



Sole parents: participation and equality

Workshop on Gender Equality in Australia's Tax and Transfer System, 4-5
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Outline

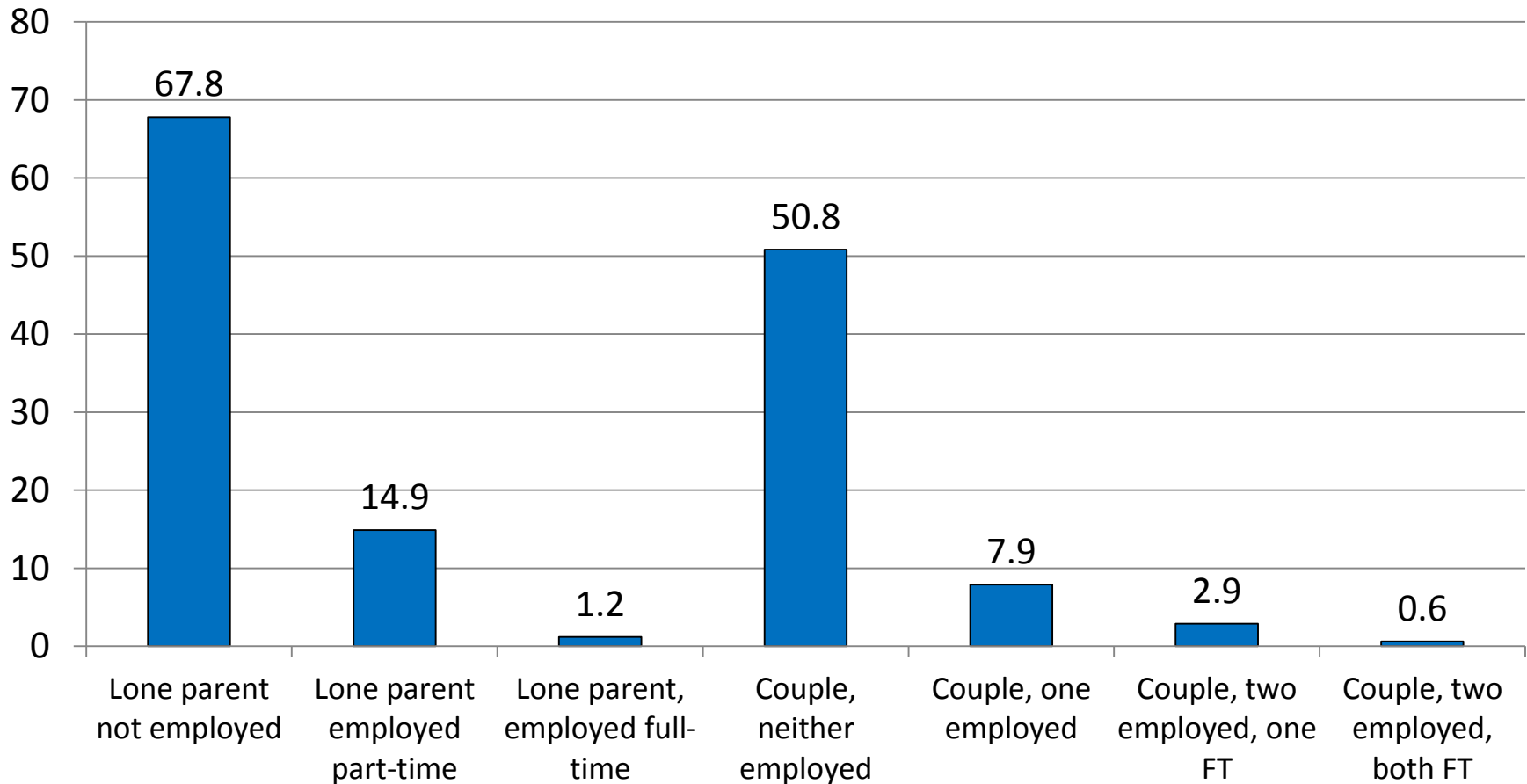
- Policy issues
- Lone parents, family and employment trends
- Trends in the economic well-being of lone parents
- Conclusions

Policy issues

- The shift towards activation: family joblessness and child poverty – a benefit strategy or a work strategy or both?
- Does work work? How much better-off does work make lone parents?
- Combining work and family life – how difficult is it for the low-paid?
- Holes in the safety net?

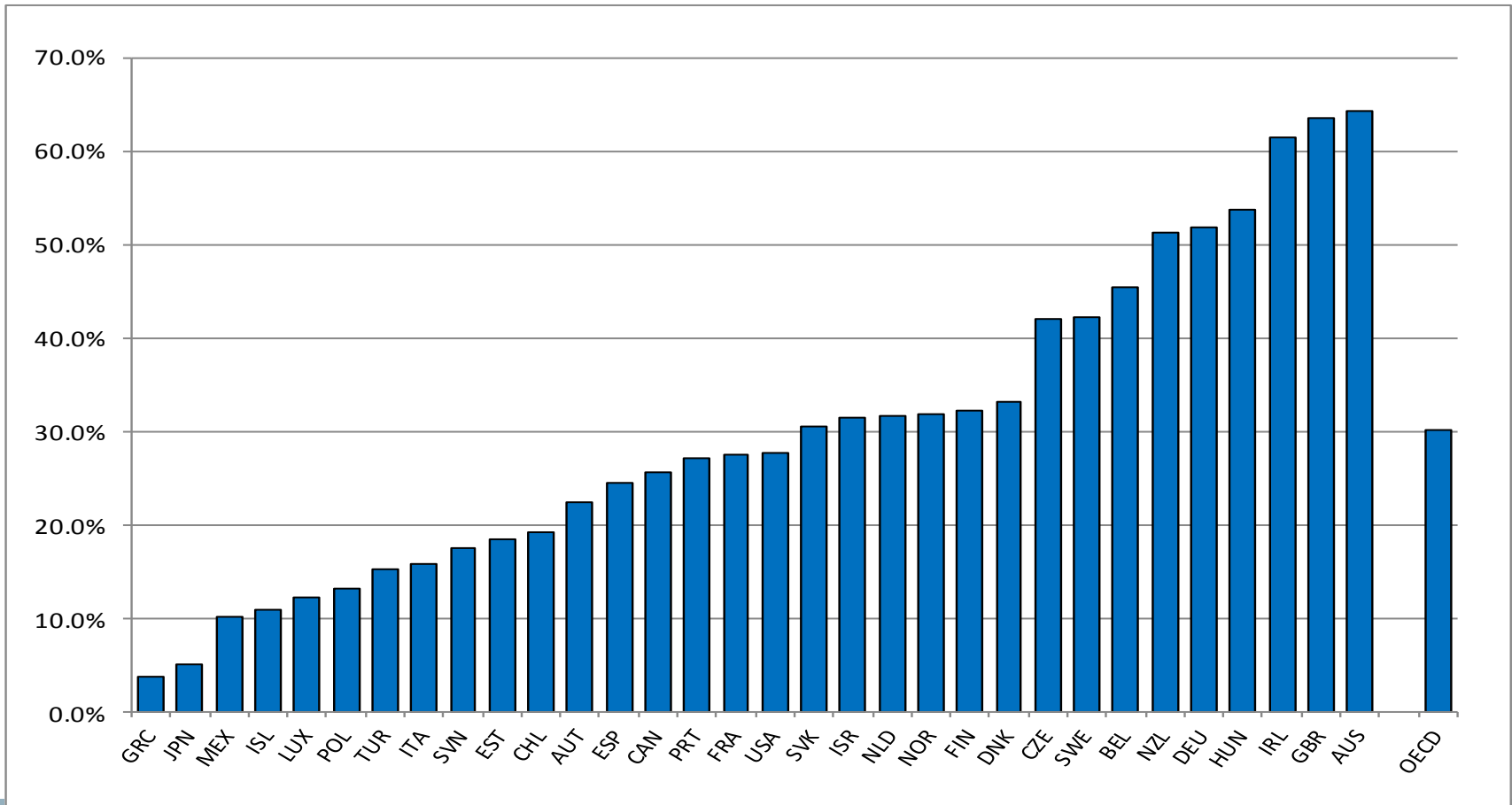
Poverty rates are strongly influenced by employment status

% of households with incomes less than 50% of median income, 2007-08



Most poor children in Australia live in jobless households

Jobless households as percentage of all poor (<50% median income) households with children, 2010



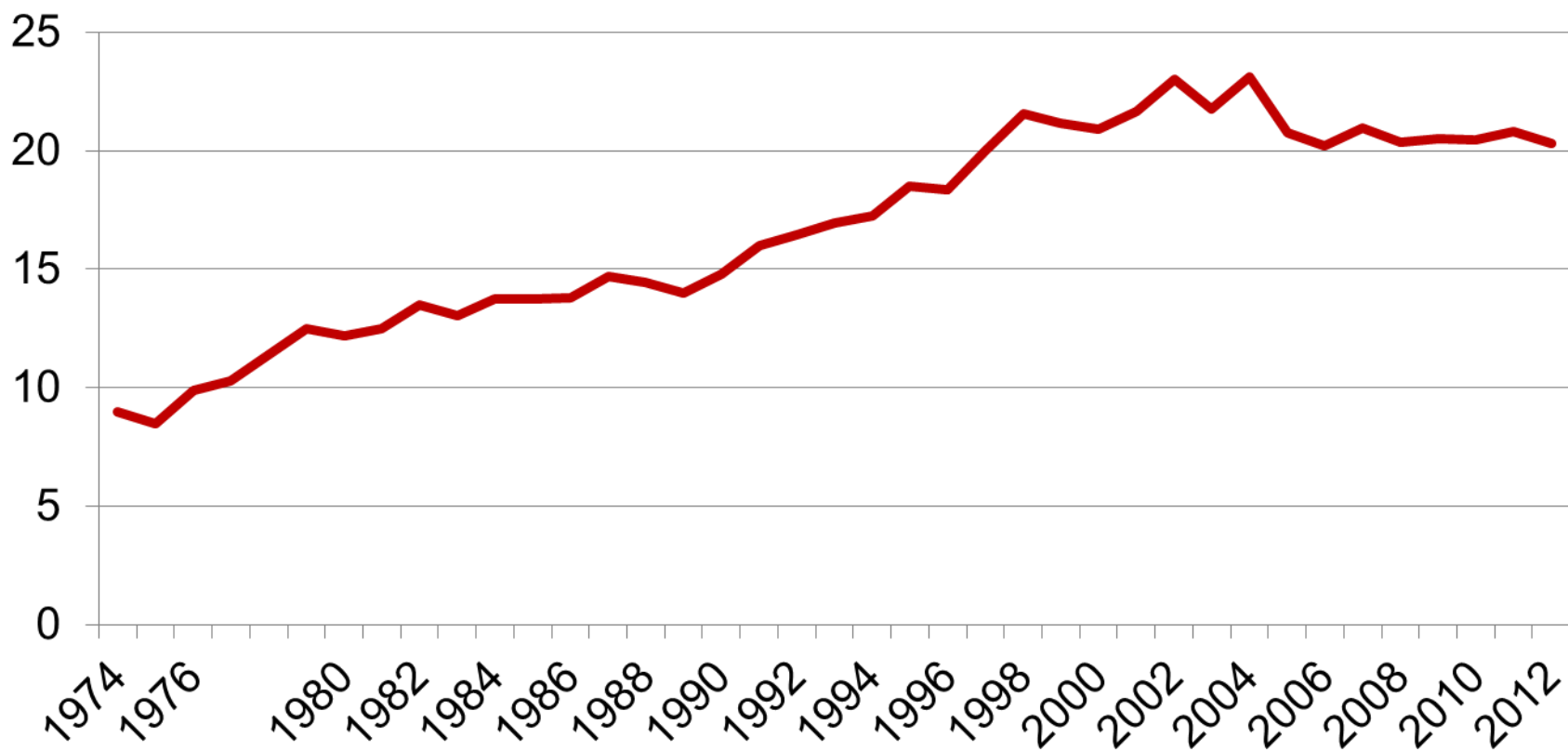
Policy developments

- 1942 – Introduction of Class A “Widows Pension”.
- 1968 – States Grants Deserted Wives Act assisted deserted wives in first 6 months after desertion or birth.
- 1973 - Introduction of Supporting Mother’s Benefit providing assistance after six month waiting period.
- 1975 – Introduction of no fault divorce.
- 1977 – Introduction of Supporting Parent’s Benefit covering fathers.
- 1980 – Six month waiting period for SPB abolished.
- 1989 - Sole Parent Pension replaced Class A Widows Pension and SPB.
- 1998 – Parenting Payment Single (PPS) replaced SPP.
- 2006 - Child eligibility age lowered from 16 to 8 years for new applicants for social security payments, with new applicants having participation requirements and claiming Newstart (lower payment for unemployed).
- 2009 – Change in indexation of family payments from wages to prices.
- 2011 – Amendment to “grandfathering” to restrict impact of new birth.
- 2013 – Remaining “grandfathered” recipients moved to Newstart.

