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Using household information in the LFS to identify parents with dependent children

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Summary

This document presents a new derived LFS variable that allows identifying parents with dependent children. Single parents and parents with a partner are distinguished. It can be used to better study reconciliation of work with family life. This is particularly useful for analysing the labour market behaviour of women. Some first preliminary findings based on the data of 2012 show promising results.

1. Introduction

Currently the variables that are derived based on the household information in the LFS are not optimal. In particular studying topics on reconciliation of work with family life with the standard LFS variables is quite a challenge. It is not easy to identify parents and to distinguish them from non-parents. Also the choices made when defining children in the past are not ideal. For these reasons, a new derived variable is developed. It aims to identify within a household the persons that are most important for studying issues of reconciliation of work with family life and to categorise them. This would allow comparing the labour market participation of fathers with mothers and single parents with parents with a partner.

The document is written to present the new variable. It is work in progress and the results are preliminary. All comments are welcome.

2. Approach taken to identify parents with dependent children

The standard household variables in the LFS allow identifying the father and the mother of a person. However, these are fully demographic variables. The 'child' could be of any age and not being dependent at all. This is less useful to study reconciliation of work with family life. In addition, it is possible to identify the presence of a child of a fixed age, e.g. 18. However, this is a household variable which does identify the parent. The LFS has also a variable HHLINK where the relationship to a specific reference person is coded. Analysis showed that this variable cannot be easily used to compare countries because the rules for selecting the reference person differ strongly between countries. For these reasons, a new variable was derived combining household and personal information to identify parents in the household.

For most households the family structure is simple and straightforward. They could be a single person household, a single parent household, a household with couples with children or a household of couples without children. For these types of households, it is easy to characterise the person as being either single, member of a couple without children, member of a couple with children, single parent or child. An issue to deal with in these cases is how to treat partners of a parent when the child is not of both partners. We chose to consider them as being a parent of the children of their partner. These persons are therefore both considered as member of a couple with children. This is preferred to the alternative to categorise the

biological parent as the single parent and the other as ‘other’. It better reflects the actual care relationship which is assumed to be more important for the reconciliation analysis than the biological relationship.

It becomes more complicated if there are more adults in the household in addition to the parents or the partners of the parents. In these cases, some relatively arbitrary choices have to be made. We would like to have a variable that identifies only one (parent) couple in the household being the focus of the reconciliation analysis. In case of three generations in a household we have chosen the middle generation as reference. They are categorised as parent(s). A parent of these persons is categorised as ‘other’. For single parents the same approach is used. Please note that in case of (single) parents this does not exclude the presence of other adults in the household.

The definition of a child is another issue to deal with. To ignore the age of the child if the parent lives in the same household does not make sense. For labour market analysis one would like to identify ‘dependent’ children. They are an important factor in reconciling work with family life. For older children that can support themselves it is less relevant. What is dependent in this respect? It is proposed to apply an arbitrary but simple rule. The United Nation Convention on the Rights of the Child defines a child as a human being below the age of 18 years unless under the law applicable to the child, majority is attained earlier. To follow this definition would make sense. It is therefore proposed to use as rule that all persons younger than 18 of age are considered as a (dependent) child. Users will not easily be misled by this definition. As a consequence, the parents of children are identified. In addition to the above identification of dependent children and their parents, it is proposed to also identify children aged 18-24 still living with their parents and their parents. In order to avoid confusion it is probably wise and more appropriate to use a term different than ‘child’ by calling them ‘young adults living with parents’. All other persons are not separately identified but categorised as ‘other’ even if they are a person 25 years or older living with their parents or parent of such a person.

Note that the dependency aspect in the above definition of child is only based on age and not on actual state of dependency that is related with the income of the person. This is deliberate. If this economic element would be included in the definition, the variable would be directly correlated with the labour market variables, the target variables of the analysis. This would disturb the analysis. With the current independent definition it is for instance possible to compare the labour market situation of young adults living with their parents with those that are not living with their parents.

