that 1986 levels of dependence for full-time tertiary students applied.

Changes have also been made to the survey data to compensate for the different ways in which negative incomes have been recorded in the Surveys. In 1982, 1986 and 1990, negative incomes for own business and investment income were set to zero when calculating total income, whereas in later surveys these were included in total income as negative figures. For the sake of consistency, negative incomes have been set to zero in later surveys as well, although this has had little effect because only very few young people had negative incomes.

### **Measurement of Dependence**

Since no information is collected on what happens within the household, it is impossible to produce a direct measure of dependence. Instead, dependence has to be inferred, or measured on a residual basis. To do this, the independent income of each young person has been compared to a benchmark income which is thought to be sufficient for independent living, albeit at a very low standard of living. A young person was considered dependent if:

$$\text{benchmark income} - \text{independent income} > 0.$$

That is, young people were classified as dependent if their independent income was less than the benchmark income required for independent living.

The chosen *benchmark* was the simplified Henderson Poverty Line<sup>6</sup> as updated by the Melbourne Institute for the December Quarter 1997. The line is equal to the basic wage plus child endowment for a family of two adults and two children in 1964, indexed for economic growth and adjusted for differences in household spending requirements, or budgets, as compiled for households living in New York in 1954 (Johnson, 1987). It has been used extensively in Australia as a benchmark of income adequacy (Johnson, 1996) and this is evident even in youth studies. For example, McDonald (1991) and Hartley (1989b: 23) have compared the wages of young people to the Henderson Poverty Line to evaluate the adequacy of the wages for ‘self support’.

More specifically, the chosen line is that which applies to a single person living alone and has been varied according to whether the person is in the labour force or not.<sup>7</sup> It was thought that this line best represented the (minimum) income needed for independent living. A lower poverty line would be applicable if it was assumed that the young person was able and willing to share accommodation with another person, thus lowering his or her housing costs. However, given that the line was developed so that it was so ‘austere’ as to make it ‘unchallengeable’ (Henderson, Harcourt and Harper, 1970, quoted in Johnson, 1987: 46) and that it is unclear with how many people a young adult should be expected to share, it was decided that the poverty line associated with a person living alone was low enough.

Use of the Henderson Poverty Line has been adopted despite the release of a new set of measures of adequacy, or budget standards, by the Social Policy Research Centre in April 1998. These related to the cost of a basket of goods and services which an expert panel agreed were necessary to maintain a given standard of living for a given household type resident in Sydney in February 1997 (Saunders et al., 1998: ii-vi).

---

6 It was decided not to use the detailed Henderson Poverty Line which makes some allowance for age differences because this would add to the complexity of the study without appearing to add much value. The effect of using the detailed poverty lines would have been to increase the poverty lines of those in the labour force and young men not in the labour force by one to six per cent. For young women not in the labour force, seemingly rather inappropriately, it would have led to poverty line that was one per cent lower.

7 Actual calculations are shown in Appendix One.



As such, the standards have the advantage of having a closer relationship to expenditure requirements for current ‘independent living’ than the Henderson Poverty Line, which is more concerned with past income relativities. However, they have the disadvantage that they apply more specifically to the types of households for whom they have been defined. The standard which is closest to that required for young people is the budget standard relating to a 35 year old single woman living alone in private rental accommodation. Given that the match is not close, the budget standard was used as a benchmark income for sensitivity testing purposes only.

In this study, young peoples’ *independent incomes* have been calculated by deducting income received from parents from total income. Income received from parents has been measured using the data items listed in Table 2. As can be seen from the descriptions of the data items, in most cases, they cover other possible sources of income in addition to transfers from parents. It is assumed, though, that most of the income covered by these data items refers to income from parents, or at least from people playing a parent-like role.

**Table 2: Income Provided by Parents to Young People Living Away from Home**

Survey	Data items covering income from parents	Income from parents as a percentage of total income	
		All young people	Young people who receive this type of income
1982	not available	na	na
1986	financial support from relatives	0	40
1990	financial support from relatives	0	76
1995-96	income from persons outside household	1	80

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

It is interesting to note that although these transfers from parents account for very little of the personal incomes received by all young people, it is very important to those who receive it. It is also interesting to note that the importance of these transfers is increasing, as they account for a greater proportion of the incomes of those who receive them in more recent years.

Lastly, it should be noted that personal income tax has not been deducted from independent income before comparing it to the Henderson Poverty Line or Budget Standards, as is usually the case in poverty studies. The reasons for this are mostly practical. The main reason is that income tax estimates from the Income Distribution Surveys have been derived differently in the earlier surveys compared to the current continuous survey. In the early surveys, tax paid was based on amounts reported by respondents (for which they were encouraged to refer to their tax returns) while later estimates have been imputed according to the gross incomes and personal characteristics of respondents. The resulting estimates are thought unlikely to be comparable between surveys and it would require considerable work to improve this comparability which is beyond the needs of this paper. An additional reason for not deducting tax is that there appears to be a substantial amount of work done by young people in the informal economy, involving cash in hand remuneration which escapes taxation (see White, 1997). Deduction of tax in these cases would be inappropriate.

That tax has not been deducted is not particularly important because the current study does not claim to be a poverty study in any sense. It also makes little difference. This study is only sensitive to whether incomes are above or below the benchmark incomes, which are quite low and attract little tax. Effectively, the Henderson Poverty Line is too high by approximately \$25pw<sup>8</sup> for young people in the labour force (i.e. people with gross incomes equal to the Henderson Poverty Line would pay \$25pw in tax) and by \$17pw for young people not in the labour force.

## 5 Results

### Overall Changes

Table 3 shows the proportions of young people who were dependent because they had personal incomes lower than the poverty line<sup>9</sup> for a

---

8 Tax calculations have been based on figures from CCH (1996: 1536-7).

9 This study compares gross income to the poverty line rather than the more usual disposable income (or gross income minus personal tax). Thus, numbers who are below the poverty line are lower than would be expected if more conventional methods had been used. Those who are below the poverty line would not normally be considered to be in poverty unless living alone.

**Table 3: Dependency Amongst Young People<sup>(a)</sup>**

		Year <sup>(b)</sup>	15-17 years	18-20 years	21-24 years	Total
		Percentages				
Males		1982 <sup>(c)</sup>	78	37	24	42
		1986	85	32	20	44
		1990	91	42	23	49
		1995-96	96	61	27	56
Females		1982	80	40	36	49
		1986	87	43	34	53
		1990	92	52	32	56
		1995-96	96	62	33	59
Persons		1982	79	38	30	46
		1986	85	38	27	48
		1990	91	47	27	52
		1995-96	96	62	30	58

- Notes:
- a) Includes imputed estimates of proportions of school children who were dependent in 1982, 1986 and 1990 and proportions of tertiary students who were dependent in 1982.
  - b) Overall figures for 1982, 1986 and 1990 have been derived by summing for each activity, the product of the proportions who are dependent and the proportions undertaking that activity. This has the benefit of 'reweighting' the income estimates so that they better reflect the total population rather than varying populations which were 'in scope' for current income estimates in the earlier surveys.
  - c) Consistent age categories could not be produced for 1982 in which the category 18-20yrs contains young people aged 18-19 years and the category 21-24 years contains young people aged 20-24 years. The effect of this is to dampen the observed increase in dependency for both age groups.
- Sources: Unpublished data from ABS Income Survey confidentialised unit record files; and Melbourne Institute, 1998.

person living alone for each survey year. These proportions have clearly increased over time.

Overall, the proportion of young people who were dependent has changed from 46 per cent in 1982 to 58 per cent in 1995-96. Thus, an extra 12 per cent of young people are dependent compared with 14 years ago.

Changes have been particularly great for the younger age groups. For 15 to 17 year olds, the proportion who were dependent rose from 79 per cent in 1982 to 96 per cent in 1995-96 (an additional 17 per cent). The

situation for this age group has changed from one in which most 15 to 17 year olds were dependent to one in which almost all of them are. The change for 18 to 20 year olds has been even greater. In 1982, 38 per cent of 18 to 20 year olds were dependent compared to 62 per cent in 1995-96, which is equal to an additional 24 per cent being dependent. For this group, there has been a change from a minority being dependent to a majority. In comparison, for the older group of 21 to 24 year olds, there has been no change.

