# Watch them Grow

Unmarried-cohabitant and Solo parenthood in Ireland

An analysis of the Growing Up in Ireland infant cohort data Waves I and 2

Key Findings 5: Work and Welfare

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  - ✓ unmarried parents living apart
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  - ✓ teen parents
  - ✓ opposite and same sex parents
  - ✓ grandparents and other relatives
  - ✓ those working with unmarried parents and their families.
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- 1. Treoir recognises the diversity of family life in Ireland
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- Treoir believes that all children have a right to know, be loved and cared for by both parents

# **Key Findings 5: Work and Welfare**

# Introduction

This Key Findings document outlines select findings of interest concerning Work and Welfare presented in Treoir's report on the first two waves of data from the infant cohort (collected at 9 months and again at 3 years) of the Growing Up In Ireland (GUI) Study, entitled Watch them Grow: Unmarried-cohabitant and Solo parenthood in Ireland.

The report focuses on primary caregivers (PCGs) and their infant children, exploring differences in outcomes across a range of domains, including parental health and parenting, child health and wellbeing, childcare, work and welfare. In doing so, the report employs the tripartite scheme used by Kiernan to distinguish marital status categories as follows (Kiernan, 2005) :

- Married: those who were 'ever married' and currently cohabit with a partner
- Unmarried-cohabitant (UC): this category comprises only those who indicated they were 'never married' and all of these respondents have cohabiting partners
- Solo: this group combines single parents, none of whom cohabit with a partner, whether they were 'never married' or whether they are lone parents who are now separated, divorced or widowed

Complete details of the methodology and findings can be found in the full report which is available for download on the Treoir website at www.treoir.ie. The report was researched and written by Dr Owen Corrigan and generously funded by the HSE Crisis Pregnancy Programme. Other Key Findings documents are also available free to download on the Treoir website covering a range of topics. The complete collection of Key Findings documents covers:

- KF1: Marital Status, Family **Transitions and Solo Parents** Wellbeing
- **KF2: Childcare**
- KF3: Parents' Health and Parenting
- **KF4: Child Health and**
- **KF5: Work and Welfare**
- **KF6: Crisis Pregnancy**

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#### Context

Education, insofar as it improves human capital and one's utility in the labour market, directly impacts on the nature, type and rewards associated with employment (Becker, 2009). Returns are naturally greater to higher levels of educational qualification compared to lower levels of qualification, both in terms of earnings and in terms of the likelihood of being employed (BIS, 2011; Walker and Zhu, 2001).Women face distinct challenges in the labour market and childbearing has been consistently linked to entry and exit of the labour market, as well as to career disadvantages in terms of stifled career progression or lower earnings, what is often referred to as the 'family gap' in wages (Drobnic et al., 1999; Waldfogel, 1998).

Returns to years in education and to level of qualification are stronger for women than for men (BIS, 2011; Walker and Zhu, 2001). This may be for a number of reasons including because women choose to work in sectors where education is highly valued (Dougherty, 2003) or because of underlying gender differences in academic attainment where girls consistently outperform boys, thus patterning entry into third-level education and into professions, e.g. medicine, that attract greater rewards (Ahlstrom, 2013; BIS, 2011; Buchmann and DiPrete, 2006).

Women's ability to work will naturally be affected by childcare arrangements, and these issues are discussed in the full report in the chapter on childcare. Likewise, women's need to work will be affected by family structure and, for e.g. Solo parents, the range of social supports available to facilitate labour market entry in terms of in-work benefits, income supports etc. will be especially important with regard to whether and how Solo parents attach themselves to the labour market.

