

RECENT TRENDS IN THE EMPLOYMENT RATE OF SOLE MOTHERS IN NEW ZEALAND

Kay Goodger
Knowledge Management Group
Ministry of Social Policy

Abstract

Using Household Labour Force data for mothers living with dependent children, this brief monitoring report updates trends in sole mothers' employment rates to March 2001. The paper provides further evidence of some of the developments that were anticipated by recent reforms, such as a rise in full-time employment, particularly among sole mothers with older children. The paper shows that Household Labour Force data can be used to monitor levels of employment among sole mothers on a more regular basis than the five-yearly Population Census, providing a valuable tool in evaluating the effectiveness of policy change in this area.

INTRODUCTION

The relatively low employment rate of sole mothers with dependent children has been an issue of policy concern for many years in New Zealand, particularly over the last decade. As measured in the five-yearly Population Census, the proportion of sole mothers employed fell from 40% in 1976 to 27% in 1991, the second lowest proportion, after Ireland, in a study of 20 countries (Bradshaw et al. 1996). The 1996 Census showed that the rate of employment among sole mothers had recovered to 36%.

Two recent papers have investigated in different ways some of the factors that are likely to influence the employment rates of sole mothers. Goodger and Larose (1999) concluded that policy changes alone could not explain the pattern of employment decline from 1976 to 1991 and the subsequent recovery in the five years to 1996. They highlighted the importance of the overall level of economic activity and demographic change, such as the rate of growth in sole parenthood and the changing age profile of sole mothers and their children.

Wilson (2000) used benefit dynamics data to examine patterns of benefit use by successive cohorts of entrants to the Domestic Purposes Benefit (DPB) as they passed through the period of the Employment Task Force reforms. She found large changes in the propensity to declare earnings and in the level of earnings declared, changes that

were consistent with the expected impacts on participation in part-time employment following the changes to the abatement regime in July 1996. The findings of this paper strongly suggest that these effects resulted from policy change rather than the economic, administrative and demographic changes that coincided with them.

In a paper presented to the Labour Employment and Work Conference, Ball and Wilson (2000) extended this cohort analysis to cover the effects of more recent DPB reforms, including the introduction of full-time work testing for some groups in March 1999. They found no marked differences in declared earnings propensities following the 1999 DPB reforms, but marked increases in the probability of being off benefit which appear to reflect, at least partly, policy impacts on full-time employment propensities.

Using Household Labour Force data for mothers living with dependent children, this brief monitoring report updates trends in sole mothers' employment rates to March 2001. Although it does not examine the relative impact of economic, demographic and policy changes discussed in the research cited above, it provides further evidence of some of the developments that were anticipated by the policy reforms, such as a rise in full-time employment, particularly among sole mothers with older children.

The Household Labour Force Survey is based on a stratified sample of about 15,000 private dwellings each quarter. Information is obtained for each member of a sampled household who falls within the scope of the survey and meets the survey coverage rules. This yields about 30,000 individual respondents. The data used in this paper is based on individuals between the ages of 18 and 64 years. The weighted estimates of the number of sole mothers in each year are shown in Table 1. The numbers for the year ended March 1992 and 1996 (90,325 and 108,150) are similar to the number of sole mothers with dependent children recorded in the 1991 and 1996 Censuses (92,028 and 107,394) (Social Policy Agency 1999: Table A15). Data on sole mothers' employment from the 2001 Census will not be available until 2002.

