ISER
INSTITUTE FOR SOCIAL & ECONOMIC RESEARCH

Institute for Social and Economic Research

Taking the long view: the ISER Report 2007/8

University of Essex

Contents

About ISER

The Institute for Social and Economic Research (ISER) specialises in the production and analysis of large and often complex datasets. It collects and uses longitudinal data – evidence that tracks changes in the lives of the same individuals over time – household and other panel studies, as well as diary studies, and cross-national and historical comparative materials.

ISER is an interdisciplinary institute, with specialists in demography, economics, epidemiology, social policy, social statistics and sociology. It is an independent department of the University of Essex and is core-funded by the university and the UK's Economic and Social Research Council (ESRC). ISER is organised as two divisions: a research centre; and a resource centre.

The research centre: MiSoC

The Research Centre on Micro-Social Change (MiSoC) is the base for ISER's substantive research programme. The core-funded programme is founded on a central theme – the analysis of life chances, taking a longitudinal perspective on people's careers, incomes, family lives, health experiences and so on. Related topics include time use and consumption, and the effects of locality and ethnicity.

The resource centre: ULSC

The UK Longitudinal Studies Centre (ULSC) is the national resource centre for promoting longitudinal research and for the design, management and support of longitudinal surveys. ULSC activities include managing the British Household Panel Survey (BHPS), interviewing the same respondents annually since 1991. Work is now in progress to develop the innovative UK Household Longitudinal Study, with a sample of 100,000 individuals, incorporating the BHPS. The ULSC also runs a methodological research programme to improve longitudinal survey and analysis methods.

International links

The institute has a strongly international atmosphere, with the majority of its researchers originating from outside the UK. We frequently collaborate with research teams in other countries in comparative analytical programmes, in the organisation of international conferences, in the production of cross-national datasets and in the development of new national panel surveys. ISER also regularly hosts visits from researchers and research groups on the Essex campus, offering analytical advice as well as access to data resources.

Director's introduction

ISER has always emphasised that its activities consist of two closely related and symbiotic activities: the *production* and the *analysis* of longitudinal survey data. We see the combination as a mutually beneficial and interdependent association between distinct but complementary contributions.

This year there have been two major events that consolidate our existing work in these two spheres, and mark important opportunities to move in new directions.

First, in April 2007, the Economic and Social Research Council (ESRC) confirmed that it had commissioned ISER to develop and oversee the UK Household Longitudinal Study (UKHLS). The new survey builds on the success of the British Household Panel Survey (BHPS), which we have been running continuously since 1991. But it will be much larger – 40,000 households interviewed every year, including members of the original BHPS sample – and include exciting new developments both in research methods and in subject coverage. The UKHLS is discussed further on pages 14-15.

Second, in February 2008, the ESRC announced that the Research Centre on Micro-Social Change (MiSoC) – the formal title of ISER's substantive research programme – would be supported for a further five-year period from October 2009. The new programme of longitudinal research will build on our existing strengths in such fields as the family and the intergenerational transmission of socio-economic status, the labour market and the income distribution; it will also enter new fields such as public health. New collaborations across disciplines are a central element of the programme, and there is a stronger emphasis on policy issues.

We are proud of this double expression of confidence in our future capability, from the Research Resources Board and the Strategic Research Board of the ESRC. As ISER's director, I am, of course, delighted at the financial stability that these two awards provide over the medium term. But in addition, the twin awards represent a strong endorsement of our strategy of linking data production and analysis activities. Each strand of our programme will be strengthened by its association with the other.

So the pattern at ISER has been, and will be, that survey methods researchers and survey analysts work side-by-side. The analysts contribute their knowledge of the subject matter and policy issues and their understanding of measurement issues to the design of the survey. In return, they gain from the rich understanding of the survey process derived from close involvement in its design.

For example, MiSoC researchers are contributing to the design of the new UKHLS:

- *Lucinda Platt* leads a team dedicated to developing the ethnicity strand of the study.
- *Mark Bryan* has coordinated contributions dealing with labour market issues.
- *Amanda Sacker* has contributed to the development of health related questions.

And so on. Naturally, the analysis of these elements of the survey is included in the same researchers' plans for future substantive work.

But this is not a closed circle. The whole point of the BHPS in the past, and of the UKHLS in the future, is to provide an important resource for the wider research community – in the UK and internationally.

The design of the new programme has involved extensive consultation with colleagues in other academic institutions, with researchers outside academia, including those in government departments, and with current and potential users of research. And this relationship will continue after the UKHLS data become available, when one of the objectives for MiSoC will be to develop new ways of handling the data, and to provide training to encourage and enable others to follow suit.

Stephen Jenkins
Director

Older people

ISER research is contributing to debate about benefits, social care and gender equality for older people

There have been several important shifts recently in social policy relating to older people, many of which are addressed by research at ISER. Reforms implemented through the 2007 Pensions Act will curtail the spread of means testing in later life, but the UK pension system will still rely quite heavily on means-tested benefits. ISER researchers continue to study the stubborn problem of non-take-up of these benefits.

Meanwhile, the government's attention has shifted to reform of the long-term care system with a Green Paper expected within the next year: ISER is contributing to debate on the role of disability benefits in paying for care. And the introduction of the 'gender equality duty' (which obliges public bodies to eliminate discrimination and promote equality of opportunity between men and women) was the impetus for an analysis of gender differences in social inclusion and service use among older people.

