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Australian Women’s and Men’s Incomes by Age of Youngest Child

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Abstract
Responsibility for children impacts on women’s and men’s paid and unpaid work. Paid and unpaid work impact on each other. Aiming to ‘allow men and women to care equally for their families’ frames the issue as one of gender equality. While this is valid, sharing responsibility for children is also a matter of equity between parents and non-parents. The unpaid work of caring for children is an economic input, and the person who contributes this work is likely to suffer the consequences of reduced labour market earning. In Australia, there is some recognition of these matters, with government assistance to most families with the costs of raising children. As we develop a better understanding of how the work of caring for young children restricts parents’ ability to earn labour market income we will be better placed to develop realistic resourcing models. This study presents a new way of looking at income data and highlights the need for further research into incomes following childbearing and the way that incomes vary between women and men, and with the age of the youngest child.

Keywords
Paid work, unpaid work, families, children, average weekly income.

Introduction
Responsibility for children impacts on women’s and men’s paid and unpaid work. Time use surveys reveal gendered impacts, with changes in women’s paid and unpaid work much greater than those for men. Typically, women who become mothers, whether partnered or single, whether in paid work or not, undertake more than a full working week’s worth of unpaid work, and their paid work drops dramatically. As children grow, mothers’ paid work increases, and unpaid work decreases a little (Lyn Craig 2005, 2004, 2002; Craig and Bittman 2005; Pocock 2003).

Paid and unpaid work impact on each other (Alison Morehead, 2005). The HREOC Inquiry into balancing work and family responsibilities is just one sign of the widespread dissatisfaction with Australia’s current social arrangements for people to raise children and earn a living. Introducing their Striking the balance discussion paper, the HREOC website (2005) states:

[W]e will not be successful unless we ensure men and women have the same opportunities to engage in paid work and unpaid caring work. While we have come a long way in opening up opportunities for women in paid work, we have not had the same success in allowing men and women to care equally for their families. It is this second half of the equality revolution that this project aims to accelerate.

Aiming to ‘allow men and women to care equally for their families’ frames the issue as one of gender equality. While this is valid, sharing responsibility for children is also a matter of equity between parents and non-parents. Nancy Folbre (2005)
argues that while the community as a whole benefits from children, the costs are borne disproportionately by the parents, or those who raise the children. Similarly, Bittman and Pixley (1997) argue that children should be seen as ‘public goods’ with the rest of the community free riders on the labour of parents, especially mothers. The key factors in this argument are that time spent on caring for young children is not available for labour market earning; and raising children is productive work that benefits the whole community.

The unpaid work of caring for children is an economic input, and the person who contributes this work is likely to suffer the consequences of reduced labour market earning. In Australia, there is some recognition of these matters, with government assistance to most families with the costs of raising children. However, these payments are seen as assistance with costs rather than recompense for lost earnings, with the possible exception of the maternity payment that was introduced following consideration of the introduction of paid maternity leave. Acknowledging both the economic value of caring for young children and opportunity costs to parents, Folbre (2005) argues that cash transfers to parents (which may be called welfare payments, family tax benefits, or tax credits) should be seen as payment for services rather than as welfare payments.

In order to achieve worthwhile change in our social arrangements, we must attend to both gender equity, and equity between parents and non-parents. In a humane society, we must make it possible for people who have responsibility for children to patch together an adequate income. If we aspire to gender equity, we must enable parents, regardless of gender, to care for their children and earn a living rather than having to specialise in one or the other.

We need to know more about the time required to care for babies and young children of different ages, and costs of providing that care in different circumstances. We need a better understanding of the failures of income support that allow so many Australian children to live in poverty. Keeping in mind that people’s actions reflect both preferences and constraints, we need to know more about income patterns among parents of babies and children of different ages. Are there common transition points when people typically reduce or increase labour market earning? What are the gender patterns?

