

ECONOMIC WELLBEING OF SOLE-PARENT FAMILIES

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families commission
kōmihana ā **whānau**

> Giving New Zealand families a voice *Te reo o te whānau*

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1. INTRODUCTION

The Families Commission aims to inform debate about policies that affect families. Good debate starts with solid information about the lives and needs of families. Understanding the issues faced by sole-parent families is important when developing any family-related policy,¹ because it is common to experience a period of time in a sole-parent family.

According to recent estimates, close to one in two mothers experience sole-parenthood by the time they are 50 years old. Up to 40 percent of children have lived in a sole-parent family for a period of time by age 20 (Dharmalingam, Pool, Sceats & Mackay, 2004).

Not all sole-parent families have the same experiences in relation to their economic situations. This paper provides a snapshot of the economic situations of all sole-parent families, based on 2006 Census statistics. Sole-parent families are defined as families where there is one parent without a partner who is caring for one or more dependent children. A dependent child is aged less than 18 years and is not in full-time employment. Sole-parent families may also have other adult children, and may share their household with other people.²

We consider economic wellbeing to be a significant component of general wellbeing, which includes the physical and psychological health of people and those important to them, and the wider social domain (Fergusson, Hong, Horwood, Jensen & Travers, 2001). The economic situation of sole-parent families has significant implications beyond the families themselves, for New Zealand society as a whole. In the 25 years to 2001, the number of sole-parent families in New Zealand grew as a proportion of all families with dependent children. The proportion fell from 29 percent to 28 percent between 2001 and 2006 (Ministry of Social Development, 2007).

Families understandably have their own definitions of economic wellbeing. We have collated what sole-parent families have told the Families Commission would help them achieve and maintain economic well-being.

The diversity of sole-parent families highlights the limitations of the common stereotype of sole-parent families as young beneficiaries on the Domestic Purposes Benefit (DPB). This stereotype can lead to

the simplistic assumption that welfare reform is the key mechanism for resolving the economic issues that sole-parents face. The average age of a sole-parent, however, is about 38 years, and over half of them undertake paid work, with about a third in full-time employment.³ This and other information provided in this paper signals that mechanisms for improving the economic situation of sole-parent families are broader than just welfare, and include housing, employment, tax, education and childcare policies.

In conclusion, this paper highlights the key points to consider regarding the economic situation for all sole-parent families, and suggests areas where further research or information is needed. It is hoped that this paper will provide information and encourage discussion among family advocates, communities, businesses and policymakers on how best to improve the economic wellbeing of sole-parent families in New Zealand.

1 This paper focuses on the economic situation of sole-parents caring for dependent children (ie, children under the age of 18 years who are not employed full-time). It draws on customised tables from the 2006 Census, from Statistics New Zealand, which exclude sole-parent families with only children who are independent (over the age of 18 years or in full-time employment).

2 This definition is amended from that found in Ministry of Social Development (2010 – unpublished), and is the definition used in the 2006 Census. Some studies referred to have a different definition or focus because of differences in source data.

3 People are entitled to earn up to a certain threshold before their right to a benefit ceases. Many sole-parent families rely on a mixture of paid work, benefit payments and (in some cases) other income.

2. SOLE-PARENT FAMILIES IN NEW ZEALAND

There is considerable diversity among sole-parent families in terms of family formation; occupational status; culture; ethnicity; age and gender of the parent and children; health status; education; and labour-market experience and aspirations. Sole-parent families also receive varying degrees of involvement and support from second (non-resident) parents and extended family and whānau (Ministry of Social Development, 2010).

Sole-parent families most commonly come about through separation or divorce, but also through the birth of children to single women. Death or imprisonment of one parent can also create a sole-parent family.

The number and proportion of families with dependent children headed by a sole-parent increased in every five-yearly census period over the 25 years to 2001 (Ministry of Social Development, 2010). In the late 1970s and 1980s the number of sole-parents increased by a third in each census period. This is primarily attributable to relationship breakdowns and rising divorce rates. An increase in the number and proportion of births to single women who neither partnered nor adopted out their children was also a factor (Pool, Dharmalingam & Sceats, 2007; Sceats, 1985).

Between the 2001 and 2006 census dates, while the absolute number of families headed by a sole-parent increased slightly, the proportion of families headed by a sole-parent fell slightly, from 29 to 28 percent (Ministry of Social Development, 2010). This occurred in the context of sustained economic growth. A similar pattern has been observed in Australia, the United Kingdom, Canada and the United States (Ministry of Social Development, 2010). It is unclear whether this trend will continue, given the worldwide changes in economic circumstances and increased unemployment.