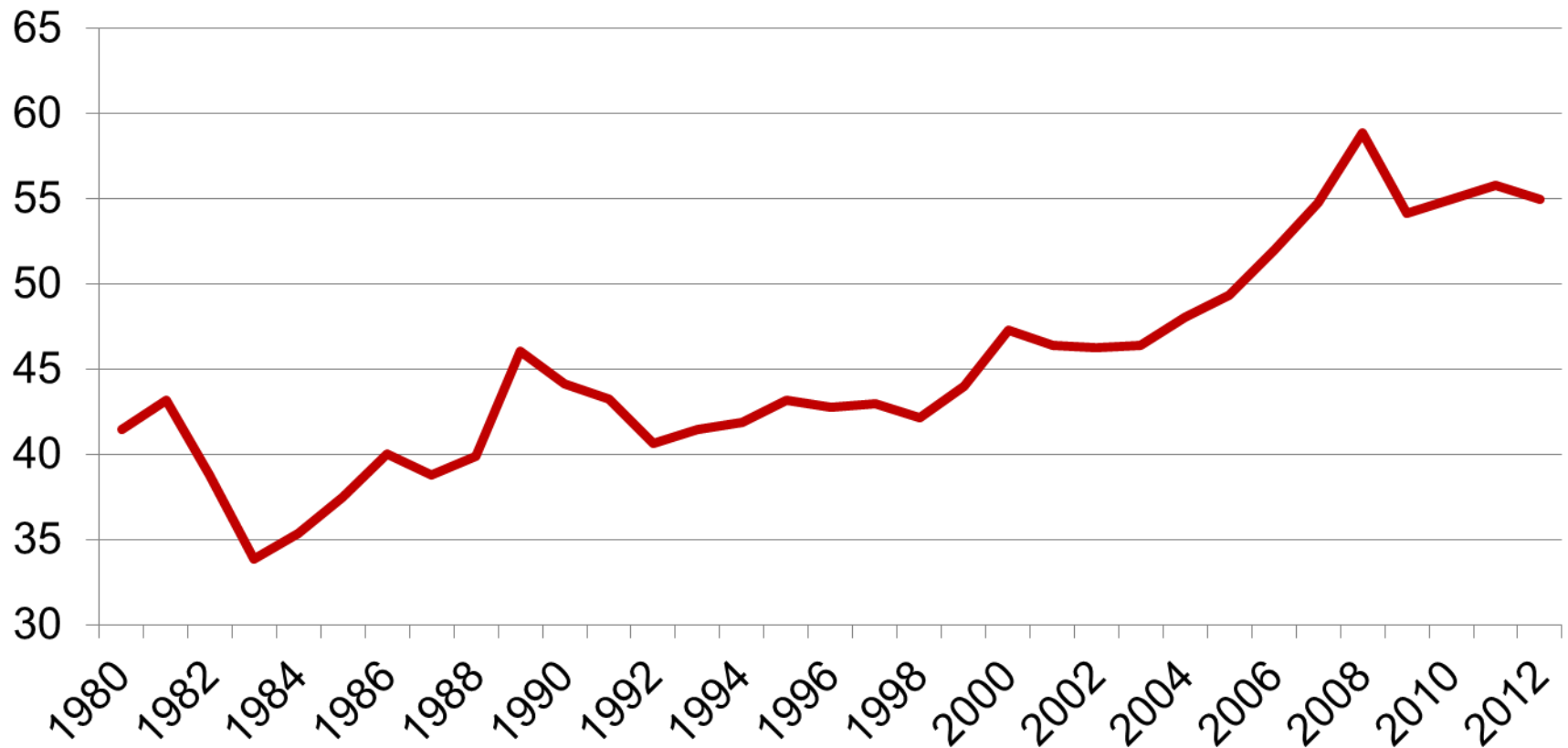


Trends in lone parenthood, employment and welfare receipt

Lone parents as % of families with children under 15 years of age, 1974 to 2012

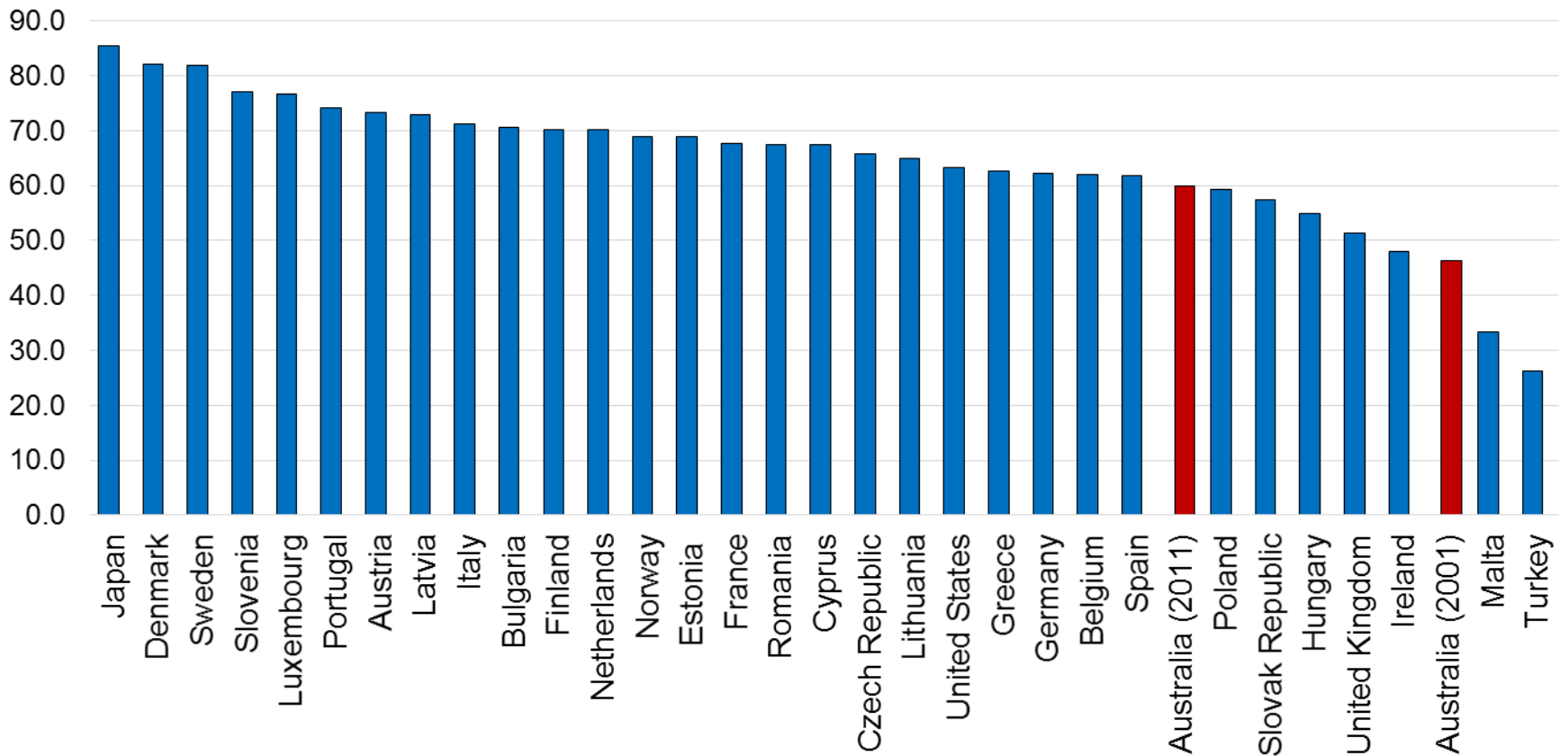


Employment to population rate (%) among lone parent families, 1980 to 2012

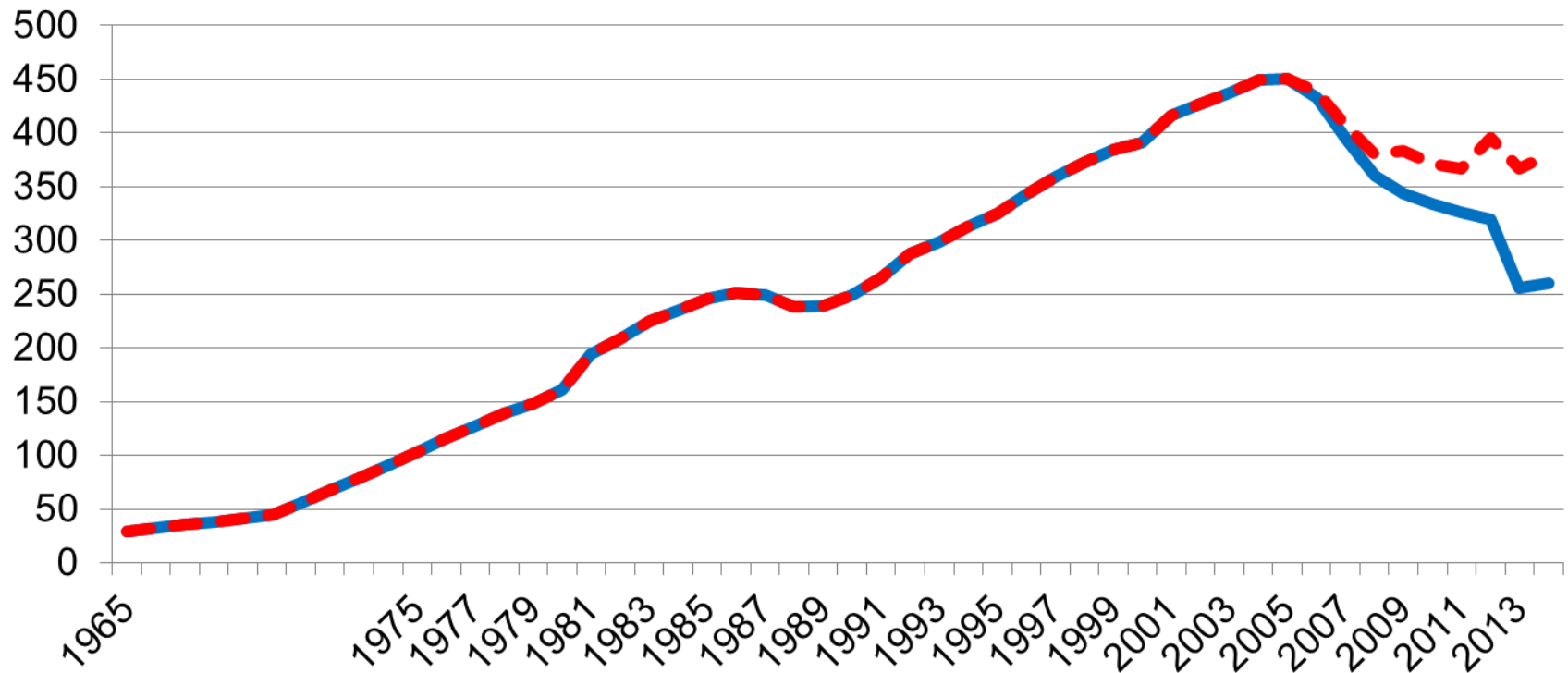


Despite recent increases, employment of lone parents is relatively low

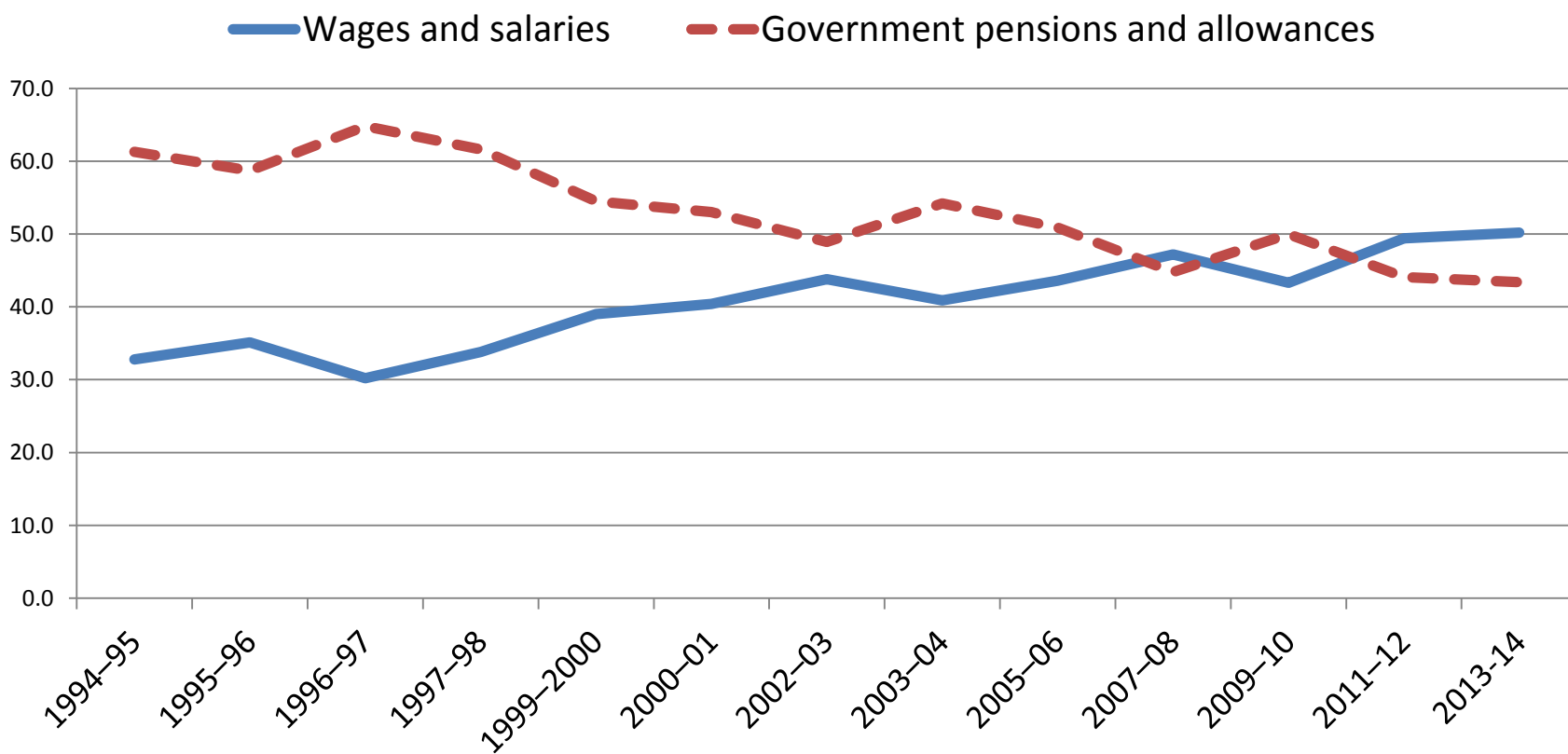
Employment to population ratio, lone parent families, 2001 and 2011



