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Using Panel Data to Link Household Labour Transitions and Housing Insecurity

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Introduction

The terms insecurity, instability and precarious, often used interchangeably, are prevalent in both labour and housing market literature. Their increasing use reflects an emerging discourse that is concerned with the consequences of a new economy, changing family dynamics and retreat from ‘social welfare capitalism’ that is reorienting the management of risk from the public to the private. The uncertainty experienced within modernized ‘risk societies’ it is theorised, are no longer considered ‘external acts of fate’ but emerge out of a ‘manufactured uncertainty’ in which traditional ways of knowing and management are no longer relied upon (Beck, 1998; Giddens, 1998).

Weaving a thread between homelessness and broader economic and social change, Forrest (1999) describes a “new landscape of precariousness”. The discourse of ‘risk’ and ‘uncertainty’ enters into this landscape, where more are believed to be confronted with new uncertainties and risk within their home and working lives, threatening to undermine basic security. In the labour literature there is reference to a change in standard working relations that is linked to an increase in precarious and insecure working conditions (Watson et al, 2003; Borland et al, 2001; Fincher & Saunders, 2001; Ruyter & Burgess, 2000; Campbell, 1997). In the housing literature there is a focus on declining housing affordability, housing stress and changing housing careers that is linked to insecure and precarious housing and homelessness (Berry & Hall, 2001; Wulff & Maher, 1998).

At the same time, there is a view that insecurity is not plaguing all. There is evidence that long term employment or stability, as one element of job security, has increased for some (Ruyter & Burgess, 2000; Wooden, 1998). There are also those who are doing well out of the housing market, accumulating capital
wealth, which is placing them in a more secure and stable position than the generation before (Yates, 2002).

These changes suggest that insecurity is not distributed equally – that there is a ‘widening gap’ emerging in both housing and labour markets and a “polarisation of opportunity” (Forrest, 1999). These connections have been examined by a consideration of the socio-tenurial and spatial polarisation theses, which claim increasing income polarisation occurring through labour market change is also linked to polarisation within housing tenures (Winter & Stone, 1998; Badcock, 1997; Baum, 1997) and spatial inequity across regions (Yates, 2002). However, in the context of changing working relations it is relevant to pose the question; are households being increasingly sorted into secure and insecure labour and housing market segments?

In the following paper, preliminary findings from research currently in progress as part of a PhD candidature will be discussed. The aim of the research is to explain the relationship between labour and housing insecurity by drawing on longitudinal biographical interviews and panel data from the survey of Household Income and Labour Dynamics in Australia (HILDA).

The paper commences with a brief overview of the institutional context of housing and labour linkages. This is followed by a discussion of the empirical literature, which examines the linkages between labour and housing transitions. The review provides a synthesis of research that has used longitudinal panel data to follow employment and housing transitions and also studies that have linked the two. Definitions of housing and labour insecurity are then discussed, which will be applied to the analysis of HILDA data. Preliminary findings from a cross-sectional analysis of Wave 1 of HILDA are presented as well as a
proposed method for analysing longitudinal transitions. The paper concludes with propositions to be tested during the next phase of the research.

**Institutional context**

In the Australian housing system, housing security has often been interpreted along a ‘housing career’ continuum, with outright home ownership held as the ideal to which all should aspire to. The ‘Golden Age’ of Keynesian economics and ‘domestic defence’ protectionism witnessed the growth of home ownership as a natural progression that ensured a high degree of security for those entering this tenure. The promotion and rise of home ownership during this period has been attributed to a policy agenda in which the links between employment and housing security were clearly articulated through the *wage earners welfare state* and full employment. The combination of the working wage, high employment security, and direct housing subsidies enabled not only middle class housing aspirations to be realized but also paved the way for working classes to secure their own slice of private capital (Castles, 1996; Paris, 1993). Drawing on Kemshall (2002), in this period of high interventionist state involvement, housing and labour risk can be conceived as a publicly shared responsibility.

While the divisions in housing security were once more clearly distinguishable between those who were home purchasers and renters, these divisions are perhaps becoming less obvious today in the ‘new landscape of precariousness’. The movement towards minimalist government intervention through the promotion of a flexible labour market and reliance on market based welfare has resulted in the weakening of the ties between labour and housing security within the policy domain and leading to what Kemshall (2002) describes as the privatisation of risk.
The changing nature of working relations within Australian labour market resulting from the introduction of policies to increase labour flexibility has been heralded as a success amongst politicians in reducing unemployment and contributing to greater economic prosperity. However, while there appears to be some recent increase in full-time employment, jobs growth over the past decade has been predominately in non standard work (Healy, 2004), suggesting increasing labour market segmentation between ‘good and ‘bad’ jobs.

Peck (1996:129) maintains that growth in flexible work results in “new industrial spaces [where] labour market flexibility and labour market segmentation are seen as evolving side by side”. A common concern with the growth in non standard work relates to the opportunities available for labour mobility for those engaged in this segment of the labour market. This concern relates to both the nature of the employment contract and the type of workers that are frequently engaged in non standard work.

In this new environment, not only are renters amongst the insecure but home purchasers, challenging the perception of instantaneous security being derived from home ownership. The existence of low and even negative housing equity or leverage, combined with generous lending practices has placed many new home purchasers amongst the insecurely housed. The mandatory requirement for new purchasers with limited deposits to take private mortgage insurance in order to individually protect against economic uncertainty is characteristic of the new environment of risk and insecurity.

