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**FAMILY AND WORK: WHAT WILL THE SURVEY OF
LABOUR AND INCOME DYNAMICS HAVE TO OFFER?**

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EXECUTIVE SUMMARY

This paper was presented at the Motherhood, Family and Work Workshop Canadian Sociology and Anthropology Association Annual Meeting in Montréal (June 1995).

The Survey of Labour and Income Dynamics (SLID) is a new longitudinal survey, developed by Statistics Canada, that will collect information for six years from a sample of about 15,000 households across Canada. Background information has been collected on factors that have a continuing influence on labour market activity and personal and family well-being, for example, work experience, educational attainment, marital history and children born and raised. These data will be updated annually by information, for the same people, on work or unemployment, further education, family change and income.

This paper describes the empirical data that will be available from SLID to help explain the choices women make in balancing home, family and work aspects of their lives.

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1. INTRODUCTION

The Survey of Labour and Income Dynamics (SLID) is on the point of releasing its first set of microdata. It is therefore an opportune time to examine what the survey will have to offer researchers interested in family and work issues. This is especially true since the survey is designed to shed light on the family contexts in which individual labour market and income transitions occur.

This paper provides a brief overview of SLID, with particular emphasis on its family context data. Then, it discusses some of the research that will be possible as successive waves of the labour and income data become available. Since both the topic of this workshop and the survey's field of observation are very broad, the approach taken is to focus on two possible research areas as examples; even then, the discussion merely scratches the surface. But it will hopefully illustrate the survey's analytical potential and draw out some of the design and content features that may be of value in studies on work and the family.

2. OVERVIEW OF THE SURVEY

SLID's main purpose is to map out the economic fluctuations that individuals and families live through and to look at the impact of many factors -- including family events, receipt of government transfers, and labour market activity -- on economic well-being. To do this, the survey is following the members of about 15,000 households for a period of six years, from 1993 to 1999. Halfway through the life of this panel, a second six-year panel will be selected, doubling the sample size. In 1999, when the first panel ends, a third one will begin. Thus, the survey is designed to continue indefinitely and the rotating, overlapping panels will ensure that the sample remains representative of the population.¹

1 A considerable amount has been written on the objectives, content and analytical potential of the survey, so the description provided in this paper is brief. The reader is referred to

Once a household is selected for the survey, the individuals who form that household (called *longitudinal respondents*) are followed for six years. If they split up and form two or more new households during that period, all are traced and interviewed if possible. They may form new households with people not in the original sample (called *cohabitants*), who are also interviewed². Each year, the survey will record changes in household composition, geographical moves -- which may or may not involve household splits -- and the reasons respondents give for these changes.

In the lifetime of a panel, respondents are interviewed thirteen times. A preliminary interview, conducted at the point of sample selection, collects a range of background variables. One year later, an annual cycle of labour interviews (each January) and income interviews (each May) begins.

SLID opens a six-year window on the life of a person but, to make sense of the activities and events during that period, some historical information is collected. This covers, for example, the number of children born to (or raised by) female respondents and the person's age when her first child was born. For marital history, the survey collects age at first marriage and the duration of the marital state (married, divorced, or whatever it happens to be) in progress at the beginning of the survey period. For those living common-law at the outset, the duration of the common-law relationship is asked. These data will allow us to measure the relative stability of common-law unions and marriages. Dibbs (1995) notes that in January 1993 (at the beginning of the panel), among persons aged 25 to 34, half of the married people had been married for six years or longer, while only one-quarter

Labour and Income Dynamics: Survey Overview, a Statistics Canada unpublished report for a short but informative description.

2 However, cohabitants are not followed if they cease to live with a longitudinal respondent.

of those living common-law had been doing so for that length of time. The demographics are complemented by cultural information, including ethnic origin, country of birth, period of immigration.

The background information also includes variables that can be expected to have an impact on labour market activity and earnings, including years of schooling, degrees and diplomas, and major field of study. As well, a series of questions on years of work experience is asked and converted to a measure of total experience in full-time, full-year equivalents.

Every year, the person's labour market activities, family events and income are updated. The labour market variables include spells of employment and unemployment, the characteristics of any jobs held during the year (hours worked, industry, occupation, union membership, firm size, wages, and so on), and work absences.

The organisation of the survey content and a list of the main variables are presented in appendix.

3. LIFE CYCLE RESEARCH

The term *life cycle* is used here to denote the sequence of family events that characterize an individual's path or trajectory through life. O'Rand and Krecker (1990) refer to "life course" research, noting the shift away from the traditional family life-cycle model and increased attention to heterogeneity of timing, sequencing and synchronization. One example of life course research they note concerns the impact of the timing of marriage and childbearing on transitions in family life and work. It is this type of research that concerns us here.

