

The Impact of Work-Family Policies on Poverty Among Partnered and Single Women in Europe and North America

Michelle J. Budig
*Max Planck Institute for
Demographic Research
and
University of Massachusetts,
Amherst*

Poverty Among Women

- ◆ Research Questions:
 - Is poverty associated with welfare state strategies?
 - ◆ Are there differences by partnered and motherhood statuses?
 - Are there individual policies that impact poverty across different welfare state strategies?
 - ◆ Do these policies' impacts vary across different groups of women (by partnered and motherhood statuses)?

Welfare State Strategies: a revised typology

Traditional

- ◆ Male-Breadwinner Strategy

Contemporary

- ◆ **Primarily Caregiver/Secondarily Earner**
 - (*Austria, Germany, Luxembourg, Netherlands*)
- ◆ **Primarily Earner/Secondarily Caregiver**
 - (*Canada, UK, US*)
- ◆ **Choice Strategy**
 - (*Belgium, France*)
- ◆ **Dual Earner-Carer Strategy**
 - (*Finland, Norway, Sweden*)

Theoretical Expectations for the Effect of Policy Strategies on Poverty for Mothers Relative to Non-Mothers, by Partnered Status

Caregiver	Earner	Choice	Earner-Carerer
Married: Equalize	Increase – especially for singles	Equalize	Equalize
Singles: Increase			

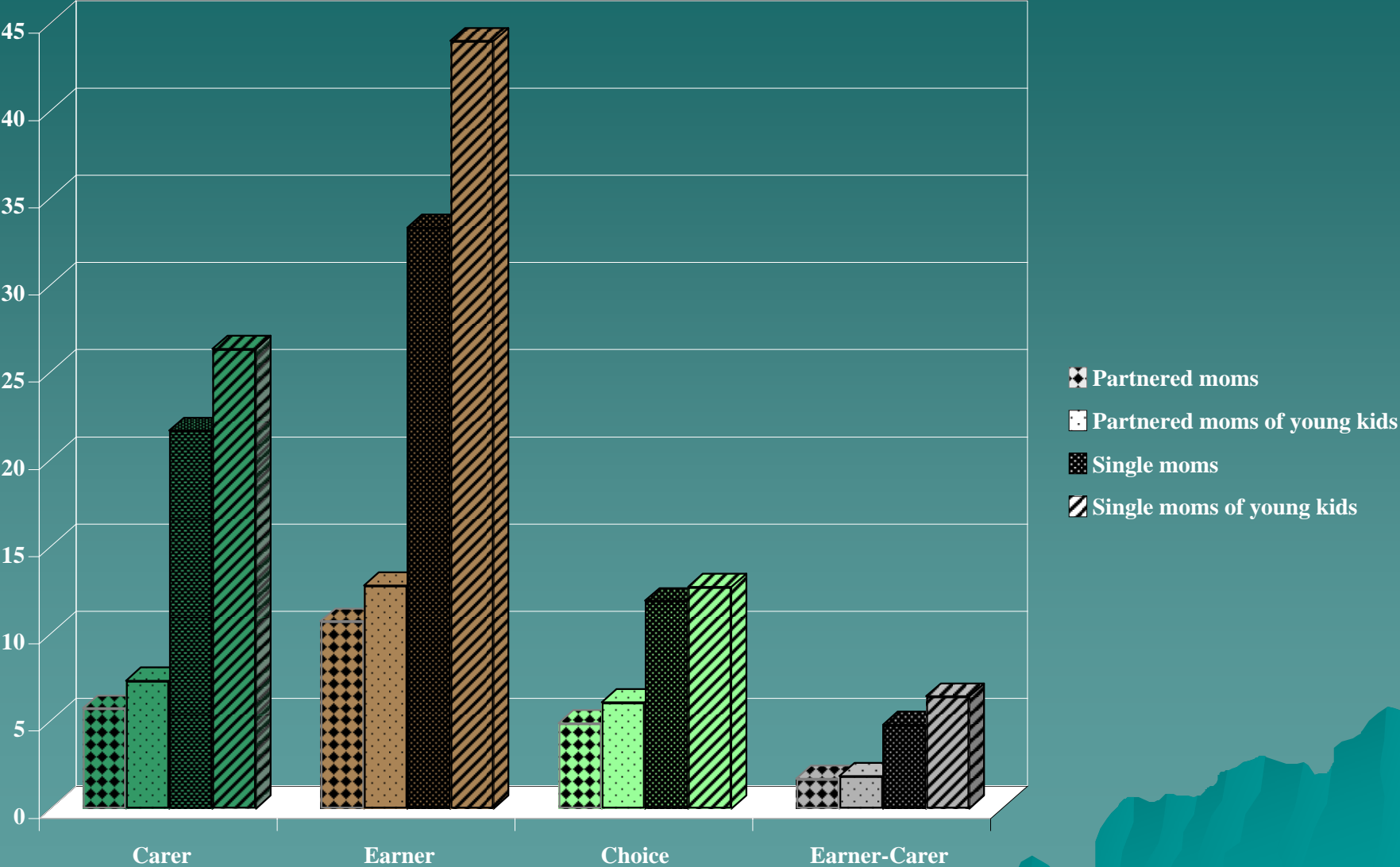
Luxembourg Income Study (LIS)