Benefits take-up

Many pensioners do not claim the means-tested benefits to which they are entitled. A study by Francesca Zantomio, Steve Pudney and Ruth Hancock (an ISER associate at the University of East Anglia) uses the 2001 increase in generosity of the Minimum Income Guarantee (MIG) to assess the impact of variation in entitlement on take-up behaviour.

In the absence of suitable panel data, the research uses the Family Resources Survey (FRS) for the years before and after the reform, calculating respondents' entitlements under pre- and post-reform rules, and 'matching' members of the two samples according to entitlement pairs and other characteristics. This allows the identification of changes in take-up in response to the reform.

The results indicate that take-up of MIG increased among those entitled before and after the reform and was particularly large for those with the largest potential gains from claiming. They also provide evidence of a delay in adjusting take-up behaviour to the changed circumstances induced by the reform.

Disability benefits and paying for care

Richard Berthoud and Ruth Hancock have been considering the future of the Attendance Allowance (AA) and the care component of the Disability Living Allowance (DLAc) in the

overall system of paying for care. These two social security benefits (for people claiming over or under the age of 65, respectively) pay up to £65 a week to nearly four million disabled people in need of care, at a cost of £9 billion a year.

There has been very little research on the impact that these benefits have on the goods and services that recipients can afford. Berthoud and Hancock's analysis of the FRS offers some preliminary evidence, although more detailed investigation is required before a conclusion can be reached.

On the whole, AA and DLAc are well targeted on severely disabled people and on the types of disabled people (characterised by age, impairments and family situation) who are in need of care. But it turns out that getting on for half of those reported to be receiving the benefits are not reported to be receiving any care – the benefits are awarded on the basis that care is needed, not on the basis that it is being provided.

This evidence can be interpreted in two ways: either AA and DLAc reach far more disabled people than social services do; or they are going to substantial numbers of people who can get by with no care or help.

Proposals to reform social care need to be evaluated on the basis of their costs as well as their benefits

Two other things are clear from the analysis. First, the incomes of AA and DLAc recipients would be low if they did not have those benefits to count on. 40% would be below the government's indicative poverty line. Nine out of ten would be living on less than £250 per week (equivalent for a single person).

Second, the Department for Work and Pensions has added a sequence of deprivation indicators to the FRS, counting the number of households who cannot afford such everyday necessities as two pairs of shoes, keeping their home in a decent state of decoration, inviting friends or family round for a drink or meal, and so on.

Income for income, disabled people are much more likely to be deprived, based on these measures, than non-disabled people. AA and DLAc claimants are at high risk of hardship in spite of the significant increase in income provided by these benefits.

The King's Fund review of the future of social care, led by Sir Derek Wanless, recommended integrating support for care costs from AA and DLAc into the care system to improve targeting of resources. Such a reform needs to be evaluated on the basis of its costs as well as its benefits.

It is likely that the proposal will lead to a loss of cash income for a large proportion of disabled people currently claiming AA or DLAc. Most of them have modest incomes. Standard of living indicators suggest that the current benefits do little more than compensate disabled people and their families for the extra costs associated with disability. A reduction in cash incomes is likely to lead to an increase in deprivation. Some of those proposing the reform have not addressed these adverse outcomes.

Older people and gender

Research by Emilia Del Bono, Emanuela Sala, Ruth Hancock, Caroline Gunnell and Lavinia Parisi concludes that while there are significant gender differences in older people's social activities, often these merely reflect differences in the marital states of older men and women.

At this stage of the lifecycle, most men still have a wife but most women no longer have a husband. So, for example, older men are more likely to provide informal care than older women, but this difference disappears once marital status is taken into account. Thus, apparent gender differences in older age mainly reflect different family circumstances of men and women.

This observation brings two important messages. First, in ensuring that services comply with the gender equality duty, public bodies need to consider whether it is gender differences as such that lead to older men and women having differences in needs, or whether it is other factors, such as marital status, which in old age are correlated with gender.

Second, current demographic trends mean that the proportions of older men and women living with a partner will change in the future, modifying the currently observed association between gender and indicators of social need.

Health and poverty

New research techniques are disentangling the processes that link poverty with health

The association between poverty and health is well documented in social research: people from poor households die younger and have more illnesses than those who are better off. But to make full use of this knowledge, we need to understand the long-range implications – for example, whether and how the picture gets better or worse, and for whom – and how social policy can improve or aggravate the situation.

Existing gaps in knowledge come, in part, from the usual practice of measuring health and poverty at a single point in time – a 'snapshot', in which a person who is chronically ill or poor appears similar to a person who is ill or poor for only a short time.

Recent research using a 'dynamic' or 'life course' approach shows that poverty is much more complex and diverse than previously thought. Rather than being restricted to a constantly poor underclass, poverty affects a relatively large proportion of the population at some point in their lives, and many spells of poverty are short. Yet many who leave poverty return quite quickly, and a substantial minority remains poor for long periods.

Long-term studies of health tell a similar story of diversity: health, on average, deteriorates slowly over time, but some people actually improve steadily over the years, some remain stable or fluctuate, and some decline quite rapidly.

