BALANCING WORK AND FAMILY – THE EXPERIENCES OF LOW INCOME PARENTS

Paper for the Australian Social Policy Conference to be held
9 – 11 July 2003
at the University of New South Wales

Anne Gregory,
Ruth Ganley and
Matuna Mostafa
The Department of Family and Community Services provides income support to both single and partnered parents who have low incomes and the main care of dependent children. Income support is predominantly provided through Parenting Payment with additional assistance to help with the costs of children provided through Family Tax Benefit.

Recently introduced welfare reform changes provide more help and support for parents to plan for a return to work and combine paid work with parenting. These changes are in response to increasing concern about the negative affects of long term income support reliance on parents and their families. A survey of parents receiving Parenting Payment was undertaken before the introduction of these changes to obtain baseline data on the characteristics, experiences, and attitudes to paid work and service needs of parents.

A previous paper prepared for the Australian Institute of Family Studies Conference earlier this year reported on customers’ characteristics and circumstances, work history and income support history, reasons for coming on to payment, and difficulties experienced when first claiming payment. This paper presents the experiences of parents with low incomes in combining parenting with paid work, the issues they face, their plans, and how these are related to experiences of paid work and self-perception of their role in the family. We also have some early thoughts on possible policy implications for work and family, and welfare reform. Another presentation by the Department of Family and Community Services - *Family and Work: Issues and Risks across the Life Course* looks more broadly at work and family issues.

**Some Background**
Parenting Payment is the income support payment provided to a parent with a low income who has main caring responsibility for a dependent child under 16. Single parents receive Parenting Payment single, which replaced Sole Parent Pension. Partnered parents receive Parenting Payment partnered. Their partners may also receive income support, usually Newstart, but they may also be low wage earners.

Parents on income support can work part time (and in the case of single parents even full time) and still receive income support and associated supplementary benefits. To
qualify for Parenting Payment, a single parent with one child can personally earn up to $32,652 and a partnered parent up to $15,704. Families receiving Parenting Payment also receive Family Tax Benefit.

The Helping Parents Return to Work initiative, is part of the Australians Working Together\textsuperscript{1} package, and builds on the Jobs, Education and Training program. It provides an extra $250 million over four years to give parents on income support more assistance to make the transition from Parenting Payment to paid work as their children get older. This includes funding for Personal Advisors and more places in employment assistance and other programs. Parents will also benefit from other changes in the Australians Working Together package. These include the Personal Support Program, Transition to Work and Working Credit.

These changes were developed in response to widespread concern about the effects on families of long-term reliance on income support and the difficulties experienced by many parents in finding employment once they have been out of the work force for extended periods.

The initiative includes an additional 15 minutes in the new claim interview to discuss planning for a return to work in the future and the assistance available. An information package, Parents and Employment – A Guide to Support Your Workforce Participation, is given to parents. It includes material on paid work, how it affects income support and services and support available. Parents who have been on payment for six months and whose youngest child is aged 12-15 receive an annual participation planning interview with a Centrelink Personal Advisor, who can also refer them to appropriate services and programs. From September 2003, participation planning interviews will be extended to parents with a youngest child aged 6 and over, and parents with a youngest child aged 13-15 will have a modest activity requirement to help them prepare for a return to work.

\footnotesize{\textsuperscript{1} More information on this package is available at www.facs.gov.au and www.together.gov.au}
Design of the Parenting Payment New Claims Survey
A stratified random sample of parents granted Parenting Payment in the four weeks up to 22 March 2002, and parents who had received Parenting Payment for six months or more at 22 March 2002 was drawn from administrative data. Parents transferring between Parenting Payment single and Parenting Payment partnered due to a change in partnered status were included as ‘new’ claimants, as were parents who were claiming payment after a break in income support receipt. Parents were sent a letter informing them of the research and seeking their agreement to participate.

A sample of 2,444 was interviewed. The following proportions were targeted:

- 60% (1,466) new claimants and 40% (978) existing recipients;
- 50% Parenting Payment single and 50% Parenting Payment partnered; and
- One third parents with a youngest child aged 0-5, one third aged 6-12 and one third aged 13-15.

The first interviews were conducted in June and July and collected information on characteristics and circumstances, work and income support histories, activities and barriers, difficulties experienced and knowledge of services, and expectations, aspirations and perceptions.

A follow-up interview was conducted three months later when new claimants had been on payment for six months. Information collected included any changes in circumstances, attitudes and activities. Five focus groups were held to collect qualitative information.

The survey was well received and achieved a response rate of 61%. Responses were weighted to the original population. Around 90% Parenting Payment recipients are mothers. The survey results reflect this gender split.

