

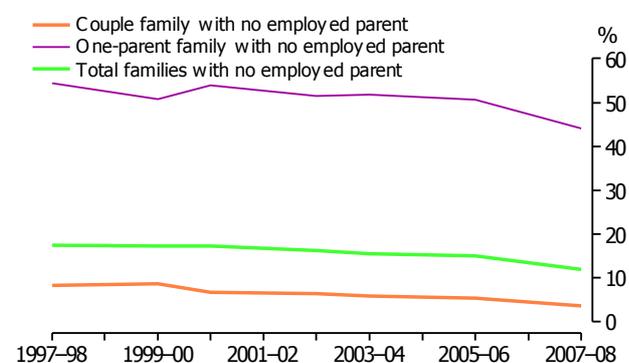
# Jobless families

Employment can provide an individual with benefits in terms of financial security, self-esteem and social engagement. Families with no employed parent may be at risk of economic disadvantage and reduced social opportunities, and these in turn may impact on the wellbeing of the family members.

Children are amongst the most vulnerable of the family members and may be at greater risk of experiencing financial hardship and income poverty. Furthermore, a child's future economic success may depend on their access to economic resources during the first 15 years of life.<sup>1</sup> Living without an employed parent may also raise the risk of these children growing up to be jobless themselves.<sup>2</sup> However, while studies point to a higher incidence of poor outcomes for children living without an employed parent, it is important to note that results do not indicate a simple deterministic pattern – that is, childhood experiences of family joblessness do not necessarily result in adverse outcomes. In some circumstances living without an employed parent may be positive for the child, for example if the parents choose not to work in order to care for the child. A parent may also undertake study and this may mean that the economic wellbeing of the family is improved in the longer term.

The Social Inclusion Board recently reported that Australia has one of the highest levels of joblessness amongst families of all developed countries in the OECD.<sup>2,3</sup> Jobless families with children have been identified by the Australian Government as a top priority for the Australian Social Inclusion Board to address.

## Jobless families with children(a) by family type – 1997-98 to 2007-08



(a) Children aged less than 15 years.

Source: ABS, 1997-98, 1999-00, 2000-01, 2002-03, 2003-04, 2005-06, 2007-08 Surveys of Income and Housing

## Data source and definitions

This article uses data from the 2007-08 Survey of Income and Housing. Data from this survey are restricted to a point-in-time measure.

In this article, a *family with no employed parent* or a *jobless family* refers to a family with at least one child aged less than 15 years in which no resident parent is employed. This includes parents who are unemployed or not in the labour force. Other members of the family or household in which the family lives may be employed.

A *family* is two or more persons, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who are usually resident in the same household.

In this article *children* are those aged under 15 years or dependent full-time students aged between 15 and 24 years, who are usually resident in the household.

A *couple family* with children is comprised of two usual residents, both aged 15 years and over, who are married to each other or living in a de facto relationship with each other, who have at least one child aged less than 15 years usually resident in the household.

A *one-parent family* is comprised of one parent with no resident partner (married or de facto), with at least one child aged less than 15 years usually resident in the household.

*Unemployed* people are those aged 15 years and over who were not employed, but were available for work and who were actively looking for work at the time of the interview.

*Not in the labour force* refers to those people aged 15 years and over who were not employed and who were not actively looking for work at the time of the interview.

## Changes over time

In 2007-08, there were 266,000 families with at least one child aged less than 15 years with no employed parent. Jobless families as a proportion of all families with children has decreased from 18% in 1997-98 to 12% in 2007-08. This overall fall can partly be related to the decade's economic growth, when the unemployment rate fell from 7.7% in 1998 to 4.2% in 2008. During this time, the percentage of couple families who were jobless decreased from 8.4% in 1997-98 to 3.6% in 2007-08.

Over the same decade, the proportion of one-parent families with no employed resident parent also decreased, from 54% to 44%. This may be related to the increased availability of part-time work, increased economic prosperity over the decade and changes to government

policy. These changes included the introduction of childcare benefits and rebates, and changes in eligibility requirements to the Parenting Payment.

While the overall proportion of families with no employed parent has decreased over the past decade, there has been a shift in the distribution of couple and one-parent families. In 1997–98 one-parent families made up three-fifths (61%) of all families without an employed parent, but by 2007–08 this had increased to around three-quarters (76%). Most jobless one-parent families were headed by mothers (93%).

## Family composition

In 2007–08 over 500,000 children aged less than 15 years lived in a family with no employed parent, and almost three-quarters (73%) of these children lived in one-parent families.

Of all children living in one-parent families, half lived with no employed parent. Of all children living in couple families, 4.2% lived with no employed parent.

In approximately half (47%) of all jobless families, the youngest child was aged less than five years. In a further 32% of these families the youngest child was aged between five and nine years, and in the remaining 21% the youngest child was aged between 10 and 14 years.

