

# The long-term effect of parental separation on childhood financial poverty and multidimensional deprivation: a lifecourse approach

Marion Leturcq (Ined), Lidia Panico (Ined), Normann Rion (Ensaie-PSE)

Journée démoéco: Pauvreté, Vulnérabilité - Ined

19 mai 2016

# Outline

Introduction

Data

Methodology

Parental separation and child deprivation

Conclusions

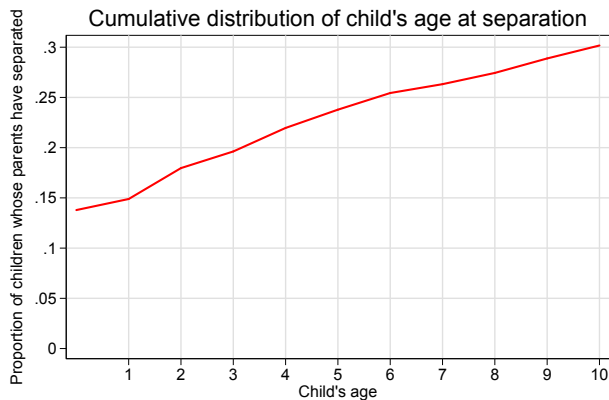
## Experiencing parental separation

- ▶ Socio-demographic shifts have increased the proportion of children not always living with two biological, married parents throughout their childhood.
- ▶ Strong inequalities in the risk of child poverty according to family type.

## Experiencing parental separation - the UK context

- ▶ An important proportion of children experience parental separation: In 2010-11, one third of all UK children aged 16 and under were not living with both of their birth parents (DWP, 2013), some of the highest levels in the OECD.
- ▶ An experience starting in early childhood: over 20% of children have already experienced parental separation by age 5 (Panico et al., 2010).

# Parental separation



Data: Millennium Cohort Study  
Children born in 2000-2001 in the UK

## Consequences of parental separation for children

- ▶ Longstanding line of research shows that divorce means a drop in income (Brewer and Nandi, 2014; Fisher and Low, 2015; Aassve et al., 2007), esp. for women with dependent children (Brewer and Nandi, 2014).
- ▶ Decades of research has shown that children growing up in deprived circumstances have poorer outcomes on a range of domains (Atkinson et al., 1983; Duncan and Brooks-Gunn 1997; Heckman 2006; Blanden et al., 2013).
- ▶ Parental separation appear to be linked to negative child outcomes (Amato, 2005, 2001, 1991; Cherlin et al., 1998); poverty seems to be an important channel (McMunn et al., 2001; Schoon et al, 2011).

## Gaps in the literature

- ▶ First, most literature focuses on the effects of parental separation on income poverty, but income has been criticized as a marker of deprivation for children (Guio et al., 2009), and this may be especially the case around separation.
- ▶ Second, relatively short term effects, comparing recovery to pre-separation income.

## Income as a marker of childhood disadvantage?

- ▶ Income data not always reliable for poorer households.
- ▶ Financial security also based on savings and debts, housing tenure, the wider family, etc.
- ▶ Some families may be better equipped than others in managing income, or in prioritizing children's needs.
- ▶ Income does not include benefits and services used by children.
- ▶ Income poverty does not predict well exclusion from normative or customary social activities (relative deprivation).



## Income as a marker of childhood disadvantage?

- ▶ Towards the idea of multi-domain childhood disadvantage - which considers that multiple factors in childhood beyond childhood poverty (Bradshaw et al., 2007; Tomlinson et al., 2008; Nolan and Whelan, 2011).
- ▶ Difficult to operationalize longitudinally, especially for children (some exceptions: Dickerson and Popli, 2015).
- ▶ Key characteristics: multi-dimensional, age-relevant, child-centered, able to measure changes over time.

## Research questions

- ▶ How does parental separation affect the experience of childhood poverty and multi-domain deprivation over a long period of time?
- ▶ Do all domains of deprivation react similarly to separation?
- ▶ What are the post-separation channels by which recovery occurs and do they vary across measures of poverty and deprivation?

## What this paper does

1. We create a longitudinal, child-centred, age-relevant multidimensional measure of childhood deprivation; and compare it to income poverty (measured as hh equivalised income).
2. Explore how such measures reacts to parental separation over a relatively long period of time, and through which channels (re-partnering, maternal employment) they may recover.