There are a number of policy factors in the Irish context that are relevant to employment and education outcomes, especially for one-parent families. The government has recently imposed changes to the One-Parent Family Payment (OPFP) as of the beginning of January 2014, removing the previous entitlement of those on a FÁS (now SOLAS) training course to simultaneously claim a training allowance alongside OPFP. Removing the training allowance entitlement from OPFP claimants represents a potentially significant adjustment to the economic resources available to one-parent families who may be interested in undertaking training. Earnings 'disregards' also apply to OPFP and claimants can earn up to €90 per week and still qualify for the full One-Parent Family Payment, though the disregards are scheduled to reduce over time. Changes are also underway to OPFP regarding the age threshold for claimants' youngest child; this will reduce to 7 years old in mid-2015. Approximately 63,000 recipients are expected by the DSP to lose their entitlement to OPFP in the period 2013-2015 (Egan, 2013).

Since January 2012 new participants on Community Employment (CE) schemes cannot claim another social welfare payment at the same time. The rate for the CE scheme is the weekly rate of the participant's social welfare payment plus €20. Community Employment is designed to help people who are long-term unemployed or otherwise disadvantaged to get back to work by offering part-time and temporary placements in jobs based within local communities. The removal of the right to work and concurrently claim a social welfare benefit may act as a disincentive to participation in CE schemes, which have traditionally been important for one-parent families. The number of people on CE schemes remained stable at around 23,000 throughout Ireland's recent recession and those on OPFP made up 1 in 6 of all CE participants (DSP, 2012).

# **Findings**

# Employment and employment transitions

#### General

Educational attainment is directly linked to labour market attainment. The data show that there are clear differences by marital status in the highest level of education parents have attained; at wave 1, for Solo parents, a clear majority of 65% had completed Secondary education only as their highest level of education, compared to 32% of Married parents. Married parents were also more likely than other marital status groupings to have completed a third-level degree. Findings with W2 data show:

- A greater proportion of Solo parents improved their level of education over time than parents from other marital status groups, see Table 1; however this could be explained in terms of pre-existing differences in income and education
- Almost one-quarter of those with Secondary education as their highest level at W1 reported a higher level of education (almost entirely Vocational/Non-degree) by W2

Increased educational attainment since W1?	Married	Unmarried- cohabitant	Solo	Total
Yes	15.8	16.5	19.9	15.2
Νο	84.2	83.5	80.1	84.8
Total N	7122	1282	1188	9592

#### Table 1: % increasing their education level over time, by marital status

Note: population-weighted table; p=.000; highest row percentages highlighted

#### Positive educational change over time

- Unmarried-cohabitant and Solo parents were significantly less likely than Married parents to improve their level of education over time if they had been working at wave 1, controlling for other factors
- Solo parents who transitioned into cohabitancy and had been previously labour market inactive were more than twice as likely as other parents to improve their level of education
- Those in higher income brackets were more likely to have improved their education
- Women with larger families at wave 2 were less likely to have improved their education level over time, highlighting perhaps the importance of appropriate and affordable childcare services for women with large families who may wish to improve their education over time; however this association was statistically somewhat weak
- Labour market-inactive women at wave 1 who were in bad health were significantly less likely to have improved their education over time
- Experience of crisis pregnancy (where the pregnancy was both stressful and unintended)
  was associated with a higher likelihood of improving one's level of education over time. Why
  this might be so is unclear but qualitative research with women who experienced CP may
  shed light on this. It may be that this unexpected pregnancy was highly stressful for the
  women involved precisely because it interrupted their studies

#### Positive educational change over time & One Parent Family Payment (OPFP)

OPFP has previously operated in such a way that it facilitated concurrent claiming of a training allowance and the OPFP benefit itself. However, recent changes to this situation to remove the training allowance entitlement may have implications for the educational attainment of lone parents and thus for their engagement with the labour market. Results show:

- Entering into receipt of OPFP between waves 1 and 2 of the study was associated with a higher likelihood of improving one's level of education over time
- Those who were employed at W1 and who entered into receipt of OPFP were more than twice as likely to have also improved their educational level over time
- There was a higher incidence of part-time work among those on OPFP (at W2) who improved their education

#### Transition into unemployment

Looking at transition into unemployment by wave 2 from previous employment at wave 1 shows:

