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The tables are not included here, only the text.

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**Using the FRS to examine employment trends of couples**

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**Summary**

This article presents findings on the demographic characteristics and employment trends of couples. The Family Resources Survey (FRS) has been used to explore changes over time (between 1994/5 and 2005/6) for couples with and without dependent children, and differences in gross income and benefit receipt between work-rich couples (where both partners work), work-poor couples (where both partners are inactive or unemployed) and single-earner couples (where only one partner is employed). The FRS is used as it is the most detailed source of data on household income and benefit receipt. The article finds there has been a growth in the number of work-rich couples over time. However, the employment rate for partnered women with dependent children still lags behind those without children. Over time, gross real-term income has increased for all couples, but this increase has been greatest for work-rich couples.

<<Main text starts here>>

Since the 1970s, women's participation in the workplace has increased. This has led to a decrease in the traditional male 'bread-winner role' and a rise in the so-called 'work-rich' two-earner families (Pahl 1984; Berthoud 2007). The government are committed to halving child poverty by 2010 and ensuring 'every child has the best start in life' (DWP 2006, p 29). Increased participation in employment, particularly among mothers, decreases the likelihood of children living in poverty and of them becoming disadvantaged adults (Ermich *et al* 2001). However, increased participation in the workforce creates growing pressures on women to combine work and family life (Crompton 2002). Increased employment and the growing number of older people with disabilities also create demands on services, as fewer women are available for informal care (Simon *et al* 2005; Mooney *et al* 2003). Nevertheless, reducing the proportion of working-age adults not in employment, who rely heavily on benefits, is central to the government target of achieving 'Opportunity for All' (DWP 1999).

Previous analysis of employment rates of men and women, conducted using the Labour Force Survey (Walling 2005), the Millennium Cohort Study (Dex and Ward 2007) and the General Household Survey (Berthoud, 2007), have reported on the rise in two-earner couples. They have demonstrated that women in couples mirror the employment rates of their partners. Much of this analysis has concentrated on comparing women in couples with dependent children with lone parents (e.g. Walling 2005). This article contributes to the existing research by examining changes in the characteristics and employment trends of couples with dependent children compared to couples without dependent children. The time series analysis presented here is based on cross-sectional data and uses the Family Resources Survey (FRS) between 1994/5 and 2005/6 (see the technical note for more information about the survey).

This article firstly looks at couples as a unit (see box 1 for definitions). It explores the differences between work-rich couples (where both partners in a couple are in employment), work-poor couples (where both partners in a couple are unemployed or inactive) and single-earner couples (where only one person is employed). This includes analysis of couple income and benefit receipt. Gross income for survey years prior to 2005/6 has been adjusted for inflation. The analyses reveal that gross income has increased in real-terms since 1994/5 for all couples. However, the income gap between work-rich and work-poor couples has also widened over time. As expected, income-related benefit receipt is higher within work-poor couples who have dependent children. The article then examines individuals within couples. This analysis reveals that the gap in employment between men and women in couples has narrowed over time. However, employment for women in couples with dependent children still lags behind that of partnered women with no dependent children, especially if they have three or more children.

Key concepts and definitions used in this article are shown in Box 1. It should be noted that all estimates presented in this article from analysis of the FRS are subject to sampling errors. This may mean that certain estimates will differ from the overall trends.

BOX 1 HERE

### **Overall comparisons of couples** (Heading Level 1)

The FRS showed that couples were less likely to be married in 2005/6 than they were in 1994/95. Between 1994/5 and 2005/6, the proportion of married couples decreased from 92 to 84 per cent for those with children and from 85 to 77 per cent for those without children. The average age of couples with children also increased over this time. The average age of partnered men with children was 40 in 2005/6, compared with 38 years in 1994/5, and for partnered mothers the average age was 38 in 2005/6, compared with 36 in 1994/5. Partnered women were also having children later in life: 31 per cent of partnered mothers aged 35-44 years in 2005/6 had a dependent child aged 0-4 years, compared with 12 per cent of mothers in this age group in 1994/5.

