



**WOMEN'S
FINANCIAL
INDEPENDENCE:
AUSTRALIA IN THE
1980S AND 1990S**

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Abstract

Between the early 1980s and the mid 1990s (the 'Labor Years'), financial independence among Australian women increased. In this paper we investigate the changing characteristics of working age women, focussing on their financial independence. We combine an examination of policy and institutional changes that occurred in Australia during the 1980s and 1990s with an analysis of income survey microdata for the years 1982 and 1996-97. We argue that demographic changes (relating to marriage and fertility) and public policies in the fields of childcare and social security helped many women achieve financial independence during the 1980s and 1990s but the effects of restructuring and deregulation in the labour market dominated. Not all women gained equally. Young women in particular lost out, while older women made substantial advances. Single mothers profited mainly because of improvements in social security payments, while partnered mothers were increasingly able to engage in paid (though part-time) employment. We look at how policies and institutional change combined to produce these results, and also assess the possible impact on women's financial independence of policy changes that have occurred since Labor lost power in 1996.

1 Introduction¹

While independence, or autonomy, has always been seen as a key aspiration in Australian society, in the closing decades of the twentieth century, the focus in terms of autonomy has shifted very much onto women: how can women achieve equality with men, and autonomy from them? It is the aim of this paper to track their success in achieving autonomy in one dimension – that of financial independence – over the ‘Labor Years’ of 1982 to 1996; and to identify policy and institutional factors that may have influenced their progress.

The issue of financial independence is highly significant in the Australian context for three reasons. First, as Castles (1994) has argued, social policy in Australia developed from the presumption that the male wage should be able to provide for a dependent wife and children. This presumption became increasingly threadbare in the face of rising unemployment, globalising influences and sexual equality legislation in the 1970s and 1980s. Women’s incomes have become increasingly important, not just for their own financial independence, but for the welfare of families in general. Second, social policy in Australia traditionally presumed the existence of a particular (couple and children) family structure. But the number of single adults both with and without dependent children has increased greatly over the 1980s and 1990s, and the assumed permanency in relationships between couples has been replaced in many cases with a more impermanent form of intimacy (Giddens, 1992). In 21st century Australia financial independence can not only lessen the material impact of relationship upheaval. It can also allow individuals to secure their own retirement incomes through occupational pension schemes (see Cass, 1994).

Third, discussion of Australian social policy during the ‘Labor Years’ was marked by controversies over the relative importance of family and personal incomes. Massive expansion of publicly supported child care during the 1980s and early 1990s was aimed at facilitating women’s participation in paid employment. In addition, the White Paper *Working Nation* (Commonwealth of Australia, 1994), proposed to give women greater independence from their spouses in terms of income support benefits they received, and also encourage more of

1 The authors gratefully acknowledge the financial assistance of the Australian Research Council (Grant No. A10007164) towards research for this paper.

them into work through training and incentives. The purpose of this paper is to examine some of the outcomes that these policies have produced.

Our population of interest in this analysis is women aged between 20 and 54. Our main tools in this investigation are a review of institutional and policy changes over the 1980s and 1990s in Australia, and an analysis of survey microdata on personal incomes for the years 1982 and 1996-97. Our focus is on three areas of policy and institutional change: demographic trends; public policy aimed at supporting women in employment; and the evolution of the labour market. We examine the effects of changes in these areas on women of different age and family type, in particular, younger and older women, and mothers. Our analysis suggests that although more women became financially independent during the 1980s and 1990s, not all women gained equally. In particular, many younger women lost out, while many older women and mothers (to a degree) gained substantially. While women in full-time jobs became better off in general, women in part-time employment became worse off relative to the average; and single mothers, while failing to greatly improve their market incomes, did nevertheless succeed in increasing their level of financial independence.

The remainder of our analysis is divided into six sections. Section 2 looks at definitions of autonomy, and how they apply to the analysis here. In Section 3, overall changes in women's financial independence are examined. Sections 4, 5 and 6 look at the impact of demographic changes, public policies and labour market restructuring, respectively, on women's incomes. Section 7 concludes.

2 Autonomy and Financial Independence

2.1 Autonomy

We are interested in analysing women's financial independence because we believe it is a useful indicator of women's autonomy in contemporary Australian society. The concept of autonomy escapes easy definition. As Goodin *et al* (1999) argue, none of us is totally autonomous. Recently, welfare state analysts have linked autonomy to the idea of social citizenship (Marshall, 1950). Esping-Andersen (1990), developing the ideas of Polanyi (1944), argues that the main purpose of the welfare state is to de-commodify workers: to reduce the power of the wage relation in modern industrial society, thereby increasing a worker's autonomy from the forces of capitalism. Feminists take issue on this point. Orloff (1993) argues that Esping-

Andersen's concept is not adequate, as it ignores the differences in the situations of male and female workers.

Decommodification, as a dimension of policy regimes, must be understood in the context of gender relations and also must be supplemented by a new analytic dimension: the extent to which states guarantee women access to paid employment and services that enable them to balance home and work responsibilities, and the mechanisms and institutions that implement these guarantees (Orloff, 1993: 317).

De-commodification, therefore, is seen as just one element of autonomy, which Orloff defines as individuals' freedom from compulsion to enter into potentially oppressive relationships in a number of spheres. Social policies that de-commodify can only be of benefit to people who are already commodified – that is, people who have a relationship with the labour market. Social citizenship for women therefore requires that they first have access to paid work. For many women, in other words, commodification is potentially emancipatory. But it may not be sufficient for women to be merely secondary earners while they continue to provide unpaid services to their 'main breadwinner' husbands. The purpose of access to paid work should rather be explicitly seen as *economic independence*, which can be manifested through the capacity to form and maintain an autonomous household.

Orloff's definition of autonomy is therefore not a negative status (such as not being in poverty), but describes a capacity to make choices about important issues, such as the nature of one's relationship with partner, family, labour market and other institutions in society. If we are, in this analysis, to test the success of the feminist goal of greater autonomy for women in the Australian context, Orloff's (1993) vision offers a useful starting point.