Number (000s) of lone parents receiving Parenting Payment Single (or Newstart), 1965 to 2014



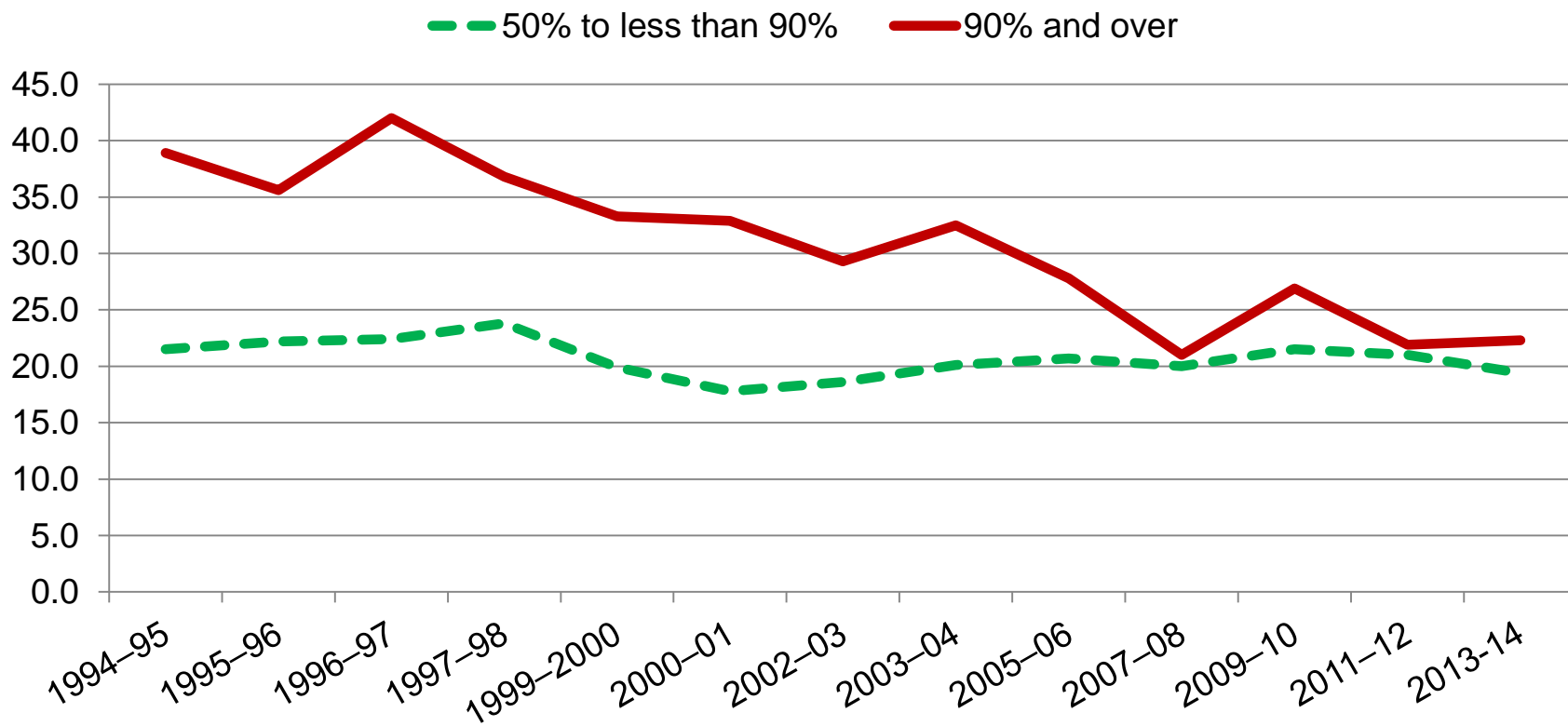
Trends in principal source of income for lone parents, Australia, 1994-95 to 2013-14





Trends in contribution of welfare payments to lone parents' income (%), Australia 1994-95 to 2013-14

% of lone parents by group



Conclusions

- Lone parents have enjoyed significant real increases in income since the 1990s
- Employment increases have been significant and reliance on social security has reduced
- Lone parents have moved from the lowest income quintile to the second lowest
- Income inequality among lone parent families has increased, and relative poverty rates have been stable
- Housing costs may have increased as lone parents are now more likely to be private renters
- Much of the improvement in the economic circumstances of lone parents appears to have started before policy changes.
- Some of the changes appear to reflect changes in demographic composition of the lone parent population.
- More research required on identifying losers from policy changes.

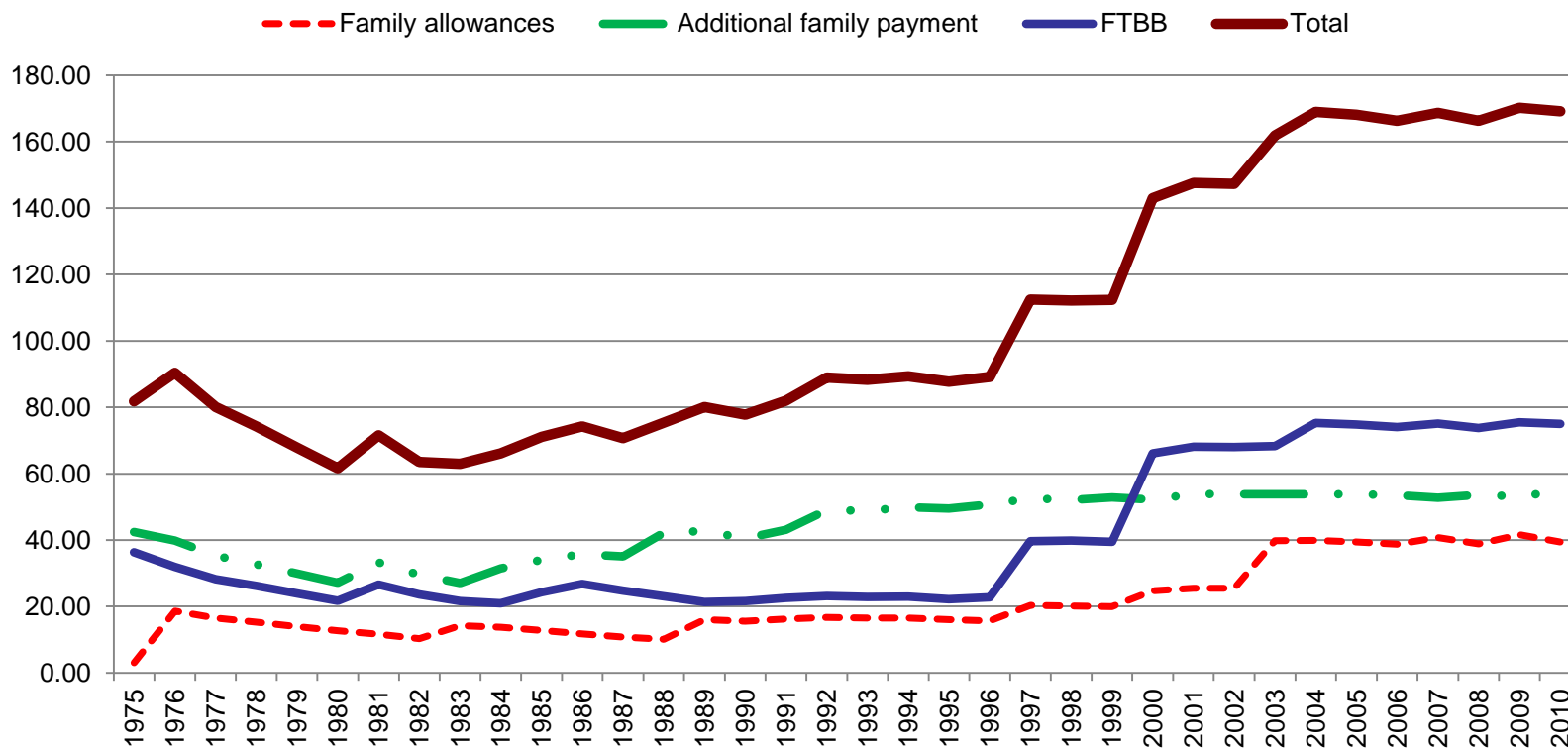


Additional Material

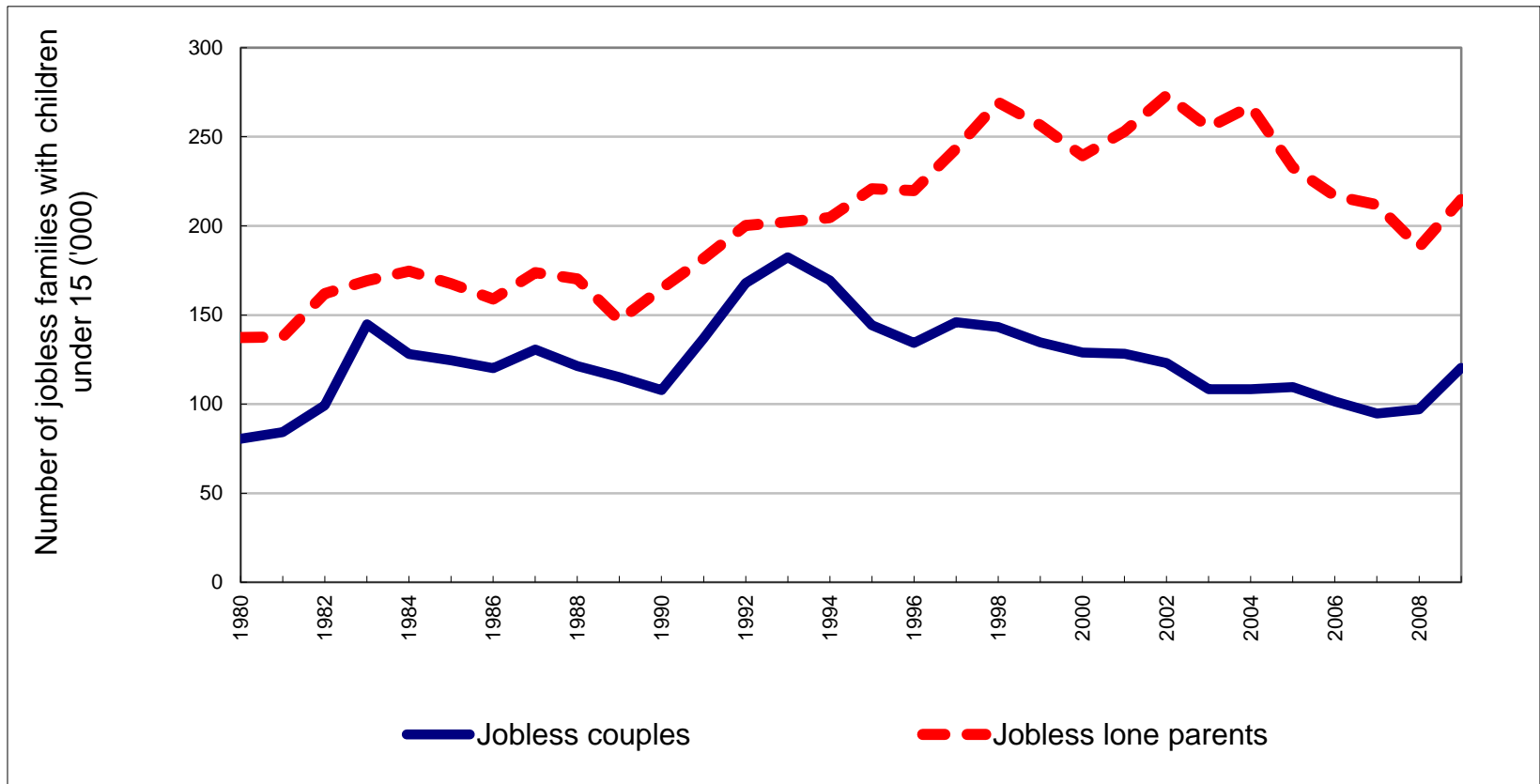


As a result of policy changes, benefits for families have increased significantly in different periods

