

## Unemployment and the wellbeing of children aged 5 to 10 years

Research has long shown that unemployment can negatively impact on individuals in a range of ways. Not only are there financial implications, unemployment can also affect people physically and emotionally. These negative effects are also likely to affect children. This is either because of the negative financial impact of unemployment

or because of the effect of unemployment on parental mental health and parenting.

A lack of paid employment is the most important cause of child poverty in Australia, and is associated with problems like poor health, higher risks of disability and lower educational attainment, skills and raises the risk that children may grow up to be jobless.<sup>1</sup>

This research snapshot, prepared by The Benevolent Society, presents the key findings of a study undertaken by the Australian Institute of Family Studies about the potential impact of an increase in the unemployment rate on children's behavioural and emotional problems. The study focuses on New South Wales children aged 5 to 10 years and examines the extent to which the negative impacts are concentrated in particular geographic areas. For a full copy of the report, Unemployment and the wellbeing of children aged 5 to 10 years, visit [www.bensoc.org.au](http://www.bensoc.org.au) or [www.aifs.gov.au](http://www.aifs.gov.au).



### KEY POINTS

- Australia has a relatively high proportion of households with children that are jobless compared to most other OECD countries and family joblessness is the most important single cause of child poverty in Australia.
- Living in a jobless family is estimated to increase the probability that a child will have behavioural or emotional problems by 13% compared to living in a family with one or more employed parents.
- An increase in the proportion of children living in jobless families, is predicted to increase the number of children with behavioural or emotional problems in the clinical range.
- Areas with the largest numbers of children aged 5 to 10 years would be expected to experience the greatest increase in the number of children negatively impacted by family joblessness.
- Government policies need to be in place to reduce the rate of family joblessness and minimise the potential negative effects on children of living in jobless families.
- Investment needs to be targeted at vulnerable geographic areas, where there are high numbers of children.

## THE AIMS

The study explores an important, but not well understood, question - What impact is an increase in family joblessness likely to have on children's wellbeing and are there differences between geographic areas? The study specifically looks at the impact on behavioural and emotional problems of NSW children aged 5 to 10 years.

At the time the research for the report commenced it was projected that the Global Financial Crisis (GFC) would lead to Australia's unemployment rate increasing substantially. Fortunately it appears that Australia has avoided a major increase in unemployment with unemployment appearing to have peaked at six per cent in June 2009.

It is important to note, however, that while unemployment did not increase as predicted there is still a large number of children living in jobless families at any one time. In 2007/08, 13% of Australian children were living in a household without an employed parent<sup>3</sup>.

**Unemployment** refers to those who are seeking and are available for work.

**Family joblessness** is where all working age adults are without employment<sup>2</sup>. This would include single parent families where the parent is not in the labour force.



## METHODOLOGY

Data from the first three waves of *Growing Up in Australia: The Longitudinal Study of Australian Children* (LSAC) were used to estimate the impact of living in a jobless family on the likelihood of NSW children aged 4 to 5 years to 8 to 9 years of age experiencing a range of behavioural or emotional problems. The results of the analysis of the LSAC data were combined with information from the 2006 Census on the number of children in each Statistical Local Area (SLA) to estimate the impact of changes in the unemployment rate on the proportion and number of children who experience behavioural or emotional problems.

## Acknowledgments

The report was written by Matthew Taylor, Senior Research Officer, Ben Edwards, Senior Research Fellow, and Matthew Gray, Deputy Director (Research) at the Australian Institute of Family Studies (AIFS).

## The Benevolent Society

The Benevolent Society is Australia's oldest charity. Established in 1813 we have been caring for Australians and their communities for nearly 200 years. We are a secular, non-profit, independent organisation working to bring about positive social change in response to community needs. Our purpose is to create caring and inclusive communities and a just society.

## THE FINDINGS

The study found that living in a jobless family increased the likelihood that a child would experience a range of behavioural or emotional problems by 7 to 13%, specifically:

- Conduct problems such as lying and fighting increased by 13.4%
- Peer problems such as not forming positive relationships with peers, being bullied increased by 7.6%
- Emotional problems such as worrying, nervousness increased by 7.5%
- Hyperactivity problems such as being restless, easily distracted increased by 7.2%<sup>4,i</sup>.

The study went on to examine what the impact on children would be if NSW had experienced an increase in the unemployment rate similar to that of the 1990s recession. The findings suggest that this would have led to a 0.8% increase in

the number of children with behavioural and emotional problems in the clinical range. This percentage may seem small but it is equivalent to an additional 3,095 NSW children aged 5 to 10 years experiencing problems.

About six percent of the NSW population are aged 5 to 10 years of age and a similar percentage are aged 0 to 4 years and 10 to 14 years. If we assume that the risk of behaviour problems is similar for these age groups, the findings become even more significant. That is, if unemployment increased to the level of the 1990s recession, an additional 9,000 children in NSW would potentially experience behavioural and emotional problems.

The study found the areas that had the greatest number of children at risk of behavioural or emotional problems were confined to high population areas, with large numbers of children aged 5 to 10 years, around Sydney, Newcastle and Wollongong. Blacktown South West had the highest projected increase followed by Canterbury, Penrith West, Blacktown North and Warringah.



i. Child behavioural and emotional outcomes are measured using the Strengths and Difficulties Questionnaire (SDQ) (Goodman, 1997).

## IMPLICATIONS FOR POLICY

### Investing in long term solutions to unemployment

- If we are to improve Australia's future productivity, and the wellbeing and life chances of Australia's children, governments need to invest in long term solutions to joblessness such as education, training and job creation and focus efforts on the most

vulnerable geographic areas, where there are high numbers of children.

### Supporting children and families experiencing disadvantage

- Governments need to minimise the negative effects on children and families who are currently affected by joblessness. There needs to be ongoing funding for programs that support children living in vulnerable families.

## The Benevolent Society's role in supporting families

The Benevolent Society is involved in a number of important initiatives that support vulnerable families, including families experiencing joblessness. Two of these programs have been recently evaluated and show promising results.

### Brighter Futures

The Brighter Futures early intervention program, which is funded by the NSW Government, provides targeted support to vulnerable families with young children in NSW who are at risk of being abused or neglected. By providing early support, Brighter Futures aims to help prevent problems from escalating to crisis point.

The evaluation of the program found that around 75% of families in the program rely on government benefits as their main source of income. Nearly half of all fathers are unemployed and 86% of lone-mother households are jobless households.

The evaluation report shows that Brighter Futures is making a real difference for the children in these families: risk of harm reports to Community Services decreased, child behaviour improved, and there were improvements in family cohesiveness and parenting practices.

### Communities for Children

Communities for Children, a federally funded prevention and early intervention program in disadvantaged communities, also demonstrated positive outcomes around employment. The national evaluation found that there were fewer children living in a jobless household as a result of the program. It also demonstrated positive changes in parenting skills and parental self efficacy.

For more information about these programs, visit [www.bensoc.org.au](http://www.bensoc.org.au)

## References

1. Whiteford, P. Family joblessness in Australia. SPRC Newsletter, Number 102, May 2009.
2. Taylor, M., Edwards, B. and Gray, M. Area level unemployment and children's development in NSW. *Presentation at AIFS conference*, July 2010.
3. Australian Bureau of Statistics, Family, community and social cohesion, 2010.
4. Goodman, R. (1997) The Strengths and Difficulties Questionnaire: A research note. *Journal of Child Psychology and Psychiatry*, 38, 581-586.