Proportions who were dependent also varied according to gender. In all survey years and for all age groups, the proportion of young women who were dependent was as great or greater than for young men. It is likely that these higher levels of dependency for young women reflect, at least in part, the additional dependence of young women on partners, particularly if they have children.<sup>10</sup> Possibly, the slower increases in dependency for the 15 to 20 year olds and decrease in dependency for young women aged 21 to 24 years is associated with a reduction in dependence on partners rather than parents, which is consistent with the current trend in which young women are delaying having children until they are older.

Table 4 shows that the findings in Table 3 are also evident when the SPRC Budget Standards are used as the benchmark income rather than the (simplified) Henderson Poverty Line. The Budget Standard is much higher than the Henderson Poverty Line in 1995-96 but becomes relatively lower retrospectively due to differences in indexing. Despite this, the results are quite similar. The percentage of young people who are dependent has increased overall, and in particular it has increased for those under 21 years with the greatest increase occurring for 18 to 20 year olds. These findings suggest that the results of this study are robust enough not to be critically affected by the choice of benchmark and nor by different methods of indexing.

---

10 No attempt has been made to distinguish between dependency on marriage partners and parents because marriage and having children is not usual for this age group (10 per cent were mothers in 1995-96) and because parental support may still be provided.

**Table 4: Dependency Amongst Young People: Estimates Based on SPRC Budget Standards<sup>(a)</sup>**

	Year	15-17 years	18-20 years	21-24 years	Total
	Percentages				
Males					
	1982	91	46	29	50
	1986	93	47	24	52
	1990	96	56	27	57
	1995-96	98	71	30	61
Females					
	1982	93	51	44	59
	1986	97	59	43	64
	1990	98	69	41	66
	1995-96	98	74	42	67
Persons					
	1982	92	48	36	55
	1986	95	53	33	58
	1990	97	62	34	61
	1995-96	98	72	36	64

Notes: a) Budgets refer to a 35 year old single woman who is renting privately; budgets have been indexed using all cities, all groups CPI because it is being compared against the income of people living in all cities.

Sources: Unpublished data from ABS Income Survey confidentialised unit record files; Saunders et al., 1998; ABS, various years, Catalogue No. 6401.0.

**School Students:** One of the reasons for expected increases in dependency is increased school retention. Table 5 shows that over the last 14 years, the proportion of young people attending school has risen from 20 per cent in 1982 to 24 per cent in 1995-96. While this represents a relatively small overall increase, it is the result of a large increase in the proportion of 15 to 17 year olds attending school (from 64 per cent in 1982 to 79 per cent in 1995-96).

**Table 5: Young People Attending School**

Year	15-17 years	18-20 years	21-24 years	Total
	Percentages			
1982	64	8	0	20
1986	69	6	0	23
1990	77	9	0	25
1995-96	79	5	0	24

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

Table 6 shows that almost all school students are dependent on their parents, particularly in the youngest age group. As already discussed, it is not possible to calculate how much the proportion of school students who are dependent has changed over the last 14 years, and in the previous analysis of overall changes in dependency, these levels for 1995-96 were assumed to have applied in 1982, 1986 and 1990 as well.

**Table 6: Dependency Amongst Young People at School: 1995-96**

	15 -17 years	18-20 years	21-24 years	Total
Percentages				
Males	100	100	na	100
Females	99	94	na	99
Persons	99	97	na	99

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

**Full-time Tertiary Students:** The proportion of young people undertaking full-time tertiary study has also increased. Table 7 shows that the proportion has doubled from seven per cent of all young people in 1982 to 14 per cent in 1995-96. This increase has been particularly great for 18 to 20 year olds, whose participation rates have risen from 13 per cent in 1982 to 30 per cent in 1995-96.

**Table 7: Young People Who are Full-time Tertiary Students<sup>(a)</sup>**

Year	15-17 years	18-20 years	21-24 years	Total
Percentages				
1982	3	13	7	7
1986	1	13	5	6
1990	2	19	8	10
1995-96	3	30	10	14

Notes: a) Tertiary students are young people who study full time but are not 'still at school' and are not working full time.

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

Table 8 shows that like secondary students, most tertiary students are dependent on their parents for support. However, unlike for other groups, their dependency is actually decreasing, particularly for women and 21 to 24 year olds. Inspection of more detailed income data shows that this change is due to increases in 'employee' income from part-time work. Educators tend to mourn this increase in part-time work because it takes up valuable study time.

**Table 8: Dependency Amongst Young People Who Study Full-time<sup>(a)</sup>**

	Year <sup>(b)</sup>	15 -17 years	18-20 years	21-24 years	Total
Percentages					
Males					
	1982	na	na	na	na
	1986	100*	93	87	91
	1990	92*	91	84	89
	1995-96	100*	93	82	90
Females					
	1982	na	na	na	na
	1986	100*	93	87	92
	1990	100*	89	81	88
	1995-96	100*	92	76	88
Persons					
	1982	na	na	na	na
	1986	100*	93	87	92
	1990	97	90	83	88
	1995-96	100	92	79	89

Notes: a) Tertiary students are young people who study full time but are not 'still at school' and are not working full time.

b) Figures for 1982 have been omitted because full-time students could not be separately identified from part-time students.

\* Estimates have a relative standard error of 25 per cent or greater

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

**Full-time Employees:** The next table (Table 9) shows the change in the proportion of young people who are full-time employees. Over the last 14 years, the proportion of young people working full time has fallen from 50 per cent in 1982 to 40 per cent in 1995-96. This change has particularly affected the younger age groups. The proportion of 15 to 17 year olds working full time has fallen from 22 per cent to eight per cent

**Table 9: Young People Who are Employed Full Time**

Year	15-17 years	18-20 years	21-24 years	Total
Percentages				
1982	22	57	64	50
1986	18	57	65	48
1990	11	47	64	43
1995-96	8	36	62	40

Notes: a) Full-time employees work 35 hours a week or more. These exclude people 'still at school'.

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

over the last 14 years and the proportion of 18 to 20 year olds has fallen from 57 per cent to 36 per cent. Proportions of young people working full time in the older age group were relatively unaffected.

Table 10 shows that the proportion of full-time employees who were dependent has also risen. This is particularly striking, again, for the younger age groups. In 1982, it was uncommon for any full-time employee, regardless of their age, to be dependent. This, however, has changed. Just 14 years later, it can be seen that 65 per cent of all full-time employees aged 15 to 17 years are dependent. Similarly, but to a lesser extent, it has become more common for 18 to 20 year olds to be dependent. For young men, the proportions in this age group who are dependent have risen from three per cent in 1982 to 16 per cent in 1995-96.

Changes in proportions of young women who work full time and are dependent have been less great. In fact, it is only in this category that young women are less likely to be dependent than young men. This might be because they are less likely to undertake apprenticeships, which tend to be very low paid.

**Unemployed Young People:** Table 11 indicates that the proportion of young people who are unemployed have slightly decreased over the last 14 years. This is not strictly true because levels of unemployment have been rising on average, as inspection of Figure 7 shows. However, as is also clear from this figure, levels of unemployment are subject to



**Table 10: Dependency Amongst Young People Working Full Time<sup>(a)</sup>**

Year		15-17 years	18-20 years	21-24 years	Total
Percentages					
Males					
	1982	14	4	6	6
	1986	28	4	3	6
	1990	38	6	5	8
	1995-96	68	21	6	14
Females					
	1982	6	2	4	3
	1986	24	4	2	5
	1990	33	6	3	6
	1995-96	59	10	3	8
Persons					
	1982	11	3	5	5
	1986	26	4	3	6
	1990	36	6	4	7
	1995-96	65	16	5	11

Notes: a) Full-time employees work 35 hours a week or more. These exclude people 'still at school'.

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

**Table 11: Unemployed<sup>(a)</sup> Young People**

	15-17 years	18-20 years	21-24 years	Total
Percentages				
1982	7	11	9	9
1986	6	11	11	9
1990	5	11	10	9
1995-96	4	11	8	8

Notes: a) Young people who are studying full time are excluded from the unemployed.

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

considerable cyclical variation. Unfortunately, it appears that the timing of the surveys has been such that the cyclical variation in unemployment has obscured this trend of rising unemployment. Given that the unemployed are quite a small group, and changes in the size of this group are also very small, this data limitation has had little overall effect.

As for the previous group, proportions of young people who are dependent have increased. This is evident in Table 12 for all age groups of both sexes, with the exception of 21 to 24 year old women whose dependency has decreased. Inspection of more detailed income data shows that young unemployed people rely almost exclusively on government cash benefits for income. These benefits, which are not restricted to unemployment benefits but also include Sole Parent, Carer and Disability pensions, appear to have increased for young women.