The life course perspective also shows that health and poverty dynamics are shaped by the institutional settings – families, workplaces, schools, nations – in which people live. Class, gender and, for the US, race are critical determinants of who does well and who does poorly in economic terms. Much work remains to be done, though, to show how poverty and health are related over time in different policy contexts, and how these linked experiences may vary across different social groups.

ISER's Amanda Sacker, together with Peggy McDonough and Diana Worts of the University of Toronto, have been funded by the ESRC, the Social Sciences and Humanities Research Council of Canada and the Canadian Institutes of Health Research to research these issues. They are examining health and poverty over time in four OECD countries – Denmark, Germany, the UK and the US.

The research focuses on these four countries because they represent distinct welfare state 'types' (and therefore, distinct

approaches to government policies and programmes) and because each country hosts a well-established longitudinal panel survey.

These data are being used to examine first, how people's experiences of health and poverty change or remain the same over time; second, how the long-term patterns of health and poverty influence one another; third, whether these health and poverty processes and the connections between them are different for women and men; and fourth, whether the picture changes from one welfare state to another.

Predicting health dynamics from income

Inequalities in health dynamics

The research finds that health does not inevitably get worse over time for everyone: there are three distinctive types of long-term health processes in the UK and the US. Most working-age adults stay in good health over a 12-year period (64% in the UK and 54% in the US), while a substantial number are in poor health throughout (22% in the UK and 34% in the US) and a small number move in and out of good and poor health – most often deteriorating without recovery.

Working-age adults in the UK have a health advantage over their US counterparts, but there is more health change (for better or worse) in the UK than in the US. Socio-demographic factors play different roles in the two nations, raising provocative questions about the ways in which state policies and practices affect population health. In the US, more than in the UK, the least desirable long-term health patterns are linked to unfavourable status in education, household income and employment.

The chart shows the relative probability of experiencing stable poor health, changing health and stable good health for those on a low income compared with a higher income. In the UK, all the relative risks are close to one, showing that, other things being equal, income does little to predict health over time.

But in the US, there is a steep gradient in longitudinal health by income. Compared with people on a higher income, people on a low income have almost a four times greater risk of stable poor health and less than half the chance of stable good health.

Employment status also predicts health trajectories differently in the two countries. People in poor health in the UK are more likely than their US counterparts to leave the labour market; but they are also more likely to recover their health and go back to work.

The universal health insurance system in the UK contrasts sharply with the largely private system in the US, which ties insurance benefits (where they exist) to employment. Because of this constraint, individuals with poor health in the US may be forced to continue working to ensure access to medical care, with continuing detrimental effects on their health.

Putting health and poverty dynamics together

Until recently, researchers have been forced by the statistical tools available to decide whether health or poverty was the object of their investigation. So they had to assume that disadvantage leads to ill health or that poor health increases the risk of poverty. But it is conceivable that the direction of influence goes both ways. It is also plausible to think that disadvantage undermines recovery from ill health or that health-related benefits lift people out of poverty.

A new statistical technique called 'multiple process latent transition analysis' is being used to look at how health and poverty change together over time. It can help disentangle the processes that link poverty with health, and answer questions such as 'does being in poverty predict health decline?' and 'does a decline in health predict a fall into poverty?'

The task of examining the relationship between health and income trajectories is a challenging one. Investigating the ways in which these life course processes are structured by families, labour markets and welfare state policies, resulting in differentiation between countries and between social groups within countries, multiplies the challenges. Whether the results will clarify or complicate the story remains to be seen.

Fertility

Small families and delayed motherhood are a common feature of European societies

Fertility across Europe is at historic lows: in many countries, it has fallen substantially below replacement, the rate at which the population neither grows nor shrinks. Such low fertility is a major cause for concern, both in terms of its contribution towards an ageing society and in the light of evidence that it arises not because people now *want* to have extremely small families, but because many people feel *constrained* into having fewer children than they would ideally like.

Fertility has been a theme of research at ISER for many years. A new study by Emilia del Bono, Andrea Weber and Rudolf Winter-Ebmer focuses on the trade-off that women face between career and family, and investigates the channels through which losing a job because of a firm closure can affect fertility decisions.

It is widely recognised that when women make plans about their families and their careers, the two sets of decisions are entwined. The number of children a woman has affects her family's need for income and for inputs of 'mothering' time, while her current work commitments, her future career aspirations and the degree of security she enjoys at work may affect the number of children she plans to have, or their timing.

The direction of the effect of job loss and unemployment on fertility decisions is not clear from a theoretical point of view. On the one hand, motherhood may well be more attractive as an alternative to unemployment than it is as an alternative to paid work – in which case, job loss would tend to be associated with an increased likelihood of childbearing. On the other hand, women who lose their jobs may face a period of no or lower income, increased insecurity, a pressing need to find another job, and a loss of human capital – all of which would mean that job loss might be associated with a lower probability of having a child.

Research that compares the fertility of women who lose their jobs with women who remain in work is likely to be problematic, since the two groups of women may have very different underlying characteristics. The analysis in this research uses Austrian data to compare the fertility of women who lose their jobs because of a firm closure with a control group of women who are not displaced from their jobs.