The patterns of paid and unpaid work among Australians are complex, with many factors influencing and impinging on the overall picture. A good understanding involves looking at the picture in many different ways. Previous research has looked at time use, employment and family type. This article reports on research that adds another dimension to the picture – Australian women’s and men’s incomes by age of youngest child and family type. It shows that couple-family men are the only parents of dependent children who have any likelihood of achieving incomes commensurate with economic independence. Couple-family mothers, single mothers and single fathers are relatively unlikely to have incomes over $700 per week. This relationship to gender and family type was found to be much stronger than the relationship with age of youngest child.

**Literature Review**

Following the birth of children, women typically reduce their labour market activity and increase their unpaid work. Men typically increase both paid and unpaid work a little, but the impact on their paid and unpaid work is much less than is the case for mothers (Craig, 2002). As children grow, both women’s and men’s unpaid work decreases. By the time children reach school age, men’s average unpaid work has returned to pre-parenthood levels, but women’s unpaid work remains high, and is more than twice that of men (Craig, 2005). Responsibilities for paid and unpaid work interact to produce the patterns of people’s lives (Campbell & Charlesworth, 2004). Pocock (2003) found that both single mothers’ and couple mothers’ employment increased with the age of their youngest child.

The gendered division of labour that continues in Australia is understandable, as people try to make their lives work. However it has serious implications for women’s aspirations for economic independence and wellbeing, with flow-on impacts for children living in single-parent families.

Research in this area has included examination of time use survey data (Bittman & Pixley, 1997; Graig, 2004, 2002; Gilding, 2004; Ironmonger, 2001), modelling of loss of lifetime earnings (Breusch & Edith Gray, 2004; Gray & Chapman, 2001), modelling of costs of children (Australian Institute of
Family Studies, 2000), examination of mothers’ labour market activity (Cass, 2005; Walters, 2002), findings that divorcing women are likely to be worse off financially than their ex-partners (Bittman & Pixley, 1997; O’Connor, Orloff, & Shaver, 1999; Wolcott, & Helen Glezer, 1995), studies of attitudes and preferences in relation to work and family (Evans & Kelley, 2001; Hakim, 1996), and critical reflections on the concept of preferences (Morehead, 2005; Probert & Murphy, 2001), studies of household income across different household types (Household income and wealth, 2005), and international comparative modelling of mothers’ ability to form an independent household (Shaver & Sharon Burke, 2003). Related research includes international studies of fertility rates (McDonald, 2001) and qualitative research into the experiences of mothers following childbearing (Brown, Lumley, Small & Astbury, 1994).

Social Policy Significance

For better or worse, the subsistence way of life of our ancestors is simply not available to most of us. At a personal level we may resist capitalism, its values and imperatives. However, the provisioning of everyday life rests on what could be seen as modified capitalism. The basic capitalist proposition is that people can provision their lives either by investing wealth or selling their labour. Australia’s 20th century wage earners’ welfare state modified capitalism in two important ways. The Harvester decision established the family wage – the idea that an employer was obliged to pay men, as family breadwinners, a family wage sufficient to support their dependants as well as themselves. The second important modification was the introduction over many years of various welfare state provisions, including welfare payments to those unable to earn a living in the labour market.

Australia no longer has a family wage, but vestiges of male breadwinner expectations continue to underpin the structure of government cash transfers (welfare payments). For families caring for dependent children, these benefits have been somewhat de-stigmatised and de-gendered. However, social arrangements tend to privilege the male-breadwinner family model. The gendered division of labour in Australian families could be seen as couples ‘choosing’ a particular division of labour, particularly mothers ‘choosing’ to ‘be at home’ with babies and young children. Within this framework, single motherhood is seen as deviant. However, public dissatisfaction with present arrangement indicates that choices are forced by constraints rather than being expressions of preferences. In addition, poverty among single mothers and their children indicates that there is something badly wrong with the allocation of resources.

Public policy developers, politicians and activists in Australia and overseas struggle with this area, usually referred to as work / family policy. Important questions include how much state support should go to families raising children; whether that support should be used to encourage particular practices, such as marriage, gender equity in caring for young children, one-to-one care for the early period of a baby’s life, or encouragement for mothers to return to labour market earning; and whether single mothers should be treated differently from couple-family mothers.