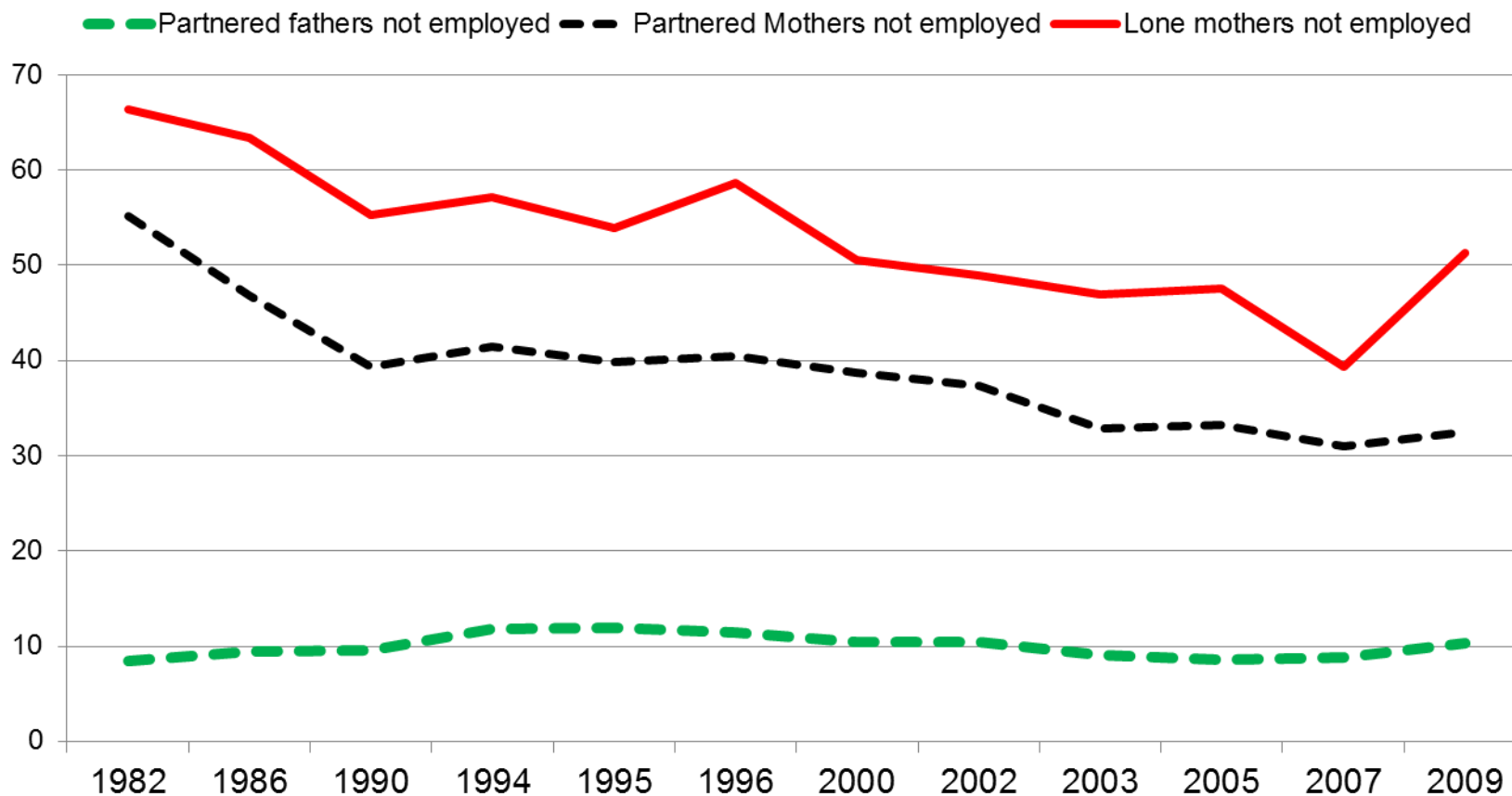
Value of assistance for one child family, 2010 \$ pw, 1975 to 2010



Joblessness among families with children has been falling, but remains high

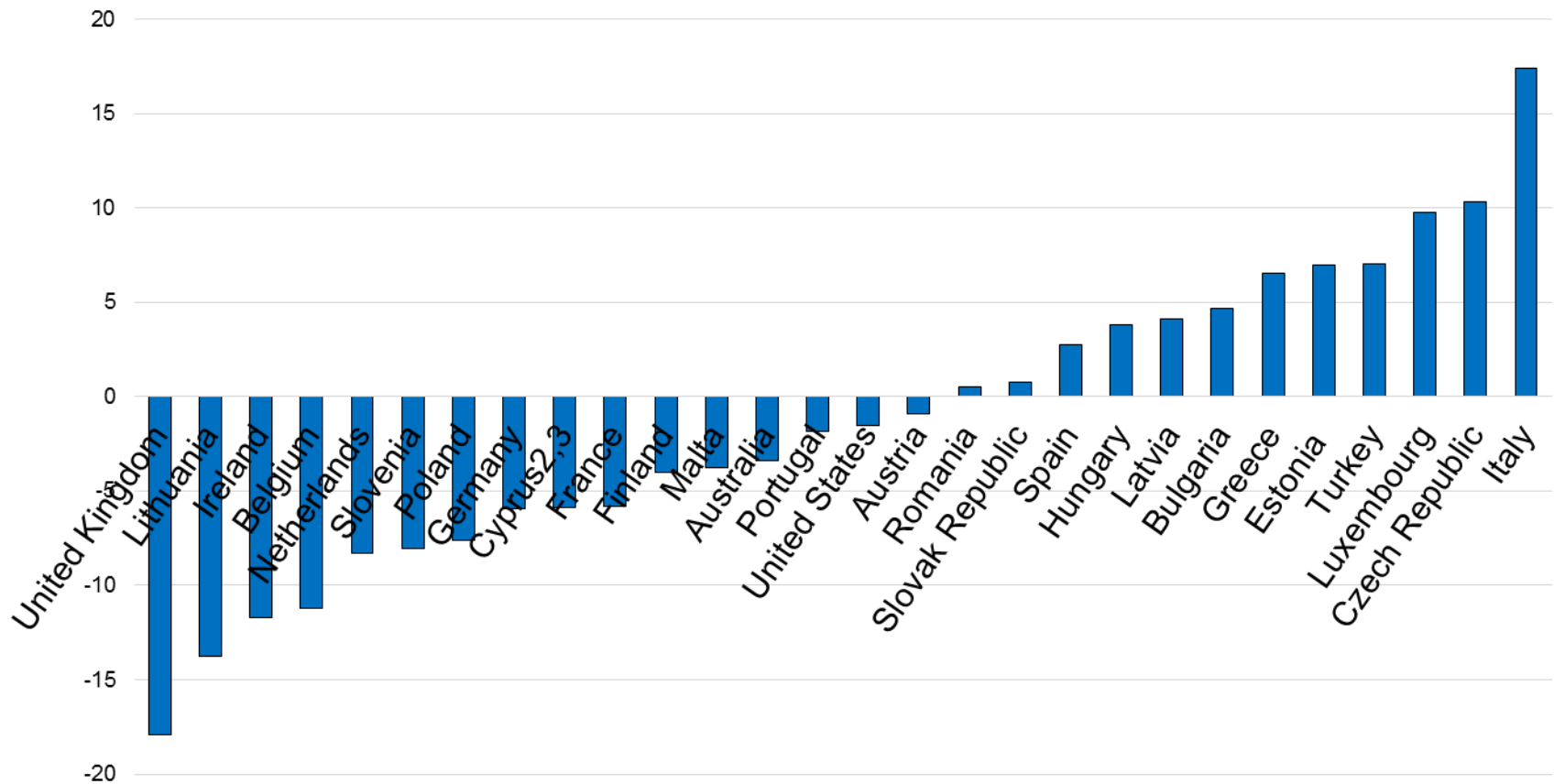


Trends in joblessness among parents, 1982 to 2009-10

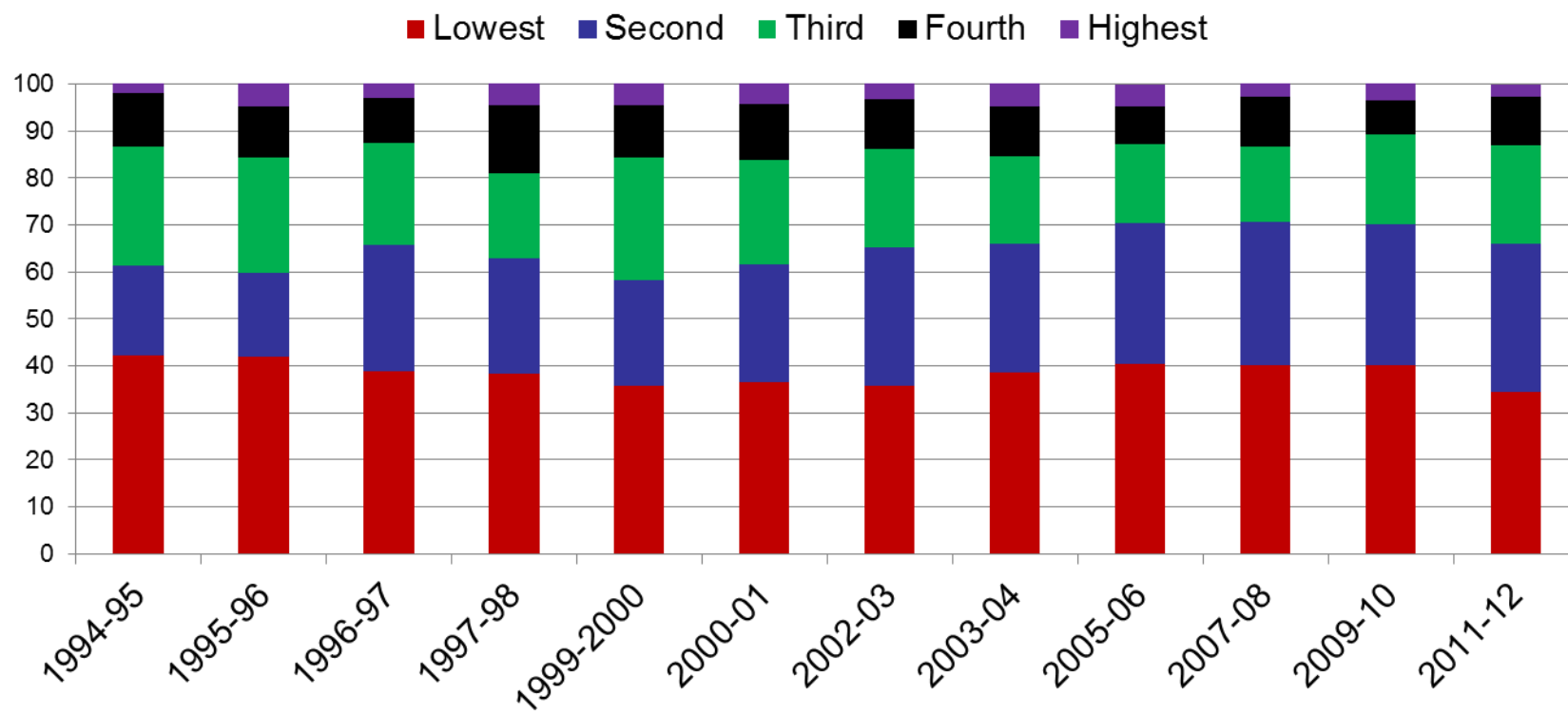


The employment gap

Difference between the employment rate of lone and partnered mothers, OECD countries, 2011