In the rental market more are required to compete over depleting affordable housing stock. For many renters, including those on higher incomes, this tenure is no longer necessarily a transitional but long term housing option. The result is
a more diverse demographic mix competing in the rental market creating new insecurities for those less able to compete (Burke, 1999; Wulff & Maher, 1998).

Indeed, Walker (2000) locating housing within broader economic changes occurring within the UK talks of the emergence of the ‘insecure housing consumer’. This insecurity is linked to the householder’s position within the ‘inflexible housing market’ and broader flexible economic environment, which distinguishes between those who are well placed to compete in housing consumption and those pushed to the ‘margins’.

In the Australian context, perhaps describing a similar group, Badcock and Beer (2000) as part of their typology of winners and losers in housing wealth describe the ‘overwhelmed battlers’. This group with low incomes, overstretched mortgages, and vulnerability to employment insecurity become entrapped or forced to default on their homes.

For the ‘insecure housing consumer’ or the ‘overwhelmed battlers’ in a changing labour and housing system, the potential threat or actual loss of housing through repossessions, evictions, inadequate and unaffordable housing, or being forced to leave due to violence and conflict is potentially even more destabilising than in the past.
Linking labour market transitions and housing insecurity

The mediating role of household

The discussion now turns to a review of the literature, which examines the linkages between labour and housing outcomes. A point in time examination of the linkages between housing and labour market positions of households are obvious and distorting at the same time. An individual’s labour market position does not necessarily translate into a particular housing position – it is mediated through the composition of the household (Randolph, 1991).

Households exercise and develop agency in the context of changing housing and labour opportunities and constraints. These strategies are contingent upon time – life course transitions and social context; and space – local reproduction of housing and labour market structures. Therefore a critical element in understanding labour and housing market connections is the household and the division of labour and power relations associated with the strategies or agency used to structure daily lives around work both unpaid and paid and housing (Morris, 1990; Pahl, 1984).

Household composition and polarisation

As most households rely on income derived from paid employment, the way work is distributed within the household is particularly influential in shaping housing trajectories. Generally, ‘high commitment’ dual income households are considered to be in a more advantageous housing position compared to households with a single earner or no earner. The presence of two or more stable earners assists with the housing transition into home ownership (Yates, 2002; Clark et al, 1994). Conversely, excluding outright home owners, households with
no members in paid employment are becoming increasingly concentrated in rental tenures, particularly social housing.

The emergence of increasing polarisation between ‘workless’ and ‘work rich’ households has direct ramifications for housing security. The socio-tenurial polarisation thesis examines the extent to which increasing income polarisation occurring through labour market change is also linked to polarisation within housing tenures (Winter & Stone, 1998; Badcock, 1997; Baum, 1997). Socio-tenurial polarisation or inequality is considered to have distinct spatial dimensions, which becomes reproduced through the mobility or containment of population groups within particular locations as they respond to both changing labour and housing market opportunities (Marshall et al, 2003; Bradbury & Chalmers 2002; O’Connor & Healy, 2002).

According to Gregg et al (2004) polarisation between households has been partially influenced by the increased participation of women and expanding pay inequalities between different socio-economic groups, and cannot be fully accounted for by the rise in single person households.

They report that:

...a common rise in polarisation of work among couples is mainly because net new jobs seem to be going to women living in households with an existing earner rather than reducing the number of workless households (Gregg et al, 2004:20)

In households with one stable earner, the second earner entering the labour market is more likely to accept low paying and less secure positions (Gregg et al, 2004). Two or more earners also provide a cushioning impact if one member
becomes unemployed. This can be contrasted to the experience of households with no working members in the household or those where the only income earner becomes unemployed. In these households unemployment is more likely to persist over time. Two different explanations related to this phenomenon have been validated through empirical findings. The first relates to the excluding effects of poverty that compound difficulties of job search and the second relates to the ‘disincentive’ effect created by the interaction of low skilled labour and welfare support (Gallie et al, 2003; McGinnity, 2002; Wadsworth, 1998).

Labour market status, poverty dynamics and deprivation

The multidimensional poverty and social exclusion literature also provide some clues as to the interaction of labour market composition of households and hardship that extend to housing insecurity. There has been an increasing trend in poverty research to expand analysis from purely income based measures of poverty to those that consider after housing costs and indicators of deprivation and material hardship. The combination of these indicators it is argued provides a more accurate measure of the groups that are more likely to experience the ill effects of low income (Dewilde, 2004; Saunders, 2004; Harding & Szukalska, 2000; Mayer & Jenks, 1989).

Whelan et al (2003) found that there are distinct differences between those experiencing income poverty and those experiencing a combination of income poverty and deprivation, with the latter being strongly associated with class and labour market position.

Whilst the onset of unemployment is a strong predictor of poverty, it is also contingent upon other factors that are present in the household (Saunders, 2002). Past experiences of poverty represent a strong predictor of current poverty. Low
levels of qualifications, living alone, presence of children, living with an unemployed spouse and location effects within local labour markets were all found to have a significant effect on the probability of experiencing poverty (Finnie & Sweetman, 2003; Gallie et al, 2003; McCulloch, 2003; McCulloch, 2001).