As demonstrated by the recent struggle in Australia to establish a national paid maternity leave scheme, and its ambiguous outcome, these matters are complex and hotly contested (Grace, 2003). We need to have the philosophical and moral arguments about what is considered as real work worthy of a living wage, who should bear the costs of raising children, and whether it is reasonable for governments to assert a moral superiority for marriage. We need good quality qualitative and quantitative research into the impacts of children on parents’ lives, their aspirations, what frustrates those aspirations, and what policy initiatives would assist them to be ‘both the parents and the workers they want to be’ (Probert, 2001).

Income research that focuses on household income treats couple-family mothers as gendered members of households. In contrast, this study, consistent with Peter McDonald’s (2001) suggestion that mothers should be treated as individuals, attends to individual weekly income. This approach challenges the underlying male breadwinner assumption in Australian social policy.

In 2004, in order to find out more about Australian patterns of parental incomes as children grow, the author conducted a detailed study, based on 2001 census data, of the relationship between women’s
and men’s incomes and the age of their youngest child. This article reports on selected findings of that study, which was supported by a Victoria University Discovery Grant.

Methodology

Sometimes, social research is characterised as either qualitative or quantitative, with ‘quantitative’ often used as shorthand for ‘positivist’. This study of incomes following childbearing is quantitative, but not positivist. It does not seek to discover some natural laws or causal relationships between variables. Rather, within the typology of research that includes positivist, interpretivist and critical, this research is critical, because of its political intention to contribute to transformational social change that will improve people’s lives, in this case mothers of young children.

Most studies of household income and labour market activity use survey data, which is generally considered more accurate than census data. However, studying individual income by age of youngest child requires both data on all sources of income, and a very large data set. The only suitable Australian data set is the Census of Population and Housing, the most recent available data being from the 2001 census. Although ABS publications on income use household income, the census collects information on individual weekly income.

When considering income as an indicator of wellbeing, it is important to consider income from all sources. Labour market income reflects individuals’ ability to engage in paid employment, but total income from all sources including government transfers, income from investments and self employment is a better indicator of ability to meet the expenses of everyday life.

Published census data was not available in a form suitable for this research, and I purchased a customised data cube from the ABS. It is data for all persons in Australia with dependent children, not a sample file. The census form instructs people to include all sources of income and to report gross income.

Using Supertable, I extracted from the data a series of tables detailing individual weekly income for women and men by age of youngest child, from 0 years to 25 years. For this study, I did not include educational level or parental age, although these variables would clearly be relevant for inclusion in future research.

Average Weekly Income by Age of Youngest Child

I undertook this research with a view to understanding in more detail how caring for children of different ages impacts on parents’ ability to gather together sufficient income to sustain a decent life.

As shown in Tables 1 and 2, responsibility for children has impacts on women’s and men’s incomes. In general, having children results in an increase in men’s incomes and a lowering of women’s incomes (see Table 1).

Table 1: Average weekly incomes of Australian women and men with and without dependent children

<table>
<thead>
<tr>
<th></th>
<th>Females</th>
<th>Males</th>
<th>F:M Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>All persons (aged15+)</td>
<td>$370.88 (n=3,914,499)</td>
<td>$615.73 (n=3,700,898)</td>
<td>60%</td>
</tr>
<tr>
<td>Without dependent children</td>
<td>$407.64 (n=596,184)</td>
<td>$558.89 (n=695,033)</td>
<td>73%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>$364.60 (n=3,318,315)</td>
<td>$629.04 (n=3,005,865)</td>
<td>58%</td>
</tr>
</tbody>
</table>

As shown in Table 2, single mothers’ incomes are higher than couple-family mothers’ incomes, but are nowhere near the couple-family fathers’ incomes. Surprisingly, single fathers’ incomes were even lower than single mothers’ incomes. These figures are discussed more extensively elsewhere, and are presented here as context for the following findings about income by age of youngest child.
Table 2: Average weekly incomes of Australian women and men with dependent children by family type