# Outline

Introduction

**Data**

Methodology

Parental separation and child deprivation

Conclusions

## Millennium Cohort Study

- ▶ A nationally representative prospective cohort study in the UK following included 18,818 children in 18,552 families living in the UK shortly after birth and born between 2000 and 2002 (Dex and Joshi, 2005).
- ▶ Over sample of ethnically mixed and disadvantaged areas and the 3 smaller countries.
- ▶ Interdisciplinary approach.
- ▶ Five waves: 9 months, 3 years, 5 years, 7 years and 11 years of age.

## Analytical sample

1. Parents are in a co-resident relationship at birth of the cohort child.
2. Twins and triplets: we keep one case per household.
3.  $n = 12,658$  households.

# Outline

Introduction

Data

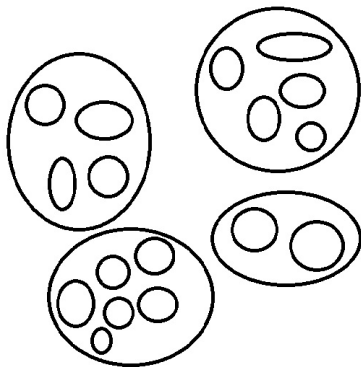
**Methodology**

Parental separation and child deprivation

Conclusions

# Methodology (inspired by Alkire and Foster (2011))

Step 1: define dimensions of deprivation and indicators

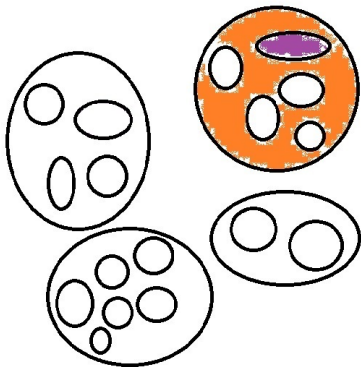


- ▶ **Material deprivation** (no car, damp is a problem, overcrowded housing, no central heating)
- ▶ **Extreme material deprivation** (cannot afford waterproof coat or fitted shoes)
- ▶ **Leisure activities** (cannot afford holidays, celebrations, leisure activities)
- ▶ **Parenting involvement** (read to child less than once a week, nobody help with learning alphabet, counting, sport, and routines)



## Methodology

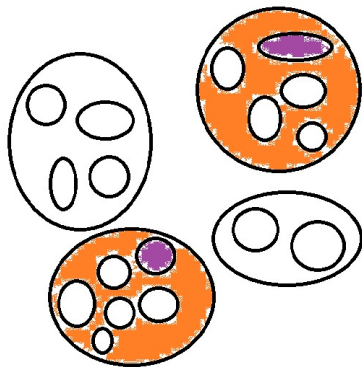
### Step 2: define deprivation for each indicator and for each dimension



- ▶ Material deprivation (no car, damp is a problem, overcrowded housing, no central heating) → deprived if lacking 1 indicator
- ▶ Extreme material deprivation (cannot afford waterproof coat or fitted shoes) → deprived if lacking 1 indicator
- ▶ Leisure activities (cannot afford holidays, celebrations, few leisure activities) → deprived if lacking 1 indicator
- ▶ Parenting involvement (read to child less than once a week, no help with learning alphabet, counting, sport; and no routines) → deprived if lacking 1 indicator

## Methodology

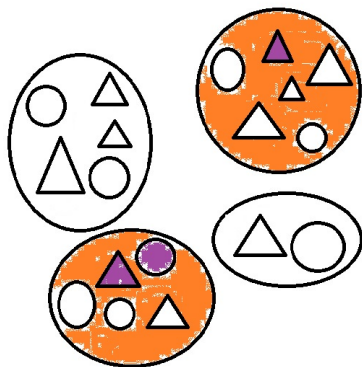
### Step 3: define overall deprivation



- ▶ We define as deprived a child deprived over at least 2 dimensions

## Methodology

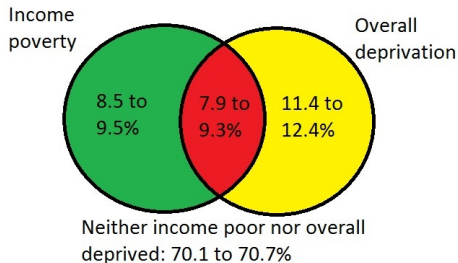
### Step 4: indicators change with age (but not dimensions)