2.2 The relationship between autonomy and financial independence

Can money buy autonomy? We cannot answer this question for sure, although very rich people tend to be seen by others as autonomous (see Goodin *et al*, 1999). Equally, there seems to be widespread agreement that a lack of material resources can usually indicate a lack of autonomy (see Fraser and Gordon, 1994). Whether 'poverty' equals 'welfare receipt' and 'lack of autonomy' (or dependence) seems to be an open question. Orloff (1993) certainly does not discount the

decommodifying and independence-enhancing possibilities provided by state welfare. Goodin *et al* (1999) argue that if welfare provides a viable alternative to paid employment, then it is autonomy-enhancing (they operationalise ‘viability’ with the proposition that if substantial numbers of people do it, then it must be viable). But O’Connor (1993) argues that personal autonomy should be equated with insulation from dependence, including reliance on dependency-enhancing means-tested welfare. If one agrees with the view that means-tested welfare (of which virtually the entire Australian social security system is comprised) is provided to claimants under highly conditional and oppressive regulations then one might agree with O’Connor.²

At what income point can a person be said to have reached autonomy? Goodin *et al* (1999) introduce the idea of ‘minimal autonomy’, defined in such a way that it is a realistic aspiration for all members of society and a realistic goal for social policy. They see this as incorporating the poverty line. We believe that this approach does not fully take account of the reality that inequality (in resources, human and social capital, opportunities *and* autonomy) is a fundamental property of capitalist society. Our focus is more on distributions than thresholds. Social policies can hope to make two achievements in the face of inequality. First, they can aim to set a floor (and perhaps a ceiling) on people’s incomes with minimum income guarantees and other redistributive policies. Second, they can aim to ensure that recognised groups are not unduly disadvantaged in terms of the resources, human and social capital, opportunities and autonomy available to them. At the level of gender, this would suggest that social policies should attempt to ensure equal distributions of personal autonomy for men and women.³

We operationalise the concept of autonomy (and its key manifestation – the ability to form and break from households) in terms of relative financial independence. Our starting point is that autonomy will always be unequally distributed in capitalist society, and that social policies and institutional changes can be called progressive if they

2 Esping-Andersen (1990) appears to take this view in his comparison of welfare state regimes, awarding the social policy research equivalent of double demerit points to means-tested welfare systems in countries like Australia. Castles and Mitchell (1991) strongly take issue with him on this point.

3 We are therefore not directly engaging in debates about poverty among women; such a debate would necessarily have to tackle in a more comprehensive way issues of adequacy in the Australian social security system.

appear to be associated with an improved distribution of women across the personal income distribution. In the Australian context, we examine how women's position changed during the 1980s and 1990s with reference to two income measures:

- Personal gross market incomes;
- Personal net incomes (market income plus social security benefits less taxes paid on income), adjusted to take account of responsibility for dependants.

The first measure speaks to the proposition that in capitalist society, dependency on the state is equally problematic to dependency on a marital partner; true financial independence suggests autonomy from both state and partners. The significance of this measure can also be interpreted thus: it suggests that to be relatively well-off in terms of market income is an indicator of success in capitalist society. This is the most a free market can be expected to deliver.

If we were to take a 'minimal autonomy' (Goodin *et al.*, 1999) approach in this paper, we would argue that the second measure should speak to the proposition that social policies in capitalist society should aim to support people whom the market fails; therefore, directly redistributive social policies should, in themselves, help women achieve financial independence. As we have stated above, we have problems with this approach, not as a goal of social policy, but in terms of what we might expect capitalist society to deliver. It is indisputable that the welfare state in capitalist society can never supplant the labour market as the main source of income for most individuals or families. This is particularly true of the residualist paradigm that dominates in liberal welfare regimes such as the Australian one (Esping-Andersen, 1990; O'Connor, Orloff and Shaver, 1999). But even liberal regimes appear to recognise that people with children need state support. Social policies that support parents tend to disproportionately benefit mothers (Orloff, 1993). The aim of such policies is not just to boost the market incomes of parents (that is, increase their human capital, labour market participation and hours worked), but to directly increase the *net equivalised incomes* of parents and their dependent children through tax and transfer policies. An increase in number of women and their dependent children with relatively high equivalised net personal incomes might be seen as signalling the relative success of such social policies, and would suggest progress towards the goal of a more equal distribution of financial independence between men and women over the 'Labor Years'.

3 Overall trends in women's financial independence over the 'Labor Years'

3.1 Microdata

Changes in women's financial independence have been measured using confidentialised unit record files from income distribution surveys conducted by the Australian Bureau of Statistics in 1982 and 1996-97. Although there are problems of comparability between these surveys, (discussed in more detail in Appendix 1), they are the best data source available for analysing women's financial independence during the 1980s and 1990s. An alternative data series, the Household Expenditure Survey, does not contain any data on individual incomes prior to the 1989-90 survey. Other data sources, for example the Census, have limited data on personal characteristics, and data on income are presented in ranges. Therefore, we feel the income distribution surveys contain the best data for this analysis.

3.2 Trends in women's income shares

The income distribution surveys allow us to define market income (as discussed above) as

personal income from employment + income
from self-employment + income from other
market and private sources.

A relatively high level of personal income according to this definition can be seen as representing success in capitalist society. Figure 1 shows that between 1982 and 1996-97, the proportion of women with market incomes in the bottom third of the distribution decreased, and the proportion in the top half rose. In 1982, a third of women (and a tenth of all men) were in the bottom quintile of the distribution of market incomes, and seven per cent were in the top quintile (compared with 32 per cent of all men). In 1996-97, 26 and 10 per cent of women, respectively, were in the bottom and top quintiles, as were 15 and 30 per cent of all men. In terms of market incomes, therefore, men displaced women to some extent at the bottom of the income distribution, and, to a lesser extent, women displaced men at the top.

In the surveys, we can define net equivalised income as

personal income from employment + income
from self-employment + income from other
market and private sources + income from social
security payments – taxes paid on income,

equivalised according to the simplified Henderson scale.⁴

Under this definition, responsibility for children is added to the equation through the application of the equivalence scale. Here (following from Sutherland, 1997), we assume that financial independence for women must include their ability to care for any dependent children. This fulfils Orloff's (1993) criterion for autonomy: the ability to form a new household for oneself *and one's dependants*. Therefore, all mothers' incomes are shared (or equivalised) among themselves and their children. Fathers' incomes (unless they are lone fathers) are not shared with dependent children. This should create a highly unequal distribution of incomes, with most mothers in the bottom half of the distribution. However, the question we would seek to address in this analysis is: to what extent did their financial independence improve over the Labor Years?

Figure 2 shows that as with market incomes, women's position generally did get better. Women's representation in the bottom quintile fell from 42 to 37 per cent of all women between 1982 and 1996-97, while at the top, it increased from 7 to 10 per cent. In general, there were fewer women in every percentile of the equivalised income distribution up to about the 40th, and more women in every percentile after the 55th. Figures 1 and 2 therefore show a generally positive picture for women. However, the extent of their gains should not be exaggerated. If there was equal distribution of resources between men and women, this would be represented by a straight line running across the middle of Figures 1 and 2. The gains made by women may have been noteworthy, but the equality gap in 1996-97 remained significant.

