

# Female employment and child inequality

Research evidence shows that changes in female employment have helped to mitigate the trend of rising income inequality, but in families where the mother is the sole breadwinner the risk of poverty is high.

Findings suggest that losses in women's own earnings upon becoming a mother are as important as the absence of a partner's earnings in impacting on household income. The deterioration in economic circumstances associated with the transition to single motherhood is the most important factor for explaining the poorer educational outcomes of children in single-mother families.

## Key findings – Women's earnings and household income

- While there have been moves towards improved gender equality, gaps in employment and earnings remain across OECD countries.
- The relationship between equality in pay and employment is complex – those countries with small gender pay gaps frequently also have low rates of female employment, and vice versa.
- Increasing rates of female employment have played an important role in supporting family incomes and reducing household income inequality and rates of child poverty.
- While female employment and earnings have become an increasingly important component of family income, working women are increasingly likely to be sole breadwinners, and the absence of a male earner is associated with sharp increases in the risk of poverty, even when women work.
- There are growing inequalities in labour force participation; women with lower levels of education are far less likely to work than women with degrees.

## Key findings – Changing family structures

- Today just 43% of mothers with lower levels of education, and 52% of those with intermediate levels, are married. This marks a substantial reduction since the early 1990s as both cohabitation and lone motherhood increased.
- For mothers with degrees there have been few changes in family life, with three-quarters married and living with the father of their children.
- While in the early 1990s the majority of lone mothers were divorcees by 2015/16 the majority of lone mothers had never been married.
- Family structure for families with children is strongly associated with economic opportunity; for example, over the course of the recession the share of single mothers grew while marriage declined.

## Key findings – Changing family structures cont.

- Homeownership bears a particularly strong relationship to marriage: regardless of education level, those who own their own home are likely to be married while cohabitation is much more common among those who rent.
- Rising house prices may be a growing barrier to marriage among parents of young children.
- There are substantial differences in housing tenure between previously married single mothers and those that were never married, with divorcees much more likely to be homeowners.

## Key findings – Children’s cognitive development

- Across cohorts, lone motherhood is associated with reduced cognitive attainment for children. There is little evidence of a direct effect on children’s cognitive outcomes, but the indirect effect is large.
- Income is by far the most important factor in explaining gaps in cognitive attainment, particularly among children whose mothers are single at childbirth.
- Deficits in cognitive attainment remain large for those experiencing early parental separation, but are much less pronounced for children who have reached school age when parents separate.
- While parent’s re-partnering is associated with income gains, findings suggest re-partnering does not lead to improved cognitive outcomes for children. This is likely to be because spending patterns in step-parent families provide fewer benefits to children.
- Differences in emotional outcomes of children in single-mother families and those living with two parents are larger, more persistent and harder to explain than those for cognitive attainment, but there are other factors we have not controlled for in our research that could be influential.

## Further information

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