Women’s and men’s incomes following childbearing

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Despite the impact of second-wave feminism, Australian women’s incomes are lower than men’s. This inequity is created and recreated by gender segmentation of the labour market, women’s greater responsibility than men for unpaid work, and workplace cultures with entrenched discrimination against women. A familiar story plays out when a baby is born. Parents must find some way of obtaining income and caring for the baby, both very time-consuming tasks. With women needing recovery time from pregnancy and childbirth, men usually having greater labour market earning power than women, and social expectations of gender roles, couples typically fall into traditional gendered roles of male breadwinner and female home-based carer. Same-sex couples also often follow this pattern. Single mothers must either find some way to live on a below-the-poverty-line pension or make an early return to labour market earning and find some way to cope with a punishing double shift. Typically, as time goes by, mothers’ earning capacity diminishes. Aside from the subordinate position that accompanies economic dependence, women face diminished career opportunities, and the many who have periods of single motherhood are very vulnerable to poverty for themselves and their children. Although this impact of childbearing is often accepted as part of the taken-for-granted reality of everyday life, it raises some important philosophical, pragmatic and ethical issues.

Philosophically, it is curious that in societies such as ours some work is considered real work worthy of a living wage and other work is not. This is not simply a market phenomenon, as other non-market but essential work such as teaching and nursing is now considered real work and is publicly funded. The work of caring for young children, that typically takes up so much of a new mother’s time that she is unable to earn a living, and is clearly essential to the functioning of society, still does not attract a living wage.

Pragmatically, loss of income following childbearing acts as a disincentive, contributing to low fertility rates. It also means that
following separation and divorce unacceptable numbers of Australian children are raised in poverty.

Ethically, we must question social arrangements that exploit the altruism of parents, in particular mothers, and appropriate without due recompense the labour of mothers of young children.

The unpaid work of caring for an infant takes up to 90 hours of someone’s time, with most of this work falling to mothers (Bittman and Pixley 1997). As children grow, less time is required. Thus in general population terms, mothers’ unpaid work decreases with the age of youngest child, and their paid work increases (ABS 2000; Bittman and Pixley 1997; Grace 2001). Currently available analysis gives a broad brush picture of this relationship. However, if we are serious about resourcing the care of young children, we need finer data about time taken to care for children of different ages in different living arrangements, and the impacts of unpaid caring work on income.

Published time use and employment statistics are based on surveys that are not large enough to allow for fine analysis (SICH; HILDA). This paper reports on a study of women’s and men’s individual weekly incomes following childbearing. The 2001 Census was used, as it is the only Australian data set large enough to allow for analysis by one year increments of age of youngest child, and to examine the data by both gender and family type.

**Literature review**

Research in this area has included examination of time use survey data (Bittman & Pixley 1997; Craig 2004; Gilding 1994; Ironmonger 2001), modelling of loss of lifetime earnings (Breusch and Gray 2004; Gray and Chapman 2001), modelling of costs of children (AIFS 2000), examination of mothers’ labour market activity (Walters 2002), findings that divorcing women are likely to be worse off financially than their ex-partners (Bittman & Pixley 1997; O’Connor et al. 1999; Wolcott & Glezer 1995), studies of attitudes and preference in relation to work and family (Probert and Murphy 2001), studies of household income across different household types (ABS 2005), and international comparative modelling of mothers’ ability to form an independent household (Shaver and Burke 2003). Related research includes international studies of fertility rates (McDonald 2000) and qualitative research into the experiences of parents following childbearing (Brown et al. 1994).
Policy significance
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, and 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.

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. 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).

While more information is available now, for example about time use, than a decade ago, there is still little publicly-available detailed information about the work involved in caring for young children and its impact on labour-market earning. We know in broad general terms that young children are more vulnerable and require more care than older children, and that mothers’ labour market activity increases as their children grow. However, good quality public discussion and policy development requires much more detailed information as we move towards consideration of issues such as how much paid parental leave should be publicly funded; how that leave should be shared between parents; whether single parents should receive high income support for a few years and then strong incentives to maximise their labour market earning; and whether single mothers should be treated differently from couple-family mothers.

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? How do people patch together an adequate income when their children are at different ages? 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 make the transitions that would assist them?

**Research design**

Most studies of household income and labour market activity use survey data, and this 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 conducted in 2001. Although ABS publications on income use household income, the census collects information on individual weekly income. Respondents are instructed to include gross income from all sources.

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 customized data cube from the ABS for this research. It is data for all persons in Australia aged 15+, not a sample file.

From the data, I extracted 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 look at educational level or parental age although these would clearly be relevant variables for further exploration.