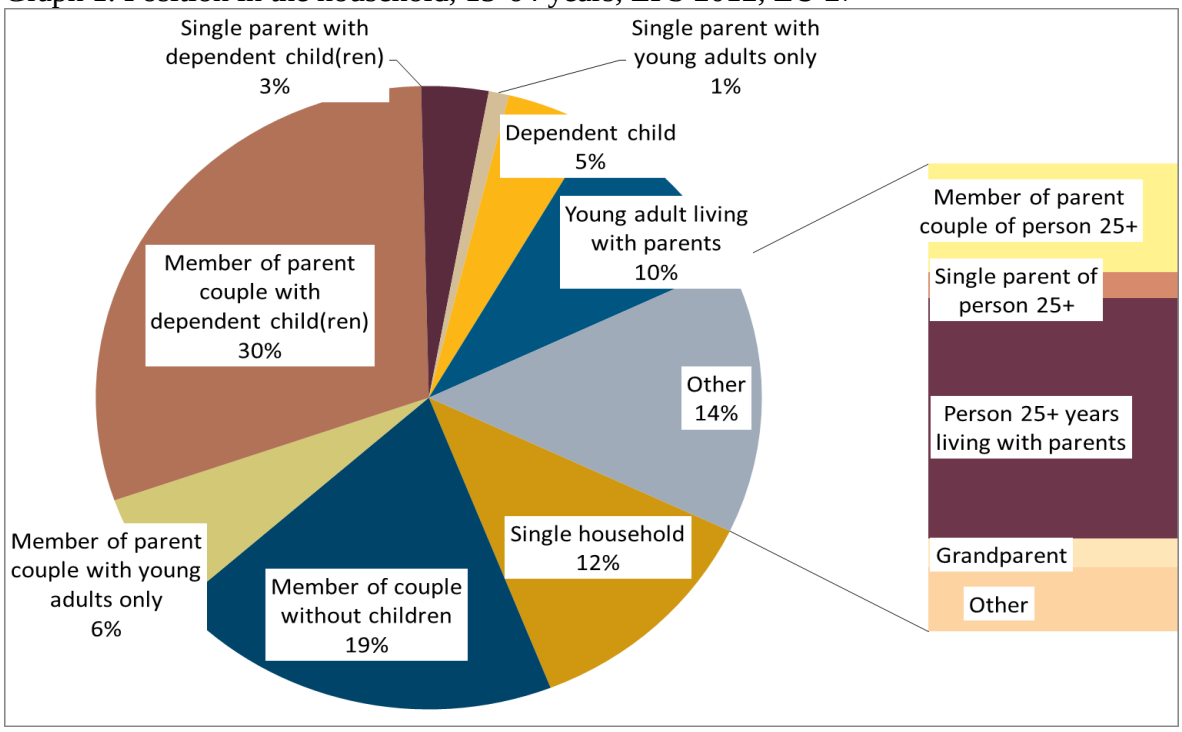
The resulting variable on position in the household has the following categories:
0. Single household
1. Member of couple without children
2. Member of parent couple with dependent child(ren)
3. Member of parent couple with young adults only
4. Single parent with dependent child(ren)
5. Single parent with young adults only
6. Child
7. Young adult living with parents
8. Other.

The part of the labels ‘with young adults only’ means that the age of the youngest child is 18-24 years. This makes it exclusive compared to ‘with dependent children’ categories where the youngest child is less than 18 years of age.

In 2012, 30% of the persons 15-64 years of age were parents of a dependent child according to the LFS. Members of a couple without children is the second largest category with a share