- ◆ LIS is a harmonized database with microdata from household income surveys of 30 countries on 4 continents
- ◆ We use data from the most recent wave of the survey (1995-2000)
- ◆ Sample limited to women heads of households or partners of heads, aged 25-49

Post-tax and Post-transfer Poverty Rates, by Policy Strategy, Partnered Status, and Motherhood Status

	Year	Partnered Women			Single Women		
		No Child	Mother	Pre-school	No Child	Mother	Pre-school
<i>Carer</i>							
Germany	2000	1.4	4.5	7.0	14.2	23.8	30.4
Netherl.	1999	7.3	6.6	7.5	4.0	22.7	22.3
Luxemb.	2000	2.5	6.1	7.5	4.1	18.5	--
<i>Earner</i>							
Canada	2000	4.6	10.0	11.7	13.4	32.3	49.8
UK	1999	3.9	9.0	11.2	9.1	30.5	40.0
USA	2000	5.7	13.2	15.5	13.9	37.1	42.2
<i>Choice</i>							
Belgium	1997	3.2	5.4	7.0	14.4	10.5	--
France	2000	3.3	4.4	5.2	5.8	13.3	12.7
<i>Earn-Care</i>							
Finland*	2000	0.9	1.7	1.8	3.2	4.1	5.3
Norway*	2000	2.2	2.1	2.4	7.3	4.4	5.0
Sweden	1995	3.3	1.3	1.4	6.1	5.9	9.0

Figure One: Post-Tax and Post-Transfer Poverty Rates by Policy Strategy



Principle Variables and Controls in Multivariate Analyses

Dependent Variable

- ◆ Poverty: post-tax and transfer disposable income below 50% of median income

Independent Variables:

- ◆ Policy Indicators
 - Family Benefits -- % of total country's social insurance spent on family allowances
 - % of 1 & 2 year-olds in Public Child Care
 - # Weeks Fully Paid Leave
 - # Weeks Paid + Unpaid Leave, combined

Control variables:

- ◆ Motherhood. Presence of any minor children in the home. (Also examined age of youngest child and number of children).
- ◆ Partnered status. Currently married or cohabiting versus single.
- ◆ Employment Status
- ◆ Education (3-category harmonized variable)
- ◆ Age

Estimating the Impact of Specific Policies on the Risk of Poverty, Cross-Nationally

Methodological Approach

- Logistic regression w/ Huber-White “sandwich” estimator for non-dependence
- Preferred Method– HLM not possible due to small # of countries
 - ◆ Country fixed-effects, same results
 - ◆ Controlled for GNP, same results