**Table 12: Dependency Amongst Unemployed<sup>(a)</sup> Young People**

	Year	15 -17 years	18-20 years	21-24 years	Total
<b>Males</b>					
	1982	100	95	86	91
	1986	100	92	87	91
	1990	100	93	85	90
	1995-96	100*	99	96	98
<b>Females</b>					
	1982	100	97	97	98
	1986	98	100	92	96
	1990	100	95	80	90
	1995-96	100*	98	93	96
<b>Persons</b>					
	1982	100	96	90	94
	1986	99	100	90	95
	1990	100	94	83	90
	1995-96	100	99	95	97

Notes: a) Young people who are studying full time are excluded from the unemployed.

\* Estimates have a relative standard error of 25 per cent or more.

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

**Other Young People:** This residual category of young people includes all of those who are not at school, not attending tertiary education full time, not working full time and not unemployed. This group includes those referred to as the ‘marginalised’ by McClelland, MacDonald and MacDonald (1998), as well as people who study part time. The ‘marginalised’ are thought to be a group of young people particularly at risk of future disadvantage because they are not benefiting from education or full-time work experience.

Table 13 shows that there has been little change in the proportion of the population who fit into this 'other' category. Table 14 shows that changes in financial dependence have only occurred for 15 to 20 year olds, which is consistent with previous findings for this age group. They are, however, a very heterogeneous group and it is possible that finer disaggregation would reveal different trends occurring within this group.

**Table 13: 'Other'<sup>(a)</sup> Young People**

Year	15-17 years	18-20 years	21-24 years	Total
Percentages				
1982	5	11	21	14
1986	6	13	20	13
1990	5	14	18	13
1995-96	5	17	19	15

Notes: a) 'Other' are young people who are not 'still at school', not studying full time, not working full time or not unemployed.

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

**Table 14: Dependency Amongst 'Other'<sup>(a)</sup> Young People**

	15 -17 years	18-20 years	21-24 years	Total
Percentages				
Males				
1982	75	56	49	56
1986	90	58	48	63
1990	89	58	40	53
1995-96	92	77	53	67
Females				
1982	79	53	64	63
1986	83	51	61	61
1990	80	59	59	61
1995-96	86	63	56	61
Persons				
1982	78	53	62	62
1986	86	53	59	61
1990	83	59	55	59
1995-96	88	67	55	63

Notes: a) 'Other' are young people who are not 'still at school', not studying full time, not working full time and not unemployed.

Source: Unpublished data from ABS Income Survey confidentialised unit record files.

## 6 Discussion

Overall, an additional 12 per cent of young people were being supported by their families or were having to survive on less than subsistence income in 1995-96 compared to 14 years previously. Changes have not been uniform for all young people, and appear to have particularly affected young people under 21.

Much of the change in financial dependence can be shown to be driven by increased participation in education and lower incomes for the full-time employed. These in turn are thought to be driven by government funding for education, incentives associated with different forms of income support, changes in the labour market leading to less demand for young people's labour and changes to wage arbitration. The changes, their causes and implications are now briefly discussed according to the particular age group of young people.

The situation for *15 to 17 year olds* has changed from one in which most were dependent in 1982 (79 per cent) to one in which almost all 15 to 17 year olds (96 per cent) were dependent in 1995-96. Nearly all options for obtaining an income sufficient for independent living above the (single person) poverty line have been lost to 15 to 17 year olds.

The overall increase has been largely a consequence of greater school retention. As suspected, the levels of dependency are very high for school students (99 per cent) and so an increased proportion of 15 to 17 year olds staying on at school has led to an increase in the overall prevalence of dependency.

Increased school retention is thought to have been driven partly by the market, through the collapse of teenage employment, and partly by government, through greater provision of income support to low income families of post-compulsory school students (Deardon and Heath, 1996). It seems likely that the introduction of the Youth Allowance in 1998, which makes school participation a necessary condition for receipt of any income support for young people under 18 years<sup>11</sup>, will lead to further

---

11 Unless they have completed Year 12 or equivalent or are subject to special exemptions, for example, if they are ill, homeless or unable to obtain an appropriate education place (Centrelink 1998b: 3).

increases in school retention. While these changes result in greater financial dependency, many people would argue that this is of advantage since it increases the educational capital of young people and increases the level of education in the community.<sup>12</sup> It might also lead to more productivity and employment.

What is disturbing is the erosion of choice or safety nets for those whose family situation is such that they lack parental support and find it difficult to enjoy the benefits of prolonged schooling. It seems that none of the other possible activities that a 15 to 17 year old can undertake will result in incomes sufficient for independence.

No income support, not even allowances made available to young homeless people, are sufficient to lift young peoples' incomes to the level of the Henderson Poverty Line. This does not represent a change over the last 14 years. Income support, such as unemployment or sickness benefits, has never reached these levels for adults, let alone for young people, who generally have and continue to receive lower benefits.

Previously, however, working full time led to incomes sufficient for independence. In 1982, 11 per cent of 15 to 17 year olds who were working full time were dependent on their parents. In 1995-96, dependence was much more common for young full-time workers and 65 per cent were dependent on their parents to some extent. It seems that now, even if young people manage to get a job, which has become more difficult (proportions in full-time work have fallen from 22 per cent to eight per cent), they are more likely than not to receive incomes which are insufficient for independent living.

Thus, 15 to 17 year olds no longer have any real access to public citizenship. A likely consequence of this change is greater exclusion or alienation, particularly amongst those whose families are unwilling or unable to support them by providing private or proxy citizenship. Homelessness is likely to continue to increase, youth crime is also likely to increase and political cynicism is likely to grow. These changes

---

12 Not everyone is convinced, however. For example, Bessant (1993: 93) argues that extended schooling is not always beneficial and does not necessarily lead to greater employment opportunities.

decrease the quality of life for young people, their families and the community.

Of all the age groups, the *18 to 20 year olds* have experienced the greatest change in levels of dependency. Their situation has changed from one in which it was unusual to be dependent (38 per cent were dependent in 1982) to one where it was more common (62 per cent were dependent in 1995-96). Options for independence still exist for 18 to 20 year olds who work full time, but this is the only activity in which independence is more likely than not.

Most of the increase in dependence of 18 to 20 year olds has been due to greater participation in tertiary education and less participation in full-time work. In 1982, 13 per cent of 18 to 20 year olds were attending tertiary education compared with 30 per cent in 1995-96. Full-time tertiary students have high levels of dependence (over 90 per cent) although they are not quite as high as those for school students. The increase in tertiary participation is thought to have been driven not by lack of jobs as for 15 to 17 year olds, but by the availability of tertiary places (see discussion in Norris and Wooden, 1996: 30). As a result, unlike school education, tertiary education is less likely to be entered for lack of alternatives and so the dependency imposed is less likely to be problematic.

As with 15 to 17 year olds, it is increasingly common for 18 to 20 year olds who are working full time to be dependent. While levels of dependence were quite low for 18 to 20 year olds, they have risen substantially, from three per cent in 1982 to 16 per cent in 1995-96. Thus full-time work usually does offer an alternative to dependence for this age group, but may not do so for much longer. Junior wages normally affect those aged under 21 years - though not all employers pay according to these wage awards (see Daly et al., 1998: 2). If, as has been proposed, junior wages are lowered or become more widespread (see Allard, 1998), then working full time may cease to offer a path to independence for this group.

Outcomes for this group are not so critical at this stage because increased dependency might be seen to be a matter of choice while young people 'invest' in further study. About half of 18 to 20 year olds who lack

public citizenship are students who have chosen to remain in education perhaps because they have negotiated a form of private citizenship with their parents. However, if dependency becomes more enforced, for example, through changes to the application or level of junior wages, then 18 to 20 year olds can be expected to experience more of the difficulties observed for the younger age groups with regard to homelessness, crime and lack of political participation.

There has been no overall change in proportions of *21 to 24 year olds* who are dependent and so there appears to be no change to the citizenship of this age group. However, there has also been a slight decrease in the dependency of students and an increase in the dependency of the unemployed.

The decrease of dependency amongst students, particularly female students in this age range, may result from the greater availability of part-time work, particularly in the services sector in which demand for female labour is greater. Alternatively, it might be driven by greater necessity, as more young people whose parents are less willing or able support them undertake tertiary education. Either way, in terms of financial independence, the situation appears to have improved slightly for older students.