Income support and paid work
Parents on income support are able to work part time and, in some cases low paid full time work, and receive a part payment. Working part time can be a way of
maintaining labour force attachment, securing additional income and balancing family needs. Around a third of interviewed parents report that they have some paid work. Most are working part-time, with the average number of hours worked being less than 20 hours a week. Jobs tended to be concentrated in clerical, sales and service positions with the average hourly rate being quite low at just over $13.

Nevertheless, the majority of these parents, 85%, were satisfied or very satisfied with their jobs. Almost all were happy with the number of hours the worked. Most who weren’t happy with the hours they worked, wanted to increase their hours so they could earn more money. In comparison, findings from the Australian Family Life Course Study conducted by the Australian Institute of Family Studies in 1996 show that the majority of mothers working part-time were satisfied with the hours they were working2.

Parents were very aware of the financial benefits of paid work

When asked about the advantages of paid work, financial benefits dominated. Around 90% of parents gave more money for immediate needs, to clear debts and for future needs as advantages. Reasons related to non financial benefits, such as improving their self confidence, communicating with other adults, setting good example for children were given by around half. Very few gave enjoying work or providing a role model for children as advantages. As one parent in the focus groups said,

‘You want to give your kids opportunities, you want to be able to take them to the movies and take them and do stuff.’

The main issue for these working parents is concern about balancing work and family

While parents were very clear about the financial benefits of working, more than half were concerned about balancing work and family. This included worries about being away from their children, still being able to care adequately for their children and having enough time for the family, housework and themselves. Very few reported less time for self as an issue.

The sorts of issues that emerged in focus group discussions centred mainly around difficulties in essentially managing two jobs – being the primary carer and being a paid worker. Some parents did not tell employers that they had young children, especially if they were single parents, as they were concerned that employers would assume that they are unreliable.
Worry about family’s well being most common concern, but parents working long hours also felt the time crunch

Worry about family’s well being was reported by more than a quarter of parents with work/family balance concerns. It was more common for sole parents. Having less time for the family or for housework were the next most common concerns, with many parents, especially those working full time, feeling the time crunch. Exhaustion – physical and emotional – was reported in focus group discussions for single mothers working long hours.

‘I would really love to spend more time with my daughter but if you work full time you go home and you’re really exhausted and you need to do the cooking, and it’s just really hard’

Mothers wanted to be available for their children but also wanted extra income to help with expenses. One mother talked about finding ‘Mr not quite right but might help pay some of the bills’.
Suitable jobs for parents means work that fits in with family responsibilities

One of the challenges expressed in focus group discussions was finding work that fitted in with family responsibilities. Of particular concern, was finding employers flexible enough to accommodate parents who need to care for sick children or children during the school holidays. One mother reported being asked by her employer for a medical certificate when she left early to pick up a sick child.

The ideal was a job in school hours, preferably close to home. This would minimise the time spent away from the family and transport costs. One mother chose a low paid job over a professional job she was qualified for because the professional job entailed 3 hours of travel. Other comments from mothers were:

‘That’s one of the hard things, to find a job that’s compatible with some sort of level of parenting’

‘Not many employers will let you take a day off for a sick kid, things like that’

‘My friend was in the interview before me and told them she was a single parent and was asked, who will look after the kids when they are sick and she had no answer, and she was never invited back, so I lied and got the job.’
**The extra income from working can be eroded by other costs**

Only 7% of parents in paid work were concerned about the cost or accessibility of child care and only 1% had concerns about transport. However, in focus group discussions the financial return from work emerged as an issue. As one mother said:

‘When I had the job at…, I worked out that I was getting $32 a week by the time I had paid for child care, for 30 hours of work! You weigh it up and it’s not worth it’

One concern was the high cost of travel, both financial and in terms of time away from the family. One mother said:

‘All the high paying jobs are in the city … and it was costing a fortune in travel costs, in care. There’s no high paying jobs in my local area’.

In summary, for many parents there was a tension between being a good provider and trying to be a good parent. In focus groups, parents were conscious of being judged; feeling that whatever they did would be frowned on.

‘You either stay at home and you’re poor and you can’t afford to do anything, or you work your guts off and sacrifice your kids’

‘In this day and age you are made to feel like a lesser person if you are a stay at home mum, but then it’s the same if you’re working-you can’t win’

**Balancing work and family is particularly difficult for parents with few supports**

Parents, particularly single parents, who reported that they have no family members or friends to rely on were more likely to be dissatisfied with their jobs. Parents with earnings high enough to lose eligibility for Parenting Payment were also much more likely to express dissatisfaction. In focus group discussions, some mothers discussed the difficulties they experienced when their earnings meant they lost eligibility for Parenting Payment. Losing the Pensioner Concession Card and its associated concessions for transport and health costs was particularly difficult. While these mothers knew they would be better off financially in the longer term and they were
eager to escape the stigma of receiving income support, they were finding it difficult to manage financially in the short term.