- ▶ At least some indicators change with the age of the child
- ▶ Dimensions remain the same
- ▶ Same definition for overall deprivation

## Deprivation and income poverty

### Overlap of two definitions of poverty



- ▶ Similar overlap across waves
- ▶ Similar exercise for different dimensions exhibits correlation between income poverty and material deprivation, and leisure deprivation larger than corr with lower correlation with parenting involvement

# Deprivation and income poverty

## Identification of deprived children

	Income Poverty	Overall Depriv.	Material Depriv.	Ext. Mat. Depriv.	Leisure Depriv.	Parenting Involv.
Age	---	--	--	0	-	0
Country (Wales, NI)	+	0	-	0	0	0
Nb of siblings	++	++	++	++	+	+
Education	---	--	--	-	--	--
Female child	0	-	-	+	0	-
Relationship status (single, working partner)	+++	++	++	+	++	+
Mother's labor employment	-	-	-	-	-	Unclear

# Outline

Introduction

Data

Methodology

Parental separation and child deprivation

Conclusions

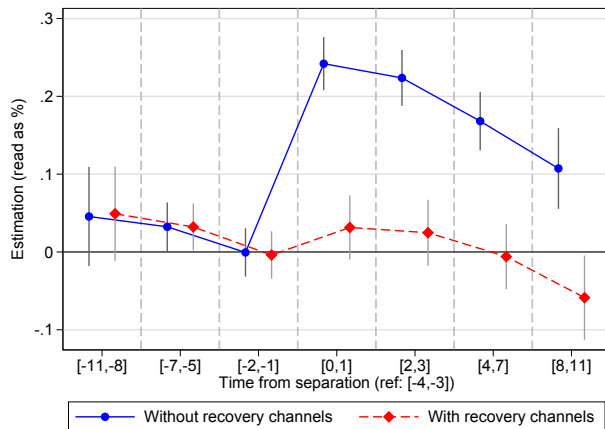
## Estimation strategy

- ▶ Study changes in probability to be poor or deprived around parental separation

$$y_{it} = \alpha_0 + \alpha_t + \alpha_j + \sum_{\tau} \delta_{\tau} \mathbf{1}\{Z_i = 1, d_i = \tau\} + \gamma W_{it} + \beta X_{it} + \varepsilon_{it}$$

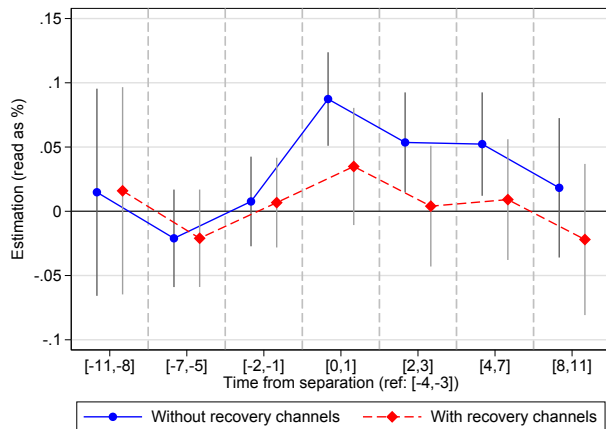
- ▶  $\alpha_t, \alpha_j$  time and individual fixed effects
- ▶  $X_{it}$  time-varying demographic characteristics (age, highest level of education in hh, number of children)
- ▶  $W_{it}$  potential recovery channels (repartnering, mother's labor employment)
- ▶  $\delta_{\tau}$ : change in propensity of being poor around separation
- ▶ Estimation: OLS, clustered standard errors