Data from the Survey of Family, Income and Employment indicates that 4.9 percent of people who are in a two-parent family at one point in time will be in a sole-parent family three years later.⁴ Almost three-quarters (71.3 percent) of people in sole-parent families are likely to be in the same type of family three years later; 14.7 percent of people in sole-parent families are likely to be in a two-parent family; 11.8 percent are likely to not be in a family nucleus; and 2.2 percent are likely to be in a couple-only family (Statistics New Zealand, 2008).

In 2007, just under half (45 percent) of all marriages that dissolved involved people with children under 17 years (Families Commission, 2008a).

⁴ The Survey of Family, Income and Employment (SoFIE) is the largest longitudinal survey ever run in New Zealand. Its primary focus is to look at the changes in individual, family and household income, and the factors that influence these changes, such as involvement in the labour force and family composition. The survey interviews the same group of individuals over eight years from 2002 to 2011 in order to build a picture of how their circumstances and lifestyles change over time. Approximately 22,000 individuals are interviewed.

3. THE ECONOMIC SITUATION OF SOLE-PARENT FAMILIES

Sole-parent families have historically been one of the most economically vulnerable groups in New Zealand and other Western countries, including Australia, Canada and the United States (Families Commission, 2008a). On average, sole-parent families have lower living standards, less income and fewer assets, and pay out a greater proportion of their income for housing than other kinds of families.

Census data reveal the extent of the variation in median annual family income by family type.⁵ In 2006 the median income from all sources for sole-parent families (\$27,400) was less than half that of couples without children (\$57,200) and considerably less than that of two-parent families (\$75,600) (Statistics New Zealand, 2006).⁶

This difference is reflected in poverty rates.⁷ Between 1988 and 1992, estimated poverty rates rose sharply for families with dependent children, especially sole-parent families (Perry, 2008).

Poverty rates for sole-parent families peaked at 63 percent in 1996. Despite falling to 40 percent by 2007, sole-parent families' poverty rates were still much higher than they had been in 1988. In contrast, poverty rates among two-parent families, at 9 percent, were slightly lower than they had been in 1988 (Perry, 2008). As a result of a sharper decline in poverty rates for children in two-parent families, children in sole-parent families made up more than half of those children living in households with income below the poverty threshold for the first time in 2007 (Perry, 2010). By 2009 the poverty rate for sole-parent families was 43 percent (Perry, 2010).

Few sole-parent families are economically well-off. In 2009, only 10 percent of sole-parent families had incomes at or above the median household income for all households with or without children, compared with 45 percent of two-parent families (Ministry of Social Development, 2010).

Sole-parent families receive income from various sources. Census data show that 51 percent of sole-mothers and 55 percent of sole-fathers received income from wages, salary, commission or bonuses in 2006. Eighteen percent of sole-fathers received income from self-employment or business, and 11 percent received income from interest, dividend,

rent and other investments. The equivalent figure for sole-mothers was 7 percent in each category (Statistics New Zealand, 2006).

According to the 2006 Census, 52 percent of sole-mothers received income from the DPB, compared to 20 percent of sole-fathers (Statistics New Zealand, 2006). This is, however, likely to be an undercount. Ministry of Social Development data reveal that an estimated 73 percent of sole-parents were in receipt of a main benefit in 2009 (Ministry of Social Development, 2010).⁸

It must be noted that benefit recipients are entitled to receive income from wages and other sources up to set thresholds. Earnings over set levels result in abatement of benefits. Earnings over a certain level will remove entitlement to a benefit.

Demographics

This paper focuses on the economic situation of sole-parents caring for dependent children (that is, children under the age of 18 years who are not employed full-time). It draws on customised tables from the 2006 Census, requested from Statistics New Zealand, which exclude sole-parent families with only children who are independent (over the age of 18 years or in full-time employment). In 2006, 28 percent of all families with dependent children were sole-parent families (Statistics New Zealand, 2006).

⁵ Median income means half receive more, and half receive less, than this amount.

⁶ Check this data using the Families Commission requested Census Data.

⁷ Although New Zealand does not have an official poverty line, the Ministry of Social Development's work in this area has defined poverty as the proportion of the population in 'families with dependent children' with equivalised household disposable income net-of-housing-cost below 60 percent of the 1998 household disposable income median, with 25 percent deducted to allow for average housing costs. The threshold is adjusted for inflation to keep it fixed in real terms (Ministry of Social Development, 2010).

⁸ Using administrative data as the numerator and Household Labour Force Survey data as the denominator.