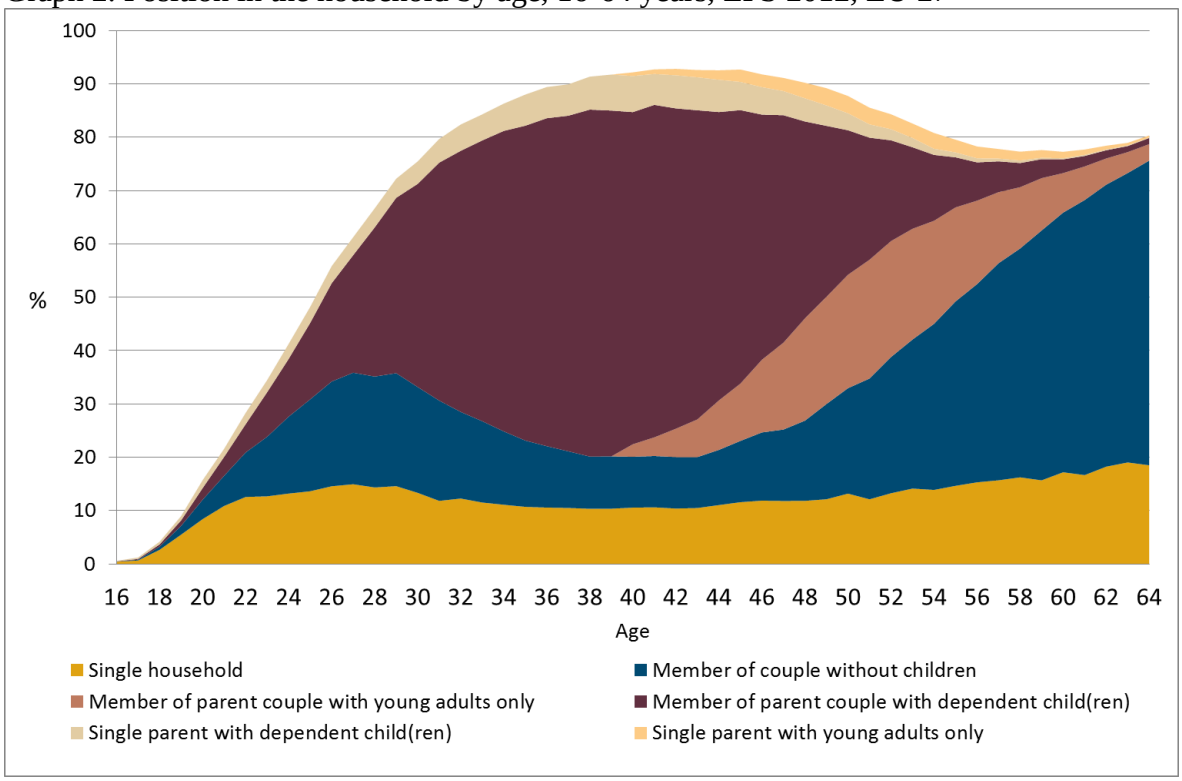
of 20%. Only 3% were single parents with dependent children. The category 'other' is relatively large. In graph 1 this category is further differentiated. The main sub-group within the category 'other' consist of persons of 25 or more years of age living with their parents.

Graph 1. Position in the household, 15-64 years, LFS 2012, EU 27



At EU level, the pattern of the variable by age looks very plausible. There is a peak of the share of persons being a member of a couple without children before the age of 30. After that age, more and more persons are parents with a peak just before the age of 40. After that age, the share of couples without children is becoming larger again.

