Chapter 8 Economic wellbeing of families

Key statistics at a glance

Economic hardship

- In 2006, 53.7 per cent of dependent children lived in households with an equivalised income\(^1\) of less than $600 per week.
  - A higher proportion of Aboriginal children (82.7%) compared with all children (53.7%) lived in households with an average income less than $600 per week.
  - The proportion of children living in lower income households is higher for children living with one parent (85.9%) compared with children living with two parents (46.0%).
  - The NSW areas of Far West, North Western and Mid-North Coast had higher proportions of children living in households with an average income of less than $250 per week compared with the state average.
  - Within Sydney, the Canterbury–Bankstown, Fairfield–Liverpool and Central Western Sydney areas had higher proportions of children living in families where the average weekly income was less than $250.
- In 2007–08, the median equivalised disposable household income for all households in NSW was $676 per week.
- In a 12 month period between 2007 and 2008, 6.3 per cent of parents said there were times when they had run out of food and could not afford to buy more (food insecurity).
  - There has been no significant change in this proportion between 2001 and 2007–2008.
  - A higher proportion of parents living in rural areas (7.5%) compared with those living in urban areas (5.7%) reported food insecurity\(^2\).
  - The most commonly reported method for coping with food insecurity for families were cutting down on the variety of foods the family eat (42.3%), followed by asking for help from relatives (32.6%).

Access to adequate housing

- In 2006 approximately 14.1 per cent of private households with children in NSW were
overcrowded[3]. The rate for households with Aboriginal children was higher at 17.0 per cent.

In 2006, 0.5 per cent of all 0–18 year olds were homeless, this equated to 7,902 children.

- Of the total homeless population in NSW, 18.2 per cent were aged 12–18 years (mainly living on their own) and 10.6 per cent were children under 12 years who were with one or both parents.
- Children aged 12–18 years were most at risk of homelessness, with eight in 1,000 homeless in 2006. This compares with three in 1,000 children under 12 years.
- A higher proportion of homeless children were female (53.4%) compared with males (46.6%).

**Introduction**

A family’s economic situation is determined by a range of factors with regular adequate income identified as the most important determinant. Children living in low income families are at risk of poor health, poor educational outcomes, lack of appropriate housing, family stress and breakdown and antisocial behaviour, including crime (AIHW, 2009; Barnett, 2008; Heady & Verick, 2006; Shore, 1997).

In recent research, NSW children discussed the emotional cost of not having enough money for a reasonable standard of living (CCYP, 2007). This included concerns for family members, labelling, shame and exclusion. The negative impacts of poverty on children are most keenly felt in relation to their social relationships and ability to participate in social activities. These findings are supported by Redman who reported that the major concern of children who are economically disadvantaged is being excluded from activities and the embarrassment this can cause (AIHW, 2009:86).

Research suggests that the timing, depth and duration of income poverty are important considerations in assessing the effect of poverty on children’s outcomes, with persistent or severe poverty having stronger negative effects (Brooks-Gunn & Duncan, 1997; Duncan & Brooks-Gunn, 2000; Mayer, 2002). Experiencing poverty during the early years has a greater impact on children, particularly on educational outcomes, than experiencing poverty during middle childhood or adolescence only (Brooks-Gunn & Duncan, 1997; Duncan et al., 1998). Duncan and Brooks-Gunn (2000) argue that cognitive development is affected by the depth of poverty, with the worst outcomes seen among children who are extremely poor. Others suggest that it is changes in income levels, rather than income levels per se, that impact on emotional outcomes (Phipps & Lethbridge, 2006).
In recent years there has been a shift away from a one dimensional approach related solely to income poverty, to multi-dimensional approaches that consider issues of social rights, social exclusion and social participation, together with income and material deprivation (Kingdon & Knight, 2003; Spicker, 2007, Saunders, 2007). This approach supports the view that children who live in income-poor households may not necessarily be the most disadvantaged. For example strong and supportive relationships with family and friends can act as a buffer for some children against the impacts of poverty.

In Australia, inadequate income is generally accepted as a useful indicator of child poverty. However, the need for indicators which are more directly focused on the experience of children has been acknowledged. In Australia work on deprivation has attempted to address this need (Saunders, 2007). Recognising this, this chapter focuses on families’ household income, experiences of food insecurity, overcrowding and homelessness.

The information is provided as a resource for policy and research professionals working in both government and non-government settings who may or may not have detailed knowledge about the economic well-being of families. Since the purpose of reporting on this data is to help inform the development of policy and service delivery responses, a deficit approach is taken in preference to a strengths-based one. While deficit measures miss the positive aspects of children’s lives, such reporting is intended to assist policy makers to target their efforts at addressing both equity and efficiency concerns.