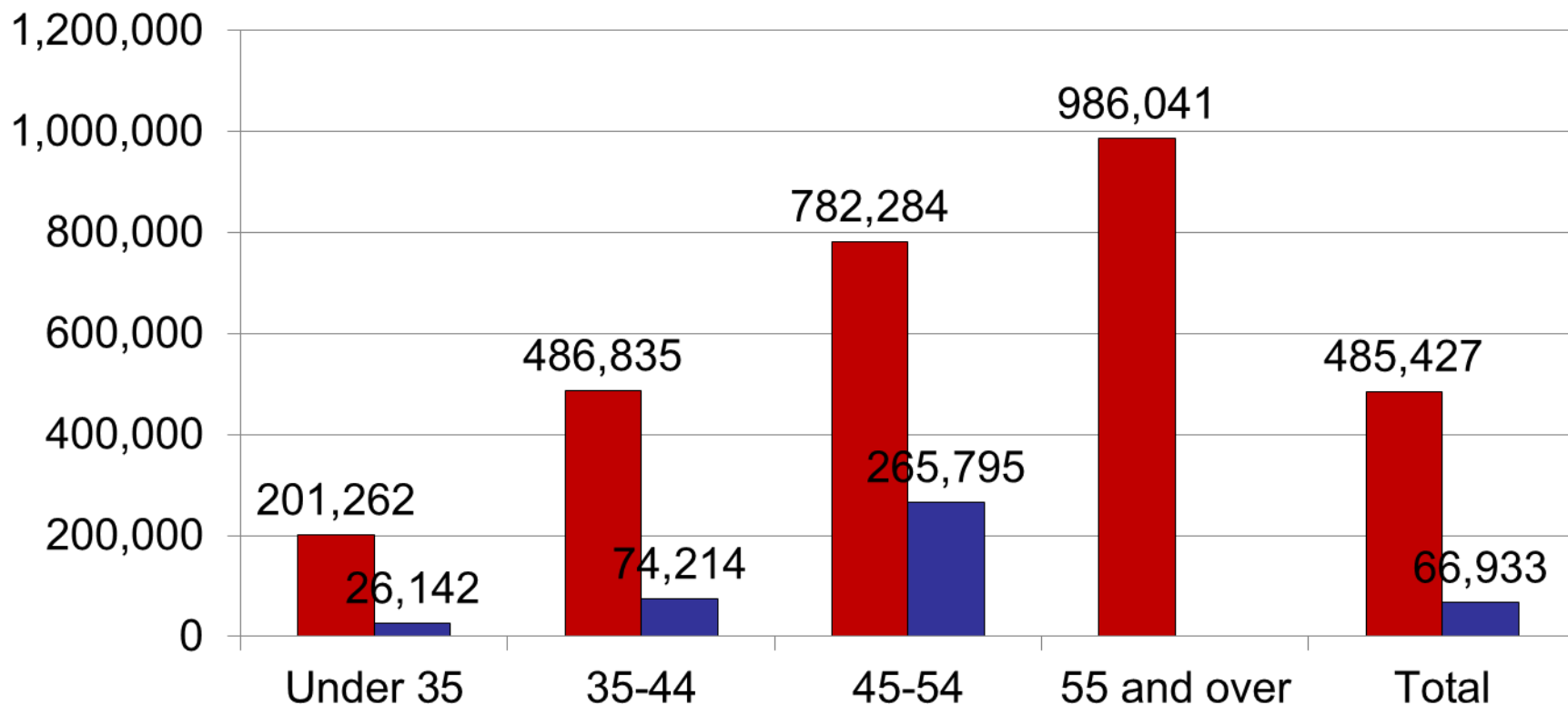


Lone parents distribution by income quintile, 1994-95 to 2011-12

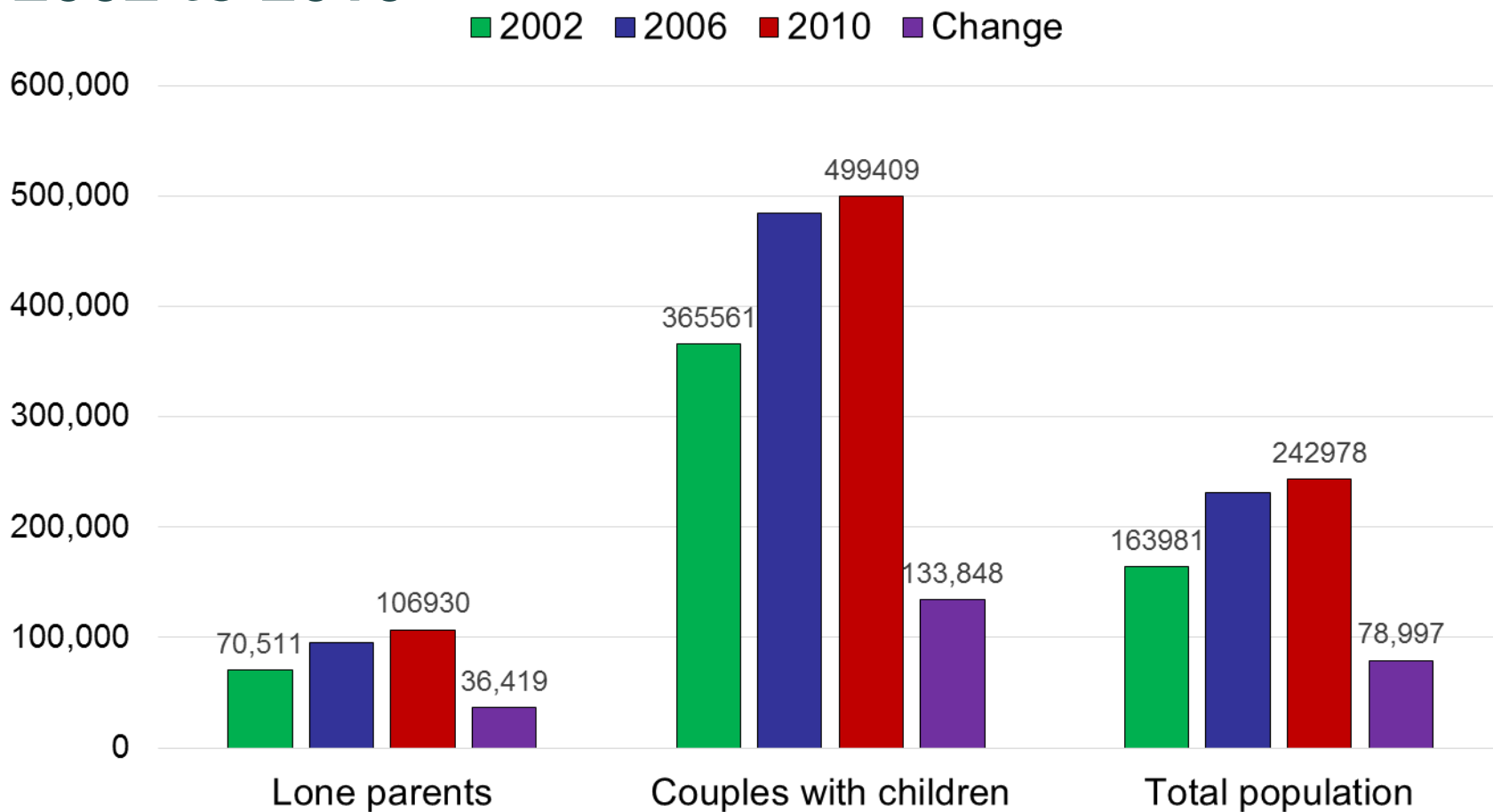


Median net worth (\$), couples and lone parents with dependent children only, 2011-12

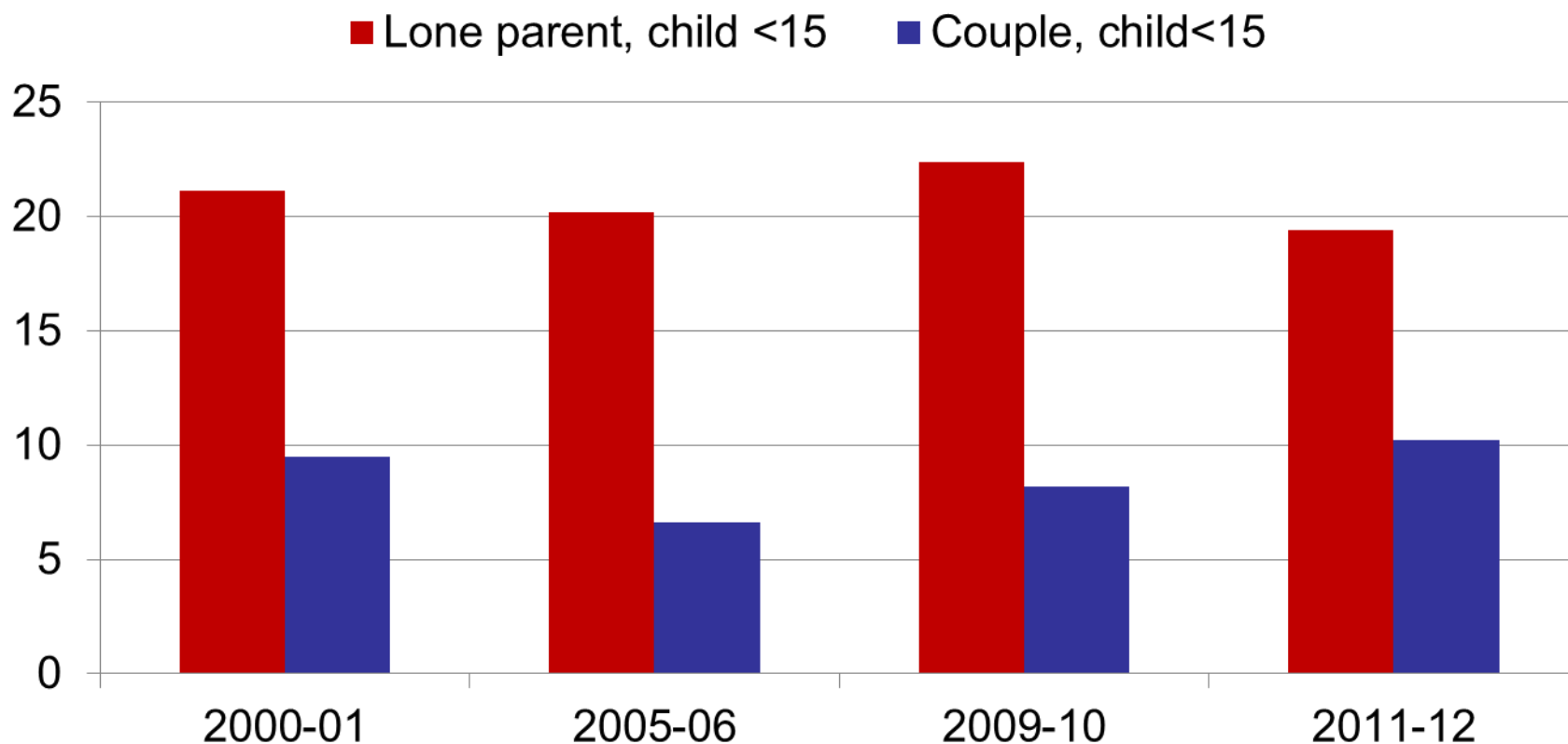
■ Couple ■ Lone parents



Trends in median net worth by household type, 2002 to 2010

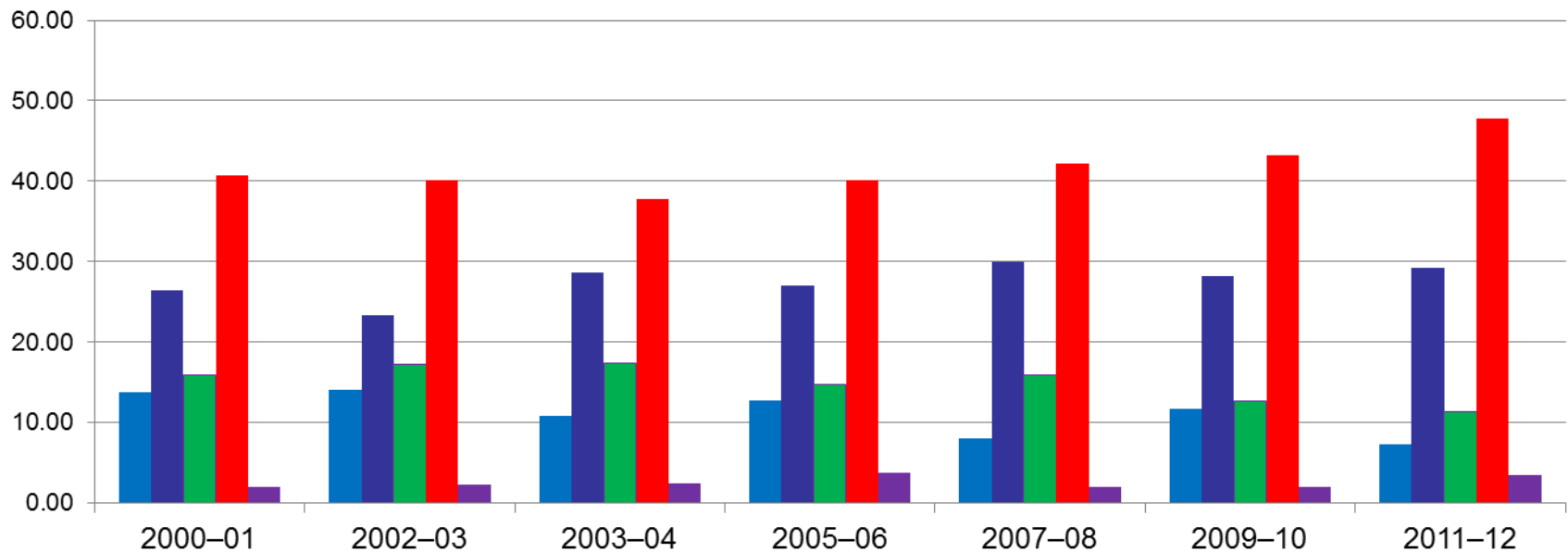


Poverty rates among lone parent and couple families with children, 2000-01 to 2011-12