The study finds that job displacement due to firm closure reduces the number of births by 5-10%. This reduction in

fertility is mainly among women in white-collar occupations and higher earnings groups. Unemployment has no other effect on fertility over and above the effect due to job loss. So an unexpected job loss reduces fertility mainly because it causes a career interruption, destroying valuable human capital and forcing high skilled women to start all over again in a new firm. In the European context of low fertility and women's increasing level of education and career aspirations, these results suggest that factors which impede the development of women's careers, such as fixed-term contracts, may be a large obstacle to achieving the desired number of children.

Low fertility may be due to factors that impede the development of women's careers

The results also imply that family policies that rely mainly on income support measures should be complemented by policies aimed at protecting young mothers' career prospects and labour market attachment. These include the provision of childcare facilities, full-time schools and more flexible working-time arrangements.

Motherhood postponed

The age at which women have their first child has increased in most European countries over recent decades. Women's educational levels and participation in the labour force have also been rising. Research by Cheti Nicoletti and Maria Letizia Tanturri uses data from the European Community Household Panel to explore the reasons for the postponement of fertility. The study examines the relationship between the timing of first children and women's education and work experience.

It seems reasonable to expect that women with a higher level of education will be more likely to delay motherhood or to remain childless. They have invested more in their careers, they are likely to forgo higher wages if they do have children and they will probably have a stronger attachment to the labour market.

But recent micro-level studies have shown that while this is true in some contexts, it is not true in others. For example, in the Scandinavian countries (where parents are given a high level of financial and practical support), more highly educated women and those more strongly attached to the labour market enter motherhood relatively early.

Cross-country differences in childbearing may reflect differences in the characteristics of women that live in those countries, or they may reflect differences in some underlying propensity to have children. This research tries to disentangle these two sets of effects, comparing Italy (the country with the lowest fertility in Europe) with nine other Western European countries.

The results are mixed. Fertility differences between Italy on the one hand and Ireland, Portugal, Spain and the UK on the other, are attributable to differences in women's characteristics in those countries. But when Italy is compared with Belgium, Denmark, France, Germany and Greece, it appears that Italy's lower fertility rates are attributable to a lower underlying propensity to have children. Indeed, after the age of 34, the differences between all countries appear to be attributable to different propensities to have children, rather than to differences in characteristics.

Macro and micro perspectives

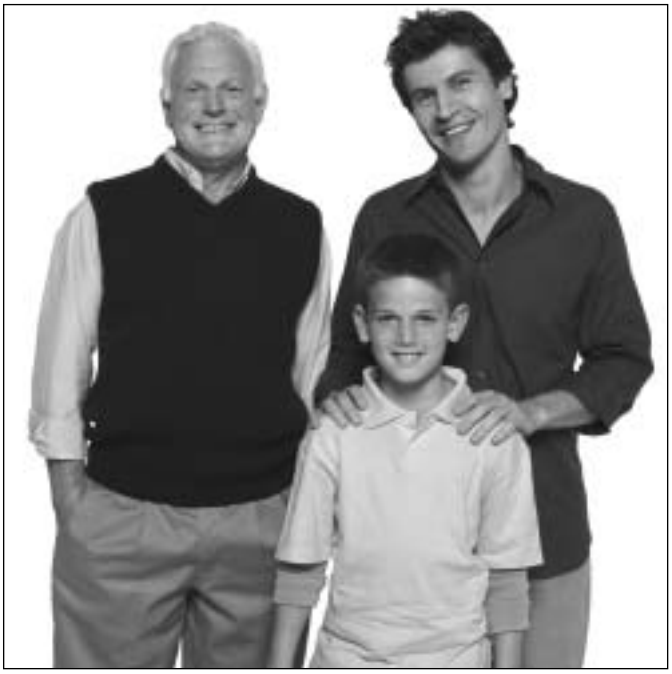
New projects on fertility continue to come on stream. Maria Iacovou is involved in a collaborative research programme on reproductive decision-making, involving teams in nine European countries. The EU-funded project, which will run for three years from 2008 to 2011, will make cross-European comparisons of fertility behaviour, analysing the factors that influence how people plan their fertility and the extent to which they realise their intentions.

Most existing studies analyse fertility from either a macro perspective – examining the effects of institutional factors and social and economic conditions on overall fertility rates – or a micro perspective – analysing the factors in individuals' lives that determine their fertility intentions and whether they realise these intentions.

A defining feature of the new project is that it attempts to synthesise these two approaches, using a framework that analyses fertility in the context of both an individual's life course and wider social, cultural and institutional factors.

Life chances

Is family background more important than ability and endeavour in shaping children's outcomes?



Has there been a trend in the life chances of advantaged and disadvantaged children born in the UK in the decades following the Second World War? Research by ISER's John Ermisch and Cheti Nicoletti analyses data on the earnings of fathers and sons to establish how closely sons' earnings are related to those of their fathers. Is family background more important than ability and endeavour in shaping children's outcomes?

Previous work on intergenerational mobility has compared the experiences of the two cohorts of children born in 1958 and 1970 and found that the relative life chances of poor children born in 1970 were worse than those born 12 years earlier. But until now, no one has looked at how the life chances of disadvantaged children have developed from year to year.

Ermisch and Nicoletti use BHPS data on the earnings of men born between 1950 and 1972. (The trend towards higher female employment over the period makes using data on women's earnings difficult.) But they can directly observe the earnings of the fathers of these men only if they lived with their sons at the time of the survey – and this only applies to a small proportion of fathers.