Economic hardship

Household income

Given that most children are dependent on their family, household income is important to their financial security (Muir, et al., 2009). Household income can affect children’s educational and developmental opportunities (ARACY, 2008) and is closely related to parental employment, see Chapter 3: Family Diversity.

Income is normally received by individuals, and then shared between family members. Larger households usually require a greater level of income to maintain the same material standard of living as smaller households, and the needs of adults are usually greater than the needs of children. To reflect this, income distribution is analysed using the concept of ‘equivalised income’. Equivalised household income is an indicator of the economic resources available to each member of a household. It can therefore be used for comparing the situation of individuals as well as comparing the situation of households.

The Australian Census of Population and Housing provides data on the gross household and
individual income in NSW. The statistics are based on the responses provided by individuals to the standard questions on income asked in the Census.

The Census collects information on all persons in Australia. It is important to note that a substantial proportion (12.5% of NSW children) of Census records did not record the household income of families with dependent children due to non-response. It is not possible to accurately assign the household income of these families from the Census data. The ABS advises care when interpreting the Census counts on the household income of families (ABS, 2006). Further information can be found in Appendix 1: Key survey sources and data reports.

In 2007–08 the median equivalised disposable household income for all households in NSW was $676 per week (ABS, 2009). The ABS data groupings provided from the Census do not allow a comparison to be made against this. The closest ABS Census grouping to the median equivalised disposable household income is $600 per week. This is likely to result in fewer children and households being identified in the lower income group and more in the higher income group. Further, the data groupings do not allow for an analysis of ‘low income households’ (defined as households in the second and third income deciles).

In 2006, 46.3 per cent of all children lived in households with an average income of $600 or more per week, and 53.7 per cent lived in households with an average income less than $600 per week (Table A8.1 XLSX 260.8KB)).

A higher proportion of Aboriginal children lived in households with an average income less than $600 per week (82.7%). In contrast, 1.5 per cent of Aboriginal children lived in households with weekly incomes of $1,300 or more compared to 9.1 per cent of all children (Figure 8.1) (Table A8.1 XLSX 260.8KB)). This finding is supported by other research which shows that a greater proportion of Aboriginal households experience economic hardship than average (DPMC, 2008).

Figure 8.1: Families with dependent children, equivalised weekly household income, by Aboriginality, NSW, 2006
Children living in one parent households had on average a lower household income than children living with two parents. In 2006, 85.9 per cent of children in one parent households had an average income of less than $600 per week compared with 46.0 per cent of children in couple families and 60.9 per cent of children in multiple family households (Figure 8.2)(Table A8.2 (XLSX 260.8KB)). Australian and international research similarly finds that children in one parent families generally have fewer available financial resources (AIHW, 2007).

Figure 8.2: Families with dependent children equivalised weekly household income by family type, NSW, 2006
The NSW areas of Far West (22.6%), North Western (21.0%) and Mid-North Coast (19.8%) had higher proportions of children living in households with an average income of less than $250 per week (Table A8.3 (XLSX 260.8KB)).

The Sydney area had a higher proportion of children living in households where the average weekly income was $1,000 or more (24.8%, compared to 19.8% in NSW as a whole). Within Sydney, Canterbury–Bankstown (24.3%), Fairfield–Liverpool (23.3%) and Central Western Sydney (22.2%) had higher proportions of children living in families where the average weekly income was less than $250. In contrast, the areas where children were most likely to live in households with an average income of $1,000 or more per week were Lower Northern Sydney (53.0%), Eastern Suburbs (49.3%), Central Northern Sydney (46.0%) and Northern Beaches (44.5%) (Table A8.4 (XLSX 260.8KB)).

The Australian Government administers a Parenting Payment to eligible parents to assist with the costs of caring for children. The amount of Parenting Payment an individual is eligible to receive is dependent on an individual’s and their partner’s income and assets. There may be activity requirements related to receipt of payment, depending on when an individual started receiving this payment and the age of their youngest child.

Note: Percentages exclude those where information on household income was unavailable.

Source: ABS 2006 Census of Population and Housing (Table A8.2 (XLSX 260.8KB)).
Some families are also eligible for the Family Tax Benefit (FTB). This benefit is to assist families with the cost of raising children.

Source: www.familyassist.gov.au

### Food insecurity

Food insecurity is defined as irregular access to safe, nutritionally adequate, culturally acceptable food from non-emergency sources (VicHealth, 2005). For children, food insecurity is a likely contributor to failure to thrive and ill health and is also associated with socioeconomic disadvantage (Centre for Epidemiology and Research, 2010).

The NSW Population Health Survey is the most reliable source of information on food insecurity for children in NSW. It is important to note that any study using a survey approach is subject to error and this should be taken into consideration when interpreting the data. The limitations of this survey include non-sampling and sampling errors, and the calculation and reporting of food insecurity by parents and not the child concerned. Further information on surveys generally and information specific to this survey can be found in Appendix 1: Key survey sources and data reports.