<table>
<thead>
<tr>
<th>Family Type</th>
<th>Females</th>
<th>Males</th>
<th>F:M Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Couple family with children</td>
<td>$356.43</td>
<td>$662.91</td>
<td>54%</td>
</tr>
<tr>
<td>(n=2,610,129)</td>
<td>(n=2,670,796)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One parent family</td>
<td>$397.25</td>
<td>$352.49</td>
<td>113%</td>
</tr>
<tr>
<td>(n=659,950)</td>
<td>(n=284,622)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other family</td>
<td>$359.85</td>
<td>$396.45</td>
<td>91%</td>
</tr>
<tr>
<td>(n=420,500)</td>
<td>(n=519,465)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Couple family without children</td>
<td>$468.64</td>
<td>$627.80</td>
<td>75%</td>
</tr>
<tr>
<td>(n=175,684)</td>
<td>(n=175,568)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other persons</td>
<td>$382.15</td>
<td>$535.60</td>
<td>71%</td>
</tr>
<tr>
<td>(n=420,500)</td>
<td>(n=519,465)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 1 (below) shows the distribution of average weekly income for all people with dependent children, by age of youngest child.

Figure 1: Average weekly income by age of youngest child, Australia 2001

Surprisingly, mothers’ average incomes varied little, sitting between $300 and $400 weekly until the youngest child was over 21. Men’s incomes showed a curious pattern of being at their highest when children were under 10 years of age; something strange happening at age 15 with a sudden drop, and then a gradual rise as the youngest child is older.
Figure 2 shows the ratio of female to male average weekly income by age of youngest child.

The ratio of female to male average weekly income indicates that women’s incomes as a proportion of men’s incomes rise steadily from a low of 40% when youngest child is under one year of age to a high of 80% when youngest child is 25.

I compared these same measures for people in couple families and single parent families. Figure 3 shows couple family mothers’ and fathers’ average weekly incomes by age of youngest child.

Men in couple families had consistently high average weekly incomes, between about $500 and $800 per week. They were at their highest when children were young, dropping off between ages 10 and 15, then climbing again, but not to the previous high levels. Couple family mothers’ average weekly incomes did not change greatly with age of youngest child, varying from about $300 to $400 per week until the youngest child was 20, and sitting just above $400 per week after that.

As Figure 4 shows, the ratio of female to male earnings rose steadily with age of youngest child from about 40% to about 70%. It seems that while mothers’ incomes do not increase greatly with age of youngest child, the drop in fathers’ incomes means that mothers’ incomes supply a greater proportion of couples’ total income as the age of youngest child increases.
Figure 4: Ratio of female to male income, couple families, by age of youngest child, Australia 2001

Figure 5 shows women’s and men’s average weekly incomes by age of youngest child for single parents. For both women and men, income stayed low, between about $300 per week and $500 per week. Once again, there was a curious dip at age 15. Significantly, neither women nor men achieved the high incomes of men in couple families, whose average incomes were between $500 and $800 per week. Women’s average incomes were higher than men’s until the youngest child was aged 20, at which point men’s incomes slightly exceeded women’s.

Figure 6 shows the ratio of female to male average weekly income by age of youngest child for single parents.
Single mothers’ average incomes exceeded those of single fathers until youngest child was 20. The highest ratio was at age 15. While both women’s and men’s incomes dropped at youngest child age 15, women’s did not drop as much as men’s.

**Discussion**

Craig (2002) found that the arrival of children had much more impact on mothers’ lives than those of fathers in terms of paid and unpaid work. Gray and Chapman (2001) estimated that women with one child lose about 34% of their lifetime earnings, increasing to around 40% for those with three children. The findings of this study of average weekly income by age of youngest child are consistent with these earlier findings, showing that in general women’s incomes are much lower than men’s following childbearing. This confirms what we know about the gendered division of labour in Australian families with dependent children.