**Labour markets segmentation & duration effects**

Research investigating employment stability as indicated by job turnover rates, suggest that labour market flexibility does not permeate all employment, rather is concentrated in a particular segment and groups of workers. Low skilled workers in the periphery experience less employment stability and are more likely to experience a “low pay no pay cycle”, while the core is more likely to remain stable (Golsh, 2004; Bradley et al, 2003; Auer & Cazes, 2000; Stewart & Swaffield, 1999). Housing researchers have recently turned to investigating the role of employment type and the propensity towards home ownership, finding that security related to the type of employment contract was a major determinant of purchasing behaviour and reducing housing mobility (Wiens-Tuers, 2004; Kupke & Marano, 2002; Robst et al, 1999).

**Household events and housing mobility**

The literature reviewed thus far show the structuring role of the labour market and the interaction with the household in maintaining and deepening disadvantage. Focusing on household transitions enables further development of this work by investigating the way events such as transitioning from one state to the next or maintaining a particular state can further shape household composition and housing status. Changes occurring within the household such as employment events, addition, or dissolution of household members also have the potential to change housing outcomes by reducing or increasing the resources available to expend on housing. The preceding sections illustrated that
the impact of these changes is contingent upon the social position and composition of the household and on the historical time in which they occur.

A large body of work relating to the housing outcomes as a result of household change has been concentrated in the housing mobility literature. Transitions in housing status have been linked to planned or unplanned transitions in other life domains of individuals within the household including family formation and dissolution, employment and education participation that influence a household’s income trajectory (Diprete & McManus, 2000; Ermisch & Di Salvo, 1996; Clark et al, 1994). This literature focuses on both positive and negative events that may be linked to the direction of the housing transition, with the former typically associated with progression on the housing ladder and latter with a descent.

These household events have the potential to influence overall household income that directly impact upon the type of housing that can be consumed in particular housing market climates. Specifically, with respect to labour market transitions, Ermisch & Di Salvo (1996:255) report that an unemployment spell ‘more than doubles’ the probability of moving out of home ownership and into private or social rental or a return to live with parents. Similarly, an unemployment spell increases the likelihood of remaining in social housing.
However, composition of the household and tenure type is important predictors for residential mobility following the trigger event of employment change. Dual earner households who are home owners are least likely to move, while single private renters are most likely to move following a job change. The younger the age of household members and shorter duration within a residence also influence propensity to move following job change. While unemployed persons are more likely to move compared to employed persons, duration of unemployment reduces mobility (Böheim & Taylor, 2002; Clark & Whithers, 1999).

Housing finance problems, evictions and repossessions have also been linked to the onset of ‘unexpected’ negative household events that contribute to financial difficulties and housing payment arrears (Böheim & Taylor, 2000). Amongst the specific labour market groups who were found to be at greater risk of experiencing housing finance problems included those who were unemployed, self employed, fixed term contract, or retired. Employed households living in more expensive housing were least likely to experience difficulties with housing finances (Böheim & Taylor, 2000).

**Defining key terms**

The above discussion points to particular explanatory variables that will be important for the current analysis of HILDA data. Before presenting a cross-sectional overview of the data it is necessary to first discuss how labour and housing insecurity are defined for the purposes of this study.
A distinction between labour insecurity, instability and precariousness

When discussing emerging labour market changes, the concepts insecure, unstable, and precarious are often interpreted to have shared meaning. However, amongst key labour market commentators these terms have developed distinct meanings and it is worth distinguishing according to current definitions proposed in the literature.

A most noted framework of labour insecurity is provided by Guy Standing. Within this framework work-related insecurity encompasses a number of different dimensions of insecurity including labour market and income insecurity and ‘insecurity in employment’ (Standing, 1999). Labour market insecurity exists when there are reduced opportunities to gain employment for those wishing to work. Income insecurity arises when the available income is insufficient, according to a normative ‘minimum’ standard, to enable individuals and households to meet their daily requirements. ‘Insecurity of employment’ incorporates what Standing distinguishes as employment, job, work, skills reproduction, and representation insecurity (Standing, 1999).

Based on Standing’s conceptualisation, labour insecurity provides an interpretation of insecurity that relates to the overall functioning of the labour system. Instability on the other hand, has typically been more narrowly defined in the literature. While closely related, insecurity and instability have distinct meanings both conceptually and objectively. The distinction between the two terms made by Ruyter & Burgess (2000) is that employment instability indicates job turnover rates, not whether there is security in the working relations.
While precarious employment is more likely to be unstable, it not does not necessary reflect job movement, and it is more aptly described as a set of inferior quality working relations. Precarious employment at the most rudimentary level can be conceptualised in terms of “low levels of pay and high levels of labour insecurity” (Burgess & Campbell, 1998:11). According to Burgess & Campbell (1998:8) precarious employment is characterised by: a lack of protective regulation; short or uncertain duration; lack of ‘standard’ employment benefits; and ambiguous or unprotected legal status.

Understanding the complex connection between labour and housing insecurity will require the use of multiple measures of insecurity. Using both employment instability and precarious employment as a measure of insecurity provides an opportunity to follow transitions that can be linked to the type of labour market states preceding and following transitions.