Fortunately, the BHPS records other background information (such as age and occupation) for the father of every son. The researchers use these data – together with the earnings of the fathers that are directly measured – to infer the earnings of the 'missing' fathers. They then combine the observed and inferred data to estimate the relationship between fathers' earnings and sons' earnings.

Many sons found themselves either higher or lower in the distribution of earnings than their fathers had been. But there was a consistent – and persistent – tendency for the sons of low-paid fathers to be relatively low-paid themselves; with a similar link between high pay for fathers and sons.

Some of the detailed results suggest that social mobility may even have reduced over the cohorts of children born between 1960 and 1972 – which would be consistent with the previously reported findings for 1958 and 1970. But Ermisch and Nicoletti's overall conclusion is that the association between fathers' and sons' earnings held steady over the post-war period studied. Of course, we do not yet know whether this association has continued for more recent generations of children, born in the 1980s and 1990s.

Social mobility remained limited in spite of the steady rise in average earnings over the period and the massive increase in the provision of education to young people. There is strong evidence that large differences in children's academic ability emerge at early ages, and that these differences cast a long shadow over subsequent achievements in education and earnings.

The income and educational levels of parents are crucial in determining this early advantage, and appear to be set when children are as young as 10. It may be that while educational and employment opportunities have grown over time, children from better-off backgrounds have been able to take most advantage of them.

Marital splits and mothers' incomes

Family breakups reduce mums' incomes – but not by as much as a decade ago

What happens to people's incomes when their or their parents' partnership dissolves? Virtually all previous analyses of this question – including a pioneering analysis of early BHPS data by Sarah Jarvis and Stephen Jenkins – have focused on short-term changes, comparing income for the year before the marital split with income for the year after the marital split. That research has found, in almost all countries, that there are large falls in income in the year after a marital split for separating women and children, but not for separating men.

Jenkins has recently returned to the subject, with the first analysis to examine whether the short-term economic consequences of a marital split have changed over time. He shows that mothers in Britain who separate from their partners still experience a significant drop in their incomes, but the decline is markedly lower than it was a decade ago. The new study also shows, for the first time, how the two partners' incomes progress over the years following a split.

The analysis finds that marital splits are associated with sharp short-term declines in income for separating wives and children; whereas separating husbands are better off. But the size of the decline in income has got markedly smaller over time for mothers, as well as for dependent children:

- Between 1991 and 1997, the average decline in income for mothers between the year before and the year after the marital split was 30%.
- Between 1998 and 2004, the average decline in income for mothers between the year before and the year after the marital split was 12%.
- But the average short-term income loss for childless separating women has remained fairly constant over the last 15 years.

Despite the improvement in the circumstances of women with children, there remain large gaps on average between the short-term income positions of separating husbands and separating wives. Gender remains a good predictor of whether an adult's income rises or falls after experiencing a marital split.

The change in the impact of marital splits on mothers' incomes seems to reflect rising rates of employment for women with children over the course of the 1990s and early 2000s. These were given a particular stimulus by the introduction of the Working Families Tax Credit (WFTC) in 1998, which both increased the incentives for those in workless families to find a job and helped make work pay.

Jenkins has also looked at the longer-term consequences of marital splits and finds that:

- Incomes of women with children do recover over the sequence of years after a split, but not to pre-split levels. In the fifth year after a split, incomes remain about 10% below pre-split levels on average.
- Women who find either a job or a new partner (or both) see their incomes recover the most. But women who don't find either a job or a new partner typically do not see much recovery of income.

Housework and wages

The unequal distribution of housework between men and women contributes to the gender wage gap

Although the gap between men and women's pay in the UK has been declining in recent years, women who work full-time earn on average nearly 18% less than full-time men. Traditional explanations for this gap involve differences between men and women in their qualifications, occupations and labour market experience, as well as possible discrimination by employers.

While previous research has shown that these factors play a role in maintaining the gender pay gap, there also seem to be other barriers to the full equalisation of men and women's pay. New research by ISER's Mark Bryan and Almudena Sevilla Sanz explores whether, in addition to labour market activities, domestic commitments may affect wages – and given the unequal distribution of housework between men and women, contribute to the gender wage gap.

Housework is not usually thought of as affecting people's wages. Yet there is a variety of ways in which domestic tasks restrict labour market activity and hence an individual's wage. These range from physical or mental fatigue to limits on commuting time and job flexibility. People who go to work tired after doing the housework are likely to perform less well than others with no housework commitments. Having to organise and keep track of domestic activities may also interfere with work responsibilities.

Furthermore, some housework tasks – such as cooking meals – need to be done at specific times. The individuals responsible for these tasks cannot be as flexible in their working hours as those with no commitments, and as a result they will tend to be more restricted in their choice of jobs and earn less.

To uncover the possible effects of housework on wages, the research looks separately at men and women and also at single people and those who are either married or cohabiting. There are large differences between men and women in the amount of housework they do and these differences increase when they get married or start cohabiting. Men (whether single or in a couple) do four to five hours of housework a week, while single women do seven hours and women in a couple do over 12 hours.

Partnership is also associated with specialisation into different housework tasks: women in couples tend to concentrate on jobs like cooking and laundry, whereas their partners do jobs like repairs and gardening.