This research showed that age of youngest child clearly has an impact on individual weekly income. The arrival of children puts upward pressure on couple-family fathers’ incomes, and downward pressure on the incomes of mothers and single fathers. This interpretation should be treated with caution, given Silvey and Birrell’s (2004) finding that low incomes pre-dated separation and divorce. Although government assistance with the costs of raising children softens the impact a little, single parents are managing on incomes that are not much more than that of mothers, the ‘secondary’ earners in couple families. The apparent higher incomes for single mothers than for single fathers are discussed elsewhere.

I expected to find transition points in these data, for example a jump in mothers’ incomes at about the time that the youngest child starts school. However this was not the case, with mothers’ incomes showing only a slight and gradual increase with age of youngest child. Fathers’ incomes showed a gradual decrease after youngest child was about seven, perhaps reflecting an easing in the pressure for high earning. Australian children aged 7-15 typically participate in organised sport, and perhaps fathers reduce their paid work and increase their voluntary activity with sporting teams.

The most striking feature of these findings is the sudden drop in parental incomes when youngest children are aged 15. It happened for all parents, but was more marked for men than women. In 2001, age 15 was the legal school-leaving age in all Australian states except for Tasmania where it was 16. Given that the apparent school retention rate in 2001 was 73.4%, we could conclude that about one-
quarter of Australian young people were leaving school before completing Year 12. Some but not all of these would have left at age 15. For the young people who left school at age 15 to take up employment, their parents who were receiving Family Tax Benefit payments and Parenting Payment would have lost them at this time. For young people continuing at school, the Family Tax Benefit Part A maximum rate drops from $86.87 per week to $22.05 per week when they turn 16. It could be that the drop in average weekly income when youngest child is aged 15 reflects these institutional arrangements. However, the size of the effect and the lesser impact on single fathers’ incomes than on single mothers’ incomes suggest that this is an area for further research. It is not, in my opinion, an artefact of the data, as the average incomes rise gradually after this drop. I would be interested to hear from other researchers who may be able to throw further light on this matter.

Following the age 15 drop, parental incomes rose again, with mothers’ incomes reaching their highest post-childbearing level once youngest child was over 21, consistent with some decrease in unpaid work as children enter adulthood. Couple-family fathers’ incomes did not return to the very high levels that they reached when youngest child was under seven years of age. It seems likely that there is cultural pressure on couple fathers to maximise income when children are very young, and this goes along with minimising unpaid work at a time when mothers’ loads of unpaid work are high. This has clear implications for mothers’ wellbeing and for fathers’ opportunities to share in the hands-on care of babies and young children.

Single parenthood could be seen as a significant lever. Single fathers’ incomes resembled mothers’ incomes much more closely than they did couple-family fathers’. It seems that when men become single fathers they gain responsibility for their children, but lose significantly in terms of income, notwithstanding evidence that low-income fathers are over-represented among those who separate and divorce.

**Conclusion**

As we develop a better understanding of how the work of caring for young children restricts parents’ ability to earn labour market income we will be better placed to develop realistic resourcing models. Using this approach, single parents’ poverty is seen not as a welfare issue, but in the first instance as a failure by the community to recognise that time spent on caring for infants and young children is not available for labour market earning. Rather than treat single parents as unemployed and entitled to a welfare payment, this approach raises the issue of balancing income sources. For how long is full-time one-to-one care worthy of community support? How can both single parents and couple-family parents be supported to exercise their preferences for parental care, family care and/or formal childcare?

This study has presented a new way of looking at income data. It highlights the need for further research into incomes following childbearing, and the way that incomes vary between women and men, and with age of youngest child. In particular further research could focus on:

- Barriers to income-earning for single parents
- Exploration of impacts of educational levels, ethnicity, parental age and location
- The youngest child age 15 dip in parental income
- Which parents with children of what ages are unable to assemble an adequate income?
- What supports, services and changes to public policy would enable people to combine parenting and income-earning?

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