Towards a definition of housing insecurity

Although housing insecurity is a term frequently referred to in housing literature, its definition has differed according to the context of its use. Housing security has also been used interchangeably with tenure security. I argue that housing insecurity is more than the absence of tenure security derived from a legal right of tenure. Although most Australian households in conventional housing have right of tenure, meanings of housing security are typically conceptualised beyond purely legal entitlements. Notions of security are embedded in the symbolic and material conditions that are linked to particular tenures within the socio-cultural system.
While ontological security has been connected with home ownership, insecure housing has often been used synonymously with homelessness to capture dimensions of housing risk and exclusion. Within the homelessness and poverty deprivation literature housing insecurity has been measured by indicators relating to housing affordability or housing ‘stress’, income and deprivation, tenure security and access, and household violence and conflict (Dewilde, 2004; Meert et al, 2004; Saunders, 2004; Mayer & Short, 2003; Wolch & Li, 1997; Mayer & Jenks, 1989; Rossi, 1989).

**Proposed working definition**

Current definitions within the literature draw on different elements of housing insecurity and are an attempt to measure aspects of housing status that place households at risk. The literature reviewed to date however lack clarity about what it means to be housing insecure. Housing insecurity should not only be defined in terms of the interface with the physical dwelling, whether some one has access to stable housing or not, but also what it means to live in a state of anxiety and uncertainty derived from this insecurity.

To this end, a new working definition of housing insecurity is proposed to guide the research:

Housing insecurity extends beyond a legal right to tenure. To be housing insecure is to be reminded on a day to day basis of the material, emotional and physical uncertainty in maintaining current housing or from being denied access to conventional housing. Housing insecurity threatens the sense of home.
This is an untested work in progress definition that will hopefully provide a heuristic devise in conceptualising housing insecurity. This definition will be further refined from the qualitative interviews that will be undertaken. For the purposes of the current paper, the discussion now turns to the operationalisation of this definition using HILDA data, as well outlining some of the restrictions and limitations.

**Operationalisation of housing insecurity: insecurity/security continuum**

The impact of housing insecurity as a manifestation of uncertainty can be cumulative and dynamic, varying along a continuum of time. Figure 1 presents a continuum of housing insecurity/security ranging from homelessness to outright home ownership and a set of indicators which can be potentially used to describe the different states of insecurity and security.

This continuum draws on existing recognised indicators such as the Chamberlain and MacKenzie (1998) homelessness definition and affordability or ‘housing stress’ measure, as well as indicators that are available within HILDA that fit within a conceptual framework emerging from the homelessness and poverty literature reviewed. Viewing housing insecurity as a lived experience of uncertainty and threat in one’s current housing situation requires redefinition of housing careers based purely on tenurial distinctions alone. For instance, a purchaser may be no more secure than a private renter if they can not maintain the ongoing payments for the property.

However, there are degrees of insecurity across tenures based on the opportunity for mobility towards the highest state of security. So while insecurity can occur in any tenure type, the lower one’s position on the insecurity/security continuum, the greater the threat of deprivation and constrained opportunity for advancement.
The first three stages of the insecurity/security continuum: homelessness, marginal housing, and dependant conventional housing (see figure 1), are viewed as the most insecure attachment to housing. HILDA data does not adequately capture these dimensions of housing insecurity through the available variables to enable detailed analysis. While those residing in caravan parks are identified, the numbers are small. HILDA also has a category for those who are living “rent free”, which may include those living in dependant conventional housing; however their status is not entirely clear. HILDA data does not directly capture violence, abuse and conflict dimensions of housing insecurity and therefore represents a major omission amongst those whom may be experiencing insecure housing due to these reasons.

Therefore the analysis based on HILDA data provides a partial account of housing insecurity. While housing variables within HILDA are limited, these data are useful because they provide an opportunity to explore the relationship between housing and employment over time. As shown in figure 1, housing insecurity is operationalised by combining an equivalent housing stress measure with deprivation indicators that relate directly to housing experiences threatening housing security, referred to as primary indicators¹.

¹ Households are defined as living in housing stress if their housing costs exceed more than 30 per cent of their equivalised household disposable income and they are in the bottom two income quintiles. Equivalised income is derived from the modified OECD equivalence scale, which weights disposable income according to household composition. The scale is used to take into account the additional expenditure requirements of larger households. Individuals with reported zero or negative income were excluded from equivalised income calculations.
These include experiencing one or more of the following during the collection period: eviction, not being able to make housing payments on time, behind in mortgage repayment schedule, having to move to a more affordable place, and the property no longer being available.
Figure 1. Insecurity- Security Continuum