For this study, I examined average weekly incomes for all persons aged 15+ by gender, family type, and age of youngest child. Keeping
in mind that this is point-in-time, not longitudinal data, I have prepared charts showing how women’s and men’s incomes vary with age of youngest child. While the ABS census is a large and relatively accurate data set, it has some limitations, including that it does not include absolutely all persons in Australia, and that there is the possibility of some systematic mis-reporting in relation to income data. While I have made every effort to ensure accuracy of my calculations, I recommend caution in relation to these findings pending re-analysis of the data by other researchers, broader discussion of the possible reasons for the patterns that emerged and further research into the reasons behind the observed patterns.

**Findings**

In presenting the findings of this research, I start with comparisons of income distributions for women and men in different circumstances, then material on average weekly incomes by age of youngest child.

Analysis of census data found that women’s incomes were approximately 60% of men’s\(^1\). Women’s incomes cluster at the lower levels of this distribution. Once income is above zero, the number of women at a particular income level gradually declines as the income level increases. For men, the picture is more complex, and this distribution could be considered trimodal.

\(^1\) ABS (2005) gave a figure of 68% for earnings. This was based on the Survey of Employee Earning and Hours Australia Cat No 6306.01.
Figure 1: Individual weekly income by gender, Australia 2001
Having set the scene with this overall picture of Australian women’s and men’s incomes, I undertook detailed analysis, particularly focussing on people with dependent children. I’ll start off with one of the simpler graph, comparing single mothers and couple-family mothers with dependent children. The blue bars are the couple mothers and the maroon bars are the single mothers. The couple mothers cluster at the low income levels between zero and $300, and the single mothers are most likely to be in the $100 to $500 range. Interestingly, at the upper income levels, couple mothers are a little more likely to be there than single mothers.

This was not a surprising picture. We know that within heterosexual couple families, women tend to specialise in unpaid work. Single mothers, without access to the benefits of a partner’s earnings, have more incentive to labour market earning and tolerating the double shift. For women with the capacity to earn a high income, whether single or in a couple, there is probably both the motivation and the ability to do so, because of the ability to outsource at least some of the unpaid work. However, a similar analysis of men’s incomes held some surprises.
Incomes of men with dependent children present quite a different picture. The blue bars are the couple family fathers and the maroon bars are the single fathers. The couple fathers have the trimodal distribution, and are quite likely to have incomes over $800 per week. Remember that the mothers were quite unlikely to have these high incomes.

The single fathers were clustered at the very low income levels. Although the census question specifically said to include all Centrelink payments, it may be that the single fathers equated income with earnings and put down ‘nil income’ more often than other groups. However, even if this happened, single fathers are still most likely to have incomes under $400 per week. Single fathers are clearly much less likely than couple fathers to be on high incomes.

This is a little unexpected, in light of findings of previous research that men post-divorce are much better off financially than women. However, if we think about what typically happens following separation and divorce, and who is actually in this group of ‘single fathers’ it makes a little more sense.

Given that within couple families there is a tendency to specialise along gender lines in either paid or unpaid work, that gendered division of labour often continues.

Men’s paid work arrangements at time of separation may make it difficult for them to care for their children, and women’s responsibilities for children make it difficult to undertake full-time employment. These people become the mother-resident, father-visiting families, and many of these fathers probably are not included as single father for reasons of re-partnering, or not identifying their children as ‘usual residents’ of their homes at the time of the census.

The men who identify as single fathers were either available to care for their children substantially maybe because they had already arranged their lives to allow them to do this, or were willing to cut back on paid employment in order to undertake more unpaid work.
If we put the pictures together, we can see the women’s and men’s incomes in relation to each other. The blue bars are the couple mothers. The maroon bars are the single mothers. The yellow bars are the couple fathers and the green bars are the single fathers.

The couple fathers have their trimodal distribution with plenty of activity at the upper income levels. The other groups are all relatively unlikely to have incomes over $700 per week. It may be that single mothers are more likely than single fathers to count their Centrelink payments as income. However, this is an untested assumption.

This finding may reflect greater social pressure and expectation on single mothers to have labour market earnings than on either couple family mothers or single fathers. Overall, these findings support the idea that the labour market is set up for the ‘ideal worker’ (Williams), a man with the pressure of children at home to support, and a wife or partner at home to do his share of the unpaid work.

I am going to move now to look at average weekly incomes for women and men in different circumstances, and by age of youngest child. Men’s average weekly income was $615.73 (n=3,700,898) and women’s was $370.88 (n=3,914,499). Note that these are gross weekly income from all sources, whereas we are used to seeing figures based on earnings, sometimes adjusted to ordinary time. Looking at Australians with and without dependent children, I found that average
weekly incomes for women with dependent children were lower than incomes for women without dependent children. In contrast, men with dependent children had higher incomes than men without dependent children.