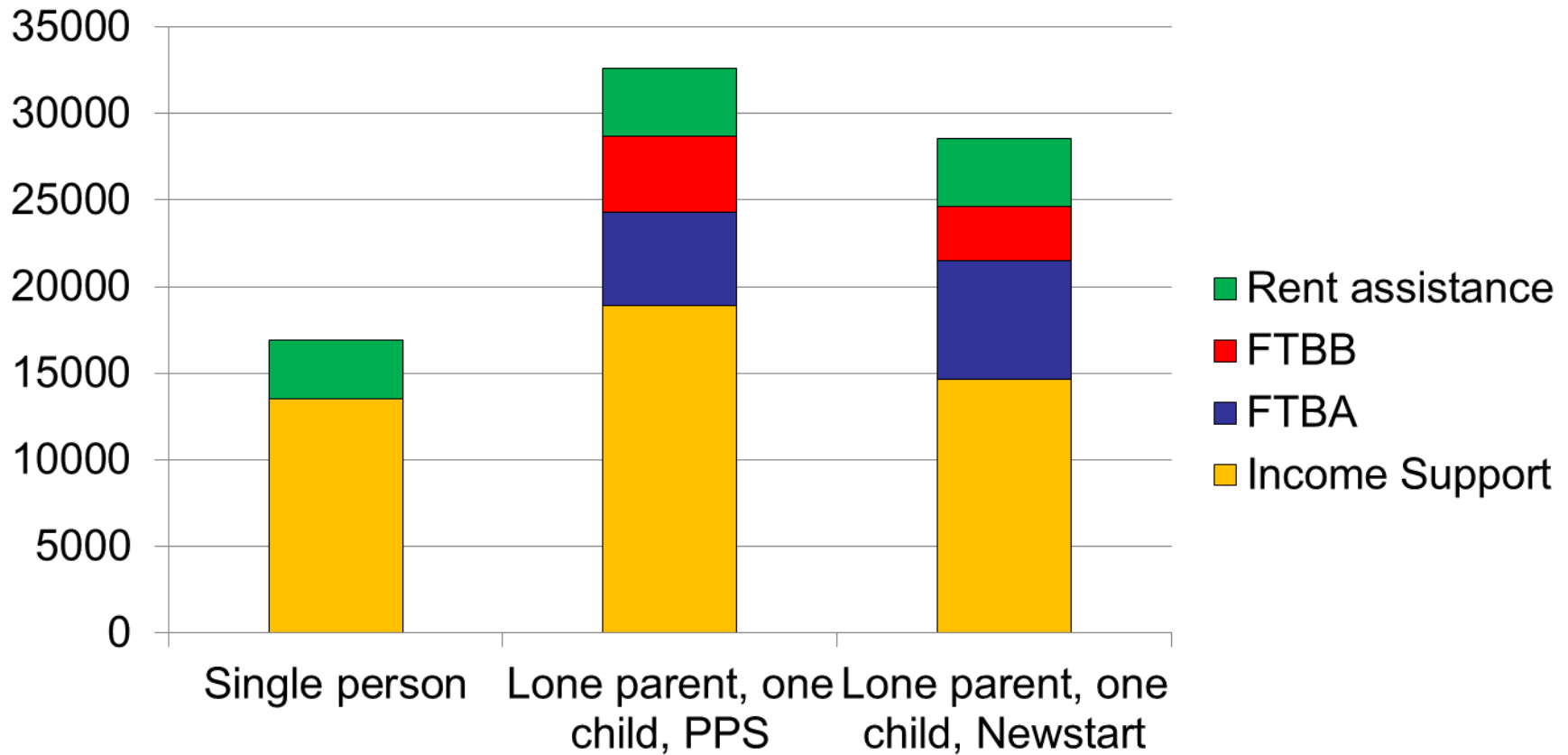
Trends in housing tenure, lone parents, Australia, 2000-01 to 2011-12

- Owner without a mortgage
- State/territory housing authority
- Other landlord type
- Owner with a mortgage
- Private landlord



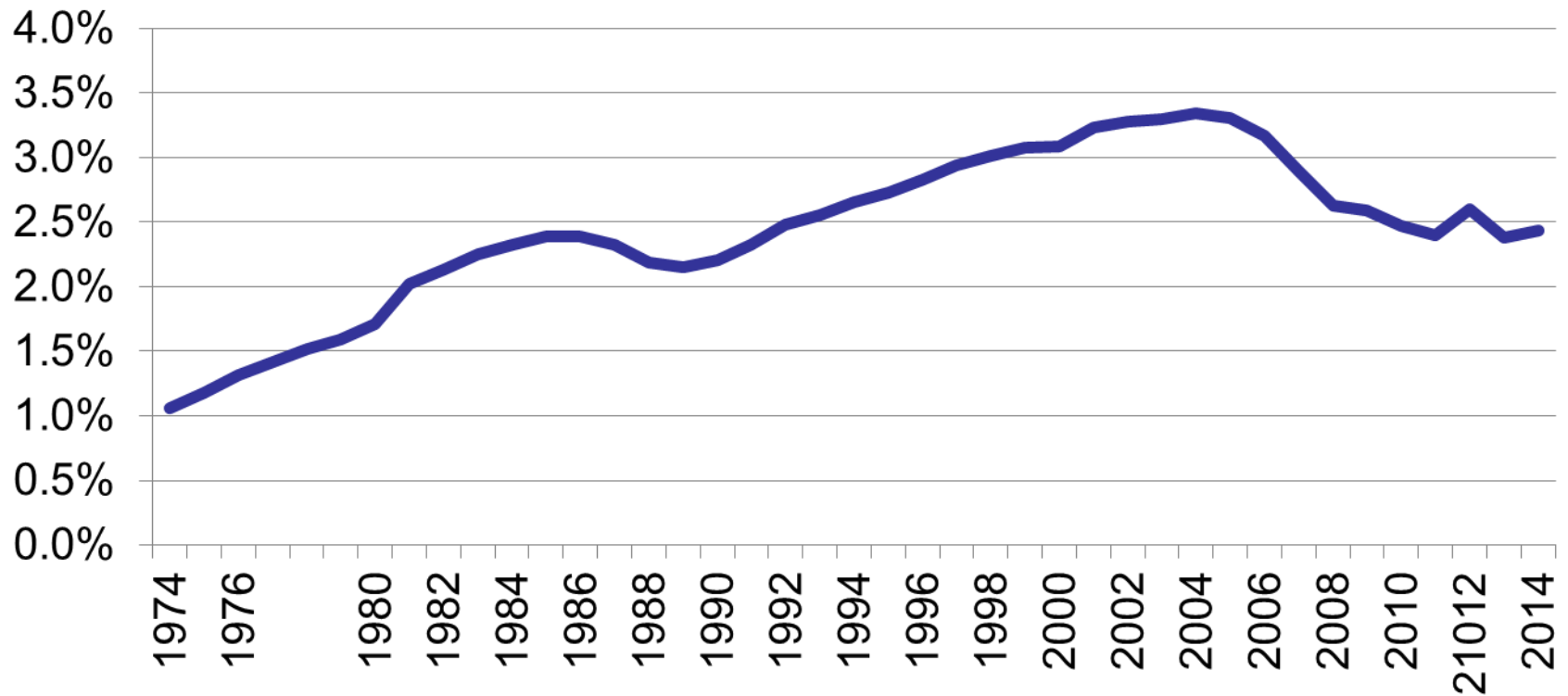


Composition of benefit packages, \$ per year, 2015

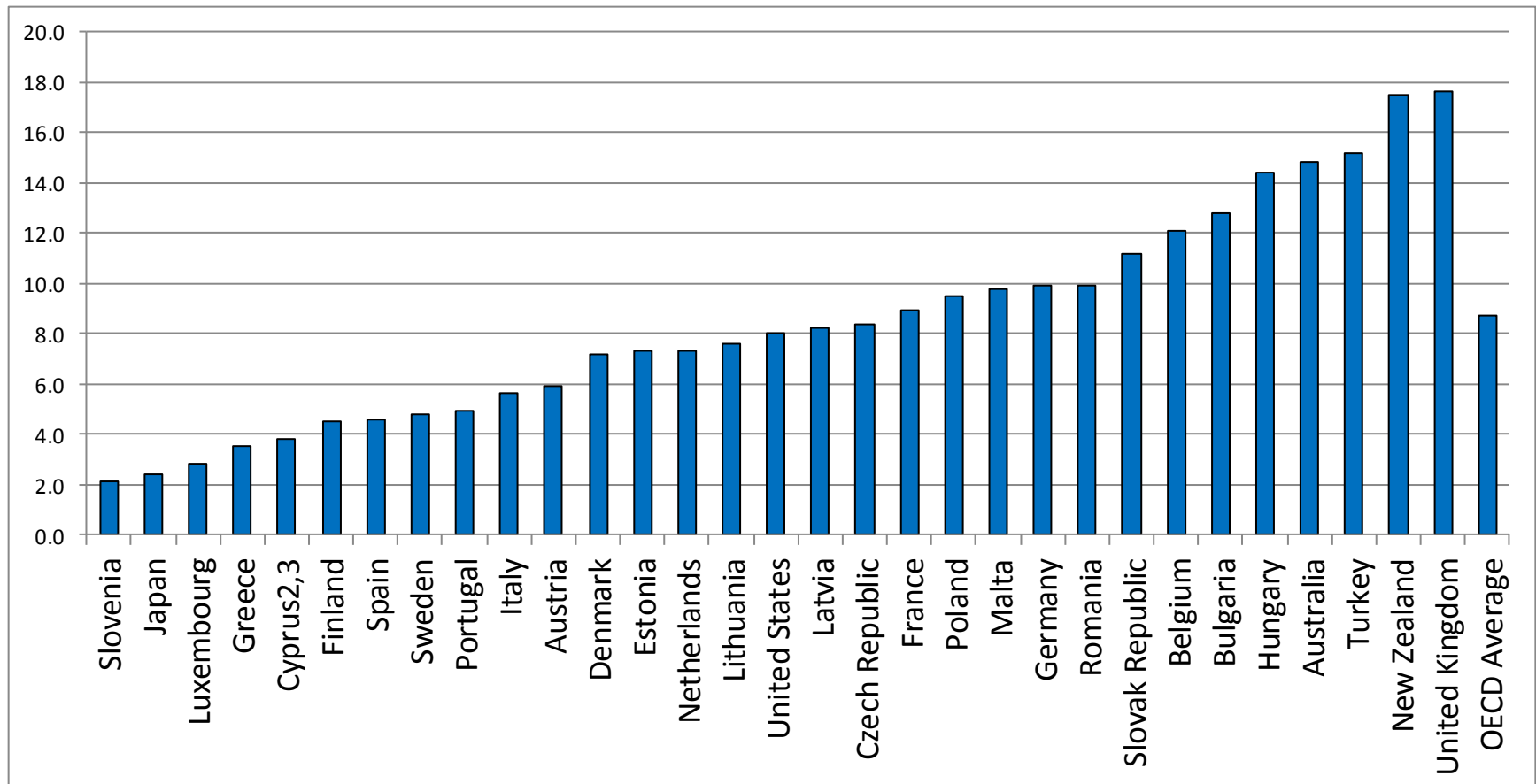




Lone parents on income support as % of working age population, 1974 to 2014



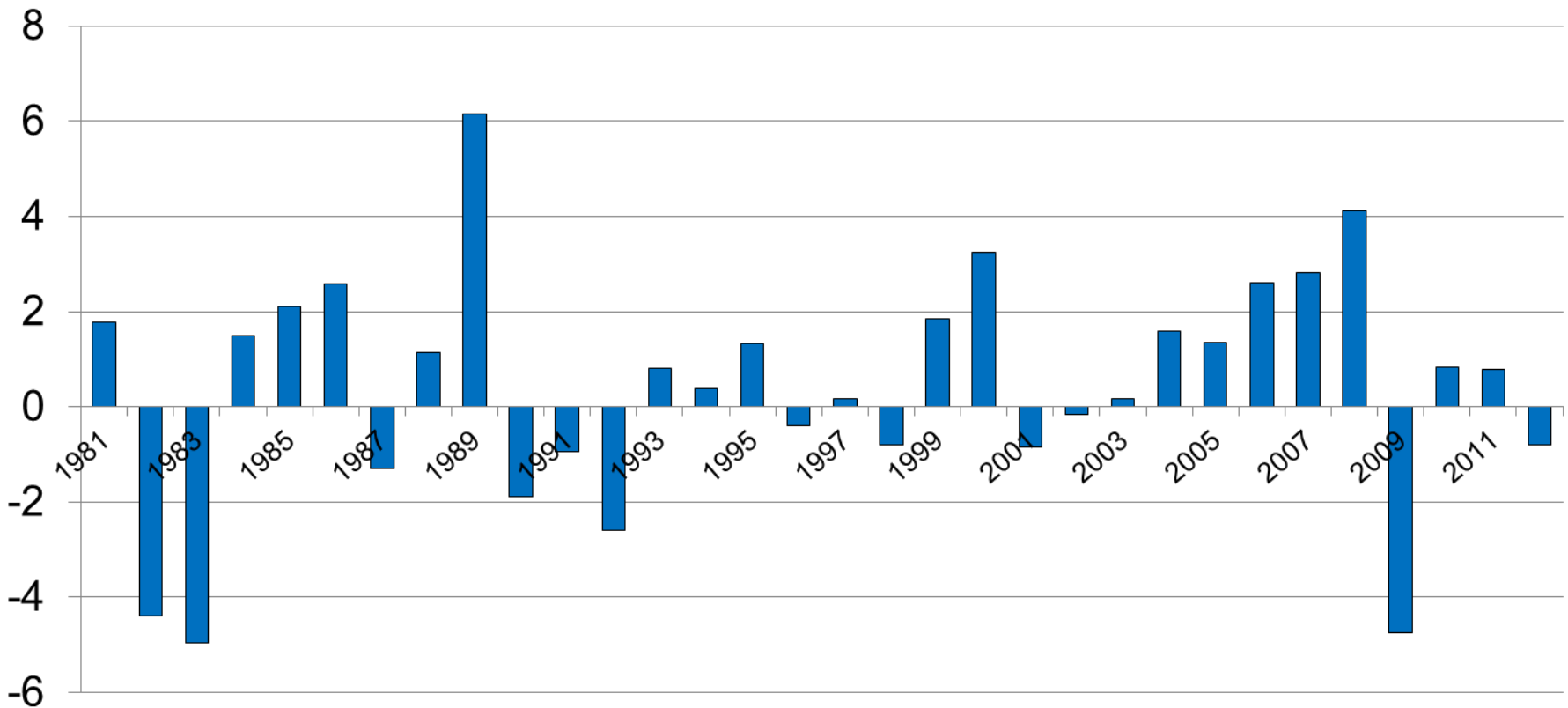
Per cent of children living in jobless families, 2009-10