Gender

Table 1 shows that 84 percent of sole-parents are female. The figure is similar for all major ethnic groups.⁹

Table 1: Gender of sole-parent families with a dependent child by parental ethnicity

SOLO-PARENT ETHNICITY	PERCENT FEMALE
European	85
Māori	85
Pacific peoples	84
Asian	85
Other ethnicity	79
Not elsewhere included	71
Total	84

Source: Statistics New Zealand, Census of Population and Dwellings, 2006

Ethnicity

Māori made up 28 percent of all sole-parents (but 13 percent of New Zealand's population) in 2006 (Statistics New Zealand, 2006). There was a rapid growth in sole-parenthood among Māori in the 1980s, which has been linked to the severe loss of employment among Māori men in this period (Goodger & Larose, 1999). Pacific people made up 9 percent of all sole-parents (but 6 percent of New Zealand's population).

The proportion of babies living with a sole-mother fell between 2001 and 2006 for all ethnic groups other than Pacific peoples (Ministry of Social Development, 2010). Nevertheless, 36 percent of Māori babies under one year and 32 percent of Pacific babies under one year live with a sole-mother, compared with 19 percent of all babies under one year.¹⁰

The younger age structure of the Māori and Pacific populations and trends in fertility rates need to be taken into account in analysing the significance of these figures.

Parental age

Table 2 shows that the average age of a sole-parent is 37.7 years. Two percent of sole-parents are under 20 years of age. Sole-fathers are, on average, older than sole-mothers.¹¹

Table 2: Age of sole-parent with a dependent child under 18 years who is not in full-time employment

	APPROX AVERAGE AGE	PERCENT UNDER 20 ¹²
Total	37.7	2.0
Male	41.6	1.4
Female	37.0	2.1
European	37.8	1.9
Māori	35.3	3.3
Pacific peoples	36.0	3.1
Asian	39.7	1.2
Other ethnicity	39.5	0.8
Not elsewhere included	37.7	2.2

Source: Statistics New Zealand, Census of Population and Dwellings, 2006

Dependent children

Table 3 shows that in 2006, almost half (48 percent) of sole-parents cared for more than one child. Sole-fathers tend to have slightly fewer dependent children. Māori and Pacific sole-parent families tend to have more dependent children than European sole-parent families.

Table 3: Ethnicity of sole-parents and average numbers of dependent children under 18 years

	AVERAGE NUMBER OF DEPENDENT CHILDREN
Total	1.74
Gender	
Male	1.60
Female	1.77
Ethnicity	
European	1.65
Māori	1.92
Pacific peoples	2.00
Asian	1.57
Other ethnicity	1.63
Not elsewhere included	1.93

Source: Statistics New Zealand, Census of Population and Dwellings, 2006

⁹ Unless otherwise stated, the ethnicity referred to in this section is that of the sole-parent because family ethnicity is not measured by the Census.

¹⁰ Children identified with more than one ethnic group are counted once in each ethnic group reported. To maintain consistency over time, children identified as 'New Zealander' in 2006 have been included in the European ethnic group.

¹¹ Caution is needed with these figures. The Ministry of Social Development advises that the numbers of young sole-parents are under-enumerated by the Census. More teenage sole-parents receive benefits than are enumerated by the Census.

¹² Caution is needed with these figures. The Ministry of Social Development advises that the numbers of young sole-parents are under-enumerated by the Census. More teenage sole-parents receive benefits than are enumerated by the Census.

Age of youngest dependent child

Table 4 shows that across the major ethnic groups, the youngest child of a sole-mother is a couple of years younger, on average, than that of a sole-father. Of sole-parents with dependent children, Māori and Pacific sole-parents have the youngest children.

Table 4: Average age of youngest dependent child by the gender and ethnicity of the sole-parent

ETHNICITY	FEMALE	MALE
European	7.7	9.7
Māori	6.2	8.4
Pacific peoples	6.1	7.7
Asian	8.5	9.8
Other ethnicity	8.9	9.1
Not elsewhere included	6.9	7.5
Total	7.4	9.2

Source: Statistics New Zealand, Census of Population and Dwellings, 2006

Home ownership

Families that own their own homes are less likely to have low living standards than others. Thirty-six percent of sole-parents fall into this category, compared with two-thirds of two-parent families (Statistics New Zealand, 2006). Sole-fathers are more likely to own their own homes than sole-mothers.¹³ Just over one-fifth (21.6 percent) of Māori sole-parents own their own home.

Among renters, 75 percent of sole-parent families (Māori and non-Māori) pay more than a quarter

of their weekly gross household income on rent, compared to 51 percent of two-parent families (Cotterell, Wheldon and Mulligan, 2008).

Sole-parent families are twice as likely to live in overcrowded housing (28 percent) as two-parent families (14 percent) (Cotterell et al, 2008). Nearly half (46.7 percent) of Māori sole-parent families live in overcrowded housing.