For young men, the slight increase in dependency appears to have been driven by an increase in the dependency of those who are unemployed. This is likely to be a consequence of greater targeting of unemployment benefits rather than lower levels of benefits, since young people over 21 years receive adult benefits which have not undergone the reductions which have applied to the junior and intermediate rates of benefit shown in Figure 8. The decrease in dependency for young women, as discussed, is likely to be mostly associated with less dependency on partners as much as less dependence on parents.

## **7 Conclusion**

It is clear that since the late 1960s there has been a considerable increase in the dependence of young people on their families for financial support and a greater need for families to provide their young people with private or proxy citizenship. This paper has looked at the changes which have

taken place over the last 14 years. These are part of what has to be seen as a massive social transformation for young people which has taken place over the last 30 years, especially for those aged between 15 to 20 years..

Inspection of the available data over the last 14 years shows that it is changes to the labour market which appear to have had the most critical effect. Lack of job opportunities, greater skill requirements and reductions in wages are the main forces driving an increase in the dependence of Australia's young people. Rather than ameliorating these effects of the market on the incomes of young people, it seems that the state has added to these changes by encouraging greater education participation and increasing parental means testing of income support payable to young people.

It seems that these trends, their causes and implications are likely to spill over from 15 to 17 year olds to 18 to 20 year olds. The earliest age at which financial independence could be obtained has increased from about 15 years in 1982 to about 18 years in 1995-96. This may well rise to 20 years in the next few years, given current discussion of lowering youth wages and possible extension of junior wages to all employees under 21 years. This will mostly affect 18 to 20 year olds because those aged 15 to 17 years are now staying on at school.

Given these rapid and large changes in the financial dependence and citizenship of young people, which are being exacerbated by ongoing changes in the market and supported by government, it is time that the ability of families to cope with these changes is investigated. Possibly, this increased dependence can be better afforded by most families because more mothers are working. However, for other families, in which perhaps only one parent is employed, or neither, considerable hardship may result from this increased dependency. How families, the supposed 'greatest providers of welfare', actually manage these changes would seem to be an issue whose investigation is well overdue.



## Appendix One: Calculation of Henderson Poverty Lines and Budget Standards Over Time

The Henderson benchmark incomes were calculated using information and instructions provided in the Melbourne Institute's *Poverty Lines: Australia (December 1997)*. This involved firstly calculating the ratio of household disposable income (HDI) to the poverty lines for a single person in the labour force and a single person not in the labour force using data for December 1997 provided in Table 1 of the Melbourne Institute publication. This is shown in the first three rows of Table A1. Then, the HDI for each survey year was calculated using data from Table 2 in the publication. These were the average of the HDI for the four quarters in the relevant year and are shown in column A in the table below. Lastly, the HDI was multiplied by the ratios calculated in the first step to produce poverty lines for a single young person either in or not in the labour force for each of the survey years (which are given in columns B and C below). These figures (in the bottom four rows of columns B and C) were included in SAS and SPSS programs which compared with the incomes of young people reported in the ABS Income Surveys against these benchmarks.

**Table A1: Calculation of Henderson Poverty Line**

Year	Household	Single person (including housing costs)	
	Disposable Income (A)	In labour force (B)	Not in labour force (C)
Dec 1997	\$359.11	\$247.10	\$200.37
		Ratio of single person poverty line to HDI in 1997	
		0.69	0.56
1981-82	\$133.02	\$91.53	\$74.22
1986-87	\$200.32	\$137.84	\$111.77
1990-91	\$272.63	\$187.59	\$152.12
1995-96	\$335.81	\$231.07	\$187.37

Source: Melbourne Institute, 1998.

Table A2 shows the indexed budget standards used in the study and the figures from which they were calculated. The figures used in the study are given in the last column. These are simply the indexed value of the budget standard in the survey years (i.e. it is equal to the budget standard in February 1997 multiplied by the ratio of the CPI applying in the survey year to the CPI which applied in March 1997). The all cities, all groups CPI has been used because the benchmark incomes were compared against the incomes of people living in all cities (and not just Sydney).

**Table A2: Calculation of Budget Standards<sup>(a)</sup> Over Time**

Year	Budget standard as derived for Feb 1997	CPI (all capital cities) <sup>(b)</sup>	Indexed budget standard
Feb/Mar 1997	\$293.97	120.5	
1981-82		54.58	\$133.14
1986-87		80.35	\$196.02
1990-91		105.28	\$256.83
1995-96		118.73	\$289.64

Notes: a) Budgets refer to a 35 year old single woman who is renting privately.  
b) Budgets have been indexed using all cities, all groups CPI because it is being compared against the income of people living in all cities.

Sources: Unpublished data from ABS Income Survey confidentialised unit record files; Saunders et al., 1998; and ABS, various years, Catalogue No. 6401.0.

## References

- Allard, Tom (1998), '200,000 juniors face pay cut', *Sydney Morning Herald*, 27 November, 1.
- Allatt, P. (1997), 'Conceptualising youth: transitions, risk and the public and private', in J. Bynner, L. Chisholm and A. Furlong, eds, *Youth, Citizenship and Social Change in a European Context*, Ashgate, Hampshire.
- Australian Bureau of Statistics (ABS) (1959 to 1972), *Year Book, Australia*, Catalogue No. 1301.0, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (1979 to 1996), *Employee Earnings and Hours*, Catalogue No. 6306.0, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (1985), *Australia's Youth Population, 1984*, Catalogue No. 4111.0, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (1987), *The Labour Force, Australia, Historical Summary 1966 to 1984*, Catalogue No. 6204.0, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (1991 to 1998), *Schools, Australia*, Catalogue No. 4221.0, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (1993), *Information Paper: A Guide to Interpreting Time Series - Monitoring Trends, An Overview*, Catalogue No. 1348.0, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (1996), *Labour Force, Australia*, Catalogue No. 6204.0, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (1996 and 1997), *Labour Statistics, Australia*, Catalogue No. 6101.0, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (1997), *Youth, Australia: A Social Report*, AGPS, ABS, Canberra.
- Australian Bureau of Statistics (ABS) (various years), *Consumer Price Index, Australia*, Catalogue No. 6401.0, ABS, Canberra.
- Barbalet, J.M. (1988), *Citizenship: Rights, Struggle and Class Inequality*, Open University Press, Milton Keynes.
- Bessant, J. (1993), 'Policy paradoxes: the disempowerment of young people under the Labor government, 1983-91', *Australian Journal of Social Issues*, 28(2), 87-105.
- Borland, J. and K. Norris (1996), 'Equity', in K. Norris and M. Wooden, eds, *The Changing Labour Market*, EPAC Commission Paper No. 11, AGPS, Canberra.

- Bynner, J. (1997), 'The challenge of citizenship for youth study', in J. Bynner, L. Chisholm and A. Furlong, eds, *Youth, Citizenship and Social Change in a European Context*, Ashgate, Hampshire.
- CCH Australia (1996), *Australian Master Tax Guide*, CCH Australia, Sydney.
- Centrelink (1998a), AUSTUDY Information Book, AGPS, Canberra.
- Centrelink (1998b), *Youth Allowance: Questions and Answers*, [http://www.centrelink.gov.au/assistance/yth/yal\\_qanda.htm](http://www.centrelink.gov.au/assistance/yth/yal_qanda.htm), 5 Feb.
- Centrelink (1998c), *Payment Rates for DSS Allowances Paid by Centrelink*, <http://www.centrelink.gov.au/pay/rates/allowance.htm>.
- Coles, B. (1995), *Youth and Social Policy: Youth Citizenship and Young Careers*, UCL Press, London.
- Coles, B. (1997), 'Vulnerable youth and processes of social exclusion: at theoretical framework, a review of recent research and suggestions for a future research agenda', in J. Bynner, L. Chisholm and A. Furlong, eds, *Youth, Citizenship and Social Change in a European Context*, Ashgate, Hampshire.
- Chamberlain, C. and D. MacKenzie (1998), *Youth Homelessness: Early Intervention and Prevention*, Australian Centre for Equity through Education, Sydney.
- Chisholm, L. (1997), 'Sensibilities and occlusions: vulnerable youth between social change and cultural context', in J. Bynner, L. Chisholm and A. Furlong, eds, *Youth, Citizenship and Social Change in a European Context*, Ashgate, Hampshire.
- Civics Expert Group (1994), *Whereas the People...*, Report of the Civics Expert Group, AGPS, Canberra.
- Commonwealth Scholarship Board (1959 to 1974), *Annual Report*, AGPS, Canberra.
- Crane, P. and J. Brannock (1996), *Homelessness Among Young People in Australia*, a report to the National Youth Affairs Research Scheme, National Clearinghouse for Youth Studies, Hobart, Tasmania.
- Daly, A., N.H. Duc, D. Eldridge, O. Gabbitas and P. McCalman (1998), *Youth Wages and Employment*, Productivity Commission Staff Research Paper, Ausinfo, Canberra.
- Daniels, D. (1995), *Social Security Payments: The Unemployed, the Sick and those in Special Circumstances, 1945 to 1995*, Background Paper No. 3, Parliamentary Research Service, Canberra.