According to the FRS in 2005/6, 94 per cent of couples with dependent children had at least one partner in employment and 66 per cent had both partners in employment. This represents an increase from 1994/5, where 89 per cent of couples with dependent children had at least one partner in employment and 57 per cent had both partners in

employment. In 2005/6, fewer couples without dependent children had at least one partner working (89 per cent) but a similar proportion had both partners in employment (67 per cent). Again, this is an increase from 1994/5, where 84 per cent of working-age couples without dependent children had at least one partner working and 58 per cent had both partners in employment. These figures are similar to those found by Walling (2004) using the LFS who found that “the majority of working-age couples with dependent children had at least one parent in employment (94 per cent) and over two-thirds had both parents in employment (68 per cent)” (p.277).

Previous research revealed that working-age men and women in couples are likely to mirror the employment patterns of their partners (Walling, 2005; Berthoud, 2007). In the FRS, among men in couples in 2005/6, just over a third of those working full-time had partners who were also working full-time, about a third of those working part-time had partners who were also working part-time and 62 per cent of those who were inactive also had partners who were inactive (**Table 1**). The FRS shows this has been a consistent pattern since 1994/5.

TABLE 1 HERE

### **Work-rich and work-poor comparisons** (Heading Level 1)

When examining income and benefit receipt for couples, three main types of couple can be compared: those where both partners in a couple are in employment (termed ‘work-rich’ by Berthoud, 2007), those where both partners in a couple are unemployed/ inactive (work-poor) and those couples where only one partner is in employment (single-earner couples).

The increase in work-rich couples reported in previous research (Walling 2005; Berthoud 2007) can also be evidenced in the FRS between 1994/5 and 2005/6. As shown in **Figure 1**, the proportion of couples classified as work-rich has increased over the past ten years (particularly noticeable between 1994/5 and 1996/7), while at the same time the proportion of work-poor couples has gradually declined. The proportion of single-earner couples also gradually declined between 1994/5 and 1999/0 but has levelled off in more recent years.

FIGURE 1 HERE

### **Couples’ income** (Heading Level 2)

**Table 2** presents the average gross weekly income for work-rich, single-earner and work-poor couples between 1994/5 and 2005/6. It can be seen that gross total income, which includes earnings from employment and benefit receipt, has risen in real-terms since 1994/5 for all types of couple. Work-rich couples have the highest average gross total weekly income and work-poor couples have the lowest average gross total income (with the single-earner couples in between).

TABLE 2 HERE

The gap in gross total income, between work-rich and work-poor couples, has widened in real terms since 1994/5. As **Table 3** shows, the gap in gross total income

between work-rich and work-poor couples with dependent children increased from £490 in 1994/5 to £649 in 2005/6. This represents an increase of £159 in real terms. Similarly, the gap in gross total income also increased over time between work-rich and work-poor couples with no children (from £438 in 1994/5 to £580 in 2005/6). This represents a real increase of £142. These gaps in gross weekly income are statistically significant. The explanation for the increase in this gap is that although work-poor couples have seen their gross income from non-employment sources (such as state support) increase in real terms work-rich couples have seen their gross income grow even more.

TABLE 3 HERE

To a lesser extent, the gross income gap has also widened in recent years within work-rich couples, between those with dependent children and those with no children. Table 3 shows that in all years (except 2001/2) average gross total income in real terms was slightly higher for work-rich couples with dependent children than for work-rich couples with no children. Between 1994/5 and 2001/2 the gap in gross income appeared to be closing, but over the last four years it has reversed and the gap in 2005/6 is higher than it was in 1994/5.

By contrast, within work-poor couples, those without dependent children have slightly larger average gross incomes compared with work-poor couples with dependent children (Table 2). The gross income gap (in real terms) within work-poor couples (with and without children) appeared to narrow slightly in the middle of the time-period, but by 2005/6 it was broadly back to where it was in 1994/5 (Table 3).

### **Couples' benefit receipt** (Heading Level 2)

Three-quarters of non-employed families (work-poor) attribute more than half their family income to benefits (Berthoud, 2007, p.4). In the FRS, benefit receipt can be examined both for income related benefits/tax credits and non-income related benefits (see Box 1 for definitions).