The highest incidence of low living standards is experienced by those housed by Housing New Zealand Corporation.¹⁴ In 2007, Māori made up 29 percent of all Housing Corporation tenants. Half of the Māori tenants were sole-parents with children, compared with 28 percent of non-Māori tenants. Women accounted for almost three-quarters (74 percent) of Māori tenants, compared to just under two-thirds (65 percent) of non-Māori tenants (Housing New Zealand Corporation, 2008).

Employment

Employment is often seen as the way to economic wellbeing because of the correlation between labour force participation and income.

The 2006 Census data show that 54.1 percent of sole-parents were in paid work, of whom 35.6 percent were employed full-time (defined as 30 or more hours a week) and 18.5 percent were employed part-time (Ministry of Social Development, 2010). Cotterell et al, (2008) shows 7.5 percent of sole-parents worked more than 48 hours per week.¹⁵

Table 5 shows that sole-fathers were more likely to be employed than sole-mothers, with higher rates of full-time employment. The average income of sole-fathers

Table 5: Work and labour-force status by gender of sole-parent (with dependent children)

Work and labour-force status	FEMALE		MALE	
	Average income (\$)	Percent of females	Average income (\$)	Percent of males
Employed full-time	37,977	33	47,088	61
Employed part-time	21,655	22	24,544	8
Not in the labour force	17,896	38	17,938	24
Unemployed	17,411	8	16,697	6
Total	25,257	100	36,297	100

Source: Statistics New Zealand, Census of Population and Dwellings, 2006

¹³ Census 2006 data. Includes houses held by a family trust.

¹⁴ These tenants are selected on the basis of demonstrated need (Ministry of Social Development, 2005, cited in Families Commission, 2006 (What makes your family tick? March 2006)).

¹⁵ People are entitled to earn up to a certain threshold before their right to a benefit ceases. Many sole-parent families rely on a mixture of paid work, benefit payments and (in some cases) other income.

who are in full-time employment is \$47,088, whereas the average income of sole-mothers who are in full-time employment is \$37,977.

From 1991, the proportion of sole-parents in employment increased, narrowing the employment-rate gap between sole and partnered parents. The growth of sole-parents in employment levelled off between 2007 and 2008 (Ministry of Social Development, 2010).

Despite these changes, sole-mothers and sole-fathers still have lower employment rates than their partnered counterparts. A number of factors contribute to employment rates, including the number and age of children in the family (Ministry of Social Development, 2010). Undertaking sole responsibility for parenting children may reduce the opportunities for sole-parents to participate in paid work.

Benefit receipt

In 1976, an estimated 46 percent of sole-parents received the DPB, increasing to an estimated 80 to 85 percent by 1991 (Rochford, 1993) before falling. In 2009, an estimated 66 percent of sole-parents received the DPB. An additional 7 percent of sole-parents received another main benefit (such as the Invalid's, Sickness or Unemployment Benefit) in 2009.¹⁶

¹⁶ Data from the Ministry of Social Development's Information Analysis Platform.

4. WHAT SOLE-PARENTS SAY WILL MAKE A DIFFERENCE

This section draws on previous research done by the Families Commission. It presents what sole-parents themselves have said about the factors that make a difference and would help their economic wellbeing.

This research is:

- > Focus on Families: Reinforcing the importance of family (October 2005)
- > What Makes Your Family Tick? Families with dependent children – Successful outcomes project (March 2006)
- > When School's Out: Conversations with parents, carers and children about out-of-school services (February 2007)
- > The Kiwi Nest: 60 years of change in New Zealand families (June 2008)
- > Juggling Acts: How parents working non-standard hours arrange care for their pre-school children (September 2008)
- > Give and Take: Families' perception and experiences of flexible work in New Zealand (September 2008)
- > Beyond Reasonable Debt: A background report on the indebtedness of New Zealand families (with the Retirement Commission, December, 2008).

Economic goals and sacrifices

Sole-parents aspire to economic wellbeing for themselves and their families, including the means to meet their families' food, housing and medical needs. Economic wellbeing may also make it possible for children to participate in educational, sporting and social opportunities. For example, one sole-mother described her goals as:

To be able to clothe, feed and provide a roof for my children. I want to ensure that my family have what they need, spiritually, emotionally and physically. For them to not starve and be without a meal, to be clothed and not feel the cold so they won't get sick, and to have a roof over their heads.

Sole-parent household, Auckland, female (Families Commission, 2006 p. 34)

Economic wellbeing may mean having the means to prioritise expenditure. One sole-mother explained:

Having my daughter attend a good school is important. I've made many sacrifices so that my daughter could attend a private school and get an

excellent basis/foundation for learning. I hope that will provide her with a good basis in future years.