The NSW Population Health Survey asks parents or carers of children in the 0–15 years age group: ‘In the last 12 months, were there any times you ran out of food and could not afford to buy more?’ In 2007–2008 6.3 per cent of parents or carers answered yes to this question[5] (Table A8.5 (XLSX 260.8KB)). The NSW Department of Health report no significant difference by a child’s age group.

A significantly higher proportion of parents or carers in rural health areas (7.5%) than in urban health areas (5.7%) experienced food insecurity in the last 12 months (Figure 8.3) (Table A8.5 (XLSX 260.8KB)).[6]

Parents of children in the 5–8 year age group and living in rural areas were most likely to have reported running out of food and being unable to buy more (9.2%); and parents of children in the 0–4 year age group living in urban areas were the least likely to have reported this circumstance (4.0%) (Table A8.5 (XLSX 260.8KB)).

There has been no significant change in the proportion of parents or carers of children aged 0–15 years who experienced food insecurity in the last 12 months between 2001 and 2007–2008.
Figure 8.3: Food insecurity in the last 12 months, parents or carers of children 0–15 years, NSW, 2007–2008

Note: Estimates are based on 5,123 respondents.

Source: NSW Population Health Survey 2007–2008 (Table A8.5 (XLSX 260.8KB)).

Families coped with food insecurity by cutting down on the variety of foods they ate (42.3%) or by asking for help from relatives (32.6%) (Table A8.6 (XLSX 260.8KB)). Coping methods differed by the age of the child. For example, parents of younger children (0–4 years) were more likely to cope with food insecurity by skipping a meal or eating less when compared with parents of older children (9–15 years). Parents of younger children (0-4 years) were also more likely to seek help from relatives than parents with older children (9-15) to cope with food insecurity.

Access to adequate housing

Adequate housing plays a critical role in health, education, employment and safety outcomes for children as well as influencing their emotional security, social inclusion, self-worth and respect (AIHW, 2007; Cassells, McNamara, Wicks, & Vidyattama, 2008; Dockery, et al., 2010).

Overcrowding

While most children live in private housing (see Chapter 3: Family Diversity), this does not necessarily mean their accommodation is adequate or appropriate.
Poor housing conditions, such as overcrowded, temporary, run-down, damp or dangerous accommodation, are associated with low socioeconomic status and unemployment (AIHW, 2007). Such conditions have been found to impact on children’s educational performance (Goux & Maurin, 2005, Harker, 2006) and are also thought to increase the likelihood of household accidents and the transmission of airborne infections, such as acute respiratory infectious diseases (WHO, 1998).

Overcrowding is one measure of access to adequate housing and can reflect the number of families living in poor housing, families living with other families and family breakdown. Overcrowding has also been identified as a precursor for homelessness among children and young people (National Youth Commission, 2008).

There are many ways in which overcrowding can be measured. The Canadian National Occupancy Standard (CNOS) is commonly used in Australia, including as a measure for Aboriginal and Torres Strait Islander housing utilisation. This standard is internationally accepted and considered to be sensitive to both household size and composition. The standard specifies the number of bedrooms required in a dwelling based on the numbers, age, sex and relationships between household members (Cassells, et al., 2008). This section uses a simplified version of CNOS with overcrowding defined as households with three or more people living in a bedsit or one bedroom dwelling; with four or more people living in a two bedroom dwelling; or five or more people living in a three bedroom dwelling. It is important to keep in mind that the perception and reality of overcrowding may be different. For example, a household that is notionally overcrowded using the CNOS may be equipped with sufficient resources to comfortably house all occupants, such as extra bathrooms and food preparation areas.

The Australian Census of Population and Housing provides data on children living in overcrowded households in NSW.

It is important to note that a proportion (5.5%) of Census records did not report the number of bedrooms for private households with children aged 0–17 years due to non-response. It is not possible to determine what proportion of these children were living in overcrowded conditions. The ABS advises care when interpreting the Census counts on overcrowding (ABS, 2006). Further information can be found in Appendix 1: Key survey sources and data reports.

Using the simplified version of the CNOS, in 2006 approximately 14.1 per cent of private households with children in NSW were overcrowded (Table A8.7 (XLSX 260.8KB)).

Figure 8.4: Private households with children that are overcrowded by Statistical Division, NSW, 2006
Households with Aboriginal children were more likely than average to be overcrowded (17.0%) (Table A8.7 (XLSX 260.8KB)). This supports findings from the National Youth Commission which show that Aboriginal children are more likely to experience overcrowding than non-Aboriginal children (Cassells, et al., 2008; National Youth Commission, 2008). Caution should be exercised in interpreting this finding because the measure used to determine overcrowding is subjective and is related to cultural norms (AIHW, 2009; Memmott, Long, & Chambers, 2003). Further research into the housing requirements of Aboriginal and Torres Strait Islander people is needed to inform the development of housing utilisation measures that are specific to the needs and aspirations of Aboriginal and Torres Strait Islander people (ABS, 2010).