- Deardon, L. and A. Heath (1996), 'Income support and staying in school: what can we learn from Australia's AUSTUDY experiment', *Fiscal Studies*, 17(4), 1-30.
- Department of Employment, Education and Training (DEET) (1991), *Retention and Participation in Australian Schools, 1967 to 1990*, DEET, Canberra.
- Department of Employment, Education and Training (DEET) (1993 to 1995), *AUSTUDY Information Book*, AGPS, Canberra.
- Department of Employment, Education, Training and Youth Affairs (DEETYA) (1996a), *Higher Education Students: Time Series Tables*, DEETYA, Canberra.
- Department of Employment, Education, Training and Youth Affairs (DEETYA) (1997a), *Selected Higher Education Student Statistics*, DEETYA, Canberra.
- Department of Employment, Education, Training and Youth Affairs (DEETYA) (1996b, 1997b) *Austudy Information Book*, AGPS, Canberra.
- Department of Social Security (1996 and 1997), *Information Handbook: A Guide to Payments and Services*, DSS, Canberra.
- Edwards, M. (1983), *The Income Unit in the Australian Tax and Social Security Systems*, PhD thesis, Australian National University, Canberra.
- Edwards, M. (1998), 'Rapporteur's observations', in *Australia's Youth: Reality and Risk*, Dusseldorp Skills Forum, Sydney.
- France, A. (1998), "'Why should we care?': Young people, citizenship and questions of social responsibility", *Journal of Youth Studies*, 1(1), 97-111.
- France, A. and P. Wiles (1997), 'Dangerous futures: social exclusion and youth work in late modernity', *Social Policy and Administration*, 31(5), 59-78.
- Fraser, N. and L. Gordon (1994a), 'A genealogy of *dependency*: tracing a keyword of the U.S. welfare state', *Signs: Journal of Women in Culture and Society*, 19(2), 309-36.
- Fraser, N. and L. Gordon (1994b), "'Dependency" demystified: inscriptions of power in a keyword of the welfare state', *Social Politics*, Spring, 4-31.
- Gibson, D. (1995), 'Dependency: the career of a concept', in S. Graham, ed., *Dependency, the Life Course and Social Policy*, Proceedings

- of a one day seminar held at the Social Policy Research Centre, 23 September 1994, SPRC Reports and Proceedings No. 118, Social Policy Research Centre, University of New South Wales, Sydney, 1-26.
- Gregory, R.G. (1995), 'Higher education expansion and economic change', *Australian Bulletin of Labour*, 21(4), 295-322.
- Harding, A. and A. Szukalska (1998), Child Poverty in 1995-1996, paper presented at conference on Changing Families, Challenging Futures, 6th Australian Institute of Family Studies Conference, Melbourne, 25-27 Nov 1998.
- Harris, N. (1988), 'Social security and the transition to adulthood', *Journal of Social Policy*, 17(4), 501-23.
- Hartley, R. (1988), 'Homeless youth need more help', *Family Matters*, 20, 8-11.
- Hartley, R (1989a), *What Price Independence? A Report of a Study of Young Peoples' Incomes and Living Costs*, Youth Affairs Council of Victoria and Australian Institute of Family Studies, Melbourne.
- Hartley, R. (1989b), 'Youth employment: rewards and restraints', *Family Matters*, 25, 22-25.
- Hartley, R (1997), 'Proposal for national youth civic service scheme', *Family Matters*, Winter, 38-41.
- Hartley, R. and I. Wolcott (1994), *The Position of Young People in Relation to the Family*, Report to the National Youth Affairs Research Scheme, National Clearinghouse for Youth Studies, Hobart.
- Henderson, R.F., A. Harcourt and R.J.A. Harper (1970), *People in Poverty - a Melbourne Survey*, Cheshire, Melbourne.
- House of Representatives Standing Committee on Community Affairs (1995), *A Report on Aspects of Youth Homelessness*, AGPS, Canberra.
- INDECS (1995), *State of Play* 8, Allen and Unwin, Sydney.
- Jenkins, S.P. (1991), 'Poverty measurement and the within-household distribution: agenda for action', *Journal of Social Policy*, 20(4), 457-83.
- Jones, G. and C. Wallace (1992), *Youth, Family and Citizenship*, Open University Press, Buckingham.
- Johnson, D. (1987), 'The calculation and use of poverty lines in Australia', *Australian Economic Review*, 80(4), Summer, 45-55.

- Johnson, D. (1996), 'Poverty lines and the measurement of poverty', *Australian Economic Review*, 113(1), January-March, 110-26.
- Jordan, A. (1995), *Displaced Homeless Adolescent Claimants for Social Security Payments*, Department of Social Security Research Paper No. 66, AGPS, Canberra.
- Kenyon, P. and M. Wooden (1996), 'Labour supply', in K. Norris and M. Wooden, eds, *The Changing Labour Market*, EPAC Commission Paper No. 11, AGPS, Canberra.
- Lewis, P. and A. Seltzer (1996), 'Labour demand', in K. Norris and M. Wooden, eds, *The Changing Labour Market*, EPAC Commission Paper No. 11, AGPS, Canberra.
- Lister, R. (1997), *Citizenship: Feminist Perspectives*, MacMillan, London.
- Maas, F (1990a), 'Becoming adult: the effects of prolonged dependence on young people', *Youth Studies*, February, 24-9.
- Maas, F. (1990b), 'Shifting responsibility: a decade of youth policy', *Family Matters*, 26, April, 19-26.
- Marginson, S. (1998), 'Young peoples' participation in higher education', in *Australia's Youth: Reality and Risk*, Dusseldorp Skills Forum, Sydney.
- Marshall, T. H. (1963), 'Citizenship and social class', in T.H. Marshall, ed., *Sociology at the Crossroads and Other Essays*, Heinemann, London, 67-127.
- McClelland, A., H. MacDonald and F. MacDonald (1998), 'Young people and labour market disadvantage: the situation of young people not in education or full-time work', in *Australia's Youth: Reality and Risk*, Dusseldorp Skills Forum, Sydney.
- McCormack, D. (1992), 'An analytical examination of youth labour and education', *Labour Economics and Productivity*, 4(1), 19-44.
- McDonald, P. (1991), 'Youth wages and poverty', *Family Matters*, 28, 28-31.
- Melbourne Institute (1998), *Poverty Lines: Australia, December Quarter 1997 and June Quarter 1998*, Melbourne Institute, Melbourne.
- Minister for State for Education (and equivalents) (1976 to 1992), *Report on the Operation of the Student Assistance Act*, AGPS, Canberra.
- Norris, K and M. Wooden (1996), *The Changing Australian Labour Market*, EPAC Commission Paper No. 11, AGPS, Canberra.