Graph 2. Position in the household by age, 16-64 years, LFS 2012, EU 27

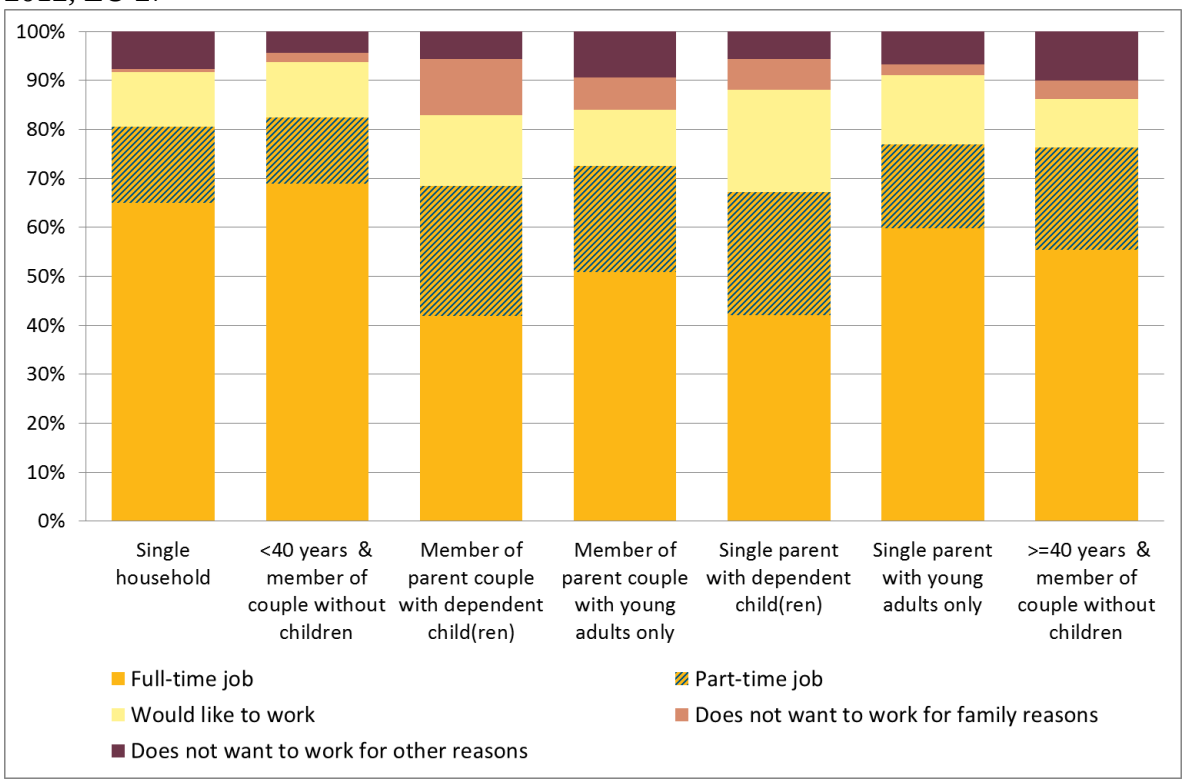


3. Some interesting preliminary findings

To show the usefulness of the new variable, the analysis of the labour market situation of parents focusses on the mothers. The labour market situation of fathers depends much less on care responsibilities. Furthermore, only the age group 25-54 years is considered. The female members of a couple are divided into two categories based on age less than 40 and 40 years or more. Only the labour market situation of parents, singles and members of couples without children are compared.

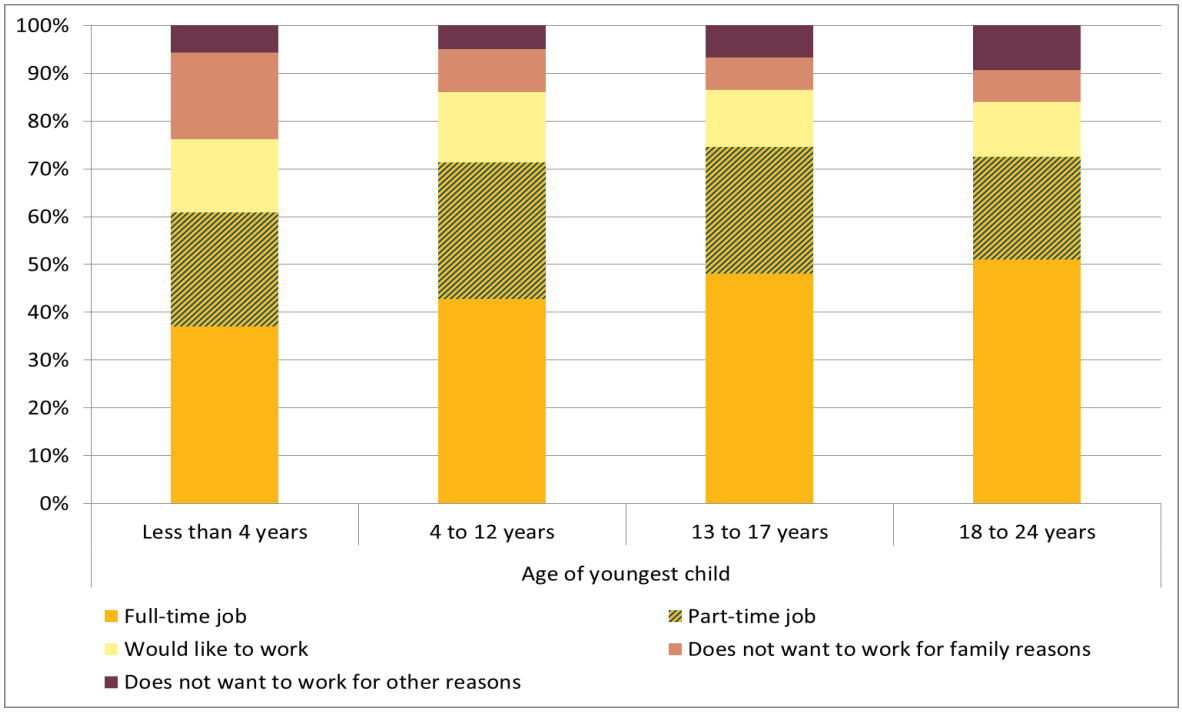
The 2012 LFS results for the EU 27 show that the share of full-time employment is the highest among single households and women less than 40 years of age member of a couple without children. The share is the lowest for mothers. Mothers with child(ren) less than 18 years of age show a relatively high rate of part-time employment. Mothers with a partner have higher share of not wanting to work compared to single mothers. It is mainly for family reasons that they do not want to work.