3.3 Differences between women

While early feminist analysis tended to see women as a largely homogenous group, more recent research has tended to highlight the dangers in such an approach (see, for example, Gregory, 1999). O'Connor, Orloff and Shaver (1999) argue that just as different social policies can alter the balance of power between men and women, they can also benefit some women more than others. Women's personal

4 This scale, widely used in analysis of family incomes in Australia, gives a weight of 20.0 to the working head of an income unit (or nuclear family); 13.0 to a non-working head; 18.5 to a working wife 9.5 to a non-working wife, and 7.5 to each dependent child. See Commission of Inquiry into Poverty (1975), p.356. We test the sensitivity of our definitions of financial independence in Appendix 1.

incomes and their autonomous status are the product not just of their relations with men, but also of their place in a society stratified by class and, in some countries, race. Therefore, it is possible to argue that if the number of women with high incomes increases, then women on average are better off. But did inequality *between* women also increase in this time? Inequality in all market incomes, as measured by the Gini Co-efficient, did increase over the

Figure 1: Distribution of Women's Shares of Personal Market Incomes in 1982 and 1996/7

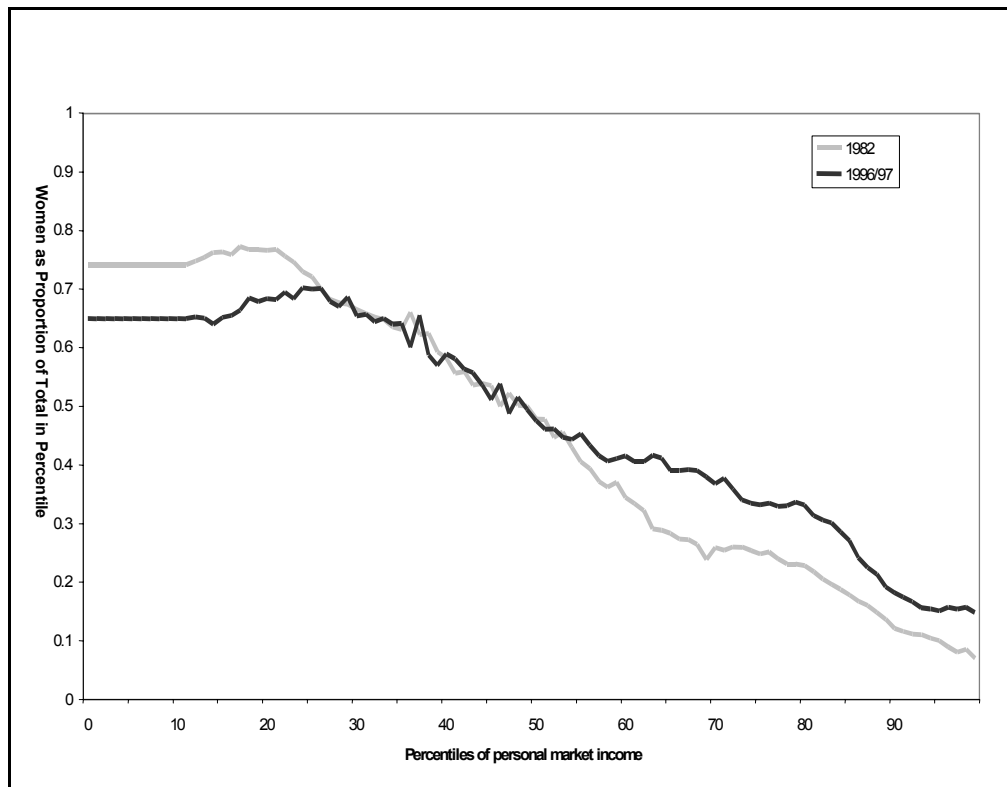
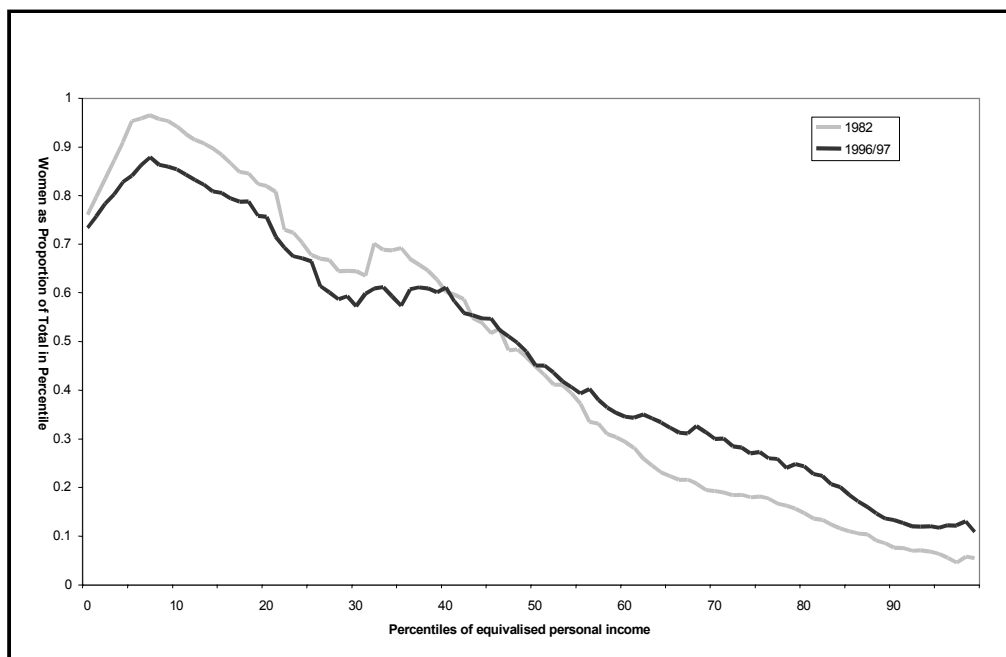


Figure 2: Distribution of Women's Shares of Equivalised Net Personal Incomes In 1982 and 1996/7



‘Labor Years’, from 0.36 to 0.37.⁵ But while inequality among men with market incomes increased substantially over this time (from 0.29 to 0.34), inequality among women fell slightly, (from 0.40 to 0.39).

Therefore, women’s incomes improved, on average, over the 1980s and 1990s, and inequality between women in terms of market incomes decreased overall. But not all women advanced equally, as Table 1 shows. The youngest women gained little, and the oldest women gained the most. In terms of market incomes, women aged 45-54 years had the lowest average (55 per cent of the median) in 1982, but the highest average in 1996-97. Single women with children did particularly well in terms of improved net equivalised incomes over the 1980s and 1990s. Partnered women, with and without children, were also notably better off in 1996-97 than in 1982, while the average incomes of single women without children increased relatively little relative to the median. It is worth noting that the income gains for partnered women (both with and without children) involved a move up from the bottom of the distribution: for example, 82 percent of partnered women with children were in the bottom half of the market income distribution in 1982, compared with 74 per cent

5 Inequality here is measured using the ABS income distribution surveys where the unit of analysis is individuals with a market income. Those who did not report any market income are excluded from the analysis. The Gini co-efficient is a common indicator of inequality, where a value of 0 would represent total inequality, and a value of 1, total inequality.

in 1996-97. But the proportion of single women with children in the bottom half of market incomes remained at about 80 per cent: most of the gains made by women in this group involved shifts within the bottom half of the distribution.

4 Age Profiles, Marriage, Fertility and Employment

Much happened to Australia's demographic profile over the 1980s and 1990s. As the 'Baby Boomer' generation moved from relative youth to middle age, the average age of working age women increased. Marriage rates declined and divorce rates increased, indicating less permanency in relationships and therefore fewer guarantees for women who depended on their partners for financial support. In the period between 1983 to 1993, the marriage rate declined by over 24 per cent (ABS, 1995: 26). Moreover, fertility dropped, with the total fertility rate dropping from 1.94 in 1982 to 1.80 in 1997. (ABS, 1994; 1998a).