**Two thirds of parents who are not already working, say they would like to be in paid work**

Two thirds of parents not already working reported that they want to work, two thirds of these would like to work part time. This is slightly higher than the *Australian Family Life Course Study*, which found 56% of mothers not working would prefer to work.³

Most parents want to work to have more money. The main reason parents are not currently working is concern about balancing work and family. This group is more likely to have concerns about balancing work and family than parents who are actually in paid work.

Trying out the job market unsuccessfully raised a different set of issues. Parents who had been looking for work, were more concerned about lack of suitable training and experience, lack of suitable jobs, transport difficulties and, in the case of older parents, increasing age. Finding suitable work was especially difficult for single parents with young children. Thirty eight per cent of single parents with child under 5 cited difficulties with child care and 28% difficulties with transport.

**A substantial proportion of parents not already in paid work, plan to return to work**

Three quarters of parents who are not in paid work plan to return to work, one third within the next year. These parents were most likely to be single parents with a pre-school age child. Partnered parents and those with older children were least likely to be planning to return to work. Similarly the *Australian Family Life Course Study* found 87% of mothers with a child aged 0-4 and 71% of mothers with a child aged 5-12 who were not working planned to return to work.⁴

---

³ Glezer, H and Wolcott, I ‘Work and family values, preferences and practices’.
⁴ Ibid.
Most parents who prefer not to work, are limited by concerns about caring responsibilities

Around a third of parents who were not in paid work reported that they preferred not to work. Around three quarters cited reasons to do with caring responsibilities. Partnered parents were twice as likely as single parents to have this preference.

It seems that not working is about family as well as the labour market

The main reason given by respondents for not being in paid work is family commitments. Similarly, consideration of family commitments is also the main reason for choosing when to return to work. For example, almost 30% of parents who planned to return to work, said they planned to do this when their youngest child started school.

Role Perceptions also play a part

Role perception appears to play a powerful part in determining labour force participation and preferences. Parents were asked if they saw their role as a parent only, someone who works to contribute to finances, a worker and a parent equally or a worker only. Parents who reported they saw their role as a parent only were much less likely to be in paid work (only 3%), and less likely to be looking for work or studying. They were twice as likely as the whole group to prefer not to work, and half as likely to be planning to return to work.

Graph 4 Interaction of participation in paid work and role perception
How partner’s perceived their role also had an impact. Parents whose partner saw their role as a parent only were more likely to prefer not to work.

**Parents who choose to leave paid work**
While only a small number of parents left paid work during the survey period, the main reason for doing so voluntarily was difficulty balancing work and family. Almost 90% would prefer to still be working.

**Summary and Policy Implications**
These findings strongly suggest that most parents on income support are working or want to work and they are very positive about the financial benefits of paid work. One third already have some paid work, averaging 20 hours a week. Two thirds of those not already in paid work want to work.

However, other research shows that many parents spend long periods on income support. Administrative data show that around a quarter of Parenting Payment single recipients have been on payment for five years or more. Bob Gregory, using FaCS’ Longitudinal Data Set, estimates that single parents will spend an average of 12 years on income support.

The reason for this may be associated with the key finding from this study - the main concern for parents is balancing paid work with family responsibilities. All parents irrespective of their labour force status or work preference expressed this concern. The balance of paid work and family responsibilities was particularly difficult to achieve for parents who had few supports and for single parents. Nevertheless, the majority of parents saw more advantages in working than disadvantages. For them, Parenting Payment provides a way of achieving workforce attachment, increased income from paid work and work family balance.

However, the policy challenge is to ensure that by making this choice, parents won’t find it more difficult to become self reliant when their children are older. Our analysis of parents moving from Parenting Payment single when their youngest child turns 16, for example, shows that half are still on income support five years later. The *Helping Parents Return to Work* initiative is already helping parents with older
children more actively plan for a return to work and providing more assistance and support at an earlier stage.

Another area of policy concern that is highlighted is the situation that when working parents earn enough to lose eligibility for income support and associated benefits, they may not earn enough to compensate them for loss of benefits, including the Pensioner Concession Card. This is a difficult transition point for parents that did not emerge in the quantitative analysis, most likely as most parents envisage paid work at a level that does not preclude them from payment. However this issue did emerge in focus group discussions with parents deliberately choosing lower paid work, less skilled work or fewer hours to remain on payment.

More work is being done on making work pay as part of the longer-term welfare reform agenda. A Taskforce is examining how to ensure that working age people have appropriate incentives and rewards for paid work, receive adequate support to become self reliant, and have requirements and assistance tailored to their individual capacities and circumstances. A discussion paper was circulated and community consultations have been undertaken.