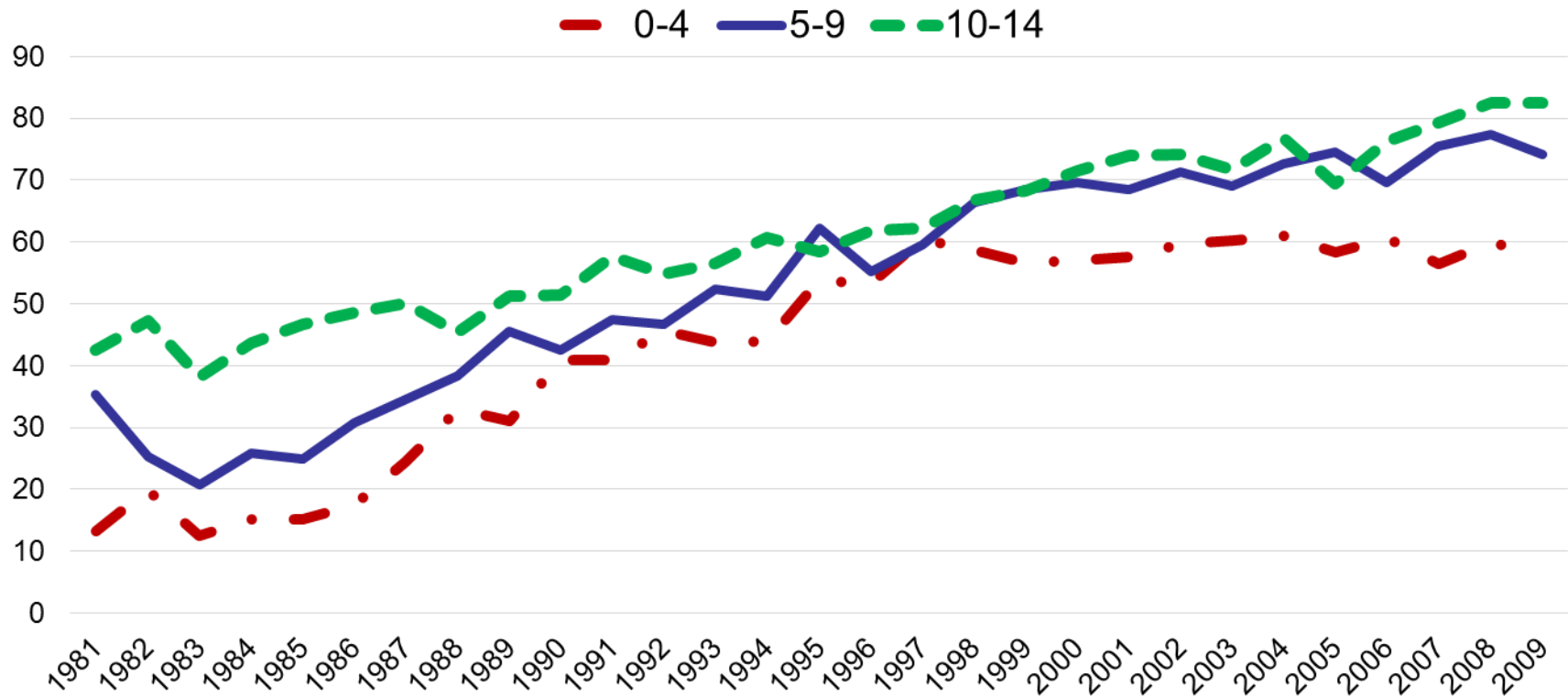


Change in employment to population ratio for lone parents 1980 to 2012

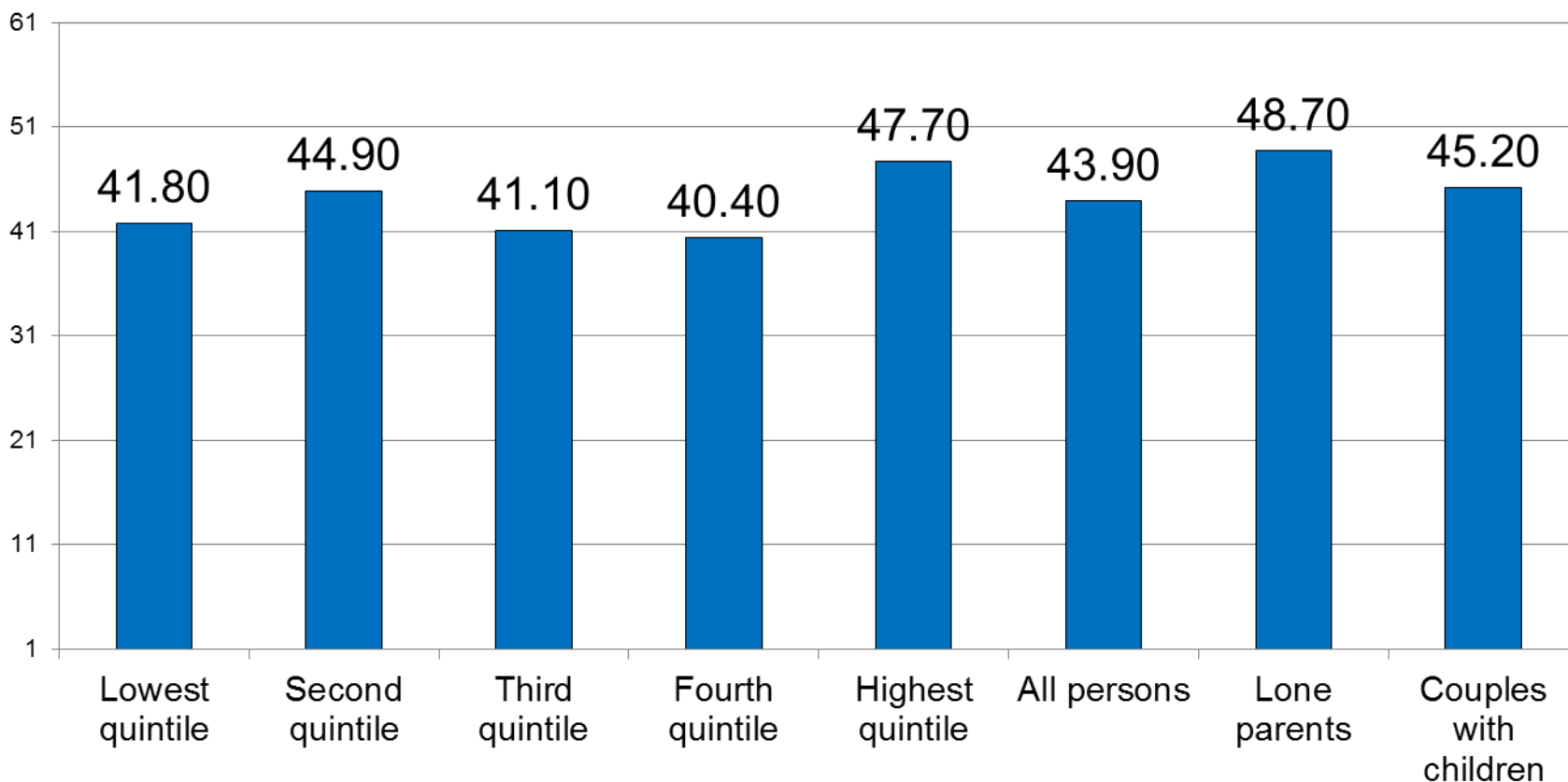
% point change on previous year



Employment to population rate (%) among lone parent families by age of youngest child, 1981 to 2009

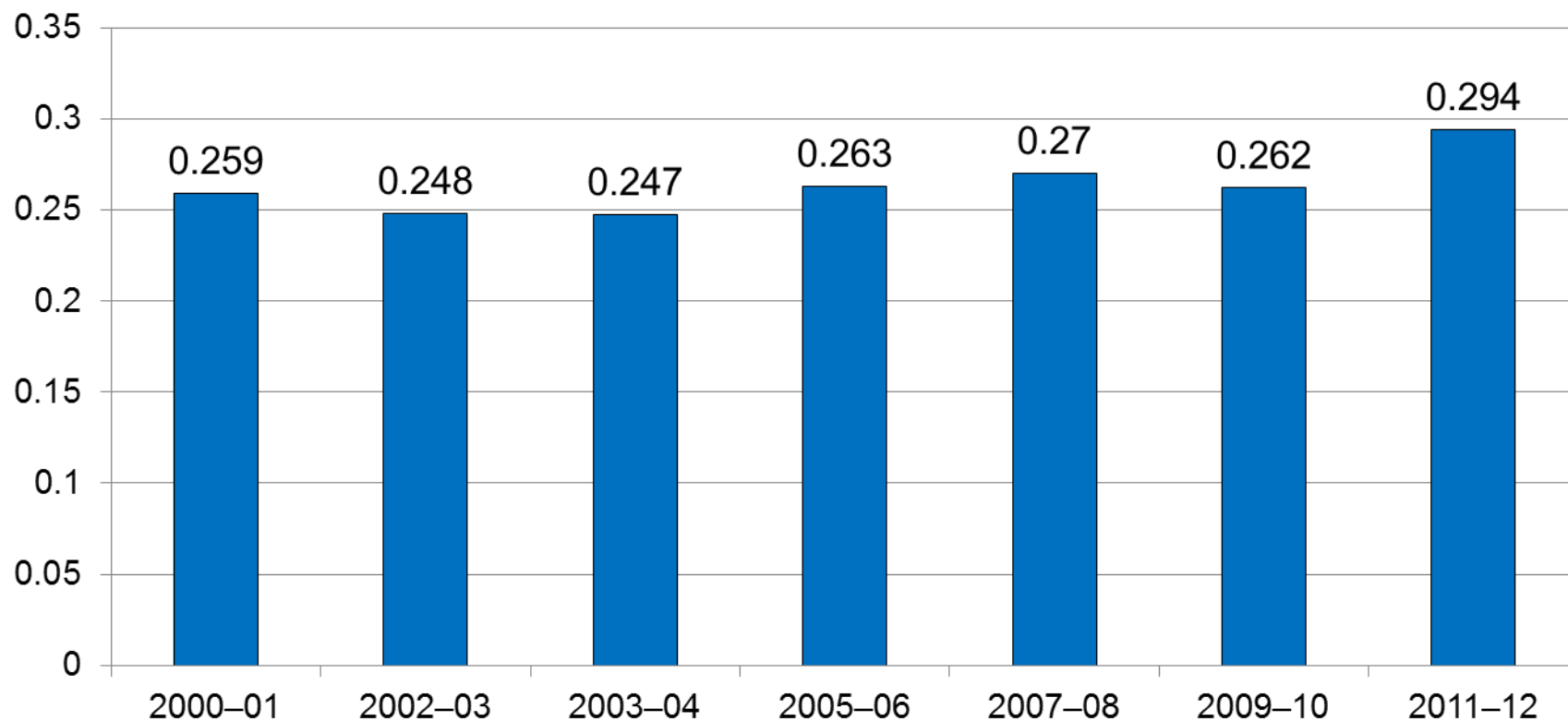


Trends in incomes of lone parents relative to community incomes, Australia, per cent change in real group income, 2000-01 to 2011-12



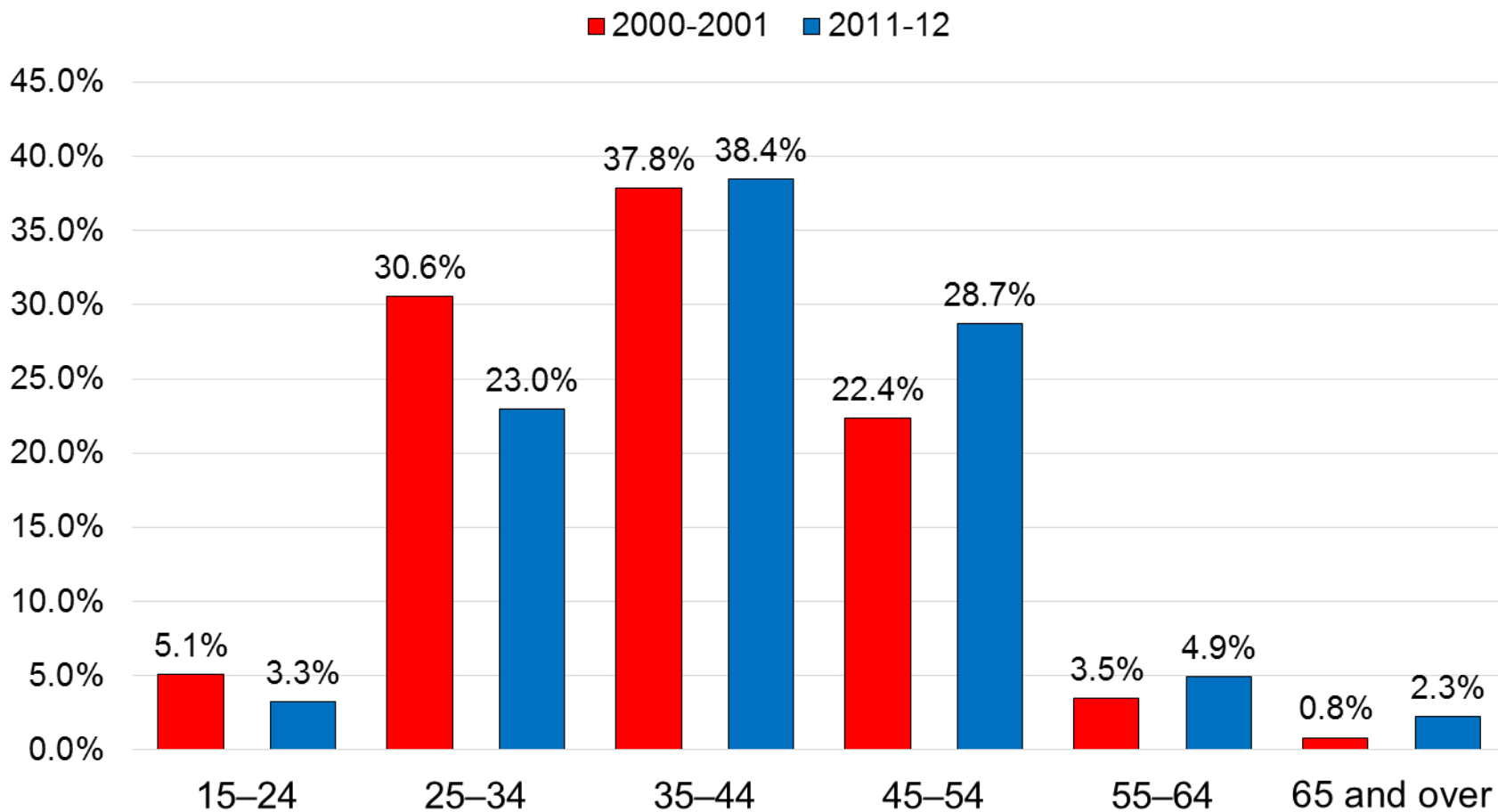
Trends in income inequality among lone parent families, 2000-01 to 2011-12