Sole-parent household, Wellington, female (Families Commission, 2006 p. 67)

Sole-parents in Families Commission research also commented on the need for financial resources to allow participation in the community, including meeting cultural and religious obligations and maintaining important connections. One Māori sole-mother talked about the importance of "being able to go 'home' for big family events" (Families Commission, 2006 p. 72). A Pacific sole-father talked of "paying tithing and knowing that I will be blessed abundantly (honest tithing)" (Families Commission, 2006 p. 72). A number of sole-parents mentioned the importance of being able to reciprocate family obligations.

Impact of low economic situation

Without economic wellbeing, life could be grim.

One sole-mother said:

What makes you think [my family life] is good? People on the DPB or unemployment or sickness benefits do not have a good family life. Perhaps you should try to bring up a child or two on \$200 per week and see if you think it's a good life.

Sole-parent household, Bay of Plenty, female (Families Commission, 2006 p. 38)

Low income increases the likelihood of a family getting into problem debt, which can spiral out of control (Families Commission 2008). Another sole-mother talked about her anguish at:

Bad credit due to money being used on household and kids' expenses. Debt collectors and mounting bills.

Sole-parent household, Wanganui, female (Families Commission, 2006 p. 36)

Medical treatment, healthy food and accommodation needs are sometimes forgone by sole-parent families that are unable to achieve economic wellbeing (Families Commission, 2006). Children from sole-parent families might be prevented from participating in sport by costs. Some parents could not meet the costs of schooling:

We have to cope with money problems every week, there is always \$2 to \$5 needed at school most weeks, the embarrassment of not having it when needed.

*Sole-parent household, Christchurch, female
(Families Commission, 2006 p. 39)*

Low income coupled with lower employment levels is also associated with increased mental health risk for sole-parents (Tobias, Gerritsen, Kokaua & Templeton, 2009).

Labour-market participation

Labour-market participation is seen as a major route to improving economic wellbeing. The Ministry of Social Development's 2006 study of work, family and parenting found that sole-parents were more likely than partnered parents to believe that the fact that they are working makes them a better parent (64 percent agree, compared with 55 percent among all parents in paid work), and that their children's relationships with their extended family were stronger because the parent was working (44 percent compared with 36 percent among all parents in paid work) (Ministry of Social Development, 2006).

Nevertheless, sole-parents are 'time-poor' compared with partnered parents. The need for a sole individual to both earn an adequate family income and allocate time to meet all the needs of their children, together with extra expenses such as childcare, can make labour-market participation more difficult for sole-parent families (Families Commission, 2008a).

Sole-parents assessed their success at fulfilling their responsibilities both in paid work and to their children:

Children rebelling due to my working and not having an older person around to keep an eye on them. Since completing employment my children are not out roaming the streets. I know that the younger children are being fed and that things are maintained around the home.

*Sole-parent household, Auckland, female
(Families Commission, 2006 p. 26)*

Not enough daylight hours ... having to work my arse off, and not spending quality time with my kids ... always running around doing things quickly.

*Sole-parent household, Northland, female
(Families Commission, 2006 p. 28)*

Family-friendly employers

Flexible, family-friendly work arrangements make it easier for sole-parents to fulfil their care responsibilities while also participating in the workforce (Families Commission, 2008c). Some sole-parents specifically target such positions:

I just saw an ad in the paper for my workplace and they were advertising full-time/part-time and family-friendly hours so I just applied for the family-friendly ones ... and I got it.

*Sole-parent household, Christchurch, female
(Families Commission, 2008c p. 42)*

Some sole-parents suggested that working hours and statutory holiday entitlements could be reviewed:

Pushing for companies to start being more family-focused so that between getting to and from work and actually working I am not out of my house for nearly 12 hours a day.

*Sole-parent household, Auckland, female
(Families Commission, 2006 p. 29)*

Colleagues who had families of their own could be seen as more accepting of sole-parents' family responsibilities (Families Commission, 2008c). One sole-mother reported that:

It doesn't matter at my workplace. They have no problem because most of the people there are mothers and they don't have young children, not quite as young as mine, but it's no problem.

*Sole-parent household, Christchurch, female
(Families Commission, 2008c p. 91)*

In contrast, witnessing evidence of other colleagues receiving negative reactions to requests for flexible work arrangements was a strong disincentive to ask for changes to personal work patterns, and negative perceptions of employer reactions could be sufficient to cause resignations:

I didn't actually ask them [for time off with sick children]. I was absolutely terrified of asking them and I'd only been there for so many months that I couldn't bring myself to even talk about that. It was just easier to resign than to go through the whole thing of 'Oh god, back at paediatrics again'.