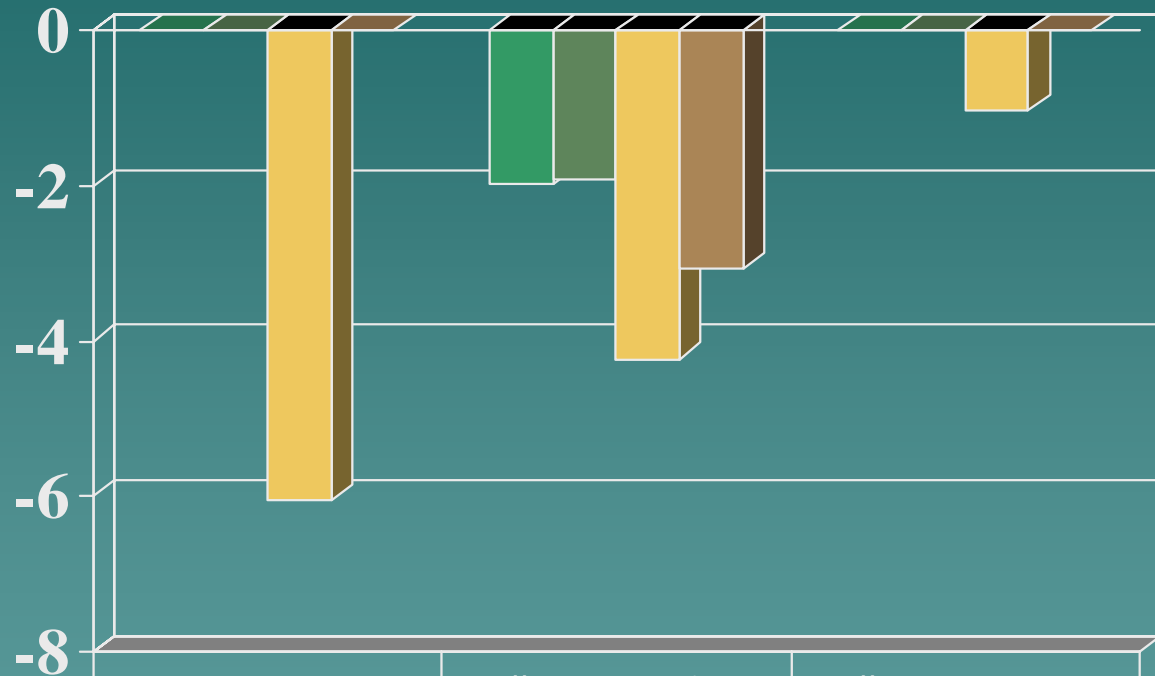
Summary of Policies Across Countries

	Family Benefits	% in Public Child Care	Wks Full-Pay Leave	Wks All Leave
<i>Carer</i>				
Germany	4.1%	5%	14	162
Netherlands	1.8%	17%	16	68
Luxembourg	5.4%	3%	16	68
<i>Earner</i>				
Canada	1.7%	5%	15	25
UK	4.4%	2%	18	32
USA	0.7%	6%	0	12
<i>Choice</i>				
Belgium	4.0%	42%	12	67
France	2.8%	20%	16	162
<i>Earner-Carer</i>				
Finland*	3.8%	22%	29	134
Norway*	4.7%	37%	42	108
Sweden	3.5%	48%	64	85

Percentage Change in the Probabilities of Poverty from Logistic Regression Models with Age, Employment, Education & Family Structure Controls

	Basic Model	+Public Young Child Care	+Paid Leave Only	+Paid & Unpaid Leave
Family Benefits	-2.3%	-1.9%	n.s.	n.s.
% Public Young Child Care		-0.5%	-0.4%	n.s.
# Wks Paid Leave			n.s.	---
# Wks Family Leave				-0.2%
# Wks Family Leave Squared				0.1%

Percentage Change in Odds of Impoverishment, by Policy Type, for Single Nonmothers, Partnered Nonmothers, Single Mothers, and Partnered Mothers



	% Pub. Yng. Child Care	# Wks Paid Leave	#Wks Total Leave*
Single Nonmom	0	-1.98	0
Partnered Nonmom	0	-1.91	0
Single mom	-6.06	-4.23	-1.03
Partnered mom	0	-3.07	0

Summary of Initial Specific Policy Effects, Cross-nationally

- ◆ Beyond direct cash benefits, family policies that support the combining of paid and unpaid work help mitigate poverty, particularly among mothers
 - Single mothers:
 - ◆ Publicly funded child care for very young children
 - ◆ Paid leave
 - ◆ Job-protected leave
 - Partnered mothers:
 - ◆ Paid leave
 - ◆ Job-protected leave
- ◆ Results are more suggestive than definitive
 - Next analyses

Could Reducing the Risk of Maternal Poverty Enhance Fertility?

- ◆ Established Links Between Poverty & Fertility:
 - Poor Women -> Higher Fertility
 - Children -> Loss of Financial Well-being
 - Widespread Economic Downturns -> Reduced Fertility
- ◆ Links Not Established:
 - Does the risk of maternal poverty reduce fertility among the working class, middle class, and/or upwardly mobile?
 - Might policies aimed at reducing maternal poverty increase fertility by reducing the financial risks associated with childbearing, particularly among working class, middle class, and/or upwardly mobile women?