- Unmarried-cohabitant PCGs were more likely than Married PCGs to transition into unemployment by wave 2, having been previously employed at wave 1
- This difference could not be accounted for in terms of pre-existing differences in education or other background characteristics
- However this was related to the greater propensity of Married parents to hold 'better' jobs;
   the job profile and income profile of UC parents is poorer relative to Married parents
- Education generally was not associated with likelihood of transitioning into unemployment;
   Income was associated: the less well-off were more likely to transition into unemployment

#### Transition into work

Looking at transition into employment by wave 2 from a prior position of non-work, whether due to being a student, homemaker etc. at wave 1, the results show:

- The likelihood of transition into labour market activity did not vary by marital status
- Having a higher level of education or being in a higher household income bracket were associated with a higher likelihood of moving from non-work into work over time
- Improving one's level of education between waves of the study was also associated with a higher likelihood of transitioning into work
- Having a relatively large family or having more children between waves was associated with a lower likelihood of transition into work

#### Household income by marital status

- Mean equivalised household income declined by almost €4,000 for Married parents between waves 1 and 2; meanwhile, it declined by almost €4,300 for Unmarried-cohabitants
- The gap in mean equivalised household income between Married and UC parents increased slightly between waves 1 and 2 and amounted to €4,615 by wave 2
- The gap in mean equivalised household income between Married parents and Solo parents narrowed over time but still amounted to €7,829 by wave 2
- Differences in education accounted for 44-45% of the gap between UC and Married parents mean household income

### Maternity Leave: incidence and impacts

The official *Growing Up in Ireland* report on mothers' return to work and childcare choices showed a clear uptick in the proportion of women returning to work from 6 months after birth onwards, i.e. once statutory entitlement to paid maternity leave had expired (McGinnity et al., 2013). This finding is in accordance with other research which found a high sensitivity of work-return decisions to policy factors, more so for paid than unpaid types of leave (Berger et al., 2005). Results show:

- Marital status (W1) was significantly associated with type or extent of maternity leave taken, see Table 2
- Solo parents who had been employed were significantly less likely than parents in other family types to take any form of post-birth leave, even including their statutory entitlement
- Taking unpaid maternity leave varied by marital status: One fifth (21%) of Solo parents took this leave, compared to about half of Married parents (47%), and 37% of UC parents
- Most people took their paid maternity leave entitlements. Less than half of women (37%)
   who took paid maternity leave also took their unpaid maternity leave entitlement

Paid maternity leave	Married	Unmarried- cohabitant	Solo	Total % (N)
Took leave	90.5	87.5	81.8	89
No leave taken	9.5	12.5	18.2	10.8
Total N	3648	981	322	(4951)
Unpaid maternity leave				
Took leave	47	37.5	21	43
No leave taken	53	62.6	79	57
Total N	3638	978	320	(4936)
Annual leave				
Took leave	48.8	36	30	45
No leave taken	51	64	70	55
Total N	3639	977	321	(4937)

#### Table 2: Proportions (%) taking leave after birth by marital status at W1

*Note:* figures are row %;population weighted tables; p=.000 for each indicator; Refusals/DKs excluded; highest row percentages highlighted

#### Impacts on children: socio-behavioural outcomes

Studies have found that the experience of non-maternal care in the first year of a child's life is linked to emotional, social and developmental outcomes: infants who experienced a lot of non-maternal care (i.e. more than 20 hours per week) were more likely to be avoidant of their mother on reunion and more likely to be classified as insecurely attached (Belsky and Rovine, 1988); maternal employment by the ninth month was found to be linked to lower Bracken School Readiness scores at 36 months, with the effects more pronounced when mothers were working a long week (30 hours or more), and these results held up even accounting for the quality of childcare and of the home environment (Jeanne Brooks–Gunn et al., 2002); maternal employment during the first year has also been linked to deficits in intellectual ability for boys<sup>1</sup> at age 4 (Desai et al., 1989).

