

Single parents – single outcomes?

While European countries are becoming increasingly unequal, some household types consistently report lower economic outcomes than others. One such group is single parent households.

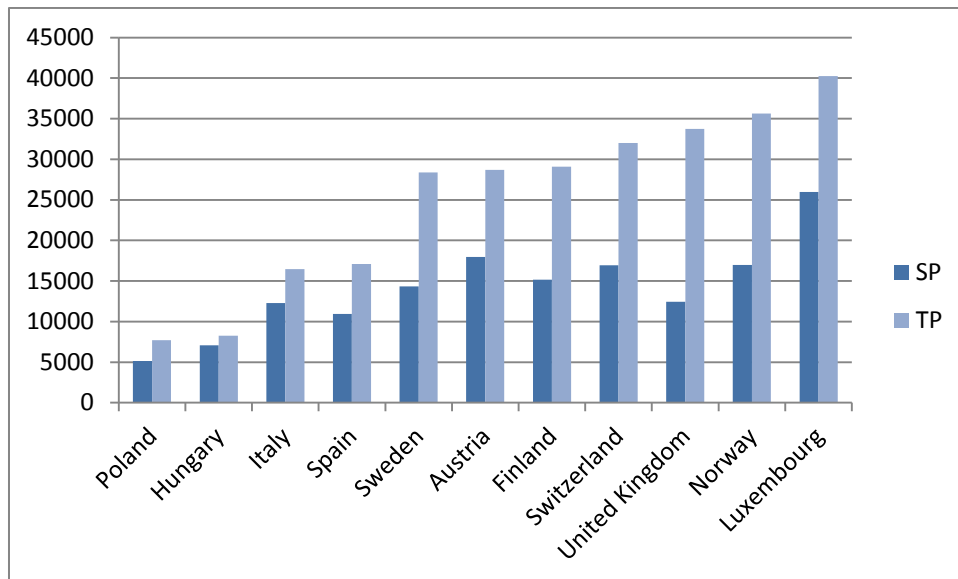


Figure: Market incomes of single parent households (SP) and two-parent households (TP), 2005 PPP adjusted Int\$, year 2004. Data: LIS.

Single parents earn around 60% of other parents – after controlling for household size. While there may be many reasons for this, the explanation is probably linked to the relative low economic outcomes of women in general. Other personal characteristics of the single parent may also be important, such as age, education level, the number of children and so on.

The low relative incomes of single parents are substantially improved by the welfare state. Transfers, and to a lesser degree taxes, are of particular benefit to single parent households. But not all redistribution is done in cash, as a number of private goods are typically publicly provided. Such goods include health care, education and in some cases also child care.

In my thesis I seek to evaluate the economic outcomes of single parents in Europe, including income both in cash and in kind. As single parent households have come to make up around 10% of all households, their economic wellbeing should be of great interest to society. This is particularly true considering the large number of children residing in these households. Previous studies suggest that childhood poverty can have effects on outcomes later in life, thereby ensuring that the economic welfare of single parent families is important both in the short and long run.

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