- O'Donaghue, P. (1987), 'Secondary allowances: a case study in youth income support', *The Bulletin of the National Clearinghouse for Youth Studies*, 6(2), 35-7.
- Pahl, J. (1989), *Money and Marriage*, MacMillan, Houndmills.
- Saunders, P., J. Chalmers, M. McHugh, C. Murray, M. Bittman and B. Bradbury with R. Thanki, D. Thompson and S. Doran (1998), *Development of Indicative Budget Standards for Australia*, DSS Policy Research Paper No. 74, Department of Social Security, Canberra.
- Shaver, S. and M. Paxman (1995), *Homeless Young People and Commonwealth-State Policies and Services: A Victorian Case Study*, SPRC Reports and Proceedings No. 124, Social Policy Research Centre, University of New South Wales, Sydney.
- Sweet, R. (1998), 'Youth: the rhetoric and the reality of the 1990s', in *Australia's Youth: Reality and Risk*, Dusseldorp Skills Forum, Sydney.
- Turner, B. S. (1997), 'Citizenship studies: a general theory', *Citizenship Studies*, 1(1), 5-18.
- Universities Commission (1946), *Summary of Activities, 1943 to 1945*, Universities Commission, Canberra.
- Universities Commission (1951 to 1958), *Annual Report*, Universities Commission, Canberra.
- Vinson, T., M. Abela and R. Hutka (1997), *Making Ends Meet: A Study of Unemployed Young People Living in Sydney*, Uniya Research Report Number 1, Uniya Jesuit Social Justice Centre, Sydney.
- Vromen, A. (1995), 'Paul Keating is the Prime Minister, but who delivers the mail? A study of political knowledge amongst young people', *Australian Journal of Political Science*, 30, 74-90.
- Welfare Rights Centre (1998), *Welfare Rights Centre Guide to Social Security Payments*, Wall Chart, September, Welfare Rights Centre, Sydney.
- White, R. (1997), *Any Which Way You Can: Youth Livelihoods, Community Resources and Crime*, Australian Youth Foundation, Sydney.
- Wilson, K (1992), 'Income support for young unemployed people: issues of adequacy, cost of living and parental support', *Social Security Journal*, Autumn, 49-60.
- Wooden, M. (1998), 'The labour market for young Australians', in *Australia's Youth: Reality and Risk*, Dusseldorp Skills Forum, Sydney.



## SOCIAL POLICY RESEARCH CENTRE DISCUSSION PAPERS

◆ No longer available.

◇ Published in Journal (list follows)

1. ◆◇	The Labour Market Position of Aboriginal People in Non-Metropolitan New South Wales	Russell Ross	August 1988
2. ◆	Welfare Fraud, Work Incentives and Income Support for the Unemployed	Bruce Bradbury	August 1988
3. ◆◇	Taxation and Social Security: An Overview	Peter Whiteford	August 1988
4. ◆◇	Income Inequality in Australia in an International Comparative Perspective	Peter Saunders & Garry Hobbes	August 1988
5. ◆◇	Family Size Equivalence Scales and Survey Evaluations of Income and Well-Being	Bruce Bradbury	December 1988
6. ◆◇	Income Testing the Tax Threshold	Peter Whiteford	December 1988
7. ◆	Workers' Compensation and Social Security Expenditure in Australia: Anti-Social Aspects of the 'Social' Wage	Don Stewart & Jennifer Doyle	December 1988
8. ◆	Teenagers in the Labour Market: 1983-1988	Russell Ross	December 1988
9. ◆	A Legacy of Choice: Economic Thought and Social Policy in Australia, the Early Post-War Years	Paul Smyth	May 1989
10. ◆◇	The 'Family Package' and the Cost of Children	Bruce Bradbury	May 1989
11. ◆	Towards an Understanding of Commonwealth Social Expenditure Trends	Peter Saunders	May 1989
12. ◆◇	A Comparative Study of Home and Hospital Births: Scientific and Normative Variables and their Effects	Cathy Boland	July 1989
13. ◆	Adult Goods and the Cost of Children in Australia	Bruce Bradbury	July 1989
14. ◆◇	Some Australian Evidence on the Consensual Approach to Poverty Measurement	Peter Saunders & Bruce Bradbury	July 1989
15 ◇	Income Inequality in Australia and New Zealand: International Comparisons and Recent Trends	Peter Saunders, Garry Hobbes & Helen Stott	September 1989
16. ◆◇	Trends in the Disposable Incomes of Australian Families, 1982-83 to 1989-90	Bruce Bradbury, Jennifer Doyle & Peter Whiteford	January 1990

17.◇	Selectivity and Targeting in Income Support: The Australian Experience	Peter Saunders	February 1990
18.◆◇	How Reliable are Estimates of Poverty in Australia? Some Sensitivity Tests for the Period 1981-82 to 1985-86	Bruce Bradbury & Peter Saunders	February 1990
19.◆◇	The Labour Supply Behaviour of Single Mothers and Married Mothers in Australia	Russell Ross & Peter Saunders	July 1990
20.◆◇	Income Poverty Among Aboriginal Families with Children: Estimates from the 1986 Census	Russell Ross & Peter Whiteford	July 1990
21.◇	Compensating Low Income Groups for Indirect Tax Reforms	Peter Saunders & Peter Whiteford	August 1990
22.◆◇	Reflections on the Review of the Home and Community Care Program	Peter Saunders	August 1990
23.◆◇	Sole Parent Families in Australia	Peter Saunders & George Matheson	September 1990
24.◇	Unemployment, Participation and Family Incomes in the 1980s	Bruce Bradbury	September 1990
25.◆◇	Employment Growth and Poverty: An Analysis of Australian Experience, 1983-1990	Peter Saunders	September 1990
26.◆	Gender, Social Policy Regimes and the Welfare State	Sheila Shaver	November 1990
27.	A Probit Analysis of the Factors Influencing Labour Market Success of Aborigines in New South Wales	Russell Ross	November 1990
28.◆◇	Efficiency and Effectiveness in Social Policies: An International Perspective	Peter Saunders	December 1990
29.	Take-up of Family Income Supplement in 1986 - A Research Note	Peter Whiteford & Jennifer Doyle	February 1991
30.◇	An Ever-Rising Tide? Poverty in Australia in the Eighties:	Peter Saunders & George Matheson	May 1991
31.◇	Are Immigrants Over-Represented in the Australian Social Security System?	Peter Whiteford	March 1992
32.	Measuring the Cost of Children	Bruce Bradbury	May 1992
33.◇	The Impact of Family Assistance Changes on Patterns of Unemployment Benefit Receipt	Bruce Bradbury	August 1992
34.◇	Recent Trends in the Size and Growth of Government in OECD Countries	Peter Saunders	September 1992

35.◇	Noncash Income, Living Standards, Inequality and Poverty: Evidence from the Luxembourg Income Study	Peter Saunders et al	November 1992
36.◆◇	The Mixed Economy of Support for the Aged In Australia: Lesson for Privatisation	Peter Saunders & Michael Fine	November 1992
37.	The Welfare Interpretation of Family Size Equivalence Scales	Bruce Bradbury	November 1992
38.◇	Body Rights, Social Rights and the Liberal Welfare State	Sheila Shaver	December 1992
39.◇	Unemployment and Income Support: Challenges for the Years Ahead	Bruce Bradbury	May 1993
40.◇	Married Women's Earnings and Family Income Inequality in the Eighties	Peter Saunders	May 1993
41.	Women and the Australian Social Security System: From Difference Towards Equality	Sheila Shaver	June 1993
42.	Male Wage Inequality Before and After Tax: A Six Country Comparison	Bruce Bradbury	June 1993
43.◆	The Fragmented Structure of Community Support Services: A Community Case Study	Michael Fine	June 1993
44.◆◇	The Recognition of Wifely Labour by Welfare States	Sheila Shaver & Jonathan Bradshaw	August 1993
45.	Postmodernism and Social Policy: A Great Leap Backwards?	Peter Taylor-Gooby	September 1993
46.◇	Making Ends Meet in Australia and Sweden: A Comparative Analysis of the Consensual Approach to Poverty Measurement	Peter Saunders, Björn Halleröd & George Matheson	October 1993
47.◆	Economic Adjustment and Distributional Change: Income Inequality and Poverty in Australia in the Eighties	Peter Saunders	November 1993
48.◆◇	Poverty and Inequality: Social Security in Australia in the 1990s	Peter Saunders	May 1994
49.◇	Rising on the Tasman Tide: Income Inequality in Australia and New Zealand in the 1980s	Peter Saunders	June 1994
50.	A New Approach to the Direct Measurement of Consensual Poverty	Björn Halleröd	October 1994
51.	The Distribution of Welfare: Inequality, Earnings Capacity and Household Production in a Comparative Perspective	Peter Saunders Inge O'Connor & Timothy Smeeding	November 1994
52.◇	Immigrants and the Distribution of Income: National and International Comparisons	Peter Saunders	November 1994

