

INTRODUCTION

Sustaining Families in Challenging Economic Times

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This special edition of the Australian Journal of Labour Economics (AJLE) contains a number of articles which were presented at the 11th Australian Institute of Family Studies Conference, held in Melbourne in July 2010. The conference which was titled 'Sustaining Families in Challenging Times', included papers on a wide range of topics related to families and adverse economic environments.

Despite an extended period of strong economic growth, many Australian families remain economically disadvantaged because of a lack of employment, because of insufficient hours of work or because of low wages. For example, while the Australian unemployment rate is low compared to most other OECD countries, the proportion of Australian children living in jobless families is well above the OECD average (see <http://www.socialinclusion.gov.au>). At the same time, there are a substantial number of Australian families where people are working long hours and this is resulting in quite high levels of work-family stress.

All of the articles in this special issue relate to labour market challenges faced by families and all are focused on issues which are of significant public policy interest. There are several themes which run through two or more of the papers, including geographic concentrations of disadvantage, the labour market participation of carers and issues of work and family balance.

The following articles make use of a wide range of data sources including longitudinal studies (Household, Income and Labour Dynamics in Australia (HILDA) survey and Growing up in Australia: the Longitudinal Study of Australian Children (LSAC)), cross-sectional nationally representative data sources collected by the Australian Bureau of Statistics (ABS) (various Surveys of Incomes and Housing Costs and the 2006 Census) and researcher designed and collected surveys which focus on particular groups of employees (i.e., a survey of people working in childcare centres and dental surgeries in Queensland and a survey of members of a large public sector union). This illustrates the increasing range of data sources which can be used to shed light on labour market questions.

In the first paper, 'Middle class welfare in Australia: how has the distribution of cash benefits changed since the 1980s?' Peter Whiteford, Gerry Redmond and Elizabeth Adamson examine how government income support and family payments vary across the income distribution and analyses how that relationship may have changed since the early 1980s. The paper concludes that while the proportion of government benefits going to families in the lowest two income deciles has fallen,

there has been an increase in the proportion of government benefits going to families with income below the median income. Whiteford, Redmond and Adamson find that this has led to a reduction in effective marginal tax rates and increased work incentives for families in this part of the income distribution.

Jennifer Baxter and Jennifer Renda in the paper 'Lone and couple mothers in the Australian labour market: differences in employment transitions' use the HILDA survey to estimate how the transitions into and out of paid employment of lone and couple mothers compare in order to provide new insights into the reasons for the relatively low employment rates of Australian lone mothers compared to couple mothers. It is found that the rate of movement into employment is similar for lone and couple mothers, but that lone mothers are more likely to move out of employment than couple mothers.

As the rate of paid employment of mothers has increased, there has been increasing interest in issues of work and family balance. Two papers in this edition directly deal with this topic using surveys of particular groups of employees. The paper 'Is using regular flexible leave associated with employee wellbeing?' by Carolyn Troup uses a survey of public servants to show that flexible leave provisions had positive effects on their work-life balance, but that men benefit more from flexible leave arrangements than females despite the fact that both sexes use these provisions more or less equally. Troup argues that her findings support the idea that it is not just the availability of flexible leave arrangements which is important, but also the extent to which there is a supportive and equitable workplace culture.

Janeen Baxter and Jenny Chesters' paper, titled 'Perceptions of work-family balance: how effective are family-friendly policies?' examines how the access to and use of a range of family-work entitlements affects women's perceptions of work-family balance. The data used was collected from women employed in the service sector in Queensland. One of the key findings is that long work hours, having to work extra hours and unpredictable hours are all associated with lower levels of work-family balance.

The article 'Unemployment and the wellbeing of children aged 5-10 years' uses data from LSAC to estimate the impact of increases in the aggregate unemployment rate on the developmental outcomes of children and the extent to which the impacts are concentrated within particular geographic areas. Matthew Gray, Matthew Taylor and Ben Edwards find that an increase in the unemployment rate typically associated with a serious recession would have a detrimental impact on children. These findings reinforce the importance of making every effort to limit increases in the rate of joblessness during challenging economic times.

There are two papers which address issues related to the employment disadvantage experienced by carers. The paper by Trish Hill, Cathy Thomson and Bettina Cass, 'Young carers: location, education and employment disadvantage', examines theoretical reasons as to why geographic location might have an impact upon young carers participation in education and the labour market. The paper also presents some useful maps on the geographic concentrations of young carer disadvantage.

The final paper titled, 'The impact of drought on carers', by Ben Edwards, Matthew Gray and Boyd Hunter estimates the impact of drought on the employment rate of carers living in agricultural areas of Australia. Evidence is found that

drought has a greater impact on the employment rates of carers than non-carers. The significance of this finding is that it suggests that the economic impacts of drought fall disproportionately on groups who have a more tenuous connection to the labour market. One reason for this may be the fact that carers, unlike non-carers, may not be in a position to move when the labour market deteriorates after a drought because of the caring responsibilities. The appropriate policy response depends on the reason for the employment disadvantage of carers, but such analysis is left for future research.

This thematic issue identifies some of the challenges faced by families including both the lack of paid employment opportunities and the effects of paid employment on the ability of people to meet both their caring and paid employment obligations. The findings are relevant to a wide range of policy questions. For example, the findings relating to the higher outflows from employment of single mothers than couple mothers highlight the potential role for policies which increase the job retention of single mothers. Related to this is the extent to which the design of the tax-transfer system creates incentives for paid employment.

While it is undoubtedly the case that it is important that the design of the tax-transfer system generate incentives for paid employment, other papers in the edition highlight the impact of economic downturns, whether they arise from a national recession or arise from drought or other natural disasters and hence are more regionalised, on groups who have a more tenuous connection to the labour market. Other papers in this edition highlight the importance of employers facilitating their employees' work-life balance by providing flexible work conditions. A key, and unresolved question, is whether there is necessarily a tradeoff between minimizing business costs and providing family-friendly workplace policies, or whether the provision of flexible work arrangements increases productivity and thus increases profits.