Table 1: Incomes of Women Aged 20-54 1982 to 1996: by Age and Family Type (Per cent median)

Characteristics	Market income		Equivalised net income	
	1982	1996	1982	1996
Aged 20-24	67	70	74	85
Aged 25-34	58	75	55	77
Aged 35-44	60	78	51	69
Aged 45-54	55	79	61	79
Single, no children	91	97	103	109
Single, with children	43	63	48	77
Partnered, no children	73	92	79	97
Partnered, with children	46	61	33	45

Table 2 shows that the aging of the 'baby boomer' generation, growing impermanence in relationships and the decreasing fertility rate may have indeed contributed to increased labour force participation and incomes for women. Overall, the proportion of women in employment increased from 55 to 65 per cent between 1982 and 1996-97. Employment increased among women of all ages, and decreased among men of all ages, but the increase in employment among older women (aged 45-54 years) is notable for two reasons. First, it was greater than among any other age group – it rose from 49

to 67 per cent. Second, the number of older women as a proportion of all working age women also increased substantially in this period. They made up 21 per cent of all 20-54 year old women in 1982, but 25 per cent in 1996. The number of women aged 20-24 on the other hand fell from 18 to 14 per cent of this group in the same period.

In terms of family type, the proportion of single women without children in employment was already as high as that of single men in 1982 and did not grow further, although the number of single women without children increased substantially from a fifth to a quarter of all women aged 20-54 years. The proportion of single women with dependent children in employment, on the other hand, was low in 1982 (36 per cent) and grew only slightly. The biggest gains in employment were experienced by partnered women. The percentage of those without dependent children in employment grew from 63 to 75 per cent, almost the level attained by single women without children, though still well below the level reached by partnered men without children. Among partnered women with dependent children,

Table 2: Employment of Women and Men Aged 20-54 in 1982 and 1996: by Age and Family Type (Per cent employed*)

Family Type	Single, no children	Single, with children	Partnered, no children	Partnered, with children	Total
<i>Women</i>					
1982	78	36	63	45	55
1996	77	38	74	58	65
<i>Men</i>					
1982	79	-	92	93	88
1996	76	-	89	89	84
Age	20-24	25-34	35-44	45-54	Total
<i>Women</i>					
1982	65	52	55	49	55
1996	71	61	66	67	65
<i>Men</i>					
1982	81	90	92	88	88
1996	75	86	87	83	84

Note: *Employee or self-employed

the increase in employment was from 45 to 58 per cent. However, declining fertility among Australian women meant that while the percentage of women who were single and had dependent children remained fairly stable, the percentage of women who were partnered and had children fell greatly, from 53 per cent of all women aged 20-

financially dependent through their years of study, because of unemployment and minimal social security payments, or because of the low wages they could command in the labour market. Schneider (1999) argues that dependency on parents among young adults increased substantially after the late 1960s for these reasons (Schneider, 1999: 1). These factors, of course, suggest a decline in the financial independence of young women, a point to which we return later. First we examine some factors which may explain growing divergence in employment between single and partnered mothers.

5 Public Policy and the Employment of Mothers

While the behaviour of partnered women without dependent children grew more like that of single women without children over the ‘Labor Years’, the behaviour of single and partnered women with dependent children appeared to diverge. Table 4 shows that this divergence was particularly acute among younger mothers. The proportion of single mothers aged 20-34 years in employment actually declined between 1982 and 1996, while the proportion of partnered mothers in the same

Table 4: Employment of Mothers Aged 20-54 in 1982 and 1996-97, by Education, Age and Family Type (Per cent in employment*)

	1982				1996-97			
	Higher	Education Secondary	Less than secondar y	All	Higher	Education Secondary	Less than secondar y	All
<i>Single Mothers</i>								
Age 20-34				27				23
Age 35-54				38				44
All	53	45	27	32	65	41	28	34
<i>Partnered Mothers</i>								
Age 20-34				30				37
Age 35-54				38				58
All	56	42	34	34	71	54	44	50

Note: *Employee or self-employed

age group in employment increased. Among older women aged 35-54 years, the percentage of single mothers in employment increased, but employment among partnered mothers increased much more, from 38 to 58 per cent. Moreover, employment only grew among single mothers with higher education, but it grew among partnered mothers with all levels of education.

5.1 Child Care Policies

Did changes in child care and income support policies play a part in causing partnered mothers' employment to increase, while leaving single mothers' employment (unless they were highly educated) to stagnate? Parents often see child care as a means of ensuring that their children are properly looked after while they engage in paid work, and for many mothers formal child care is an important prerequisite for paid employment (ABS, 1998a: 39). In the period from the early eighties to mid nineties there was a substantial increase in the number of children placed in child care, both formal and informal, from 39 per cent in 1984, to 48 per cent in 1996 (ABS, 1994, 1998). However, the cost of child care increased substantially over this period. Table 5 shows that in 1984, 65 per cent of families in the bottom quartile of family incomes using formal or informal child care paid nothing for it, while eight per cent paid more than a tenth of their incomes in child care costs. By 1996, the proportion of the bottom quartile paying nothing for their child care had decreased to 55 per cent, while the proportion paying more than a tenth of their incomes increased to 18 per cent.

Table 5: Child Care Costs as a Proportion of Family Income for Families that Used Formal or Informal Child Care in 1984 and 1996, by Family Income Quartile

Family income Quartile	Child Care Costs as Per Cent of Family Income					
	1984			1996		
	No costs	Costs are less than 10% of family income	Costs are more than 10% of family income	No costs	Costs are less than 10% of family income	Costs are more than 10% of family income
Lowest	65	26	8	55	27	18
Second	59	37	4	48	43	8
Third	52	43	3	46	46	8
Highest	45	54	1	40	56	4

Source: ABS 1984b 1996

There is ongoing debate about the relationship between the cost of child care and women's labour force decisions (see Schofield and Polette, 1998; Beer 1998; Teal, 1992; Ribar 1995; EPAC, 1996). It is arguably more difficult for single mothers than for partnered mothers to take up paid employment for several reasons, and cost of child care may only be one of these (although incentives issues are bound to be magnified where there is only one earner in the family). In 1996, the rate of labour force participation for lone mothers (52 per cent) was

lower than that for partnered mothers (63 per cent). (ABS, 1997). It is certainly the case that children of couple families where both parents are employed (and therefore potentially better off) have formed an increasing proportion of all children in child care: up from 54 per cent in 1987 to 61 per cent in 1996 (ABS, 1996: 33).⁶ There is evidence that lone parents tend to rely on friends and family when child care is required. The 1996 Child Care Survey found that 46 per cent of employed lone parents with children aged 0-11 used only informal care compared to 35 per cent of partnered mothers. Use of formal child care by lone mothers depended on the hours they worked. Lone mothers working part time were less likely to use formal child care than partnered mothers, but differences decreased as number of working hours increased. (ABS: 1997).