**Figures 2 and 3** show the proportion of work-rich, work-poor and single-earner couples that are in receipt of income-related and non-income related benefits. Figure 2 shows that a greater proportion of work-poor couples received income related benefits/tax credits (such as Income Support or Housing Benefit) than either work-rich or single-earner couples. This has been a consistent pattern in the FRS since 1994/5. Figure 2 shows that within work-poor couples (both with and without dependent children), the proportion in receipt of income-related benefits increased in the early part of the time series, but has since fallen back to its 1994/5 levels.

FIGURE 2 HERE

In addition to income related benefits/tax credits, work-poor couples also tend to be in greater receipt of non-income related benefits (such as Statutory Sick Pay and Incapacity Benefit) than either single-earner or work-rich couples (especially evident for those with dependent children, **Figure 3**). However, the gap within work-poor couples in receipt of non-income related benefit has narrowed over time. For work-poor couples, the gap in receipt of non-income related benefits between those with

and those with no children decreased from 23 per cent in 1994/5 to 6 per cent in 2005/6 (Figure 3).

FIGURE 3 HERE

It should be noted that almost all couples with dependent children are in receipt of Child Benefit. Therefore couples with dependent children are nearly all in receipt of non-income-related benefits. This makes it difficult to compare couples with dependent children and those without, as one is not comparing 'like with like'. In order to make more equal comparisons between couples with and without children, it was necessary to remove Child Benefit from the analysis of non-income related benefits (as shown in figure 3).

### **Employment trends of individuals in couples** (Heading Level 1)

Having examined couples as units, the article now turns to discussing employment for individuals within couples.

The polarisation between work-rich and work-poor couples has been created by two trends in the 1970s and 1980s: the rise of women and particularly mothers, in employment and the decrease of men and disabled people in employment (Berthoud, 2007). The rise in female employment has continued into the 1990s and 2000s, as can be evidenced in the FRS. The proportion of partnered women with no children in employment increased from 70 per cent in 1994/5 to 80 per cent in 2005/6 and the proportion of partnered women with dependent children in employment increased from 59 per cent in 1994/5 to 70 per cent in 2005/6 (**Figure 4**). Partnered women with dependent children remain more likely to work part-time hours than partnered women with no dependent children. For example, in 2005/6 the FRS recorded 39 per cent of partnered women with dependent children were in part-time employment compared with 23 per cent of partnered women with no children.

The FRS shows that since 1994/5, partnered women without children have had very similar employment rates to those of partnered men (especially to partnered men with no children, **Figure 4**). Although the proportion of partnered women with children in employment has also increased over time, the employment rate for this group has remained consistently behind that of partnered women with no children.

FIGURE 4 HERE

The proportion of partnered men with no children in employment has increased over time since the rate in the 1970s and 1980s (Berthoud, 2007). However, opposite to the trend for partnered women, the rate of employment for partnered men *with no* children consistently lags behind that for partnered men *with* dependent children (Figure 4). For example, in 1994/5 73 per cent of partnered men with no dependent children were in employment compared with 83 per cent of partnered men with dependent children. This gap narrows slightly over time so that by 2005/6 83 per cent

of partnered men with no dependent children were in employment compared with 90 per cent of partnered men with dependent children.

Alongside these trends has been a decrease since 1994/5 in the proportion of partnered women and men that are inactive or unemployed (**Figure 5**).

FIGURE 5 HERE

### **The impact of age and number of children** (Heading Level 2)

The age and number of children in families has also had an impact on the employment rate for couples. Although employment has increased for partnered men and women, partnered male employment rates are consistently lower if they have three or more children compared with only one child (**Figure 6**). And as **Figure 7** shows, this is even more the case for partnered women.

FIGURE 6 HERE

FIGURE 7 HERE

As might be expected, the FRS shows partnered mothers with older children have higher employment rates than partnered mothers with younger children. For example, in some years, there were almost twice as many partnered mothers with children aged 16-18 in employment compared with couples with children aged 0-4 (**Figure 8**). However, the FRS also indicates there has been a large growth between 1994/5 and 2005/6 in the proportion of partnered mothers with pre-school age children in employment (Figure 8).