<table>
<thead>
<tr>
<th>Insecurity</th>
<th>Housing Status</th>
<th>Operationalised Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeless: Primary, Secondary, Tertiary</td>
<td>No legal tenure</td>
<td>See Chamberlain and MacKenzie definition for indicators.</td>
</tr>
<tr>
<td>Insecure marginal: Limited tenure</td>
<td>Caravan park rental, Inadequate housing below conventional standards</td>
<td></td>
</tr>
<tr>
<td>Insecure dependant relationship: Limited tenure</td>
<td>Permanent residence but name not on lease or mortgage, Housing security based on continuing relationship, Limited income to access timely independent housing</td>
<td></td>
</tr>
<tr>
<td>Insecure social housing</td>
<td>Low income housing Plus one other primary indicator, Eviction, Could not pay rent on time, Move to more affordable place, Property no longer available</td>
<td></td>
</tr>
<tr>
<td>Insecure private rental</td>
<td>HILDA variables: Experiencing housing stress – housing cost to equivalent income ratio &gt;30% for 2 lowest quintiles Plus one other primary indicator, Eviction, Could not pay rent on time, Move to more affordable place, Property no longer available</td>
<td></td>
</tr>
<tr>
<td>Housing stress private rental</td>
<td>HILDA variables: Experiencing housing stress – housing cost to equivalent income ratio &gt;30% for 2 lowest quintiles, No primary indicators as identified above</td>
<td></td>
</tr>
<tr>
<td>Social Rental Housing</td>
<td>Low income housing set an affordability benchmark, No primary indicators</td>
<td></td>
</tr>
<tr>
<td>Insecure Home Purchasers</td>
<td>Experiencing housing stress – housing cost to equivalent income ratio &gt;30% for 2 lowest quintiles Plus one other primary indicator, Could not afford to pay mortgage, Repayment schedule status behind</td>
<td></td>
</tr>
<tr>
<td>Housing Stress Home Purchaser</td>
<td>Experiencing housing stress - housing cost to equivalent income ratio &gt;30% for 2 lowest quintiles, No other primary housing indicators</td>
<td></td>
</tr>
<tr>
<td>Affordable Private Rental</td>
<td>Housing cost to equivalent income ratio &lt;30% for all income quintiles</td>
<td></td>
</tr>
<tr>
<td>Affordable Purchasers</td>
<td>Housing cost to equivalent income ratio &lt;30% for all income quintiles</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td>Outright Home Owners, Ongoing tenure</td>
<td>Have no regular housing repayments</td>
</tr>
</tbody>
</table>
Household labour status and housing insecurity: point in time analysis

The following section presents a cross-sectional analysis of the first wave of HILDA data, collected during 2001. The data set comprises both household and where possible individual responses for all household members 15 years and over. There are now three waves available.

Based on the method proposed by Duncan & Hill (1985), the unit of analysis attributes individual characteristics to the household unit of measurement. Data are analysed for individuals living in single income units only, which excludes those in households with independent children who are earning their own income and group households. The basis for dividing households into income units rests on the assumption that couples and couples with dependent children are most likely to ‘pool’ their income and therefore can be counted as one income unit. As housing payments are collected at the household level, the analysis focuses on individuals living in households with only one income unit due to the difficulty in determining the distribution of financial contributions to housing costs amongst multi-income unit households. This reduces the overall sample size from 13,969 to 10,294 individuals.

The housing categories outlined previously in the housing continuum in figure 1 are used in order to provide a framework for a comparative overview of different housing status groups according insecurity/security distinctions. For reasons stated earlier, the analysis excludes those who are homeless, living in marginal and insecure dependent housing.

Figure 2 provides a comparative overview of the distribution of housing status groups according to their position on the insecurity/security continuum. As can
be seen, 42 per cent of individuals lived in outright owned housing and represent the largest group on the housing continuum. A further 25 per cent and 12 per cent lived in affordable purchased and rental housing respectively.

This suggests that the majority of individuals live in housing that is toward the secure end of the continuum. The remaining 21 per cent are low income households (lowest 40 per cent of income distribution) that are either paying excessive housing costs according to their income, or are living in social housing where housing costs are set at an affordable benchmark according to a low income threshold. The threat of not being able to maintain housing and deprivation is high for these groups and was particularly acute for those considered ‘insecure’ who experienced direct housing difficulties throughout the twelve month collection period.

![Figure 2](https://example.com/figure2.png)

**Figure 2.** Comparison of housing security status of individuals living in single income units, HILDA Wave 1, 2001

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004

According to the operationalised definition of insecurity, renters and purchasers who were experiencing housing stress combined with direct housing difficulties were considered insecure. Further, social renters whom experienced direct
housing difficulties were also included amongst insecure renters. Figures 3 and 4 illustrate the main housing difficulties experienced for individuals living in insecure rental and purchased housing.

For 73 per cent of insecure renters and 83 per cent of purchasers, not being able meet housing costs during the past twelve months was the main housing difficulty experienced. A further 34 per cent of renters’ insecurity related to moving residence, either to reduce housing costs or being forced to move due the property no longer being available for rental and less frequently due to eviction.

Potentially related to difficulties in meeting housing repayments, 26 per cent of insecure purchasers were behind in their mortgage repayment schedule. This contrasts to those in affordable purchased housing in which the majority (67%) were ahead of their repayment schedule.

**Figure 3.** Housing difficulties experienced by insecure renters living in single income units during past twelve months, HILDA Wave 1, 2001

**Figure 4.** Housing difficulties experienced by insecure purchasers living in single income units during past twelve months, HILDA Wave 1, 2001
Couldn't pay mortgage/rent

Moved to smaller less expensive place

Payments behind schedule

% 0 20 40 60 80 100

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004

**Family type**

Family composition, including the presence of children or a partner influences housing trajectories along the ‘housing career’ continuum. Table 1 illustrates that there is an association between housing status and family type. Individuals living in purchased housing were most likely to be couple families with dependent children. Purchasers in housing stress and insecure housing had the highest proportion of individuals living in couple & dependent children households compared to other housing groups.