Therefore, while the expansion in child care is likely to have been generally beneficial for women's financial independence, not all mothers may have benefited equally. Costs may have had a larger impact on single mothers' incentives to work, simply because the alternative was reliance on income support payments, and the real value of these improved greatly over the 1980s and 1990s (see below, and Redmond, 1998). In the case of partnered mothers, the alternative was more usually reliance on partners' earnings, which, unlike means-tested social security payments, did not fall with every extra dollar earned.

5.2 Social Security Reforms

Indeed, reforms to social security throughout the 1980s and 1990s were aimed at improving financial support to families with dependent children. They were also intended to provide greater incentives to men and women to combine low-paid employment with social security receipt. Mitchell (1997) argues that while in the 1980s, policies were concerned with direct income support for children and dependent wives, policies in the 1990s were more focused on providing incentives to, and supporting the needs of working mothers. Gradually over the 1980s and 1990s social security was reformed to make the 'structure of benefits fit better with family and labour market change' (McHugh and Millar, 1996: 18). A psychologically important reform was the individualisation of entitlement for social security payments in

6 But note that costs are not the only barrier to mothers' use of child care. Single mothers in particular may find it difficult to combine employment with leaving one young child in child care and another in school in the morning, going to work, and then repeating the process in reverse in the evening.

the mid 1990s, so that husbands could no longer make claims on their wives' behalf.

But the biggest real gainers from these reforms were arguably single parents, the majority of whom were women. In general social security payments to women increased at a faster rate than their market earnings between 1982 and 1996-97. Women's nominal earnings went up 2½ times, but social security payments more than tripled.⁷ Single mothers, more dependent than any other group on social security, benefited the most. This was true of those in paid employment as well as those not in employment. Table 6 shows that among single mothers in non-professional employment, social security made up 21 per cent of their total incomes in 1982, and 32 per cent in 1996. Even among better paid professionally employed single mothers, social security as a proportion of total income increased from 8 to 12 per cent. The table also shows that over the same period, social security decreased in importance for partnered mothers in paid employment.

However, the improvement in single mothers' social security payments over the 'Labor Years' needs to be placed in context. As Table 1 shows, average incomes for single mothers were considerably below the median in both 1982 and 1996-97. Also, it is important to

Table 6: Employment and Income Characteristics of Women Aged 20-54 in 1982 and 1996-97: by family type

<i>Per cent</i>										
	Single, no children		Single, with children		Partnered, no children		Partnered, with children		All Women	
Per cent of employed persons in Professional (P) and Non-Professional (NP) occupations										
	P	NP	P	NP	P	NP	P	NP	P	NP
1982	29	71	24	76	21	79	27	73	26	74
1996	36	64	34	66	31	69	32	68	33	67
Per cent of Professionals (P) and Non-Professionals (NP) in full-time employment										
	P	NP	P	NP	P	NP	P	NP	P	NP
1982	89	84	79	56	74	69	46	37	66	59
1996	82	72	65	40	73	57	43	34	64	51
Per cent social security benefits in total personal income for employed Professionals (p) and Non-Professionals (NP)										
	P	NP	P	NP	P	NP	P	NP	P	NP
1982	2	2	8	21	1	1	12	12	6	7
1996	2	4	12	32	1	2	5	8	3	6

⁷ Calculations in this paragraph are made by the authors from ABS income distribution surveys.

note that social security for single mothers was in effect compensating for the failure of the labour market to provide adequate employment and income gaining opportunities. It is to the restructuring of the labour market over the 1980s and 1990s, and its effects on women's incomes, that we now turn.

6 Wage Bargaining and Labour Market Restructuring

Aside from changes in age structure, partnering patterns and fertility, and important public policy reforms aimed at increasing women's labour market participation, developments in industrial relations policy and structural changes in the labour market were also important in influencing women's participation in, and earnings from, employment. But while trends in demography and public policy had generally positive impacts on women's financial independence, the effects of developments in the area of the labour market are more uncertain. Several legislative changes from the 1960s on sought to remove or reduce gender discrimination in work and wages in Australia. This should have made employment more attractive for women, although Whitehouse (1995) doubts that their real influence

on gender equality outcomes was significant.⁸ But these changes were enacted at a time when women's relative employment possibilities were increasingly being shaped by deregulation and restructuring that was taking place simultaneously in the labour market. In this section we examine some of the effects of changing bargaining paradigms and restructuring on women's market incomes.

6.1 Centralised and Enterprise Bargaining

Throughout most of the 'Labor Years', industrial relations were managed at a macro-level through The Accord, a general agreement between Government, trades unions and employers on wage increases, labour market restructuring and social expenditure. The existence of a centralised wage fixing system may have been one of the significant factors behind the advance of women's relative earnings during the 1980s. Other gains for women, such as the introduction of maternity benefit, were also negotiated as part of the Accord (O'Connor et al, 1999: 217).

Towards the end of the 1980s the Federal Government reduced the powers of the Industrial Relations Commission, signalling increased opportunities for 'enterprise bargaining' to occur directly between employees and employers concerning wages and conditions in the workplace. While it is difficult to assess the impact of enterprise bargaining on women workers, most research carried out so far suggests that the outcomes were not favourable for women (in terms of wages and working conditions), largely due to their concentration in industries where labour tended to be weaker or less organised (Hall, 1999; Heiler, Arsovska and Hall (1999), Charlesworth, 1997, Hook, 1999).

6.2 Labour Market Restructuring and Deregulation

Restructuring has been an ongoing feature of the Australian labour market since the 1960s, with employment in service industries increasing, and employment in manufacturing declining. But the pace of restructuring arguably accelerated during the 1980s. Between 1966 and 1996, employment in (traditionally male-dominated) manufacturing industry decreased by 40 per cent. And between 1985-

8 These changes included the equal pay decisions: the equal pay decision in 1969, the principle of equal pay for work of equal value in 1972 and the equalisation of minimum pay rates for men and women in 1974. Other important equality legislation included the federal Sex Discrimination Act (1984) (the earliest state legislation dates from 1975) and the Affirmative Action (Equal Opportunity for Women) Act 1986 (see Whitehouse, 1995; O'Connor et al; 1999).

86 and 1995-96 the number of workers in (traditionally female-dominated) service industries increased by almost a third (ABS, 1997). Campbell and Brosnan (1999) argue that the occurrence of several recessions in the 1980s and 1990s, accompanied by high unemployment, increased the power of employers to dictate terms and conditions to employees. This is evidenced by two trends: the growth of precarious employment, and the increased polarisation of the labour force between core and peripheral workers. Between 1984 and 1996, the proportion of women in casual employment increased from 26 to 32 per cent (Campbell, 1998: 234). Cumulatively, increased deregulation of the labour market is likely to have been a mixed blessing. Service industry growth may have increased opportunities for women's employment, but growing employer power and the trend towards casualisation may have worsened the conditions under which many of them worked.