Comparing people with similar education and experience (and in similar jobs), the researchers find that people in couples who do more housework earn lower wages. For example, a seven-hour difference in weekly housework between two comparable people (corresponding to the average housework gap between men and women in couples) is typically associated with a 5% difference in their hourly wages.

There is no effect of housework among single people, which suggests that the division of housework that happens when people live together does indeed have an important impact on wages.

The type and timing of different household tasks are as important as the total time devoted to housework

Whether a couple has children seems to make little difference to the effect of housework on wages. Nevertheless, a large part of the relationship between wages and domestic commitments can be explained by different lifecycle trajectories: more home-centred people (who do more housework) tend to pick up fewer labour market skills and end up in lower paid jobs, while more career-oriented individuals earn more and also do less housework.

Once the analysis accounts for these long-term differences between people, the 'direct' effects of housework on wages are smaller and concentrated among women in couples. A seven-hour reduction in the weekly housework they do would increase their wages by around 1%, which would narrow the current gender pay gap by just over 5%.

Why should housework affect the wages of women in couples in particular? One possibility is that the tasks in which they specialise – cooking, laundry and shopping – are more tiring than other jobs. Another is that because these routine tasks often need to be done just before or after work, it is the timing of housework that matters.

Women in couples tend to have housework that needs to be done at times that may interfere with paid work, notably late afternoons. During these periods, single women and both single and partnered men are usually still at work. It is likely that the relative inflexibility of housework for women in couples reduces their availability in the labour market. By contrast, the typical housework done by men in couples – repairs and gardening – can usually be put off to the weekend.

Overall, the research finds that housework lowers wages. But the results also suggest that the type and timing of different household tasks are as important as the total time devoted to housework. In the short term, a redistribution of some key housework tasks from women to men within couples would probably lead to a modest reduction in the gender wage gap.

But the longer-term effect could be substantially larger if lower housework burdens changed women's orientation towards the labour market, encouraged them to invest more in their careers and gave them access to better-paid and more responsible jobs.

Measuring Poverty: Seven key issues

The government is committed to the eradication of child poverty and the reduction of pensioner poverty. So it is important to agree on who is living in poverty and who is not.

The official counts focus on households whose normal cash income is below 60% of this year's average (median). An ISER research and policy conference organised as part of the ESRC's *Festival of Social Science* in March 2008 debated seven key issues raised by independent researchers:

- *Non cash incomes* – Holly Sutherland
- *Longer-term perspectives* – Noel Smith
- *Budget standards* – Donald Hirsch
- *Comparisons over place and time* – Ray Pahl
- *Expenditure* – Andrew Leicester
- *Distribution within the household* – Fran Bennett
- *Deprivation indicators* – Richard Berthoud

The conference was attended by 100 academics, policy-makers, pressure groups, policy commentators and journalists. John Hills, director of the Centre for the Analysis of Social Exclusion and a member of the Pensions Commission, and Lisa Harker of the Institute for Public Policy Research, commented on the issues raised.

Measuring Poverty: Seven key issues edited by Richard Berthoud and Francesca Zantomio is available here: http://www.iser.essex.ac.uk/conferences/efss08/docs/briefing.pdf

Time use

Data on how people spend their time play an important role in social science research

Time use data – which record in detail how individuals spend their time over the course of one or more days – play an important role in social science research. They are revealing indicators of social trends, and have been used to study how different social groups structure their daily lives. ISER researchers and research associates have been investigating a range of issues relating to time use.

Children and parents

Killian Mullan has analysed data from the UK Time Use Survey 2000 to examine parental childcare. As well as addressing issues around the conceptualisation and measurement of childcare, his research presents comprehensive estimates of the total time that parents spend caring for their children, from the perspective of both parents (the 'input measure') and children (the 'output measure').

He uses these estimates to calculate the total monetary value of parental childcare in the UK. This is done by assigning different prices to childcare inputs of different intensities (so that helping a child with his homework is more valuable than watching TV while he runs around the garden) and summing the totals over all households.

The results show that under the input measure, the value of parental childcare in the UK is 3-7% of GDP (for specific childcare activities) and 12-23% (for all activities, including supervision). Under the output measure, the total value is 6-14% of GDP.

Research looking closely at children's time use reveals strong gender patterns, with girls spending more time on domestic work and boys more time playing games. Girls spend a particularly large amount of time doing chores in the company of their mother.

Children tend to spend their time differently when they are in their parents' company than when they are not. The most notable difference relates to TV viewing. During the week, this activity makes up 13% of a child's time not in the company of a parent, compared with 30% of time with or in the same location as their parents, and 35% of time spent doing shared activities with their parents.

Children's time use is positively and significantly correlated with the way that parents use their time when in the company of their children. Fathers' and sons' time use is

correlated across a range of activities, but particularly reading: the longer a father spends reading, the longer his son is likely to spend reading. Fathers do not appear to influence daughters in the same way. Mothers influence both sons and daughters, but the effect is more modest and more gender-neutral between boys and girls.

Policy-makers will benefit from data that record the length of the working week accurately

The finding that fathers' activities are highly correlated with their sons' activities has obvious policy implications in a society where boys are systematically outperformed by girls in educational terms. It may also contribute to an understanding of the differences in achievement between children growing up in one- and two-parent families.