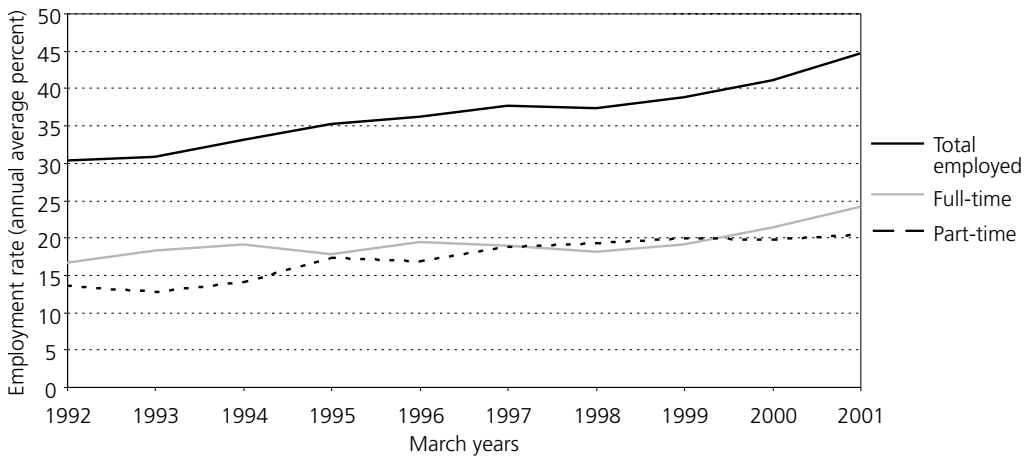
CURRENT LEVEL AND TRENDS

In the year to March 2001, 44.6% of sole mothers were employed, either part-time or full-time. The total employment rate of sole mothers has increased by almost 50% since 1992, when only 30.3% of sole mothers were employed. The employment rate of New Zealand sole mothers is now only slightly lower than that of Australian sole mothers (47% in 1999) (Whiteford 2000:1).

There have been two main periods of accelerated growth in sole mothers' employment rates over the past decade. The first, from March 1994 to March 1997, was driven mainly by increases in part-time employment. The total employment rate then levelled off between 1997 and 1998, as a rise in part-time employment was offset by a slight decline in the proportion of sole mothers employed full-time.

Since the March 1999 year, strong growth in full-time employment rates has driven the upward trend in sole mothers' employment.

Figure 1 Employment Rates of Sole Mothers, 1992-2001



Source: Statistics New Zealand, Household Labour Force Survey.

Table 1 Employment Rates of Sole Mothers, Average for Years Ended March, 1992-2001

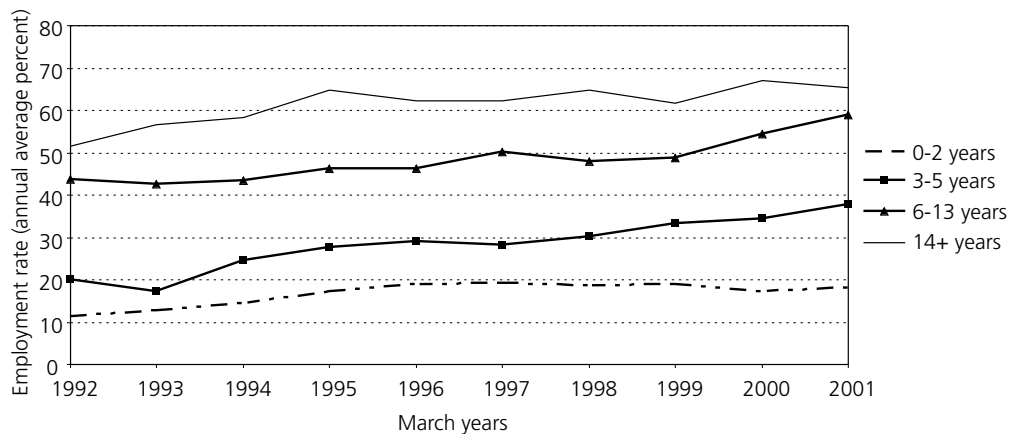
	Number				Rate per 100 Sole Mothers		
	Employed full-time	Employed part-time	Total employed	Total sole mothers	Employed full-time	Employed part-time	Total employed
1992	15,075	12,275	27,350	90,325	16.7	13.6	30.3
1993	16,550	11,475	28,025	90,825	18.2	12.6	30.9
1994	19,025	13,950	32,975	99,600	19.1	14.0	33.1
1995	19,200	18,700	37,900	107,875	17.8	17.3	35.1
1996	21,000	18,175	39,175	108,150	19.4	16.8	36.2
1997	20,625	20,400	41,025	108,825	19.0	18.7	37.7
1998	20,750	22,050	42,800	114,625	18.1	19.2	37.3
1999	21,825	22,725	44,550	114,725	19.0	19.8	38.8
2000	24,225	22,400	46,625	113,475	21.3	19.7	41.1
2001	28,400	23,975	52,375	117,525	24.2	20.4	44.6

Source: Statistics New Zealand, Household Labour Force Survey.