6.3 Impact on women's financial independence

In terms of impact on women's financial independence, it is difficult to separate the effects of changes in the wage bargaining paradigm from structural changes in the labour market. Here, we examine their joint impact in a very proximate way using the income distribution survey microdata to analyse the distribution of female employees, and their earnings, in full and part-time work in what might generally be considered to be 'organised' sectors of the workforce (manufacturing, electricity, construction, communications, finance, public administration and community service) and 'non-organised' sectors (agriculture, mining, retail and recreation); and the status of their occupation - 'professional' (managers, professionals and associate professionals) and 'non-professional' (trades, clerical, production and labouring). Women in non-organised sectors and particularly part-time non-professional employees in these sectors were not only more likely to lose out from the phasing out of centralised wage bargaining and the increased importance of enterprise bargaining; they were also likely to be in industries where casualisation grew most rapidly.

Table 7 shows that the number of women who were full-time non-professional employees in the organised sector shrank greatly over the 'Labor Years', from a third to a quarter of all female employees. Their market earnings as a proportion of median market earnings for all men and women also declined by a quarter. Full-time non-professionals in the non-organised sector, on the other hand, saw their average relative earnings increase by 9 per cent, although in 1996-97, these earnings were still below those of full-time non-professional women in the organised sector. The reduction in full-time employment in the

organised sector could be seen as an impact of restructuring, while the equalisation of wages among full-time non-professional women

Table 7: Distribution of female employees and earnings, by industry and occupational status

Hours of employment Industry Occupation	Full-time				Part-time				Total
	'non-organised'		'organised'		'non-organised'		'organised'		
	NP	P	NP	P	NP	P	NP	P	
Distribution of employees, 1982	13.7	1.8	32.0	16.5	14.7	0.4	13.7	7.3	100.0
Distribution of employees, 1996-97	12.0	5.0	24.7	18.9	15.6	0.9	14.7	8.2	100.0
Average market earnings in 1996-97 (per cent median)	1.20	1.51	1.26	1.87	0.62	0.79	0.72	1.05	
change in average earnings 1982-1996-97 (per cent median)	9	11	-26	16	7	13	4	13	

Note: 'Non-organised' industry includes agriculture, mining, retail and recreation. 'Organised' industry includes manufacturing, electricity, construction, communications, finance, public administration and community service. NP = non-professional employees (trades, clerical, production and labouring) P = professional employees (professional' (managers, professionals and associate professionals).

employees across organised and non-organised sectors might be seen as a positive impact of centralised bargaining. But restructuring may also have helped increase the earnings differential between professional and non-professional women. Not only did the number of professionals as a proportion of all female employees increase from 26 to 33 per cent, their average earnings also increased by between 11 and 16 per cent of the median, more than for any non-professional group.

Older women generally gained from these changes, while younger women generally lost out. Full-time workers in the organised sector were still the best paid in 1996-97, and part-time workers in the non-organised sector were the worst paid. There was a major shift in the employment of younger workers from the organised full-time sector to the non-organised part-time sector. Part-time and relatively low paid unskilled employment in retail, recreational and personal services grew particularly rapidly among young women. Among older workers, the percentage in the organised full-time sector remained constant, even though, as Table 7 shows, the size of this sector fell considerably.

Among employed single mothers, there was a shift into both full-time and part-time professional jobs in the organised sector, but also a general shift from full-time to part-time work. Table 6 shows that professional employment among single mothers expanded from a quarter to a third, but that the percentage of both professionals and

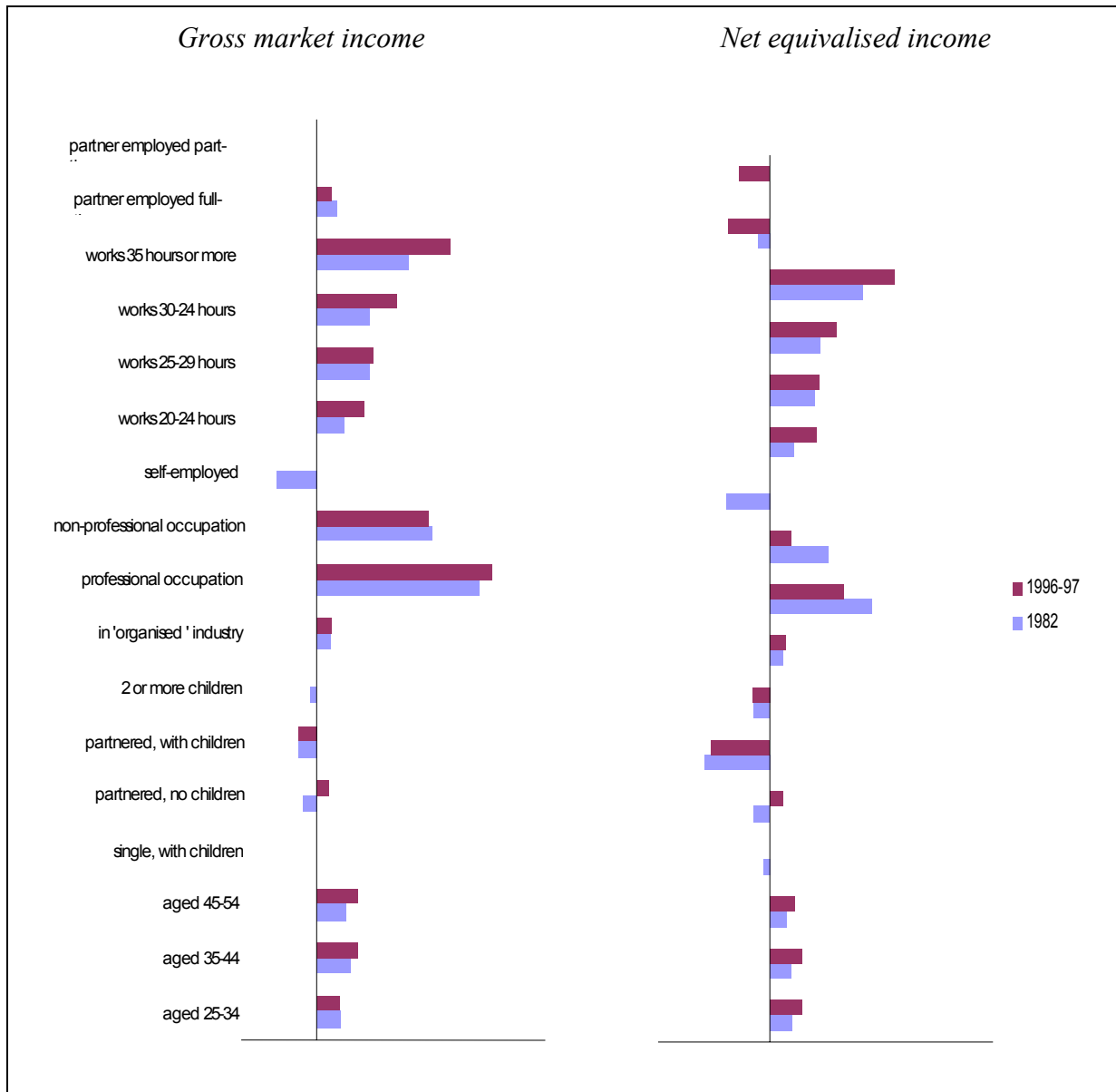
non-professionals in full-time employment fell substantially. Among partnered mothers, on the other hand, there was rather less change in the composition of their employment – professional employment increased slightly, and full-time employment among both professionals and non-professionals declined slightly (see Table 6).