53.◇	The Role, Value and Limitations of Poverty Research	Peter Saunders	November 1994
54.◇	The Use of Replacement Rates In International Comparisons of Benefit Systems	Peter Whiteford	February 1995
55.◇	Two Papers on Citizenship and the Basic Income	Peter Saunders & Sheila Shaver	April 1995
56.◇	Improving Work Incentives in a Means-tested System: The 1994 Australian Social Security Reforms	Peter Saunders	May 1995
57.◆	Corporatism in Australia	Peter Kriesler & Joseph Halevi	May 1995
58.	Universality and Selectivity in Income Support: A Comparative Study in Social Citizenship	Sheila Shaver	May 1995
59.	Household Semi-public Goods and the Estimation of Consumer Equivalence Scales: Some First Steps	Bruce Bradbury	May 1995
60.◇	Wage and Income Inequality in Two Welfare States: Australia and Sweden	Peter Saunders & Johann Fritzell	August 1995
61.◆	The Changing Mix of Welfare in Health Care and Community Support Services	Michael Fine	August 1995
62.◇	Evaluation and Research in Social Policy	Peter Saunders & Michael Fine	December 1995
63.◇	Unpacking Inequality: Wage Incomes, Disposable Incomes and Living Standards	Peter Saunders	December 1995
64.◆◇	A Challenge to Work and Welfare: Poverty in Australia in the 1990s	Peter Saunders	December 1995
65.◆◇	Social Policy and Personal Life: Changes in State, Family and Community in the Support of Informal Care	Sheila Shaver & Michael Fine	December 1995
66.	Household Income Sharing, Joint Consumption and the Expenditure Patterns of Australian Couples and Single People	Bruce Bradbury	May 1996
67.	Explaining Changes in the Social Structure of Employment: The Importance of Geography	Boyd Hunter	June 1996
68.	Liberalism, Gender and Social Policy	Sheila Shaver	July 1996
69.	Redistribution by the State in Austria	Alois Guger	October 1996
70.	Economic Crisis and Social Policy in Finland in the 1990s	Hannu Uusitalo	October 1996

71.	Sole Mothers in Australia: Supporting Mothers to Seek Work	Marilyn McHugh & Jane Millar	November 1996
72.	'All Else Confusion': What Time Use Surveys Show About Changes in Gender Equity	Michael Bittman & George Matheson	November 1996
73.	Are the Low Income Self-employed Poor?	Bruce Bradbury	December 1996
74.	Social Policy in East Asia and the Pacific Area in the Twenty-First Century: Challenges and Responses	Peter Saunders	December 1996
75.	Dawning of a New Age? The Extent, Causes and Consequences of Ageing in Australia	Peter Saunders	December 1996
76.	Poverty, Choice and Legitimacy	Peter Saunders	March 1997
77.	The Restructuring of the Canadian Welfare State: Ideology and Policy	Maureen Baker	June 1997
78.	Developing Policy Planning and Research Capabilities in the Asia Pacific	Peter Saunders	October 1997
79.	New Relations of Welfare in the Contracting State: The Marketisation of Services for the Unemployed in Australia	Tony Eardley	October 1997
80.	Coordinating Health, Extended Care and Community Support Services: Issues for Policy Makers and Service Providers in Australia	Michael Fine	October 1997
81.	How do the Elderly in Taiwan Fare Cross-Nationally? Evidence from the Luxembourg Income Study Project	Peter Saunders & Timothy M. Smeeding	April 1998
82.	An Australian Model for Labour Supply and Welfare Participation in Two-adult Households	Guyonne Kalb	June 1998
83.	The Land of the Lost Long Weekend? Trends in Free Time Among Working Age Australians, 1974-1992	Michael Bittman	June 1998
84.	Defining Poverty and Identifying the Poor: Reflections on the Australian Experience	Peter Saunders	June 1998
85.	An Equivalence Scale for Time	Michael Bittman & Robert E. Goodin	July 1998
86.	The Changing Boundary Between Home and Market: Australian Trends in Outsourcing Domestic Labour	Michael Bittman, Gabrielle Meagher & George Matheson	July 1998
87.	Incomes, Incentives and the Growth of Means Testing in Hungary	Gerry Redmond	August 1998

88.	Economic Insecurity	Lars Osberg	October 1998
89.	Household Budgets and Income Distribution Over the Longer Term: Evidence for Australia	Peter Saunders	October 1998
90.	Global Pressures, National Responses: The Australian Welfare State in Context	Peter Saunders	October 1998
91.	Working But Poor? Low Pay and Poverty in Australia	Tony Eardley	November 1998
92.	Extension Amidst Retrenchment: Gender and Welfare State Restructuring in Australia and Sweden	Sheila Shaver	December 1998
93.	Using Budget Standards to Assess the Well-Being of Families	Peter Saunders	December 1998
94.	Later Life, Gender and Ethnicity: Changing Theory for Social Policy Research	Gail Wilson	December 1998
95.	Social Participation and Family Welfare: The Money and Time Costs of Leisure	Michael Bittman	February 1999
96.	The Increasing Financial Dependency of Young People on Their Families	Judy Schneider	February 1999
97.	The Rush Hour: The Quality of Leisure Time and Gender Equity	Michael Bittman & Judy Wajcman	February 1999
98.	Women and Retirement Income in Australia: Social Rights, Industrial Rights and Property Rights	Merrin Thompson	May 1999
99.	The 'Dutch Miracle': Employment Growth in a Retrenched but Still Generous Welfare System	Uwe Becker	May 1999
100.	Tax Theory and Targeting: A Survey	Bruce Bradbury	May 1999
101.	Home and Away: Reflections on Long-term Care in the UK and Australia	Melanie Henwood	June 1999
102.	Australian Attitudes to Unemployment and Unemployed People	Tony Eardley and George Matheson	June 1999
103.	The Costs of Children: Budget Standards Estimates and the Child Support Scheme	Marilyn McHugh	July 1999
104.	Tax-benefit Policies and Parents' Incentives to Work: The Case of Australia 1980-1997	Gerry Redmond	July 1999

105. The Responsibility for Child and Aged Care: Michael Fine August 1999  
Shaping Policies for the Future

## SOCIAL POLICY RESEARCH CENTRE REPRINTS

The following Discussion Papers have been published in journals or books. Where indicated, Reprints of the articles are available from the SPRC at the cost of \$2.00 each. To order reprints, quote the Reprint number and attach a cheque or money order made out to the Social Policy Research Centre. Send orders to:

The Publications Officer  
Social Policy Research Centre  
University of New South Wales  
Sydney NSW 2052  
Australia

DP No.	Published as	SPRC Reprint No. (if applicable)
1.	Russell Ross (1988), 'The Labour Market Position of Aboriginal People in Non-metropolitan New South Wales', <i>Australian Bulletin of Labour</i> , 15(1), December, 29-56.	48
3.	Peter Whiteford (1989), 'Taxation and Social Security: An Overview', <i>Australian Tax Forum</i> , 6(1), 2-39.	49
4.	Peter Saunders and Garry Hobbes (1988), 'Income Inequality in an International Comparative Perspective,' <i>Australian Economic Review</i> , 3rd Quarter, 25-34.	47
5.	Bruce Bradbury (1989), 'Family Size Equivalence Scales and Survey Evaluations of Income and Well-being', <i>Journal of Social Policy</i> , 18(3), July, 383-408.	52
6.	Peter Whiteford (1989), 'Taxation Reform and the Tax Threshold', in John G. Head, ed., <i>Australian Tax Reform in Retrospect and Prospect</i> , papers presented at a conference organised by the Centre of Policy Studies, Monash University, Conferences Series no. 8, Australian Tax Research Foundation, Sydney, 219-47.	
10.	Bruce Bradbury (1989), 'The "Family Package" and the Cost of Children', <i>Australian Social Policy</i> , 1(12), Winter, 21-51.	59
12.	Cathy Boland (1989), 'A Comparative Study of Home and Hospital Births: Scientific and Normative Variables and Their Effects', in <i>Celebrating a Revolution in Birth: Proceedings of 10th National Homebirth Conference</i> , Sydney, 19-33.	
14.	Peter Saunders and Bruce Bradbury (1991), 'Some Australian Evidence on the Consensual Approach to Poverty Measurement', <i>Economic Analysis and Policy</i> , 21(1), March, 47-73.	62
15.	Peter Saunders, Helen Stott and Garry Hobbes (1991), 'Income Inequality in Australian and New Zealand: International Comparisons and Recent Trends', <i>Review of Income and Wealth</i> , 37(1), March, 63-79.	47