EMPLOYMENT RATES OF SOLE MOTHERS BY AGE OF YOUNGEST CHILD

In the year to March 2001, 65% of sole mothers with a youngest dependent child aged 14 or over were employed, compared to 18% of those with a youngest child under three years old.

Since 1992, total employment rates have risen most for sole mothers with children under six years, almost doubling over the decade. In the three years to March 2001, total employment growth (full-time and part-time), was driven by those with children aged between three and 13 years. Full-time employment increased sharply after March 1999 for those with a youngest child aged 14 or over, among whom were sole mothers on benefits affected by the full-time work test (Table 2).

Figure 2 Employment Rates of Sole Mothers (All Hours) by Age of Youngest Child, 1992-2001

Source: Statistics New Zealand, Household Labour Force Survey.

Table 2 Employment Rates of Sole Mothers, by Age of Youngest Child, 1992, 1996-2001

	1992	1996	1997	1998	1999	2000	2001
<u>Full-time</u>							
0-2 years	4.3	7.9	6.1	6.9	8.5	7.1	8.1
3-5 years	8.2	12.8	10.6	11.3	12.2	14.9	15.9
6-13 years	23.9	26.2	26.6	23.7	24.0	26.9	31.5
14+ years	35.7	39.5	42.2	41.2	37.6	47.8	46.5
Total	16.7	19.4	19.0	18.1	19.0	21.3	24.2
<u>Part-time</u>							
0-2 years	7.0	10.9	13.2	11.6	10.2	10.2	9.8
3-5 years	11.7	16.3	17.5	19.0	21.1	19.6	21.7
6-13 years	19.6	20.1	23.6	24.3	24.8	27.5	27.5
14+ years	15.8	22.6	20.1	23.7	24.1	19.2	18.7
Total	13.6	16.8	18.7	19.2	19.8	19.7	20.4
<u>Total</u>							
0-2 years	11.2	18.8	19.3	18.5	18.8	17.3	17.9
3-5 years	19.9	29.1	28.1	30.3	33.3	34.5	37.6
6-13 years	43.5	46.3	50.2	48.0	48.8	54.3	59.0
14+ years	51.5	62.1	62.3	64.9	61.8	67.1	65.3
Total	30.3	36.2	37.7	37.3	38.8	41.1	44.6

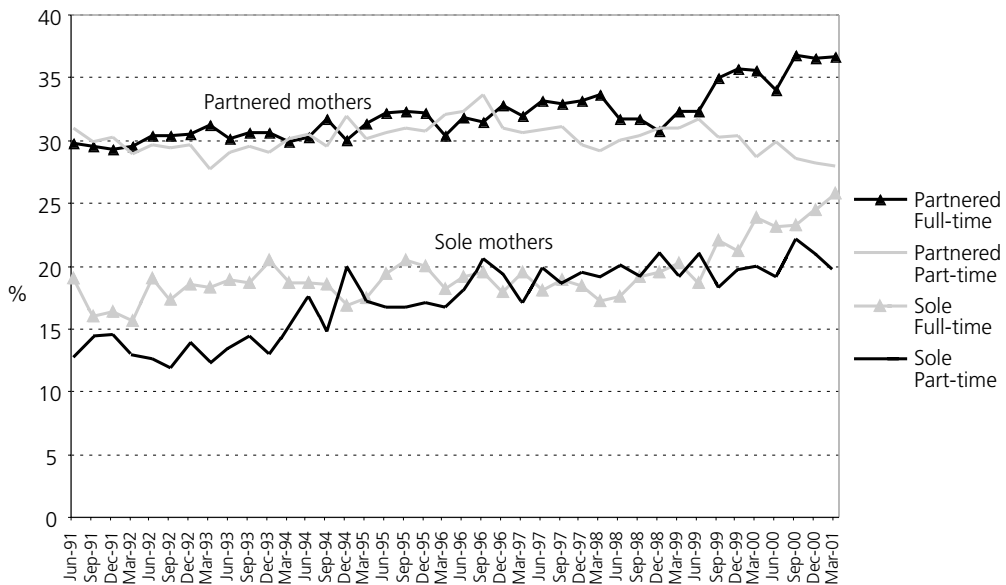
Source: Statistics New Zealand, Household Labour Force Survey, annual averages, March years.