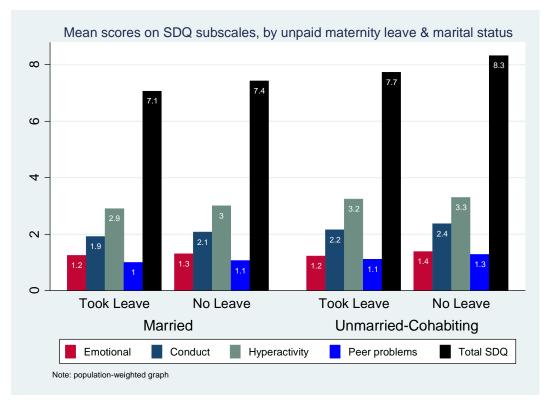
The report looks at impact of maternity leave arrangements on children's behavioural development as measured by Goodman's Strengths and Difficulties Questionnaire (SDQ) (Goodman, 1997). This questionnaire measures children's development in five areas and is used to develop subscales gauging things such as: how children relate to peers (peer problems), how they behave (conduct), how fearful or easily scared they are (emotional), how agitated or fidgety they are in their behaviour (hyperactivity-inattention), and a 'strength' subscale tapping the extent to which they are considerate of other people's feelings (prosocial). Summing the four 'deficit' subscale scores produces a Total Difficulties score. Higher scores mean more difficulties on this scale.

Fig. 1 shows the distribution of SDQ scores by Married and Unmarried-cohabitant status, according to whether the mother took unpaid maternity leave. (There was no significant association with paid maternity leave, as almost everyone took this form of leave. Solo parents not shown as numbers taking unpaid maternity leave too small to generate reliable estimates.)

Results of the analysis, controlling for other relevant determinants of child SDQ scores, show:

- Where parents did not take *unpaid* maternity leave at wave 1 this was later associated with worse outcomes for children in terms of higher SDQ scores at wave 2
- This effect varied by marital status and was seen to be greater for Unmarried-cohabitant parents. Children of UC parents who had not taken unpaid maternity leave had higher levels of difficulties than children of Married parents who had likewise not taken such leave

<sup>&</sup>lt;sup>1</sup> Though not for boys in low-income families.





# Welfare

Looking to welfare outcomes and change over time across different family types we examine the ability of families to make ends meet, as well as their risk of poverty and engagement with the welfare benefits system. Poverty can be defined in a number of ways, often focusing either on income measures or on measures of material deprivation (Nolan and Whelan, 1996). Across Europe, an agreed and widely used measure of income poverty, or the 'at risk of poverty threshold', is taken as 60% of median equivalised household income. In 2011 for Ireland, the year when wave 2 data for GUI were collected, this threshold was €10,889 according to national figures from the Central Statistics Office (CSO, 2013).

Results show:

- 43% of PCGs reported that 'making ends meet' was more difficult at wave 2 than they had indicated at wave 1. This did not vary by marital status
- Having higher levels of education and having external support from family and friends outside the home were 'protective factors' against this
- About 26% of families overall were classified as 'at risk of income poverty' rising to 54% among Solo parent families, see Table 2

At risk of income	Married	Unmarried-	Solo	Total
poverty	cohabitant			
Not at risk	81.1	62.8	46.2	73.9
At risk of Poverty	18.9	37.2	53.8	26.1
Total	100	100	100	100

#### Table 2: Proportions at risk of income poverty by W2 marital status

*Note*: population weighted table; p=.000; highest row percentages highlighted

#### Change over time in welfare usage

- One-in-five Married parents entered into receipt of social welfare benefits of some sort between waves 1 and 2 of the study. The corresponding figure for UC parents was almost one-in-two (47%), while for Solo parents it was two-in-three (68%)
- These differences remained when accounting for pre-existing differences in terms of income, education and other background characteristics: Solo parents were more likely than either cohabitant group to have entered into receipt of welfare benefits, and UC parents were significantly more likely than Married parents to have done so
- Poor health, low income, low education and class factors such as a family history of low income were associated with a higher likelihood of entering into benefit receipt