Gini coefficient for equivalised household disposable income



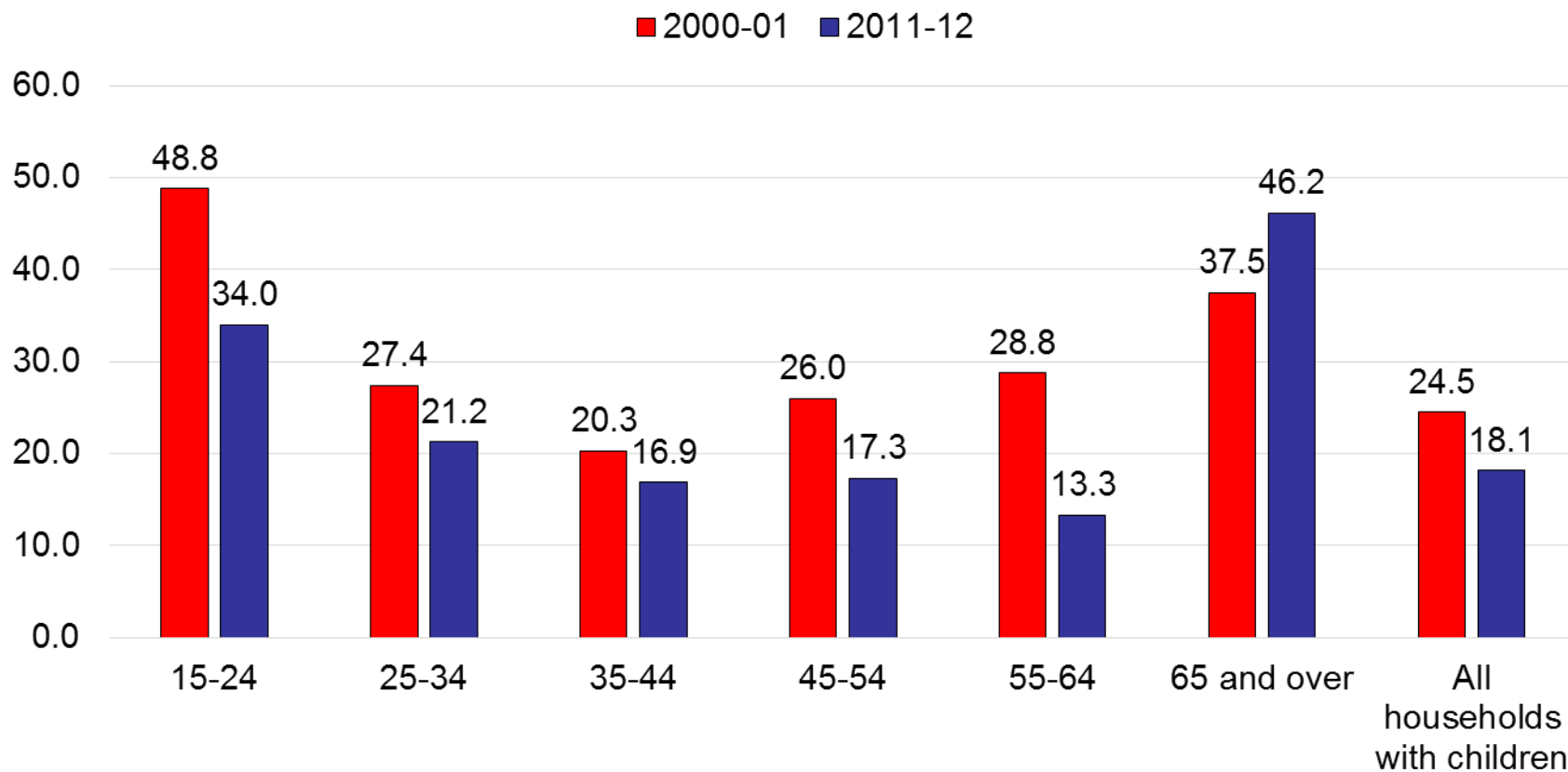


Distribution (%) of lone parent households by age, 2000-01 and 2011-12

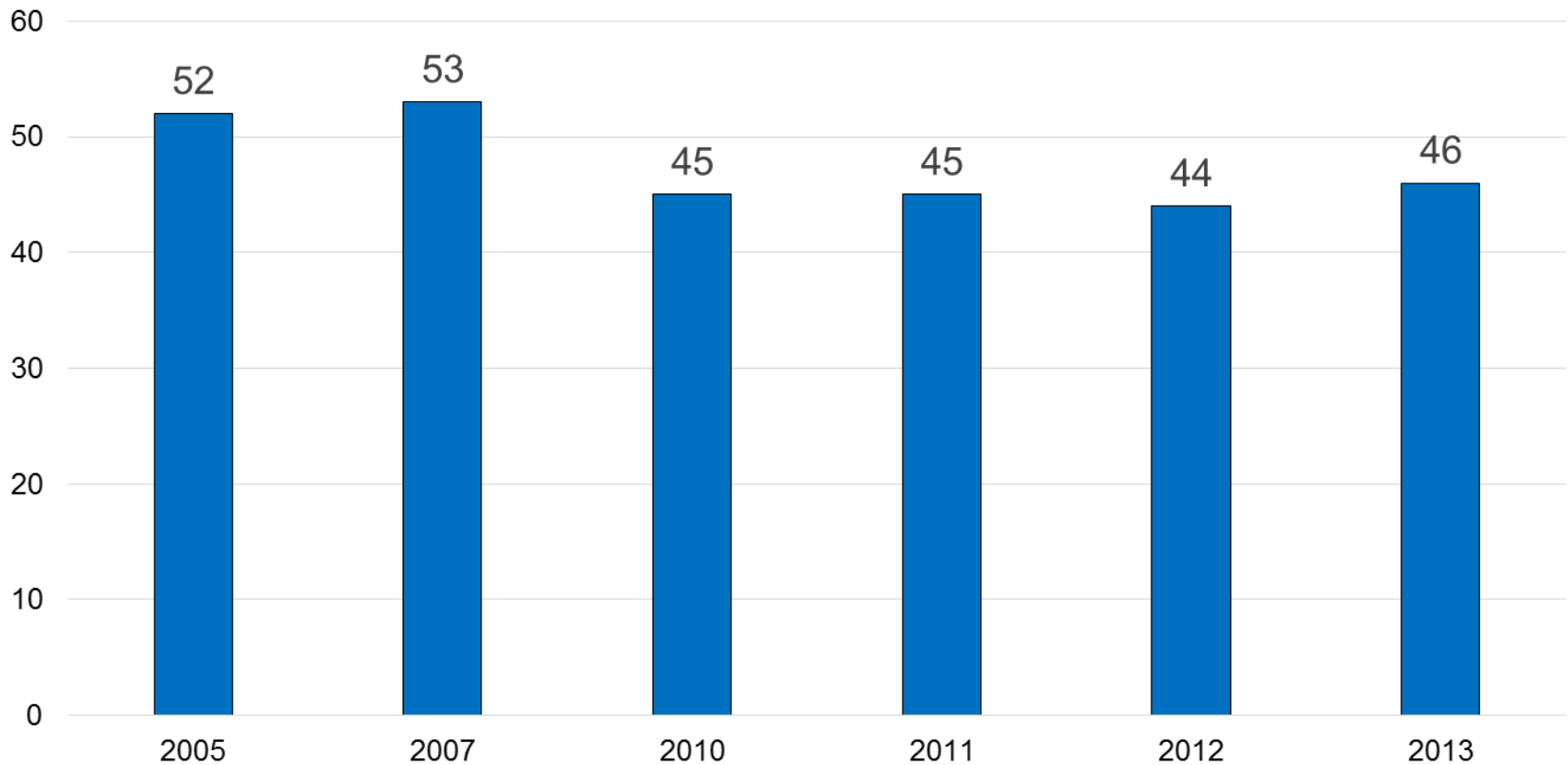




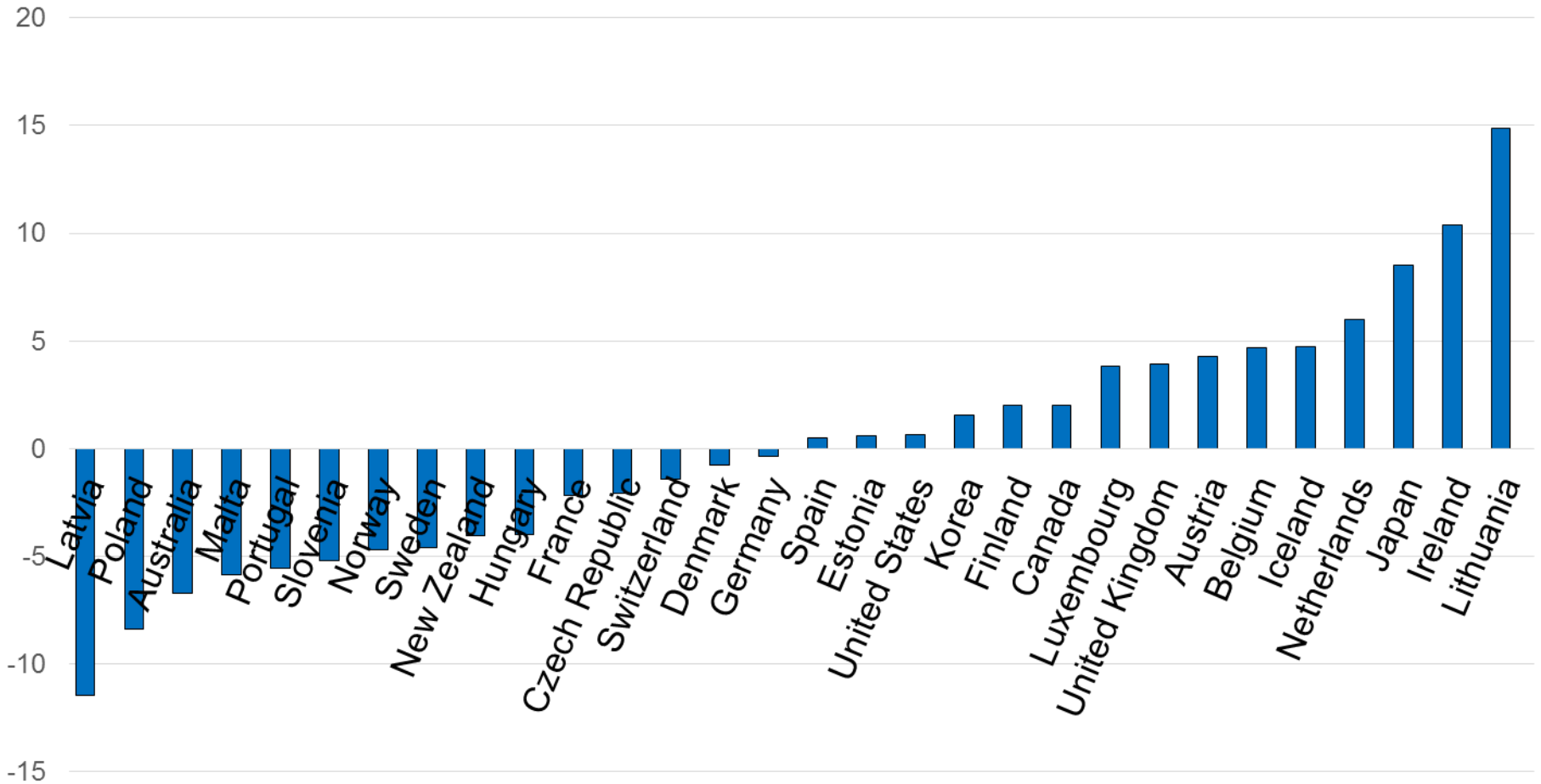
Lone parents as % of all households with children by age of household head, 2000-01 and 2011-12



Benefit entitlements for lone parents with two children as % of median equivalised income, 2005-2013



Change in benefit entitlements for lone parents as % of median equivalised income, 2005-2013



Who are the most disadvantaged?

Per cent of group experiencing deep and persistent disadvantage, 2001 to 2010