What can be done in this area using six-year panel data? As George (1993) indicates, sociological research applications concerned with life course often deal of necessity with life transitions (in contrast to full trajectories) because of the absence of longitudinal data covering very long periods. From this perspective, SLID's strength will lie in its ability to bracket transitions, and this is a key aspect of the three topics discussed below.

3.1 Family dynamics

Cross-sectional data on family composition and marital status do not measure change in Canadian families, but SLID will allow direct measures analogous to labour market gross flows or job turnover rates. For example, in the course of a year what proportion of individuals experience a change in their family living arrangements? What is the nature of the change? (These are such basic questions, one might well wonder that the answers are not already in the public domain, as well-known as the unemployment rate or the consumer price index!)

One can hypothesize many possible connections between family changes and labour market events, and the data on family dynamics will allow us to gain some understanding of how the two interact.

A number of variables have been expressly included in the survey to help in the understanding of family dynamics. If a change of residence occurs, for instance, the reason for moving is asked of departing member(s). Reasons such as "marital breakdown", "job-related reasons" or "to follow a spouse or parent" are listed so we have detailed information on why women would change residence. Also, the survey collects "detailed household relationships" -- in essence, a matrix that explicitly describes the relationship between any two household members and thus allows us to identify (for example) the biological relationships in a blended family.

This is more precise than the information conventionally collected in large household surveys, where the norm is to describe the relationship between household members and one particular reference person.

Some information on family dynamics will be available when SLID's first microdata become available. The dataset will include both the January 1993 preliminary interview and the first wave of labour and income data collected in 1994. Changes in household composition that occurred during 1993 will thus be captured.

3.2 Family and work transitions

Using the example of comparing retirement incomes of men and women, George (1993) notes that the gender differences with respect to the determinants of retirement income (e.g., total years worked, lifetime earnings) can best be understood if one accounts also for events and transitions in the family life domain. In other words, it is instructive to observe "transitions in multiple domains".

There is a basic design feature of SLID that will help in this regard, namely the fact that it is a *longitudinal* survey that covers *full* households. Often, longitudinal surveys focus on a particular person in the household and offer at best summary information on other family members. In the SLID case, variables are the same for all household members 16 and over (except that persons over 70 do not answer labour market activity questions). This symmetry will allow us to examine labour market events and outcomes in the light of activities and characteristics of other family members.

There is an interesting parallel between this research direction and the shift towards social policy integration. The desire for integration is evident in the

creation of a single federal department with a broad social and labour market policy mandate, and in the scope of such public documents as *Agenda: Jobs and Growth*. Although the data may be complex and difficult to handle, there is little doubt about the value of research that improves our understanding of the links between a person's actions and experiences in the labour market and his or her family context.

In a similar vein, it will be possible to consider job transitions in the light of family events. For example:

- When a dual-earner family moves (intact), does one partner lose out in terms of hours worked or wages? What happens to total family income?
- Is the decision to launch a new business conditioned by the family's income (amount or stability) from other sources?

3.3 “Time out” to have or raise children

The survey will capture work absences or temporary labour market withdrawal associated with childbirth or child-rearing. The six-year window is too narrow to bracket “care and nurturing leave” lasting many years *and* analyse the long-term outcomes but for shorter absences, it should be possible to perform rigorous analyses of the impacts. For example, what are the wages, working hours, work schedule and other job characteristics before and after the non-working spell? How do women taking these absences fare with respect to promotions, compared with women who do not? Are the outcomes very different depending on whether a woman takes a leave of absence or separates permanently from a job to have or raise a child?

Also, regardless of the duration of the non-working spell, one can study labour market re-integration patterns, including duration of unemployment upon re-entry,

the different re-entry patterns (gradual or abrupt) and work arrangements upon return to work.

3.4 Aging and retirement

On the boundary between research on aging and research on the meshing of work and family roles lies a fertile zone: the position of women approaching retirement, including their expected financial security in later life.

Lifetime work experience is an important determinant of pension income. Based on SLID's preliminary interview, women aged 45 to 69 have radically different average years of work experience, according to whether or not they had raised children. Those who have raised children have accumulated, on average, the equivalent of 15.4 years of full-time, full-year paid employment. For women who had not raised children, the average is 26.5, much closer to the 32.7 years for men aged 45 to 69 (Lathe and Giles, 1995). For women now under age 35, the expected picture may be quite different, but there remains a large "in between" group where access to pension income will be an issue and the survey may provide a useful base for very topical research.

Because the survey is collecting detailed income data, it will be possible to look at the composition and amount of income of recently retired women, in relation to their work experience. It is also possible to look at age of retirement in relation to annual earnings and years of experience.