In almost half (47%) of jobless one-parent families the youngest child was aged less than five years compared with one-quarter (25%) of one-parent families where the resident parent was employed. This suggests that caring for a young child may be an important reason for parents not working, particularly in one-parent families.

Families with no employed parent were more likely to have a larger number of children than families with at least one employed parent.

### Proportion of families with children(a) by age of youngest child – 2007-08

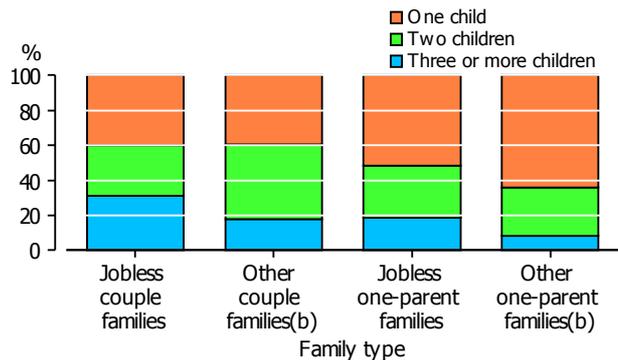
Family type	Age of youngest child (years)			
	0-4	5-9	10-14	Total
Families with no employed parent	46.8	32.2	21.1	100.0
Couple families	44.9	27.3	*27.8	100.0
One-parent families	47.4	33.7	18.9	100.0
Families with at least one employed parent	44.5	27.1	28.4	100.0
Couple families	47.4	26.1	26.5	100.0
One-parent families	25.2	33.5	41.3	100.0

\* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) Children aged less than 15 years.

Source: ABS 2007-08 Survey of Income and Housing

### Families with children(a), number of children aged less than 15 years in family – 2007-08



(a) Children aged less than 15 years.

(b) Other couple and one-parent families refers to all families with at least one parent employed with at least one child less than 15 years.

Source: ABS 2007-08 Survey of Income and Housing

In 22% of jobless families (both couple and one-parent) there were three or more children aged less than 15 years, compared with 16% of families with at least one employed parent. This difference was more pronounced for one-parent families where around one-fifth (19%) of jobless one-parent families had three or more children aged less than 15 years, compared with under one-tenth (8.4%) of one-parent families where the resident parent was employed.

## Household income

The economic wellbeing of a family is largely determined by its income and housing circumstances.<sup>4</sup> Looking at the distribution of income across all jobless families (couple and one-parent) a substantial majority (81%) had a weekly equivalised household income in the lowest 20%, compared with 12% of families with at least one parent employed. Of the 159,000 jobless families who had a weekly equivalised household income in the lowest 20%, over two-thirds (68%) were one-parent families.

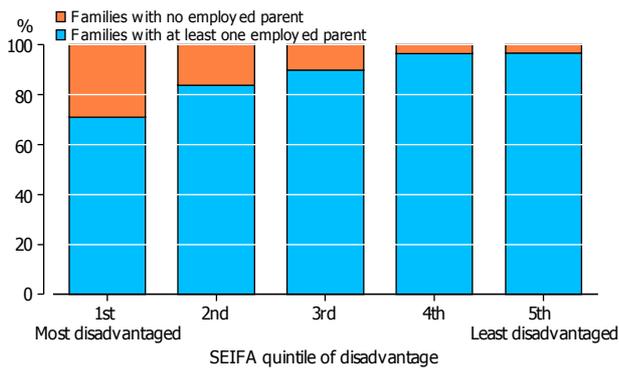
A very small proportion of all jobless families (around 5%) had a weekly equivalised household income in the top 60% compared with almost two-thirds (63%) of families with at least one employed parent.

### ...principal source of income

The vast majority (90%) of all families with no employed parent received their principal source of income from government pensions and allowances, compared with just 6% of families with at least one employed parent.

Approximately 6% of jobless one-parent families received their principal source of income from other sources – this includes income from child support payments.

## Families with children(a) by relative disadvantage of area(b) – 2007-08



(a) Children aged less than 15 years.

(b) 1st quintile - most disadvantaged; 5th quintile - least disadvantaged.

Source: ABS 2007-08 Survey of Income and Housing

### Socioeconomic factors

The Socio-Economic Index of Disadvantage (SEIFA) summarises the attributes of an area in which people live (including low income, low educational attainment and unemployment). Geographical areas are ranked according to their index score, with the first quintile made up of the most disadvantaged areas and the fifth quintile made up of the least disadvantaged areas.

Almost one-third (29%) of the families living in areas of greatest relative disadvantage were jobless compared with around 3% of jobless families living in areas of lowest relative disadvantage. Of the 121,000 jobless families living in the areas of greatest relative disadvantage a substantial majority (79%) were one-parent families.