Specifically, over three quarters (78%) of housing stress purchasers were living in a couple family with dependent children. Amongst purchasers experiencing housing insecurity, 72 per cent were couple families with dependent children. Purchasers were least likely to be lone parents with dependant children compared to other housing groups, however within purchasers; lone parents were most highly represented amongst those in insecure home purchasing. In sequence, insecure purchasers represented 13 per cent of lone parents with dependent children, 8 per cent for those in housing stress, and 2.5 per cent each for affordable purchaser and outright owners.
For individuals living in rental tenures, insecure and housing stress renters had the highest proportion of couples with dependent children, with 40 per cent and 38 per cent respectively. Further, lone parent families were more prevalent amongst renters in insecure housing (20%), social housing rental (17%) and housing stress (17.5%) compared to other housing groups. Amongst social renters the main household type was lone persons, representing 38 per cent. However, individuals living in affordable rental were most likely to be couple families without children (38%) or lone persons (33%).

The family composition of the household therefore appears to be an important determinant of whether a household will be living in purchased and rental housing and in turn the likelihood of experiencing housing affordability problems and insecurity.

<table>
<thead>
<tr>
<th>Table 1. Housing security status of individuals living in single income units by family type, HILDA Wave 1, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insecure rental</td>
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<tr>
<td>Insecure rental</td>
</tr>
<tr>
<td>Housing stress private rental</td>
</tr>
<tr>
<td>Social housing rental (no primary indicators)</td>
</tr>
<tr>
<td>Insecure home purchaser</td>
</tr>
<tr>
<td>Housing stress purchaser</td>
</tr>
<tr>
<td>Affordable private rental</td>
</tr>
<tr>
<td>Affordable purchased</td>
</tr>
<tr>
<td>Outright ownership</td>
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<tr>
<td>Total N</td>
</tr>
</tbody>
</table>

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004

1. Analysis according to housing categories excludes single income units living rent free (n=259). Also excludes missing data due to negative or zero income, and missing data on rental and mortgage repayments (n= 314).
Household employment composition

Focusing on the employment composition of the household reveals interesting disparities amongst housing groups and suggests the importance of labour market status in determining tenurial position. The employment profile of households have been derived from the HILDA household questionnaire in which one member provides employment details for all members in the household on a single form. A new employment variable was created and then merged with the individual person file to provide an individual unit that could be attributed to household employment characteristics. The categories show the broad distribution of employment combinations within single income unit households.

Figure 5 provides a comparison of housing groups for individuals living in households where there is no paid employment, otherwise referred to as ‘jobless’ households. This includes those where all members are either unemployed, out of the labour force or a mixture of both.

As illustrated, individuals living in households with no employed members were most prevalent amongst social housing renters, representing 65 per cent of the total within this tenure. This is followed by renters in housing stress, of which 47 per cent were not employed and outright home owners, where 45 per cent were not in paid employment.

There is an over representation of individuals in unemployed households who are living in insecure, housing stress and social housing rental compared to other housing groups. In particular, six per cent of insecure and housing stress renters each, and five per cent of social housing renters were living in
households where all members were unemployed. In contrast, one per cent of affordable renters and 0.4 per cent of affordable purchasers were unemployed.

Figure 5. Housing security status of individuals living in single income units by households with no employed members, HILDA Wave 1, 2001

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004
Living in insecure, housing stress, and social housing, was not only associated with non employment participation, but the data also suggest polarisation between individuals living in full-time dual and part-time single earner households across housing groups, suggesting the existence of ‘working poor’ and ‘working rich’ households. Figure 6 provides a comparison of housing status according to the distribution of full-time and part-time work amongst individuals living in single and dual earning households.

As shown dual income earners are more highly represented amongst those in affordable purchased housing. Further, dual income earners in affordable rental and purchased housing are more likely to have at least one member employed full-time. In particular, 34 per cent of dual earners in full-time employment were living in affordable purchased housing. In contrast, five per cent of insecure renters were in a full-time dual earning household.

Individuals living in households with one member in part-time employment were more prevalent amongst those experiencing insecurity and affordability problems in their housing. For insecure renters, 19 per cent were part-time single earners. A further 14 per cent of those in housing stress and 11 per cent in social housing were living in a household with part-time single earner. This compares to three per cent amongst affordable purchasers and six per cent amongst affordable private renters with a part-time single earner.

The second stage of the analysis of the association between housing security and labour market status turns to the type of employment contract. As this information was collected at the individual level and not for the household as a whole, individual files were merged into a household file using the household identifier. A new variable of household employment contract was derived by aggregating an individual’s employment contract status across the household.
The analysis focuses specifically on the type of employment relationship according to permanent and non-pervasive status for employees and also self-employment.

There should be some caution in the interpretation of these data as not all members of households completed an individual questionnaire, possibly underestimating and skewing the description of the labour participation of households. Comparing with the employed composition from the household form does however suggest some similarity in the overall distribution.

As with the distribution of full-time and part-time work, the data presented in figure 7 suggest polarisation between dual income earners in permanent and single earners in non-permanent work amongst housing groups.

Individuals living in households with at least two members in permanent employment were more prevalent amongst purchasers in affordable housing, representing 29 per cent. In contrast, amongst insecure purchasers, five per cent were living in a household with two members in permanent employment. A similar pattern is evident for renters although the disparity is more pronounced. The proportion of dual employed in permanent work was 2 per cent for insecure renters.