## Result 1: income poverty

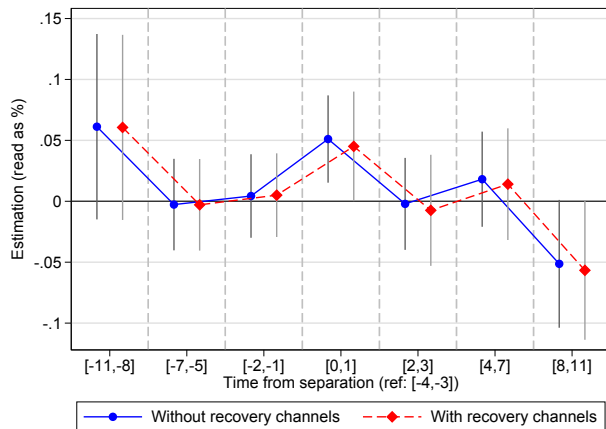




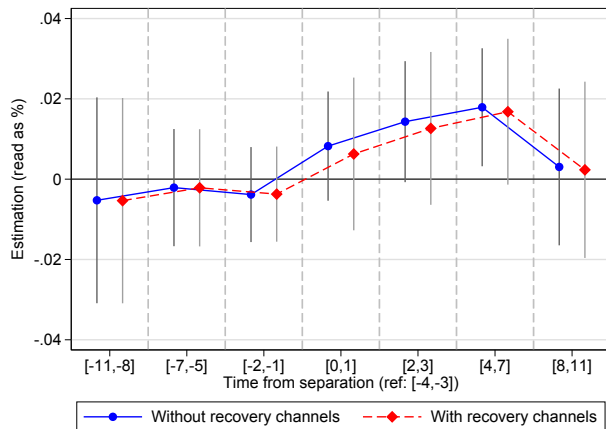
## Result 2: overall deprivation



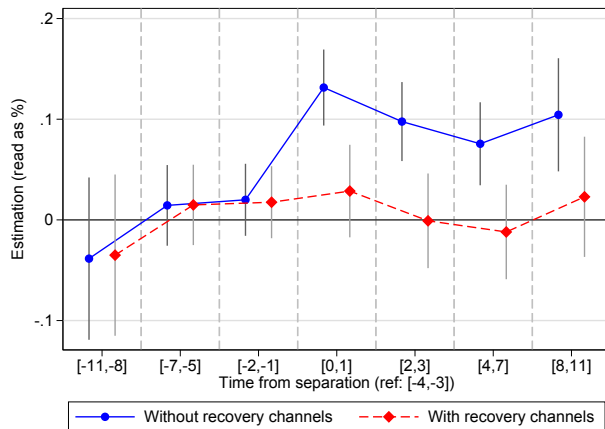
## Result 3: material deprivation



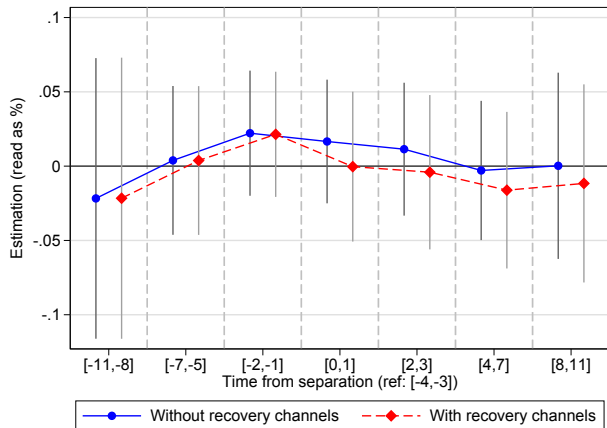
## Result 4: extreme material deprivation



## Result 5: leisure deprivation



## Result 6: parenting involvement



# Outline

Introduction

Data

Methodology

Parental separation and child deprivation

Conclusions

## Summary

- ▶ Strong negative effects of parental separation on income loss and poverty: sharp drop in household income in short term, and only a partial recovery in the long term, mostly for those who repartner.
- ▶ Looking at multiple dimensions of deprivation allowed nuancing the experience of children, highlighting potential strategies that parents might adapt to ease the burden of separation on their children.
  - ▶ Strong effects on leisure deprivation
  - ▶ Much weaker effect on material deprivation
  - ▶ No impact of parental separation on parental involvement

## Conclusions

- ▶ Detrimental effects of parental separation on child outcomes probably do not occur through a deterioration in parenting quality around separation however..
- ▶ ... financial constraints appear to have a short term impact on material deprivation, and more pronounced and persistent impact on being able to afford normative, leisure activities.
- ▶ Using a child centered, age-relevant longitudinal measure of multi-domain deprivation shows that income alone does not fully capture children's day-to-day experiences.



## Future work

- ▶ Depth of deprivation
- ▶ Living arrangements of children post-separation, controlling for shared custody and time spent with a non-resident parent.
- ▶ Additional recovery channels (moving in with grandparents).
- ▶ Subgroup analyses: poor vs not poor prior to separation; those who will repartner vs those who will not repartner.

# Merci !

- ▶ marion.leturcq@ined.fr
- ▶ lidia.panico@ined.fr
- ▶ normann.rion@ensae-paristech.fr