4. EQUITY AND JOB QUALITY RESEARCH

SLID collects a substantial amount of information on all jobs held throughout the six-year period (see appendix). It may therefore contribute empirically to research

concerned with workplace equity and job quality. Some of the topics considered below are not inherently longitudinal, but the availability of longitudinal data may improve our understanding of the mechanics and processes involved.

4.1 Wage gaps

In 1993, when the first panel began, women's average hourly wage was 78% of the average for men. Years of schooling, major field of study, years of work experience, total annual hours worked, age, province, and marital status accounted for only 12% of the difference (Coish and Hale, 1995). In addition to the questions on work experience, future information from SLID's annual labour interview will collect information on supervisory and managerial responsibilities. It will be interesting to see what impact these variables have on the gap.

We can also ask what impact family context has on some of the variables that contribute to gender wage gaps. For example, what impact does job tenure have on wage and, in turn, what is the effect of having a child on tenure and what happens to wage? Even among full-time workers, variations in total annual hours worked have an effect on wage rates (Wannell and Caron, 1994). What are the effects of family characteristics on total annual hours?

4.2 Occupational mobility

To provide some understanding of how wage gaps arise, one might look at micro-level information on occupational change, including changes in duties, in managerial responsibilities or in wages while with the same employer, and shifts to a different employer. Among the possible research questions will be what impact family events and characteristics have on occupational mobility.

The detailed information on educational background and work experience will also provide useful controls in studies of occupational mobility.

4.3 Hours of work

Working hours have undergone important secular changes. One study divides the 20th century into three broad stages: hours reduction, then stabilization and finally, in the last decade or so, polarization (Sunter and Morissette, 1994). One of the consequences of polarization of working time has been increased inequality of earnings (Morissette, Myles and Picot, 1993). To what extent has polarization in the working hours of women occurred along lines defined by family context? For some women, as noted by Sunter and Morissette, below-standard hours are a matter of choice, intended to allow time for family responsibilities. For others, clearly they are not. Nearly one-half of all multiple jobholders are now women -- the increase in moonlighting over the past few decades has been much more rapid for women than for men (Cohen, 1994). With SLID, it will be possible to follow individual working hours trajectories over an extended period since the survey collects working hours data on all jobs the person works for during the year and, for each job, changes of schedule within the year are noted. The reasons for irregular schedules and part-time work include caring for own children, elderly relatives and other personal and family responsibilities. Among other things, one can examine these changes in the light of family events and of labour market changes affecting other family members.

Apart from the number of hours, there are some interesting issues surrounding work arrangements. According to one study, mothers who work flexible hours have a lesser degree of stress associated with work and family responsibilities than those mothers who don't have this opportunity (Stone, 1994). Another study reveals that over one quarter of women in dual-earner families with children under

six works an irregular schedule (Marshall, 1993). How long do these work arrangements persist? What are the outcomes, in family and labour market terms?

5. CONCLUSION

This paper has described a few of the research applications that will be possible with data from the new Survey of Labour and Income Dynamics. First results from the survey will become available later in 1995, and each year, the pool of information on labour market activities, income and family changes will grow. Particularly in the early years, the availability of background data relating to marital history, educational background, work experience and so on, will hopefully prove to be useful in understanding the events being captured year by year.