The accuracy of time use data

A new project by Man Yee Kan and Steve Pudney aims to estimate measurement error in the two main types of time use data. The first is 'stylised' time use data, which are collected in survey interviews where respondents are asked to provide a quick estimation of the 'usual' time they spend on a particular activity such as housework or paid work. Such questions can readily be incorporated into a large-scale survey. They are particularly useful for studying changes within individuals' lives over a long period.

A second type of time use data is collected with the help of a self-completion diary. Diary data are likely to contain more accurate time use estimates than stylised data. They are less likely to contain 'social desirability' error, where, for example, respondents report inaccurately so as to portray a more socially favourable self-image. But keeping a diary is burdensome, and panel surveys therefore usually collect stylised, rather than diary, time use data in order to minimise attrition.

Is it possible to incorporate the advantages of time diary data into a large-scale panel survey? A first step towards answering this question is to understand the errors in the data collected by the two methods. By comparing diary-based and stylised housework time estimates collected from the same respondents in a UK national survey, Kan finds that the difference between them depends on the respondents' gender and family attitudes, and whether they have dependent children.

For example, among those with dependent children, both men and women tend to report longer housework time in survey interviews than in diaries. Furthermore, men with more traditional attitudes towards gender roles tend to report longer housework time in surveys than in diaries, but the tendency is reversed among those reporting long hours of housework. These results suggest that certain individuals are more likely to report time use information inaccurately than others.

Kan and Pudney propose innovative methods to examine the size and nature of measurement error in time use data and to assess its effects on common statistical models. They find that both stylised and diary data contain certain measurement errors, but that most errors are random. Their new project will look into the nature of measurement error biases in estimates of paid work time collected by different methods. Both academics and policy-makers have an interest in data that record the length of the working week accurately and efficiently.

Kan and Pudney will compare paid work time estimates collected by the stylised questionnaire approach, one-day diaries, week-long diaries and the 'work-grid' method (a simplified version of the diary approach, which collects week-long working time information with the aid of graphics). They will investigate the advantages of collecting time use data by multiple methods, and make recommendations on methods for collecting time use data in the future.

Research students at ISER

ISER's postgraduate training programme is going from strength to strength. Five students successfully completed their PhDs this year. The increasing number of new students span a growing range of disciplines. The ESRC has awarded ISER 25 quota '1+3' studentships for the three academic years 2008/9 to 2010/11, one of the largest awards to a single department in the UK. There are also three linked '1+3' studentships associated with the new MiSoC programme.

Students interested in postgraduate work at ISER should go to: http://www.iser.essex.ac.uk/opportunities/pg/studentships.php

The UK Household Longitudinal Study

The new survey will be much larger than the BHPS and incorporate major innovation

The ESRC has commissioned ISER to develop and manage the UK Household Longitudinal Study (UKHLS), a major new household panel survey. Although similar in structure to the British Household Panel Survey (BHPS), the new project will be much larger (with a target sample size of 40,000 households) and incorporate major innovations in subject coverage, types of data collected, interviewing methods and data handling procedures. The following two articles highlight important departures: the use of an innovation panel to test methodological approaches; and the focus on ethnicity.

The UKHLS Innovation Panel

The survey includes an Innovation Panel (IP): a nationally representative sample of 1,500 households. The purpose is to develop and test new measures, approaches and methods, in advance of them being used in the main UKHLS. The IP will make it possible to study the effects of various design features and interventions, not only in a single interview, but over multiple waves in a longitudinal survey.

Very little research has been conducted into these longitudinal effects, and the IP thus presents exciting new opportunities for filling large gaps in existing methodological research. Fieldwork for the first wave of the IP was carried out by the National Centre for Social Research between January and March 2008. Subsequent waves will take place at approximately annual intervals to mimic the design of the main survey.

One feature of key interest to the UKHLS is the evaluation of new modes of data collection. The IP will be used to assess the effects of attempting to collect survey data using modes other than face-to-face interviewing, with a sample previously interviewed face-to-face.

There are several reasons to suppose that the context of having been previously interviewed face-to-face might affect the success of approaches in other modes, yet very little work has been done in this area. To address this, IP interviews are being carried out face-to-face in the respondent's home at Wave 1, but the Wave 2 design will involve randomised experiments with a mix of telephone, face-to-face and possibly web interviews, thus providing valuable evidence on the effect of switching from a face-to-face mode to mixed mode design during a longitudinal

panel. Assessment of the success of alternative designs will take into account response rates, costs and data quality. But experimentation is not restricted to Wave 2 of the IP: Wave 1 also includes experiments to test key measures and fieldwork procedures in advance of the main fieldwork. These include split samples that will test:

- The effects on data quality of asking questions with or without show-cards.
- Alternative methods of asking about household consumption and expenditure.
- Alternative methods of asking about benefits and non-employment income to compare the standard sequence with a sequence suitable for administering by phone.
- The effect on subsequent response rates of a shorter versus a longer questionnaire at Wave 1.
- The effect on subsequent response rates of asking for consent to link to administrative data at Wave 1.
- An incentive experiment where three randomised groups receive £5 per interview, £10 per interview, or £5 per interview rising to £10 per interview if there is complete cooperation from all household members.