The proportion of individuals with a single earner in non-permanent employment was more prevalent amongst insecure and housing stress renters, and insecure and housing stress purchasers. Specifically, for insecure renters the proportion of individuals with one member in non-permanent employment was 18 per cent, where as for affordable purchasers the proportion was four per cent.
There also appears to be a link between self employment and housing status. Figure 8 illustrates the association between housing and self employment and self employment combined with waged employment. Renters are the least likely to be self employed, whilst self employment is more frequent amongst outright owners and purchasers. However, disparities emerge between households in which self employment is the only employment type and those that combine self employment with waged employment.

Individuals living in households where self employment was combined with waged employment were more highly represented amongst those in affordable purchased housing. Whereas reliance on self employment only was more prevalent amongst insecure purchasers compared to other housing groups.

The findings reveal that there is some polarity within tenures based on the household employment composition that points to an association between housing insecurity and labour market position. This preliminary analysis also demonstrates that home purchasers are amongst those with housing difficulties that potentially relate to their current labour market position. There is evidence to suggest that it is not just a matter of whether households are engaged or disengaged in the labour market but that the type of employment relationship distributed amongst households may be as equally important in explaining tenurial location and propensity towards housing insecurity.
Figure 6. Housing security status of individuals living in single income units by household full-time and part-time employment, HILDA Wave 1, 2001

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004
Figure 7. Housing security status of individuals living in single income units by permanent and non-permanent employment, HILDA Wave 1, 2001

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004
Figure 8. Housing security status of individuals living in single income units by self employment & combined self employment & waged employment, HILDA Wave 1, 2001

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004
Income and financial stress

Household income is obviously a major determinant of capacity to purchase and maintain ongoing housing costs, which is clearly demonstrated when comparing different housing groups within HILDA. As illustrated in Table 2, the equivalent median income for those in unaffordable and insecure housing was lower than for the total sample whilst for those in affordable housing it is above the total sample median.

Purchasers both in affordable and unaffordable housing had a higher equivalent income compared to renters. This was most pronounced for home purchasers in affordable housing whom had an equivalent median income of $31,686 compared to $21,953 for all households, whereas housing insecure purchasers had a median income of $12,760.

Renters in affordable housing had a median household income of $29,910 compared to $12,594 for those in insecure housing and $11,050 for those in social housing. There was a difference of $166 in annual equivalent household disposable annual median income of renters and purchasers in insecure housing, suggesting that they have a common income that can be expended on housing costs.

Interesting differences relating to median housing costs emerge when comparing housing groups. Social housing renters without direct housing difficulties had the lowest median housing costs at $304. While the equivalent household disposable annual income for individuals living in insecure tenures were only slightly higher than social renters, their median housing costs were more than double. The median housing costs for renters and purchasers in insecure housing was $619 and $652 respectively, and is not too dissimilar to renters in affordable housing $673. This is an interesting finding and may suggest that those within
insecure rental housing experienced difficulties that were not only linked to lower incomes but also due to high housing costs.

<table>
<thead>
<tr>
<th>Household Income $</th>
<th>Monthly Housing Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-equivalent disposable</td>
<td>Equivalent disposable</td>
</tr>
<tr>
<td>Insecure rental social &amp; private Housing stress private rental</td>
<td>21,672.00</td>
</tr>
<tr>
<td>Social housing rental (no primary indicators) Insecure home purchaser</td>
<td>19,946.00</td>
</tr>
<tr>
<td>Housing stress purchaser</td>
<td>16,848.00</td>
</tr>
<tr>
<td>Affordable private renter</td>
<td>25,278.00</td>
</tr>
<tr>
<td>Affordable purchaser</td>
<td>29,690.00</td>
</tr>
<tr>
<td>Total Income</td>
<td>32,061.00</td>
</tr>
</tbody>
</table>

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004

1. Excludes missing data due to negative or zero household disposable income (n=100).
2. Excludes missing data on rental (n=24) mortgage repayments (n=192).
3. Does not include housing costs on second mortgage.
4. Excludes those living rent free (n=259)

The extent to which income has a direct effect in the material circumstances of households is often measured by indicators of deprivation. HILDA data contain a number of indicators that relate to self reported financial stress and deprivation. The indicators include whether the household has been unable to meet other household costs including utilities and food or had to rely on selling a belonging, or seeking external support from friends, family or service in order to get by. These indicators suggest material uncertainty and the strategies used by households to overcome this.
Difficulties in paying for utilities were the most frequently identified consequence of financial stress across housing groups. The majority of both renters (76%) and purchasers (73%) in insecure housing experienced difficulties in meeting utility costs. Across all tenure groups, seeking financial help from family and friends was the most frequently reported strategy adopted to respond to financial stress. Again this was most marked for those in insecure housing, with 60 per cent of renters and 46 per cent of purchasers using this strategy. Those in insecure housing were also more likely to seek assistance from welfare or community services to assist with their circumstances compared to all other housing groups. This was particularly the case for renters in insecure housing, with 34 per cent indicating that they accessed service specific assistance.