6.4 Measuring the cumulative impact of demographic, public policy and labour market changes

In order to bring together our conclusions about the causes of women's increased financial independence over the 1980s and 1990s, and its somewhat uneven distribution, we have specified a regression model which measures the joint impact of age, family status, children and employment on both definitions of income used in this analysis. Details of the regression models are outlined in the Appendix. Results are summarised on Figure 3. In terms of age and family type, the gains made by older women (and the losses experienced by younger women) are notable in terms of both income definitions. When all other factors were controlled for, women with a partner and no children were likely to have reduced incomes in 1982, but increased incomes in 1996-97. The financial independence of partnered women without children therefore improved considerably over the 'Labor Years'. The position of partnered women with children is less clear-cut. When age and occupational factors are controlled for, they did not gain in terms of market income, and gained little in terms of equivalised net incomes. Surprisingly, the negative impact of having two or more children appears to have increased over the 'Labor Years' in terms of financial independence. In other words, women with small families found it easier to take advantage of the policy and labour market changes that were taking place than those with several dependent children.

In terms of occupations themselves, the biggest gainers were women in full-time employment. Women in professional occupations gained slightly, and those in non-professional occupations lost slightly over the 1980s and 1990s in terms of market incomes. This is consistent with the effects of restructuring described above. But in terms of equivalised net incomes, the importance of being in a professional or non-professional occupation appears to have diminished for women – hours worked were more important. This may be an effect of the general increase in part-time work, and the fact that female part-time workers were also more likely to be mothers, thus making their equivalised incomes smaller. This is a key finding. The greatest benefits of labour market restructuring went to women who could

Figure 3: Impacts of Age, Family Status and Employment on Gross Market Income and Net Equivalised Income



See Appendix 2 for explanation of regression results

work full-time. Policy changes over the 'Labor Years' were insufficient to allow a large number of mothers to be part of this group. In this sense, policy and restructuring worked hand in hand. Restructuring resulted in the creation of many part-time jobs which policy helped fill, through child care and social security reforms. Mothers who took these jobs saw their personal incomes rise, but for childless women in full-time work, particularly older women, the gains were considerably greater.

7 Conclusion

As Mitchell (1997) describes, social policies during the 1990s were focused very much on meeting the needs of families. These policies were developed by Labor governments in large part as a response to a range of social, economic and political pressures that had been building up for some time. A key economic priority was opening up the Australian economy to overseas trade and competition. As part of this aim, Labor governments secured agreement with the trade unions to pursue a globalisation agenda. Under the Accord, labour market deregulation and wage restraint were compensated with increases in the 'social wage'. But Labor was also under intense political pressure to tackle child poverty, not least because it had pledged to abolish it. It sought to do this partly through policies to increase women's participation in the labour force, and partly through more generous family payments. But in the midst of these expansionary family policies, there were also more 'contractionary' pressures evident. These included the continuation of policies from the early 1980s, which emphasised targeting and means-testing, and 'managerialist' administrative changes that were designed to reduce Federal expenditure and direct public provision of services. (see Mitchell, 1997: 1).

The purpose of our paper here has been to place the outcomes of these different policies in the context of the environment, particularly changing demographic structures and globalising influences, in which they were implemented. Our main conclusion is that many women were able to increase their level of financial independence during the 'Labor Years'. This is true if we define incomes as being from the market only, or if it includes social security receipts and tax liabilities, and is equivalised to take account of responsibility for dependants. In general, this finding is not unexpected: working age women becoming older on average, they were having fewer children, and were less likely to marry: opportunities were opening and reliance on men was declining.

But the impact of reforms aimed specifically at helping mothers into employment was muted: increased availability of child care was accompanied by increased child care costs, and appears to have particularly benefited mothers in better paid professional occupations. Single mothers in non-professional occupations appear to have gained more from the increased generosity of social security payments, which actually increased at a faster pace than women's market earnings over the 1980s and 1990s. Under Orloff's (1993) paradigm, these women also became more autonomous during the 1980s and 1990s, but under O'Connor's (1993) paradigm, they did not.

Labour market restructuring and deregulation had an especially large impact on women's financial independence. Older women, women in professional occupations and those who could work full time gained the most. Younger women and part-time workers gained the least. This is where mothers often failed to benefit – policy reforms generally encouraged their part-time participation in employment. To summarise, labour market restructuring had a positive impact on the financial independence of older women, a negative impact on young women, and a positive but weak impact on the financial independence of mothers.

If the 'Labor Years' were seen as mildly positive for women, what effects have the policies of the Coalition Government since 1996 had? The changes in family policy with the introduction of the family tax initiative essentially rewards the full time parental care of pre school children (Brennan, 1998: 223). It may also be said to favour single income families, what Mitchell describes as signalling a return to the 'male breadwinner approach to family policy.' (1997: 2). The impact of these policies on women's financial independence is difficult to predict. This also depends on the pace and direction of change in the labour market, and on women's fertility patterns. One worrying trend is the expectation that workers (both men and women) be increasingly flexible in their hours and working arrangements. This may have an impact on the ability of women with children to balance commitments to work and family, and indeed, make the use of formal child care more difficult. (Brennan, 1998: 224; Lee and Strachan (1998), 15, McDonald, 2000). As O'Connor et al (1999) comment: 'while the changes during the 1970s and 1980s in gender-related issues suggest the possibility of a 'woman friendly' policy scenario in Australia, a longer term view suggests that the institutionalisation of these successes cannot be taken for granted.' (1999: 218).

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Appendix A Source for Microdata Analysis

In all three surveys, similar information on personal characteristics and incomes was collected from respondents. However, this information was not always released to users in exactly similar formats. For example, respondents' ages are aggregated in the confidentialised public release file into different categories in the three survey years. But the biggest problem of comparability between the surveys relates to the change in sampling methods used between 1990 and 1996-97. The 1982 survey was based on a multistage area sample of private dwellings and a sample of non-private dwellings such as motels. Achieved sample size was about 31 000 respondents aged 15 and over across 15 000 households, or about 0.3 per cent of the Australian adult population. Interviews were carried out with respondents between September and November 1982, when they were asked for information on their current (at the time of interview) characteristics and incomes, their incomes during the financial year 1981-82 and some characteristics that may have changed over that year, such as changes in employment status, marital status or household membership (ABS, 1984a). The 1990 survey covered a similar population and was of similar size. Interviews in this survey were carried out between October and December 1990, with information collected from respondents on current income and characteristics, and income and some characteristics for the financial year 1989-90 also collected (ABS, 1993).

Sampling in the 1996-97 survey, however, was carried out on a different basis. From July 1994, a new continuous series of the survey was collected, with approximately 650 households interviewed in each month throughout the year. The ABS notes that

Previous surveys of income were conducted by the Australian Bureau of Statistics (ABS) in 1990, 1986, 1982 and 1979. These surveys were generally conducted over a two-month period. Other differences between the new series of continuous surveys and income surveys conducted previously include improvements to the survey weighting and estimation procedures, changes to the population in scope and to interviewing methods (ABS, 1998b, 48).