Graph 3. Labour market situation of women 25-54 years by position in the household, LFS 2012, EU 27



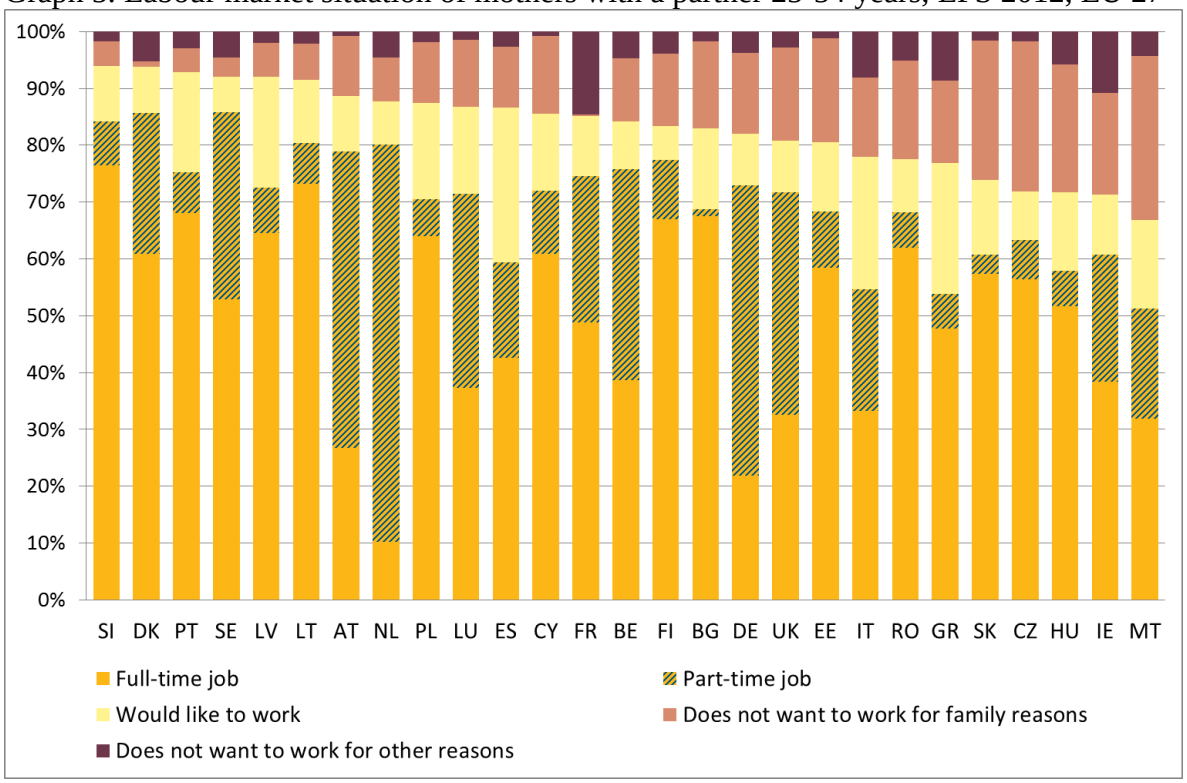
Looking at the age of the youngest child the labour market situation of mothers differs depending on the age category of the child. The share of not wanting to work because of family reasons seems the highest among mothers with children less than 4 years of age. Part-time work is more common among mother with children between 4 and 12 years of age compared to mother with children in other age categories.

Graph 4. Labour market situation of mothers 25-54 years by age of youngest child, LFS 2012, EU 27



In the EU the labour market situation of mothers shows large differences. This is reflected in the LFS results when looking at mothers with a partner and children less than 18 years of age. In 2012, the share of mothers wanting to work varied between less than 70% to more than 90%. Another interesting finding is that the share of mothers working part-time is also substantial in some countries where one would maybe not expect this: IT, ES, IE and MT.

Graph 5. Labour market situation of mothers with a partner 25-54 years, LFS 2012, EU 27



4. Conclusions

The new derived variable identifying parents and distinguishing single parents and parents with a partner provides valuable analytical power. To study reconciliation of work with family life is highly facilitated with this variable. In particular, it gives important additional insight in the labour market participation of women. Some preliminary results based on the LFS 2012 show interesting results both in general and when comparing countries.