These findings echo those from earlier research on the impact of birth and length of absence from work following childbirth on women's work behaviour. For example, that conducted by Macran et al (1996), comparing the Medical Research Council's (MRS) National Survey of Health Development with the National Child Development Study (NCDS) data. This study found that the cohort of mothers aged 33 in 1991 entered motherhood later and returned to employment sooner than the previous generation of mothers aged 32 in 1978. A more recent report by the Institute of Social and Economic Research (ISER, 2006) which showed that 'in the UK, 50 per cent of mothers were already working by the time the child is 2 years old' (p. 5) commented that the length of time mothers take before returning to work is dependent not just on the qualifications and skills of mothers but on their rights to parental leave. This report also found that women returned to work faster in countries that had the shortest parental leave entitlement and less job protection (such as preservation of pension rights) and maternity benefits. Therefore, working arrangements that benefit the family, such as parental leave, childcare provision and flexible working, help to offset any likely disadvantages of absence following childbirth

FIGURE 8 HERE

### **The rise in older workers** (Heading Level 2)

Employment increased between 1994/5 and 2005/6 for all age groups. However, most noticeable in terms of the age of couples, is the rise of employment in partnered women (aged 55-59) and men (aged 55-64) (**Figure 9**). The proportion of employed partnered women and men aged 55-59/64 with children increased by 17 per cent and 23 per cent respectively between 1994/5 and 2005/6. The proportion of employed partnered women and men aged 55-59/64 without children also increased between 1994/5 and 2005/6, by 17 per cent and 9 per cent respectively (Figure 9).

It is difficult to determine from the FRS data whether partnered mothers are choosing to delay childbirth for the sake of their careers or whether employment prior to pregnancy means partnered mothers are more likely to return to paid employment following childbirth. To determine this would require a longitudinal analysis that examined the employment choices of a cohort of mothers pre and post childbirth. One such cohort study recently conducted by Dex and Ward (2007), found that the “vast majority of mothers having their first baby around the Millennium were employed when pregnant” and that the “majority returned to work within 9-10 months of the child’s birth” (p.24). Taking this together with the evidence that a greater proportion of partnered women aged 55-59 are working, suggests that partnered mothers (for whatever reason) are returning to work sooner and staying in work for longer.

FIGURE 9 HERE

## **Conclusion** (Heading Level 1)

The availability of over eleven years’ worth of FRS data (1994/5 to 2005/6) enable trends over time to be observed among couples, including their characteristics, rates of employment, income and benefit receipt.

Previous research has shown that employment rates for partnered women increased in the 1970’s and 1980’s (Berthoud, 2007 et al). Analysis of the FRS shows that this growth has continued into the 1990s and 2000s, especially for partnered women with dependent children. However, participation rates for partnered women with dependent children still lag behind those for partnered women with no children, especially if partnered mothers have three or more children.

Partnered women appear to be having children at a later age but are returning to work quicker than previous cohorts of women (Macran 1996) and staying in work for longer. In line with these findings, the FRS shows that there has been a growth since 1994/5 in the number of partnered women with pre-school age children in employment.

In parallel with the growth in female employment in recent decades, the FRS shows there has been a steady increase in the number of work-rich couples and a decrease in the proportion of work-poor couples. These trends have created gender equality within some couples: female employment almost matches that of their male partners in couples with no children.

Since 1994/5, real gross income has increased for all types of couple. However, this increase has been greater for work-rich couples. This indicates that families are better

off when both partners in a couple are in employment. In addition, the proportion of work-poor couples in receipt of income-related and non-income related benefit has increased over time (relative to work-rich couples). Taken together, these findings reinforce the principle that policies designed to increase employment have increasing economic benefit. But also that policies aimed at ensuring that those at the bottom of the income distribution are not worse off in real terms (for example above inflation increases in state benefit rates) are also working.