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

<table>
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<tr>
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<th>Females</th>
<th>Males</th>
<th>F:M Ratio</th>
</tr>
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<tbody>
<tr>
<td>All persons (aged 15+)</td>
<td>$370.88</td>
<td>$615.73</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>(n=3,914,499)</td>
<td>(n=3,700,898)</td>
<td></td>
</tr>
<tr>
<td>Without dependent children</td>
<td>$407.64</td>
<td>$558.89</td>
<td>73%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>$364.60</td>
<td>$629.04</td>
<td>58%</td>
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Because among Australian couples with children women tend to specialize in the unpaid work of caring for children and men tend to specialize in paid work, we would expect men’s weekly incomes to be higher than women’s. This was the case, with women’s incomes sitting at just 58% of men’s.

I examined how this picture changes if we look at different family types.

Table 2: Average weekly incomes of Australian women and men with dependent children by family type

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<tr>
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<th>Females</th>
<th>Males</th>
<th>F:M Ratio</th>
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<tr>
<td>Couple family with children</td>
<td>$356.43</td>
<td>$662.91</td>
<td>54%</td>
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<tr>
<td>One parent family</td>
<td>$397.25</td>
<td>$352.49</td>
<td>113%</td>
</tr>
<tr>
<td>Other family</td>
<td>$359.85</td>
<td>$396.45</td>
<td>91%</td>
</tr>
<tr>
<td>Couple family without children</td>
<td>$468.64</td>
<td>$627.80</td>
<td>75%</td>
</tr>
<tr>
<td>Other persons</td>
<td>$382.15</td>
<td>$535.60</td>
<td>71%</td>
</tr>
</tbody>
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Clearly within couple families\(^2\) women’s incomes are much lower than men’s, at 54%. The surprising finding relates to incomes for one-parent families. This analysis of census data suggests that single mothers have higher average weekly incomes than single fathers. This runs counter to my expectation that single mothers would be the most disadvantaged of these groups in terms of income.

Figure 2: Single parents Australia 2001

For Figure 2 I have used percentages rather than numbers to make the picture clearer. There were 2.3 times as many single mothers as single fathers. While living arrangements vary a great deal, this would reflect both the greater likelihood of mothers remaining primarily responsible for children following separation, and fathers’ greater likelihood of re-partnering. It seems likely that couples’ established patterns of high earning for men and high child caring for women continue for many people after separation. In these instances, the fathers may not include children as usual residents with them, thus not appearing as single fathers in the data. I am assuming that where there is shared (50/50) parenting both parents would include the child or children as usual residents, and would be classified as families by the ABS.

When I explored the data further, I found that this finding related partly to the high number of single fathers reporting negative or nil income. When average incomes were re-calculated excluding nil and

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\(^2\) ‘Couple families’ includes same-sex couples. Income patterns for same-sex couples may be different from those for heterosexual couples, and this could be the focus of another study.
negative income, female and male incomes were about equal at $428 per week. Possible explanations could include:

- The surface picture could be read at face value, with single fathers 2.4 times as likely as single mothers to have nil or negative income, more likely than women to have incomes below $200 and less likely than women to have incomes between $200 and $800. This could be interpreted as single fathers not accessing government income support in the form of Centrelink payments, and/or struggling to earn labour market income while taking responsibility for children. While single mothers’ incomes are well below couple-family women without dependant children, they could be seen as relatively successful at piecing together an income while taking responsibility for children. My data analysis did not identify sources of income, but this could be looked at in a future study.

- Alternatively, the picture could be interpreted as reflecting gendered understandings of income and misunderstanding of the census question. However, the census paper on income (Summerfield 2003) does not identify a gender effect that would suggest this interpretation.

- A third possibility would be that single fathers may be more likely than single mothers to minimize their incomes for reasons to do with privacy and/or child support liability.

Further research is required to interpret this finding with any degree of confidence.

**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 of parents’ ability to gather together sufficient income to sustain a decent life.

First, I calculated average weekly income for all people with dependent children, by age of youngest child.
Surprisingly, women’s 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. I have no explanation for the age 15 thing. If anyone has a suggestion it could be a topic for discussion and further research.

The ratio of female to male average weekly income indicated 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 5: Couple family individual weekly income by age of youngest child, Australia 2001

Men in couple families had consistently high average weekly incomes, between about $500 and $800 per week. The pattern was similar to that for all people with dependent children, with the ratio of female to male earnings rising steadily from about 40% to about 70%.
For single parent families, the pattern was flatter. For both women and men, income stayed 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.
Single mother's 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 age 15, women’s did not drop as much as men’s.

**Conclusion**
Responsibility for children clearly has a significant impact on income. Couple families continue to benefit financially from their ability to share the paid and unpaid work involved in supporting a family. Whether women share equally in the benefits of household income is open to question, and as Sheila Shaver discussed at this conference two years ago, Australian women are considerably disadvantaged in their ability to form an independent household.

Single parenthood could be seen as a significant leveler. It seems that when men become single fathers they gain responsibility for their children, but lose significantly in terms of income. An alternative view would be that single fathers become very adept at hiding income.

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:

Further exploration of single fathers’ reported low incomes
- 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 make the transitions that would assist them?

**References**