The effects on survey comparability of 'improvements to the survey weighting and estimation procedures, changes to the population in

scope and to interviewing methods' between the surveys are difficult to estimate. As Schneider (1999) notes, the change in the interviewing period may not be problematic since the Spring period (September to December) in the older surveys was chosen because it was not thought to be overly affected by seasonal bias. Among the other changes, not all could be unambiguously characterised as improvements. First, sample size over any given year has been halved to about 15 000 adult respondents in the new series. Second, although detailed income information for the preceding financial year is collected in the new series, information on changes in key characteristics (such as employment) is not. Therefore, it is arguably more difficult in the later series to match characteristics with annual income information. It is for this reason (among others)⁹ that we choose to compare *current* (that is, at the time of interview) income of respondents to these three surveys in this analysis. The calculation of income components in each of the three survey years is described in more detail in Table A1.1.

The choice of respondents' current income as the key analysis variable has a further implication. In all the income surveys from 1982 (and before), respondents have not been asked to give information on the income taxes that they pay. Rather, income taxes have been imputed by the ABS (and placed in the public use confidentialised unit record file) using algorithms that seek to mimic the income tax regime in place in the survey year. In the 1982 survey, however, income taxes were not calculated by the ABS at all. In the 1990 survey, taxes were only calculated on annual income. Saunders and Hobbes (1988) report that they did their own estimates of income tax liabilities on annual income. Harding (1997) uses current net income in her comparison of inequality in Australia in 1982 and 1993-94. She imputes income tax for the 1982 data and uses ABS imputed tax data for the 1993-94 survey. In this analysis, we have recalculated income tax liabilities on the basis of current incomes for all respondents to the 1982, 1990 and 1996-97 surveys on the basis of regimes in existence in each of the years, but using consistent criteria for interpreting the rules. We

9 Since detailed information on respondents' characteristics in the surveys pertains to the same period as information on their current incomes, there should be a closer match between the two. In addition, informal discussions with ABS officials lead us to believe that there may be other reasons why it is better to compare current rather than annual income data. But to the best of our knowledge, no proper analysis of data comparability across the series has been carried out to date.

believe that this re-estimation has enhanced comparability of the income data in the three surveys.¹⁰

10 In order to minimise error in our analysis, we also examined data from the 1995-96 Survey of Incomes and Housing Costs. We found that data in this survey largely confirmed what the 1996-97 data were telling us. Therefore, we are reasonably confident that our results are robust. However, an exception to this rule is noted in Footnote 8.

Appendix B Regression Results

We used Tobit regression models to test the impact of changing patterns of family formation, labour market restructuring and the increased availability of child care on women's personal incomes. For the purposes of this analysis we believe that Tobit models are more appropriate than the more common Ordinary Least Squares (OLS) models. This is because, while OLS models assume a linear relationship between explanatory variables and the dependent, Tobit models are suited to a functional form that our dependent variable follows: one where a large number of observations have the same value (in our case zero income).

Table B.1 Full Results for Tobit Regression of Characteristics by Age on Women's Market and Equivalised Net Incomes

	1982			1996-97		
	Beta	Standard Error	Significance	Beta	Standard Error	Significance
<i>Market incomes</i>						
Intercept	-0.40933	0.02085	<.0001	-0.56874	0.03428	<.0001
aged 25-34	0.16016	0.01916	<.0001	0.1531	0.03333	<.0001
aged 35-44	0.214	0.02023	<.0001	0.26124	0.03462	<.0001
aged 45-54	0.18732	0.02102	<.0001	0.2685	0.03459	<.0001
single, with children	-0.01599	0.02907	0.5824	0.06896	0.0401	0.0855
partnered, no children	-0.09449	0.0318	0.003	-0.07747	0.04371	0.0764
partnered, with children	-0.12639	0.03326	0.0001	-0.12577	0.04631	0.0066
2 or more children	-0.03765	0.01683	0.0253	0.004558	0.02707	0.8663
in 'organised ' industry	0.08018	0.017	<.0001	0.10076	0.02322	<.0001
professional occupation	1.07097	0.02724	<.0001	1.14773	0.04096	<.0001
non-professional occupation	0.75581	0.02242	<.0001	0.73694	0.03546	<.0001
self-employed	-0.26049	0.0226	<.0001	0.05082	0.04243	0.231
works 20-24 hours	0.17473	0.03026	<.0001	0.31233	0.04528	<.0001
works 25-29 hours	0.35374	0.03946	<.0001	0.37112	0.05127	<.0001
works 30-24 hours	0.35273	0.03668	<.0001	0.52103	0.04977	<.0001
works 35 hours or more	0.59927	0.02024	<.0001	0.87956	0.03139	<.0001
partner employed full-time	0.13623	0.02742	<.0001	0.10065	0.038	0.0081
partner employed part-time	0.08806	0.07021	0.2098	-0.00905	0.06432	0.8881
Scale	0.5532	0.004824	Normal scale	0.59705	0.007081	Normal scale
Sample size	10030			4886		
Number of zero (left censored) values	1075			1231		
Log likelihood	-11676			-3885		
<i>Net equivalised incomes</i>						
Intercept	0.39755	0.0119	<.0001	0.47714	0.02017	<.0001
aged 25-34	0.10039	0.01125	<.0001	0.14196	0.02086	<.0001
aged 35-44	0.09469	0.01186	<.0001	0.14362	0.0216	<.0001
aged 45-54	0.07488	0.01244	<.0001	0.11231	0.02172	<.0001
single, with children	-0.03139	0.0169	0.0632	-0.01078	0.02482	0.6642
partnered, no children	-0.07193	0.01798	<.0001	0.05961	0.02611	0.0224
partnered, with children	-0.28953	0.01865	<.0001	-0.26022	0.0275	<.0001
2 or more children	-0.06997	0.009806	<.0001	-0.07715	0.01679	<.0001
in 'organised ' industry	0.05963	0.01088	<.0001	0.07415	0.01558	<.0001
professional occupation	0.45919	0.01693	<.0001	0.33512	0.02626	<.0001
non-professional occupation	0.26056	0.01372	<.0001	0.09279	0.02233	<.0001
self-employed	-0.19359	0.01435	<.0001	0.02207	0.02834	0.436
works 20-24 hours	0.10808	0.01937	<.0001	0.20554	0.03044	<.0001
works 25-29 hours	0.20524	0.02525	<.0001	0.22268	0.03447	<.0001
works 30-24 hours	0.22634	0.02346	<.0001	0.2976	0.03345	<.0001
works 35 hours or more	0.41386	0.01285	<.0001	0.56031	0.02102	<.0001
partner employed full-time	-0.0535	0.01487	0.0003	-0.18235	0.02207	<.0001
partner employed part-time	-0.05978	0.04093	0.1441	-0.13727	0.03854	0.0004
Scale	0.35489	0.002595	Normal scale	0.40155	0.004256	Normal scale
Sample size	10115			4886		
Number of zero (left censored) values	529			317		
Log likelihood	-4258			-2646		