# One Parent Family Payment (OPFP)

#### General

- 60% of all Solo parents are in receipt of OPFP at wave 2
- Of those Solo parents in receipt of OPFP, 27% are recorded as working at wave 2
- Of those Solo parents not in receipt of OPFP, about half (47%) are working at wave 2

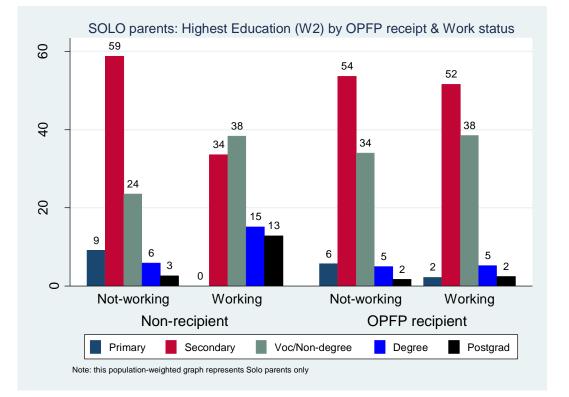
#### Labour market readiness of those on OPFP

- Education levels generally are poor amongst recipients of OPFP
- The educational profile of the group of Solo parents who are not working at wave 2 is similar, regardless of whether they are in receipt of OPFP

- However the educational profile of non-working Solo parents on OPFP is poor in comparison to working OPFP-recipients and poorer again when compared to Solo parents who are working and not in receipt of OPFP, see Fig. 2
- Solo parent OPFP recipients hold a Degree-level education with only one-third the frequency of non-OPFP recipient Solo parents
- Of those in receipt of OPFP who are not currently working, 30% have 'never worked'
- Among those Solo parents not currently working who had previously worked, OPFP recipients had been out of the labour market for longer

#### Transition into OPFP receipt over time

- Transition into OPFP receipt was associated with positive educational change over time, i.e transitioning to a higher level of education
- Recipients of OPFP at wave 2 were more likely to have transitioned into employment over time from a prior position of non-work, though the association was somewhat weak





#### Non-labour market active OPFP recipients, characteristics

As changes are underway to OPFP regarding age thresholds for eligibility, with a large number of recipients expected to lose their entitlement to OPFP by 2015 (Egan, 2013), the labour market readiness of currently non-active OPFP recipients is a matter of direct policy relevance. Analysis of non-active OPFP recipients shows:

- Unmarried-cohabitant parents who transition into Solo parenthood are almost four times more likely than other respondents to be non-working recipients of OPFP
- Being less well-off, poorly educated, relatively young, in bad health, or having experienced a crisis pregnancy were all characteristics of non-active OPFP recipients

Differences obtain across OPFP recipiency in terms of current economic status at W2, see Table 3. Of those who are not currently working, 30% of those on OPFP have never worked; this compares with 13% of rest of sample. Of this 30%, over half ranked a preference to look after their children themselves as one of their top three reasons for not working.

	Non-recipient	OPFP recipient	Total %	Total N
Working	55.5	28	53	5407
Student	1.9	8	2.5	243
Unemployed	4.8	13	5.6	516
Homemaker	35.2	50	36.6	3411
Other	2.5	1	2.4	210
Total %	100	100	100	-
Total N	9004	783	-	9787

Table 3: W2 economic status of those on OPFP by marital status

*Note:* population weighted table, p=.000; shaded boxes indicate highest row percentage