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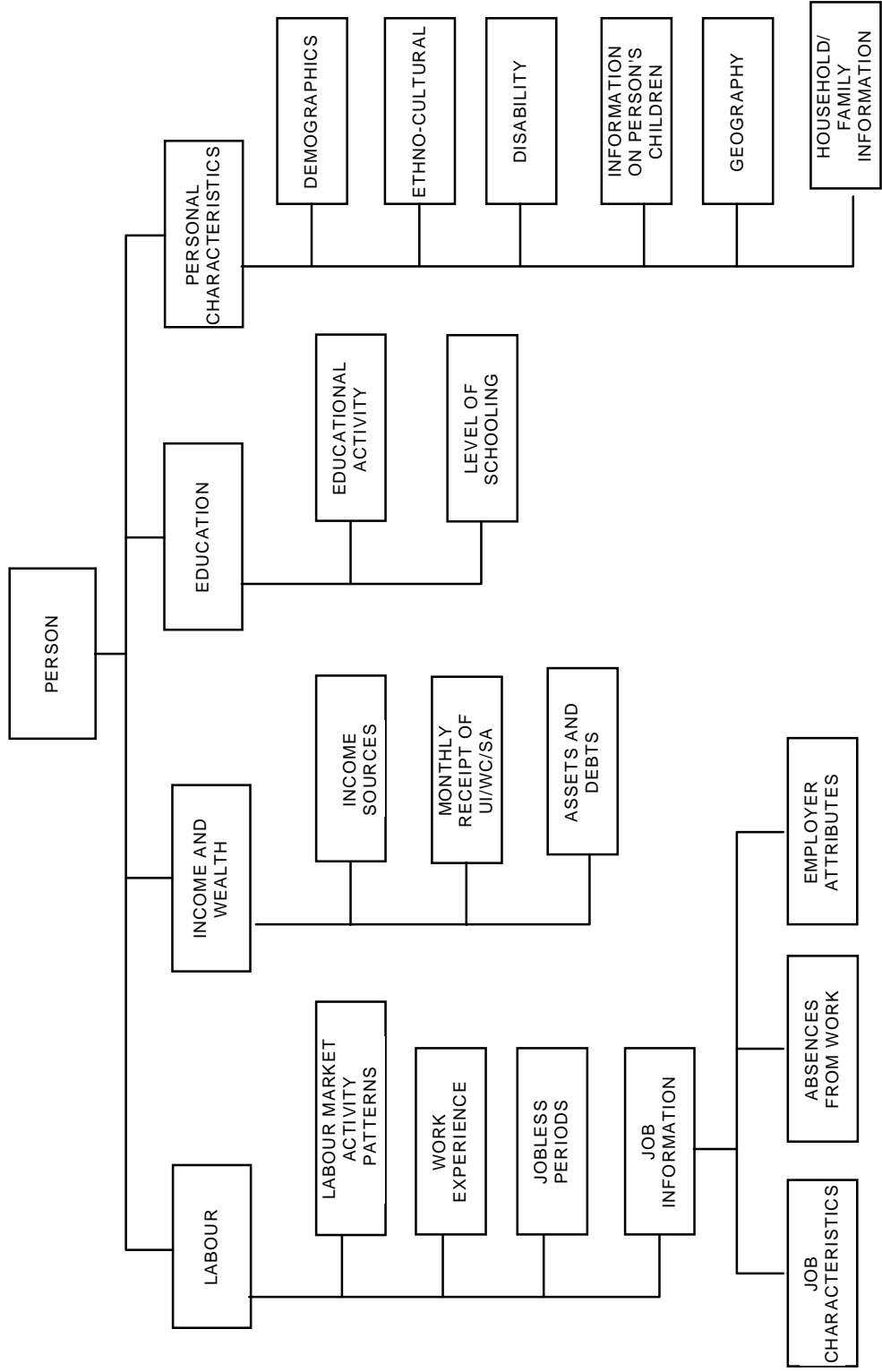
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APPENDIX

SURVEY OF LABOUR AND INCOME DYNAMICS: ORGANIZATION OF CONTENT



Partial List of Variables

I. Labour

Nature and pattern of labour market activities

- spells of employment and unemployment (start and end dates, durations)
- weekly labour force status
- total weeks of employment, unemployment and inactivity by year
- multiple job-holding spells
- work absence spells

Work experience

- years of full-time and part-time employment
- years of experience in full-time, full-year equivalent

Characteristics of jobless spells

- job search during spell
- dates of search spells
- desire for employment
- reason for not looking

Job characteristics (all characteristics updated each year and dates of changes recorded; collected for up to six jobs per year)

- wage
- work schedule (hours and type)
- benefits
- union membership
- occupation
- supervisory and managerial responsibilities

- class of worker
- tenure
- first date ever worker for this employer
- how job was obtained
- reason for job separation

Characteristics of work absences lasting one or more weeks (collected on first and last absence each year, for each employer)

- absence dates
- reason
- paid or unpaid

Employer attributes

- industry
- firm size

II. Income and wealth

Personal income

- annual information on about 25 income sources
- total income
- taxes paid
- after tax income

Receipt of compensation (whether benefits were received from each source and, if so, in which months)

- Unemployment Insurance
- Social Assistance
- Worker's Compensation

Assets and debts

Information might be collected once or twice in life of panel on roughly 20 asset and debt categories.

III. Education

Educational activity

- enrolled in a credit program, months attended
- type of institution
- full-time or part-time student
- certificates received

Educational attainment (updated annually)

- years of schooling
- degrees and diplomas
- major field of study

IV. Personal characteristics

Demographics

- year of birth / age
- sex
- current marital state and date it began
- year/age at first marriage

Ethno-cultural

- ethnic background
- member of an Employment Equity designated group
- mother tongue
- date of immigration
- country of birth
- parents' schooling

Activity limitation

- annual information on activity limitations and their impact on working
- satisfaction with work

Information on person's children

- number of children born, raised
- year and person's age when first child born

Geography and geographic mobility

- economic region or CMA of current residence
- size of community
- moved during year
- move dates

- reason for move
- nature of move (full household/household split)

Household and economic family information (annual summary information, e.g., size, type)

- key characteristics of other individuals in household (e.g., age, sex, relationship, income, annual hours worked)
- household/family size and type
- family income
- relevant low-income cutoff
- family events (separation, death, birth)
- dwelling type and tenure