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### **Acknowledgements**

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## **BOX STARTS HERE**

### **Box 1: Definitions**

**Couples** are ‘two adults (partners) who are married or in a civil partnership (spouses), or are living together as such (cohabitees)’ (DWP, 2007). Couples can have dependent children or no children.

**Couple unit** comprises two adults that are married or living as married, along with any dependent children.

**Dependent children** are ‘all those aged 16 or an unmarried 16 to 18 year-old in full-time non-advanced education’ (DWP, 2007).

**Employment status** is derived in the FRS from the individual’s self-assessment of whether they work full or part-time.

**Economic status** is the classification used for employment status of the couple unit (as defined by the head of household). ‘Full-time work is classified as 31 hours or more, not on the basis of the respondent’s assessment of whether they work full or part time’, DWP 2007).

**Income related benefit/tax credit receipt** is a grouping of Social Security benefits that take into account the income received by an individual or couple. These benefits include: Council Tax Benefit, Housing Benefit, Income Support, Pension Credit and Jobseekers Allowance. It should be noted that definitions and entitlements of each of these benefits are likely to have changed over time.

**Non-income related benefit receipt** is a grouping of Social Security benefits that do not take into account the income received by an individual or couple. These benefits include: Disability Living Allowance, Statutory Maternity Pay, Child Benefit, Attendance Allowance, Lone Parent Benefits, Retirement Pension, Incapacity Benefit and Statutory Sick Pay. It should be noted that definitions and entitlements of each of these benefits are likely to have changed over time. For this analysis, Child Benefit

was removed for all years in order to make a more appropriate comparison between couples with and without dependent children.

**Partnered men/women** are men/women in couples (married or cohabiting).

**Participation rates** are the proportion of women and men (in couples) that are in employment.

**Single-earner couples** are couples where only one partner is in employment. This definition is derived from the individual's self-assessment of whether they work full-time or part-time (rather than hours of work – which made no noticeable differences on the trends reported here).

**Work-rich couples** are couples where both partners are employed. This definition is derived from the individual's self-assessment of whether they work full or part-time (rather than hours of work – which made no noticeable difference on the trends reported here). It is consistent with ILO definitions.

**Work-poor couples** are couples where both partners are unemployed or inactive. This definition is derived from the individual's self-assessment of whether they work full or part-time (rather than hours of work – which made no noticeable difference on the trends reported here). It is consistent with ILO definitions.

## **BOX ENDS HERE**

### **Technical Note**

The Family Resources Survey (FRS) is the data source for this article. The FRS has been a regular survey of the Department of Work and Pensions (DWP) since 1993/4. It is a cross-sectional annual dataset. Therefore the time series findings presented in this paper are not based on longitudinal data. They are based on comparisons of different survey time points.

The FRS collects data on income, state support receipt and related topics from a sample of about 28,000 households in the United Kingdom each year. The survey results are published annually online (<http://www.dwp.gov.uk/asd/frs/>). The FRS is a hierarchical dataset, with information supplied about household characteristics (such as composition and tenure type), each adult (including individual employment status and benefit receipt) and each child living in the household. Each household may consist of a number of benefit units, with each benefit unit (and household) consisting of a number of adults and/or children.

It is not possible to analyse the first year's data of the FRS (1993/4) because of its unreliability. However, the article reports on eleven years' worth of FRS data, to explore the year or year trends of couples between 1994/5 and 2005/6 (the most recent data release). Data are presented at the benefit unit level and the adult level. Data have been scaled to the total population using a grossing variable in the FRS called gross3. Analyses have been restricted to working age couples only – for men, those aged between 16 (who are not in full-time education) and 64 years and for women, those aged between 16 (who are not in full-time education) and 59 years.

The analysis reported in this article uses the International Labour Organisation (ILO) definition of employment status. It should be noted that in 1996/7, the ILO definition changed to include full-time and part-time working status, which means it's not possible to compare full-time and part-time employment of individuals in the FRS using the ILO definition for earlier years (prior to 1996/7). When comparing changes over time in the FRS, users must be careful to take account of changing categorisation of key variables such as ILO employment status.