# **Policy Implications**

#### Employment and education

- Educational improvement between GUI waves has been shown here to be associated with a higher likelihood of transition into work. Where improving the labour market readiness of non-labour market active women through education is an ongoing policy concern, support should be directed towards those groups less likely to seek improved education and most in need of such support. At the same time, in the context of scarce resources, policymakers may have more initial success targeting those whose 'resource-need' is lower given their closer proximity to the labour market, i.e. those who have been out of the labour market for a shorter period of time will face lower barriers to re-entry than those who have been non-active for a longer period. Adequate childcare arrangements will be an important consideration in securing human capital gains for non-labour market active parents through education. Existing schemes such as the CETS (Childcare Employment and Training Support) tie childcare provision to specific types of vocational training course. Targeting supports at courses of greatest labour market relevance and at individuals facing lower labour market barriers seems likely to bring the greatest gains
- Changes were effected in Budget 2013 in rates of maternity leave paid but not in the number of weeks of maternity leave to which women are statutorily entitled. As women's leave-taking habits are highly policy responsive with regard to paid statutory entitlements it seems unlikely that these changes will impact on whether women take the full extent of their paid maternity leave; most will continue to do so. However, if the reduction in rates creates financial difficulties for some women it may result in an earlier return to work or it may reduce the amount of unpaid maternity leave women take after their paid statutory entitlement. These findings show much variation by marital and cohabitancy status in whether or not women take unpaid maternity leave. Further, the findings show positive impacts on children in terms of socio-behavioural outcomes where parents took unpaid maternity leave. The impact of not taking this leave was seen to vary by marital status, having a greater impact on children of Unmarried-cohabitant parents. In light of this, monitoring the impact of maternity leave rate changes on unpaid maternity leave-taking seems advisable. Likewise, the potential for non-Married

parents and their families to be adversely affected by these changes should be taken into account by policymakers

- For those already in work, Unmarried-cohabitant parents and Solo parents were less likely than Married parents to have improved their education over time. This may suggest the need to examine the adequacy or flexibility of in-work supports for parents in these groups who may wish to improve their education
- The greater vulnerability of certain Unmarried-cohabitant parents to entering into unemployment, due in part to their differing employment profiles (holding managerial-level jobs with less frequency than Married parents), underscores the potential individual and labour market gains to be made by improving education levels

#### **One Parent Family Payment**

- Among Solo parents, OPFP receipt was associated with positive educational change and with transition into work. Given that 'earnings disregards' operate for this welfare benefit the reduction of these disregards (from €130 in 2012 to €60 by Jan 2016 in line with the government's plans) may act to discourage OPFP recipients from transitioning into the workplace or pursuing education while perhaps supporting a part-time income with OPFP. This situation should be monitored going forward, in light of these findings
- The finding that claiming OPFP was associated with positive educational change between waves for those who were working at wave 1 may have further implications given that from the beginning of 2014 those claiming OPFP will no longer be allowed to claim a training allowance if attending a SOLAS (formerly FÁS) training course nor will they be allowed to claim another welfare payment if they enter on to a Community Employment (CE) scheme. If the detected effect was in part due to the availability of a training allowance for OPFP recipients (or extra resources arising from benefits attached to CE) then this policy change may have negative implications for the educational and labour market attainment of Solo parents
- A number of factors are of concern regarding the labour market readiness of OPFP recipients given the impending change to age thresholds for OPFP where recipients will be moved off

OPFP onto another welfare benefit once their child reaches the age of 7 (effective for all recipients from July 2015). Education levels are poor relative to working Solo parents (whether on OPFP or not), 30% of those on OPFP and not working have 'never worked' and so may not possess even the 'soft skills' associated with the modern workplace and, of those who have worked before, OPFP recipients have been out of the labour market for a longer time than non-recipients. At a minimum, information campaigns to raise awareness about educational and training options and other more active measures to give people work experience will help in the transition out of OPFP. The adequacy of existing services must also be taken into account and due consideration given to provision of new services where required given that 63,000 recipients of OPFP will be moved to other welfare benefits, mainly Jobseeker Allowance Transition, by July 2015; however a recipient is not required to be available for full-time work and genuinely seeking work until their youngest child reaches 14 years of age. This will be a critical period for facilitating and supporting former OPFP recipients as they prepare to transition into the labour market

There is no intention as of yet to reduce the OPFP age threshold below 7 years of age. From the perspective of this infant cohort analysis, protecting the threshold at this level may be beneficial given the implication of OPFP receipt in educational improvement of primary caregivers over time. Future data, waves 3 and 4 of the GUI study, could allow for charting of educational and employment outcomes of those on OPFP over a longer duration

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