Analysis of these experiments will guide some key decisions for Wave 1. It will also be possible in due course to assess the impact of the various Wave 1 experiments on attrition at Wave 2 and subsequent waves. A world of methodological discovery awaits!

Ethnicity in the UKHLS

There has been no dedicated national survey of the UK's main ethnic minority groups since 1994, and there has never been a panel survey in which substantial numbers of minority group members have been followed from year to year. Ethnicity has therefore been a core element of the UKHLS from the start. Ethnic diversity and disadvantage, and issues of adaptation, opportunity and inclusion, are of wide general interest and highly salient for research and policy purposes.

The ethnicity strand of the UKHLS will cover these research interests in three ways:

- By obtaining detailed information about all respondents' ethnic background and sense of identity.
- By carrying questions on issues relevant to the experience of the UK's minority groups, and on areas of difference between ethnic groups.
- By means of an over-sample of selected minority groups that will provide sub-samples large enough to enable analysis of these groups separately or jointly.

The design of the ethnicity strand is the special responsibility of a team led by ISER's Lucinda Platt, in collaboration with Heidi Mirza of the Institute of Education.

A widespread consultation on the ethnicity strand began in the early summer of 2007, involving researchers, grass-roots organisations, government departments and public bodies such as the former Commission for Racial Equality. The original plan was to focus discussion on issues of priority content. But participants in the consultation were also interested in discussing which groups should be included in the over-sample, resulting in debate about what constituted a 'group', and which were likely to constitute relevant populations for analysis in years to come.

Issues of 'groupness' were also evident in the questions that people wanted the survey to carry: questions about respondents' social networks, friendships, leisure or community activities and working relationships. Kinship networks of support were also seen as potentially challenging to the standard focus on the household.

Other areas of particular interest were associated with migration, including remittances, the routes by which respondents or their families arrived in the UK, and movements within the UK following migration. There was also concern about respondents' experiences of harassment, discrimination and victimisation; and about the variations between groups in relation to employment, income and assets, mental health and education.

The UKHLS is engaging with a wide range of research agendas of which the ethnicity strand is only one. It will not be possible to ask all the questions identified in the consultation. Nevertheless, a sufficient range will be covered to enable unprecedented understanding of ethnic identities, and the behaviours and experiences of the UK's different ethnic groups over time.

Further information

Details of the research discussed in this report may be found in the following publications, many of which are available free of charge on the ISER website or from ISER's Communications Adviser Romesh Vaitilingam

Research on older people

Estimating the Impact of a Policy Reform on Welfare Participation: The 2001 extension to the Minimum Income Guarantee for UK pensioners by Ruth Hancock, Steve Pudney and Francesca Zantomio, ISER Working Paper 2006-21, May 2006

Disability Benefits and Paying for Care by Richard Berthoud and Ruth Hancock, in *Advancing Opportunity: Older people and social care*, published by the Smith Institute.

Gender, Older People and Social Exclusion: A gendered review and secondary analysis of the data by Emilia Del Bono, Emanuela Sala, Ruth Hancock, Caroline Gunnell and Lavinia Parisi, ISER Working Paper 2007-13, July 2007

Research on health and poverty

Social Dynamics of Health Inequalities by Amanda Sacker, Paul Clarke, Richard Wiggins and Mel Bartley, *Journal of Epidemiology and Community Health*, 2005

Research on fertility

Clash of Career and Family: Fertility decisions after job displacement by Emilia Del Bono, Andrea Weber and Rudolf Winter-Ebmer, ISER Working Paper 2007-33, December 2007

Differences in Delaying Motherhood across European Countries: Empirical evidence from the ECHP by Cheti Nicoletti and Maria Letizia Tanturri, ISER Working Paper 2005-04, March 2005, forthcoming in *Empirical Economics*

Research on life chances

Intergenerational Earnings Mobility: Changes across cohorts in Britain by John Ermisch and Cheti Nicoletti, *The B.E. Journal of Economic Analysis and Policy*, 2007

Research on marital splits and mothers' incomes

Marital Splits and Income Changes: Evidence from the British Household Panel Survey by Sarah Jarvis and Stephen Jenkins, *Population Studies*, 1999

Marital Splits and Income Changes over the Longer Term by Stephen Jenkins, ISER Working Paper 2008-7, February 2008

Research on housework and wages

Does Housework Lower Wages and Why? Evidence from Britain by Mark Bryan and Almudena Sevilla Sanz, ISER Working Paper 2008-03, January 2008

Research on time use

Measurement Error in Stylised and Diary Data on Time Use by Man Yee Kan and Steve Pudney, ISER Working Paper 2007-03, February 2007

The UK Household Longitudinal Study

Assessing the Effect of Data Collection Mode on Measurement by Annette Jäckle, Caroline Roberts and Peter Lynn, ISER Working Paper 2008-08, February 2008

The ethnicity strand of the UKHLS

Longitudinal data resources

BHPS data are released through the Data Archive at the University of Essex.

BHPS documentation is available online.

Keeping Track: A guide to longitudinal resources edited by Kimberly Fisher et al.

For details of the UK birth cohort surveys, see the Centre for Longitudinal Studies website.

For details of training on using longitudinal data provided by ULSC, see ULSC Training Resources

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ISER research themes

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