Figure 9 provides a comparison of the presence and absence of non housing deprivation indicators referred to above for different housing groups. There is a clear pattern of multiple disadvantages amongst individuals living in both insecure purchased and rental housing. Specifically, nearly half (45%) of insecure renters and over a quarter (28%) of insecure purchasers reported three or more indicators combined, suggesting particular hardship amongst these groups.
Figure 9. Number of non housing deprivation indicators by housing security status of individuals living in single income units, HILDA Wave 1, 2001

Source: HILDA Wave 1 – Wave 2 Release 2.0 Confidentialised January 2004
The descriptive data relating to deprivation suggest that the presence of direct housing difficulties is also accompanied by the presence of financial difficulties in other domains and that households use external help seeking in order to get by.

**Residential mobility**

Focusing on residential mobility, individuals living in all rental tenures were more likely to have moved in the past twelve months compared to home owners and purchasers. Those in insecure rental housing were the most mobile, with 60 per cent reporting that they had moved within the past year. Purchasers living in affordable housing (18%) were most likely to move amongst purchasers in all housing groups. The reasons for moving are markedly different across housing groups.

For the purposes of this discussion, the analysis of reasons for moving focus specifically on mobility related to needing to reduce housing costs, being forced to move and work related reasons. Compared to other housing tenure groups, insecure housing purchasers (30%) were more likely to move for reasons relating to reducing housing costs, while for insecure renters (38%) reasons for moving related to being forced leave to leave the property.

Excluding home owners, individuals living in insecure housing were the least likely to move as a result of work related reasons. While renters are typically more mobile, it is interesting that 27 per cent of purchasers in housing stress and 21 per cent of those in affordable purchased housing moved for work related reasons, however no insecure purchasers moved for this reason. This suggests that housing costs play more of a part in mobility patterns of those in insecure housing.
Summary

An exploratory comparison of different housing groups according to a defined insecurity/security continuum reveal relationships between housing status and family type, labour market composition, income and deprivation, housing costs and housing mobility. Those living in insecure housing as defined for this analysis do appear to be affected by the interacting effect of their labour market status and housing costs. The measure used appears to be tapping into a more marginalised group amongst those who were living in unaffordable housing or ‘housing stress’ in general. While insecure renters and purchasers have similar median income and housing costs, different relationships emerge for both groups with respect to their labour market position. Greater insight into these relationships will be obtained from a longitudinal investigation that emphasises the causal ordering of labour and housing events, which is the focus of the next section.

Beyond a snapshot - using event history analysis to follow labour and housing transitions

In attempting to understand labour and housing insecurity linkages, a central focus of the empirical work in this study will be to gain insight into the employment and housing careers or transitions of different labour market groups. The notion of careers has longitudinal dimensions and therefore a key focus of the research will be to examine how these linkages are played out temporally. A guiding framework for this analysis is the life course paradigm, which focuses on the ‘interconnected trajectories’ and transitions throughout an individual’s life stages. Within this framework, our trajectories and transitions are influenced by the social and historical context, which in turn can influence the ‘timing and direction’ of life stage events (Elder & O’Rand, 1995).
Based on Diprete & McManus’ (2000:345) framework of household income mobility, the extent to which a particular household event will have a direct negative impact on material well-being is dependent on four key elements:

1. the rate of events that trigger income change;
2. the direct financial impact of these events;
3. the tax and social welfare programs that modify this direct impact in the short and the longer term; and
4. the rate of subsequent events that cause the original effect to intensify or decay.

Event history analysis, based on the survival and hazard function, is a longitudinal method that enables the temporal ordering of events to be established. The Discrete-Time Hazard Model is a particular approach to the analysis of events using categorical longitudinal data. By creating a person-person data set, logistic regression can be applied to the data, which establishes statistical significance using maximum likelihood estimates from cross-tabulations of the dependant variable, in this instance housing insecurity, with potential independent explanatory variables (Singer & Willet, 2003). This method will be used for the current research.

In particular a model will be specified that determines:

- Whether a change in housing state to insecure housing is:
  - Predicted by change in employment state within households
  - Predicted by duration of employment state within households

- Whether change in employment state is:
  - Predicted by type of employment
  - Other explanatory variables
Conclusion

Housing and labour systems have indeed changed. There have been multiple influences interacting to shape their evolution - the political, demographic, economic and social. While the consequences are still evolving across time, there is emerging evidence to suggest that inequity within the labour market translates to inequity in housing. The research currently in progress is interested in understanding the role that insecurity plays in polarizing housing opportunities and constraints. In establishing a relationship between labour insecurity and housing insecurity a number of potential hypotheses emerge from the analysis of the cross-sectional data and literature reviewed. This paper concludes with three propositions, at least at this stage, to be tested as part of the study:

Propositions

- Households that rely on their main source of income from non-standard work to pay for their recurrent housing costs will be more likely to experience an unemployment event and become insecure in their housing.

- Households that experience marginal attachment to the labour market and cycle in and out of employment or experience multiple unemployment spells will be more likely to be engaged in non standard work and become insecure in their housing.

- Households with dependent children will experience greater risk of becoming insecure in their housing as a result of a negative employment event.
References


Berry, M., and Hall, J. (2001). ‘Policy Options for Stimulating Private Sector Investment in Affordable Housing Across Australia.’ Stage 1 Report: Outlining the Need for Action, RMIT University Research Centre and University of Sydney Research Centre for the Australian Housing and Urban Research Institute.