DP No.	Published as	SPRC Reprint No. (if applicable)
16.	Bruce Bradbury, Jenny Doyle and Peter Whiteford (1993), 'Trends in the Disposable Income and Housing Costs of Australian Families', Greg Mahoney, ed., <i>The Australian Economy under Labor</i> , Allen and Unwin, Sydney, 137-158.	71
17.	Peter Saunders (1991), 'Selectivity and Targeting in Income Support: The Australian Experience', <i>Journal of Social Policy</i> , 20(3), 299-326.	
18.	Bruce Bradbury and Peter Saunders (1990), 'How Reliable are Estimates of Poverty in Australia? Some Sensitivity Tests for the Period 1981-82 to 1985-86', <i>Australian Economic Papers</i> , 29(55), December 154-81.	60
19.	Russell Ross and Peter Saunders (1993), 'The Labour Supply of Sole Mothers and Married Mothers in Australia: Evidence from the 1986 Income Distribution Survey', <i>Australian Economic Papers</i> , Vol. 32, June, 116-133.	
20.	Russell Ross and Peter Whiteford (1992), 'Poverty in 1986: Aboriginal Families with Children', <i>Australian Journal of Social Issues</i> , 27(2), May, 92-111.	61
21.	Peter Saunders and Peter Whiteford (1990), 'Compensating Low Income Groups for Indirect Taxes', <i>Australian Tax Forum</i> , 7(4), 443-64.	
22.	Peter Saunders (1990), 'Reflections on the Review of the HACC Program', in A. Howe, E. Ozanne and C. Selby Smith, eds, <i>Community Care Policy and Practice: New Directions in Australia</i> , Public Sector Management Institute, Monash University, Victoria, 201-12.	63
23.	Peter Saunders and George Matheson (1991), 'Sole Parent Families in Australia', <i>International Social Security Review</i> , 44(3), 51-75.	
24.	Bruce Bradbury (1992), 'Unemployment, Participation and Family Incomes in the 1980s', <i>Economic Record</i> , 68(203), December, 328-42.	73
25.	Peter Saunders (1991), 'Employment Growth and Poverty: An Analysis of the Australian Experience 1982-1990', in Michael Johnson, Peter Kriesler and Anthony D. Owen, eds, <i>Contemporary Issues in Australian Economics</i> , The Economic Society of Australia, Macmillan, Australia, 105-33. (Also excerpts in <i>ACTCOSS News</i> , 5 October, 12-14.)	
28.	Peter Saunders (1991), 'Efficiency and Effectiveness in Social Policies: an International Perspective', in T. P. Hardiman and Michael Mulreany, eds, <i>Efficiency and Effectiveness in the Public Domain</i> , Institute of Public Administration, Dublin, 78-117.	

DP No.	Published as	SPRC Reprint No. (if applicable)
30.	Peter Saunders and George Matheson (1991), 'An Ever Rising Tide?: Poverty in Australia in the Eighties', <i>Economic and Labour Relations Review</i> , 2(2), December, 142-71.	67
31.	Peter Whiteford (1991), 'Are immigrants over-represented in the Australian social security system?', <i>Journal of the Australian Population Association</i> , 8(2), November, 93-109.	
33.	Bruce Bradbury (1993), 'Family Assistance and the Incomes of Low Wage Families', <i>Social Security Journal</i> , March, 1-18. and Bruce Bradbury (1993), 'Family Assistance, Replacement Rates and the Unemployment of Married Men', <i>Australian Bulletin of Labour</i> , Vol. 19, No. 2, June, 114-132.	70
34.	Peter Saunders (1993), 'Recent Trends in the Size and Growth of Government in OECD Countries', in Normal Gemmell, ed., <i>The Growth of the Public Sector: Theories and International Evidence</i> , Edward Elgar, Aldershot, 17-33.	
35.	Timothy M. Smeeding, Peter Saunders, John Coder, Stephen Jenkins, Johan Fritzell, Aldi J. M. Hagenaars, Richard Hauser and Michael Wolfson (1993), 'Poverty, Inequality and Family Living Standards Impacts Across Seven Nations: The Effects of Noncash Subsidies for Health, Education and Housing', <i>The Review of Income and Wealth</i> , Series 39, No. 3, September, 229-256.	
36.	Peter Saunders and Michael Fine (1992), 'The Mixed Economy of Support for the Aged in Australia: Lessons for Privatisation', <i>Economic and Labour Relations Review</i> , 3(2), December, 18-42.	69
38.	Sheila Shaver (1993), 'Body Rights, Social Rights and the Liberal Welfare State', <i>Critical Social Policy</i> , Issue 39, Winter 1993/94, 66-93.	72
39.	Bruce Bradbury (1993), 'Unemployment, and Income Support: Challenges for the Years Ahead', <i>Economic Papers</i> , Vol. 12, No. 2, June, 14-31.	
40.	Peter Saunders (1993), 'Married Women's Earnings and Family Income Inequality in the Eighties', <i>Australian Bulletin of Labour</i> , Vol. 19, No. 3, 3-22.	
44.	Sheila Shaver and Jonathan Bradshaw (1995), 'The Recognition of Wifely Labour by Welfare States', <i>Social Policy and Administration</i> , Vol. 29, No.1, March, 10-25.	
46.	Peter Saunders, Björn Halleröd and George Matheson (1994), 'Making Ends Meet in Australia and Sweden: A Comparative Analysis Using the Subjective Poverty Line Methodology', <i>Acta Sociologica</i> , Vol. 37, No. 3, 3-22.	

DP No.	Published as	SPRC Reprint No. (if applicable)
48.	Peter Saunders (1993), 'Poverty and Inequality: Social Security in the 1990s', in J. Disney and L. Briggs, eds, <i>Social Security Policy: Issues and Options</i> , papers from the Conference, 'Social Security Policy: The Future', November, AGPS 29-48.	
49.	Peter Saunders (1994), 'Rising on the Tasman Tide: Income Inequality in Australia and New Zealand', <i>Social Policy Journal of New Zealand</i> , Issue 2, July, 97-114.	
52.	Peter Saunders, 'The Immigrant Dimension of Income Inequality' in J. Neville, ed., <i>As the Rich Get Richer: Changes in Income Distribution</i> , Committee for the Economic Development of Australia (CEDA), Sydney, 66-86.	
53.	Peter Saunders (1995), 'In Defence of a Poverty Line', <i>Just Policy</i> , No. 4, September, 9-16.	
54.	Peter Whiteford (1995), 'The Use of Replacement Rates in International Comparisons of Benefit Systems', <i>International Social Security Review</i> , Vol. 48, No.2/95, 3-30.	
55.	Peter Saunders (1995), 'Conditionality and Transition as Issues in the Basic Income Debate', in <i>Income Support in an Open Economy: Basic Income Seminar</i> , Victorian Council of Social Service and the Good Shepherd Youth and Family Services, Melbourne, 51-62.	
56.	Peter Saunders (1995), 'Improving Work Incentives in a Means-Tested Welfare System: The 1994 Australian Social Security Reforms', <i>Fiscal Studies</i> , Vol. 16, No. 2, May, 145-70.	
60.	Johan Fritzell and Peter Saunders (1995), 'Wage and Income Inequality in Two Welfare States: Australia and Sweden', in F. Engelstad, R. Kalleberg, A. Lura and L. MjØset, eds, <i>Comparative Social Research, Volume 15: Institutional Aspects of Work and Wage Determination</i> , JAI Press, Greenwich, CT, 187-229. Also in <i>Comparative Social Research Yearbook</i>	
62.	Peter Saunders and Michael Fine (1997), 'Evaluation and Research in Social Policy', <i>Australian Journal of Social Research</i> , Vol. 3, No. 1, January, 75-94.	
63.	Peter Saunders (1996), 'Unpacking Inequality: Wage Incomes, Disposable Incomes and Living Standards', in <i>The Industry Commission Conference on Equity, Efficiency and Welfare, Conference Proceedings</i> , AGPS, Canberra, 225-55.	
64.	Peter Saunders (1996), 'Poverty in the 1990s: A Challenge to Work and Welfare', in P. Sheehan, B. Grewal and M. Kumnick, eds, <i>Dialogues in Australia's Future: In Honour of the Late Professor Ronald Henderson</i> , Centre for Strategic Economic Studies, Victoria University of Technology, Melbourne, 325-50.	

65. Sheila Shaver and Michael Fine (1996), 'Social Policy and Personal Life: Changes in State, Family and Community in the Support of Informal Care' in Aged and Community Care Division and Office of Disability, Department of Human Services and Health, *Towards a National Agenda for Carers, Workshop Papers*, No. 22, AGPS, Canberra, 19-36.