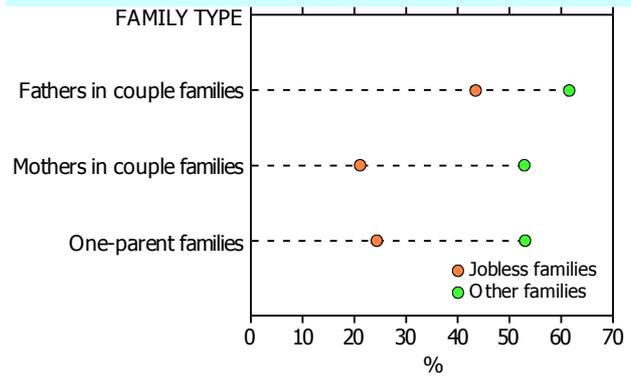
### ...tenure

For most families the provision of ongoing housing is usually their largest single expense. For families which own their homes it is commonly their largest asset and one that provides a key economic resource for maintaining their economic wellbeing. This analysis measures the tenure type of the head of the family.

Over 190,000 families with no employed parent were renters and of these families the vast majority (81%) were one-parent families. Of all jobless families who were renting, 36% were renting from a state or territory housing authority and 62% were renting from a private landlord.

Families with no employed parent were less likely to own their own home (with or without a mortgage) (25%) than families with at least one employed parent (72%).

## Families with children(a), proportion of parents with non-school qualifications – 2007-08



(a) Children aged less than 15 years.

Source: ABS 2007-08 Survey of Income and Housing

### ...parent's education

Higher levels of educational attainment are often associated with increased employment opportunities and higher wages. Parents in jobless families (either couple or one-parent) were less likely to have attained a non-school qualification than those parents who were employed.<sup>5</sup>

In couple families with no employed parent, around one-fifth (21%) of mothers and over two-fifths of fathers (44%) had completed a non-school qualification. In comparison, in couple families with at least one employed parent over one-half of mothers (53%) and almost two-thirds of fathers (62%) had a non-school qualification.

In jobless one-parent families around one-quarter (24%) of parents had a non-school qualification compared with around a half (53%) of parents in one-parent families where the resident parent was employed.

### Other employed people in the household

The employment status of the parents is particularly influential on the child in terms of economic wellbeing and offering a working role model. Most jobless families live in single family households where no person is employed, however some live in households where other related or unrelated people may be working, for example older siblings. While the employed person's income is not necessarily shared it may contribute to the family's economic wellbeing by, for example, contributing to shared dwelling costs. These employed people may also offer a role model for the child in terms of work ethics and social responsibility.<sup>6</sup>

In 2007-08, around 14% of jobless families (couple and one-parent) lived in households where someone else was employed.<sup>7</sup> Most of these (around 82%) were one-parent families.

## Looking ahead

The Australian Government has identified addressing the incidence and needs of jobless families with children as a priority. Professor Peter Whiteford has been commissioned by the Australian Social Inclusion Board to undertake work in this area. In 2009 Whiteford reported that "family joblessness is one of the most significant problems facing Australian society today," stating that the number of jobless families had increased since 2008.<sup>8</sup> Whiteford maintained that new policies are needed to support families in entering and staying attached to the workforce to ensure that new generations of children are not disadvantaged by family joblessness.<sup>9</sup>

## Endnotes

- 1 Department of Education, Employment and Workplace Relations, 2009, [Social Inclusion: Jobless Families in Australia: Their Prevalence, Personal and Societal Costs, and Possible Policy Responses](#), Australian Government, Canberra, p. 2.
- 2 Peter Whiteford, 2009, [Social Inclusion: Family Joblessness in Australia](#), Australian Government, Canberra, p. 4.
- 3 Organisation for Economic Co-operation and Development (OECD).
- 4 For the purpose of this income focused analysis, jobless families will be measured at a household level. In this section jobless families or families with no employed parent refer to families with dependent children living in single family households where no adult in the household is employed. Income estimates are equalised to take into account household size and composition.
- 5 Non-school qualifications include Postgraduate Degree, Graduate Diploma/Graduate Certificate, Bachelor Degree, Advanced Diploma/Diploma and Certificate Level.
- 6 Australian Institute of Health and Welfare, 2009, [Australia's Welfare 2009](#), cat. no. AUS 117, AIHW, Canberra, p. 35.
- 7 This refers to jobless families living in single family households.
- 8 Peter Whiteford is a Professor at the University of New South Wales and works in the Social Policy Research Centre; Peter Whiteford, 2009, [Social Policy and Research Centre: Family Joblessness in Australia](#), Newsletter No. 102, University of New South Wales, p. 3; and Peter Whiteford, 2009, *Family Joblessness on the Rise*, Australian Policy Online, viewed 23 November 2009, <[www.apo.org.au](http://www.apo.org.au)>.
- 9 Peter Whiteford, 2009, *Family Joblessness on the Rise*.