*Sole-parent household, Christchurch, female
(Families Commission, 2008c p. 89)*

An actual or perceived inability to accommodate flexible hours can apply to a whole occupation class or industry, affecting sole-parents' ability to take on paid work in certain fields. Yet choosing a job for the perceived flexibility it offered could result in under-employment or under-utilisation of skills (Families Commission, 2008c). One sole-mother reported not using her tertiary qualification for this reason:

Same with me in science ... that's why I'm typing, because it is flexible and all that... I've actually been looking for a job [using my degree] in microbiology ... but they just do not have part-time jobs.

Sole-parent household, Christchurch, female (Families Commission, 2008c p. 65)

Impact of education and training

Education and training may offer sole-parents more occupational opportunities and therefore increase the economic wellbeing of their families in the long run.

Sole-mothers are less likely to have educational qualifications (29 percent have none) than mothers in two-parent families (14 percent) (Ministry of Social Development, 2010). Those without educational qualifications are more likely to be in receipt of the DPB (in 2003, 48 percent of DPB recipients had no educational qualifications), suggesting that absence of qualifications is a factor in benefit receipt and poverty (Dalgety et al, 2010).

Conversely, economic wellbeing may be more attainable for the 11 percent of sole-parents who hold a Bachelor's degree or higher qualification.

Some parents spoke of deciding to study to improve their families' economic prospects. Accessing education opportunities can require trading off other things, such as time spent with children or living close to extended family support. A Christchurch sole-mother explained:

[I moved] nine hours away from family so I can go to university and not work in a supermarket the rest of my life or rely on benefits.

Sole-parent household, Christchurch, female (Families Commission, 2006 p. 66)

Moreover, sole-parents did not see all education and training options as equally useful to them. In making decisions, it was important to plan a future career that would be sustainable in terms of allowing them to balance paid employment with sole responsibility for parenting. For example, one said:

So my career has been chosen because of my kids ... I obviously had to choose something that I was good at and art was it, so teaching because of the hours, because of being able to be there for my children.

Sole-parent household, Christchurch, female (Families Commission, 2008c p. 65)

Childcare and out-of-school care

Sole-parent families use more childcare for longer hours per day and more weeks in the year than two-parent families (Dwyer & Ryan, 2008). When sole-parents could not find services to cover working hours, a number said they felt they had no choice but to not work at all, or to work only part-time during school hours (Families Commission, 2007). The latter choice could be difficult as suitable part-time employment is not always available.

Barriers to accessing appropriate childcare services include cost, quality and supply (Families Commission, 2005). Parents mentioned a need for more reliable childcare standards, adequate coverage of working hours – particularly for those involved in weekend or shift work – and locally accessible facilities, especially where families did not have their own transport (Families Commission, 2006).

Sole-parents face challenges arranging out-of-school care for their children so they can work beyond school hours. Working non-standard hours presents particular difficulties as formal childcare is less likely to be available at the times required. Nevertheless, some sole-parent families were able to overcome this. Two sole-mothers in the freezing industry reported that a home-based care service was the most practical option for them because they needed to start their shift by 6.30am and finish the day by 3.30pm (Families Commission, 2008b). Sole-parents often also faced particular problems finding appropriate care arrangements during school-holiday periods (Families Commission, 2007).

Transport

Motor-vehicle ownership facilitates ease of movement between home, work, schools and childcare facilities. In 2006, 11 percent of sole-parent families had no motor vehicle, compared with only 1 percent of two-parent families (Ministry of Social Development, 2010). Reliance on public transport, walking or lifts from others can be time-consuming, impractical or unreliable. It may be that better transport support would help sole-parents to improve their families' economic wellbeing through employment, while also maintaining their parenting roles.

Active involvement of other parent

The children's other parent may play a variety of roles relating to a sole-parent family's economic wellbeing, although the way in which statistics are collected makes it difficult to assess how many sole-parent families engage actively with a non-resident parent (Families Commission, 2009).

The payment of child support is an obvious way in which non-custodial parents contribute to the economic wellbeing of sole-parent families. This may occur through the Inland Revenue system or by private arrangements. Where the sole-parent family is in receipt of a benefit, however, child-support payments are used to off-set this cost to the state, and the family does not receive any economic benefit.

Other ways in which a non-resident parent may support the economic wellbeing of a sole-parent family include direct non-child-support payments to the family, purchasing or providing items for family members, loan of items and sharing childcare.

As joint and shared custody arrangements become more common, there is a need to rethink the way in which the active involvement of another parent is conceptualised. In some cases children may live half-time with each parent. In other cases, one parent may be in a new relationship but the other may be single. The implications of these societal changes for families at an economic level do not appear to have been well analysed in New Zealand to date (Families Commission, 2009).