SOLE AND PARTNERED MOTHERS' EMPLOYMENT RATES COMPARED

Partnered mothers have also shown an increase in full-time employment, and a corresponding decline in part-time employment, in recent years (Figure 3). In part, the rise in full-time employment among both sole and partnered mothers reflects the ageing of the child population as the large generation born in the early 1990s grows older.

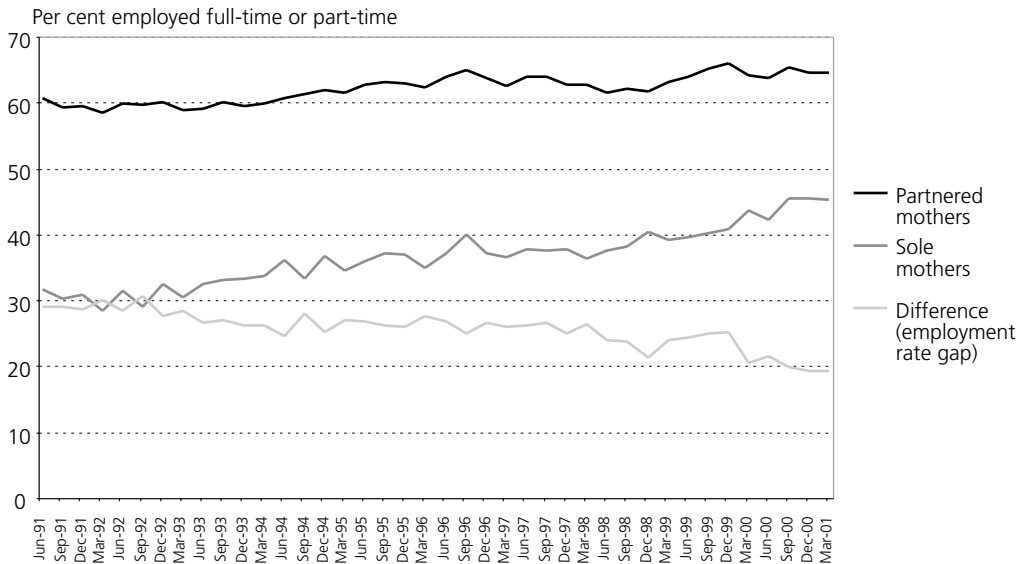
Faster growth in sole mothers' employment rates has reduced the total employment rate gap between sole and partnered mothers from 30 to 19 percentage points between March quarters 1992 and 2001 (Figure 4).

Figure 3 Sole and Partnered Mothers' Full-time, Part-time Employment Rates, 1991-2001



Source: Statistics New Zealand, Household Labour Force Survey.

Figure 4 Sole and Partnered Mothers' Employment Rates, 1991-2001



Source: Statistics New Zealand, Household Labour Force Survey.

CONCLUSION

This paper shows that Household Labour Force data can be used to monitor levels of employment among sole mothers on a more regular basis than the five-yearly Population Census. Annual monitoring of sole mothers' employment rates can be a valuable tool in evaluating the effectiveness of policy change in this area. Further work is needed to assess the relative influence of economic, labour market and demographic trends on changing levels of sole mothers' employment.

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