Support from others

Research by the Families Commission (2005) suggests that support from a range of sources, including family and whānau members, community members and social service and government agencies is important in helping sole-parents to achieve economic wellbeing for their families. Sole-parents may structure their lives to access this support. One parent reports:

I bought a house around the corner from Mum and Dad, because they have just been a vital part of me bringing up [name] on my own. I have always worked, but I had a few months off when he was born, so it was really important that Mum was around to help me, and she has been awesome at it.

*Sole-parent household, Auckland, female
(Families Commission, 2005 p. 27)*

Some sole-parents described informal support coming from non-family (or 'family of choice') as well as family members (Families Commission, 2005). A study of teenage sole-parents found that many acknowledged the importance of family, whānau and peers in providing support. One commented:

It's not just me that's brought him up. I mean, I've got my parents there, my grandparents, my aunts, my uncles. They're all there to support me, and I couldn't have done the things I did, and all the things I do now, without them.

(Collins, 2010 p. 25)

Living with others

Living with others has been found to be associated with significantly lower poverty rates for sole-parent families (25 percent, compared to 49 percent). The availability of the wider household resources has been suggested as a reason for this (Friesen, Woodward, Fergusson, Horwood & Chesney, 2008; Perry, 2008).

Around 15 percent of both male and female sole-parent families live in a two-or-more-family household. Around 35 percent of Pacific sole-parent families, 20 percent of Māori and Asian sole-parent families and 10 percent of European sole-parent families live in a two-or-more-family household (Table 6). Many multi-family households are likely to involve extended families.

In multi-family household situations, the extended family may be able to reduce living costs, especially rent and utilities such as phone, heating and lighting. Household members may assist with housework, meals and the care and support of children. This can make it easier for sole-parents to engage in paid work, as other adults may care for the children and assist with homework and after-school activities (Stewart-Withers, Scheyvens & Fairbairn-Dunlop, 2010).

One study showed that sole-parents living in a household with other adults also had a decreased risk of mental health issues (Tobias et al, 2009). It may be that economic wellbeing, health and social wellbeing affect each other in a two-way causal relationship for sole-parent families.

It would be interesting to know the extent to which living in multi-family households is a successful strategy for Māori whānau and other extended families (particularly Pacific and Asian) to support the economic wellbeing of sole parents and their children.

Table 6: Sole-parent families living with other families by ethnicity

ETHNICITY	ONE-FAMILY HOUSEHOLD	TWO-FAMILY HOUSEHOLD	THREE- OR MORE-FAMILY HOUSEHOLD	TOTAL	PERCENT IN ONE-FAMILY HOUSEHOLDS
European	75,261	7,761	459	83,478	90
Māori	32,598	7,398	990	40,986	80
Pacific peoples	9,282	4,005	945	14,226	65
Asian	7,866	1,539	258	9,660	81
Other ethnicity	11,100	987	48	12,138	91
Not elsewhere included	1,929	489	63	2,487	78
Total	121,986	18,885	2,373	143,244	85

Source: Statistics New Zealand, Census of Population and Dwellings, 2006

On the other hand, some multi-family living situations may have negative effects, such as crowding, and conflict over household roles and health concerns (Stewart-Withers et al, 2010). Some sole-parent families would prefer to live in a one-family household to develop as a family unit, but may lack the economic resources to do so. One sole-mother reported:

If we could afford a house to rent rather than flatting ... living in a flat rather than our own space restricts my daughter's ability to be herself and our own family from developing as a family unit.

Sole-parent household, Auckland, female (Families Commission, 2006 p. 42)

Addressing health and disability needs

A small 2004 study found that the health of around 30 percent of sole-parents on the DPB is poor enough to limit their ability to undertake training or work (O'Donovan, McMillan & Worth, 2004). The study found that a quarter (26 percent) of DPB recipients' children have a long-term disability or handicap, compared with 11 percent of children in a national survey. This group, however, included some DPB recipients who were not sole-parents (O'Donovan et al, 2004).

Sole-parent families living with illness or disability may also face extra costs associated with this. For these families to achieve economic wellbeing may require extra support from various sources. Some families' care or disability needs mean that paid work is not a realistic avenue for them to improve their economic situations.

Non-judgmental services

Sole-parent families reported that better support and less judgement from society would make their family life better (Families Commission, 2006). They described facing negative stereotypes on the basis of their income, marital status or receipt of benefit (Families Commission, 2005). Many DPB recipients report experiencing prejudice:

You are treated like scabbers and second-class citizens. Constantly reminded about your lifestyle choice or no choice! When the fathers not only don't or refuse to acknowledge you and child but don't pay child support once you are off DPB.

Sole-parent household, Auckland, female (Families Commission, 2006 p. 75)

Negative stereotypes could come from various sources. A sole-father commented:

The knee-jerk reaction from politicians. If you are on the dole, you are a dole bludger. It is discrimination.

Sole-parent, Auckland, male (Families Commission, 2005 p. 52)

In contrast, a number of sole-parents commented on the positive effects of receiving non-judgmental services. This may apply particularly to those facing multiple disadvantages.

A study of teenage sole-mothers found that those who experienced non-judgmental support in the context of teen-parent units reported the positive influence this had on their ability to manage economically as well as emotionally:

It gave me routine ... it gave me something to get up for every morning rather than lazing in bed or sitting around watching crappy old soaps or talk shows. I had a purpose. I had to get up every morning. No matter what, they never let you give up.

Just the encouragement and the opportunities that they presented... They were genuine options, and genuine hands of help ...without judgment. There is enough judgment out there without having more.

(Collins, 2010 pp. 31–32)

The right individuals within services could make a difference to the lives of a sole-parent family. One mother reported:

She's never given up on me... I was stuck in that rut for quite a bit of time until I started the lithium, and actually was able to have clarity of mind and start living properly... But it's still been unwavering support...

I think [worker's name] and her family have been the biggest support that I have had. I wouldn't have made it without it... [Daughter] will go for the weekend and she will come back with a couple of bags of groceries, which is just enough to get us through to payday, and some weeks we really need that. She has just been an angel.

(Collins, 2010 pp. 32–33)

Various community agencies could be a source of non-judgmental support for sole-parent families who were struggling with economic and other difficulties.

A sole-father commented:

My major support for a long time was the [name] Community Centre, because I could get very cheap food, I could go and get food without too much detail. I still can do it, but things have got a bit better recently. Community support was absolutely superb. I probably would have done something stupid without their support at one stage.

*Sole-parent, Auckland, male
(Families Commission, 2005 p. 37)*

5. SUMMARY

In summary, the following key points are important when considering the economic situation for sole-parent families.

- > **A period of time as a sole-parent is a common experience over the family lifecycle.** Research indicates that close to 50 percent of mothers will have experienced sole-parenthood by the time they are 50 years old.
- > **Because a higher proportion of sole-parent families are led by mothers, much of the research focuses on the situation for women.** Families headed by sole-mothers are more likely to experience economic disadvantage than those headed by some fathers as sole-mothers earn less than sole-fathers, are likely to be younger and have more children to care for and are less likely to be in full-time employment.
- > **Many sole-parents are in paid employment.** Just over half of sole-mothers and 55 percent of sole-fathers received income from wages, salary, commissions or bonuses in 2006.¹⁷
- > **Nevertheless, welfare benefits are a source of support for most sole-parent families.** An estimated 73 percent of sole-parents were in receipt of a main benefit in 2009.¹⁸
- > **More information is needed to understand the economic situations and aspirations of Māori sole-parent whānau.** This is needed as a precursor to determining what will improve the economic wellbeing of Māori sole-parent whānau.
- > **More information is needed to understand the economic situations and aspirations of Pacific sole-parent families.** This is needed as a precursor to determining what will improve the economic wellbeing of these families.
- > **Sole-parent families living in multi-family households tend to do better than those living in sole-parent households.** Pacific, Māori and Asian sole-parent families are more likely to live with others. It would be useful to examine the importance of this for these families' economic wellbeing.
- > **Child-support payments play a role in the economic wellbeing of sole-parent families who are not in receipt of benefits, but there is limited information about their extent, impact and reliability.** Child-support payments for sole-parent families who are in receipt of benefits go, however, to the state, and do not directly increase the economic wellbeing of these families.
- > **Family-friendly employers, whānau, extended family, social support and community agencies can play important roles in enabling sole-parent families to achieve economic wellbeing.**
- > **Policy and support agencies need to be aware of the diverse economic situations of sole-parent families in order to ensure that policy proposals have the desired effect of enhancing the economic wellbeing of this vulnerable group.** The needs, aspirations and diversity of sole-parent families and whānau are relevant to decision-making in the social welfare, taxation, labour, economic development, education, health, transport and housing areas.

¹⁷ Some will also have been entitled to a benefit.

¹⁸ People are entitled to earn additional income up to certain thresholds while in receipt of a benefit.

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Our main role is to act as an advocate for the interests of families generally (rather than individual families).

Issues papers are designed to promote public debate on emerging and current issues. Issues papers are the result of the Families Commission listening to families, whānau and organisations that work with families combined with the knowledge gathered from research and our own analysis.

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