Figure 8.5: Private households with children that are overcrowded by Sydney Statistical Subdivision, NSW, 2006
The proportion of children living in overcrowded accommodation varied by geographic area. Within NSW, the Sydney (15.2%) area had the highest proportion of children living in overcrowded accommodation. Other research has also found that children living in Sydney are more likely to experience overcrowding than children living elsewhere in NSW (Cassells, et al., 2008) (Figure 8.4)(Table A8.8 (XLSX 260.8KB)).

Within the Sydney area, Central Western Sydney (27.6%) had the highest proportion of children experiencing overcrowding and Central Northern Sydney (4.9%) the lowest (Figure 8.5)(Table A8.9 (XLSX 260.8KB)).

**Homelessness**

Homelessness is an indicator of extreme poverty which can have significant negative consequences for children. Factors impacting on the likelihood of homelessness are wide-ranging and include both individual and structural issues. Individual issues can include experience of sexual, physical or emotional abuse; family conflict and breakdown; poor mental health and drug and alcohol problems; a disability or an individuals’ personality. Structural problems can include the local labour market, affordability of housing, income support benefits, and the operation of programs and services such as care and protection, juvenile justice and drug and alcohol treatment (Johnson & Chamberlain, 2008 and National Youth Commission,
Negative consequences are greater for children who experience homelessness at a young age or for a prolonged duration (AIHW, 2006; Chamberlain, Johnson, & Theobald, 2007). Homelessness at a young age can also increase the likelihood of entrenched homelessness (Johnson and Chamberlain, 2008).

Bearsley-Smith et al. (2008) found that children who experienced homelessness were more likely to have depressive symptoms, experience family conflict, have early problem behaviours and limited opportunities for family involvement. Homelessness is also associated with poor access to health care, low educational participation, social isolation, substance abuse and poor employment prospects (Grace, Batterham, & Cornell, 2008; Muir, et al., 2009).

Even when children overcome homelessness, they are at increased risk of continued problems such as family violence, broken relationships and drug and alcohol problems (Kirkman, et al, 2010).

In addition to being homeless, a transient lifestyle and frequent moves can negatively affect a child’s sense of security, mood, behaviour, physical health, education and overall experience of childhood (Kirkman, et al., 2010). Kirkman et al. (2010) found that children living in supported accommodation were disconnected from family and friends, and had lost a sense of community. Children living a transient lifestyle also had an expectation of instability.

There are three main sources of statistical data that inform policy in the area: the ABS Census of Population and Housing, the National Supported Accommodation Assistance Program (SAAP) Data Collection, and research surveys of different subgroups within the homeless population. The differences in the definition of homelessness used in these collections and other limitations, including the potential to over or under count homeless people, impact on their ability to accurately count the number of homeless people.

The problem of establishing reliable Census figures for policy purposes is compounded by the fact that the homeless population changes over time (Chamberlain & MacKenzie 2009: 6). New people become homeless and some homeless people return to secure accommodation, so the number of homeless people fluctuates. It is also common for homeless people to move between different forms of temporary accommodation within the same locality, and to move both within and between states.

In 1996 the Australian Bureau of Statistics began a research project Counting the Homeless (CTH) to estimate the homeless population (Chamberlain & MacKenzie 2009; and ABS Catalogue No. 2050.0.55.001). This has since developed into a cooperatively produced national
data collection, involving the Australian Bureau of Statistics (ABS), the Australian Institute of Health and Welfare (AIHW), and RMIT and Swinburne Universities. The ABS recently reviewed the methodology used in the CTH project with the intended outcome of establishing a consistent, transparent and repeatable process for estimating the number of people from the Census who may be homeless, using Census data for 2001, 2006 and to be repeated in 2011, and in future Censuses (ABS, 2011).

The data in this section is drawn from the CTH project data. The main data source for the CTH project was the 2006 Census. This data was supplemented with data from the third National Census of Homeless School Students and the Supported Accommodation Assistance Program (SAAP). The latter enabled various technical corrections to raw Census figures and the production of overall population estimates.

The definition of homelessness that is used is referred to as a ‘cultural’ definition because it uses a shared community standard about the minimum accommodation that people can expect to achieve in contemporary society (Chamberlain and MacKenzie, 1992). The minimum standard for a single person (or couple) is a small rental flat with a bedroom, living room, kitchen and bathroom and an element of security of tenure provided by a lease. Below this minimum 'standard' people are considered homeless and at or above this minimum standard they are considered housed.

This definition has led to the identification of three settings and circumstances in which people should be considered homeless:

- **Primary homelessness**: people without conventional accommodation, such as people living on the streets, sleeping in parks, squatting in derelict buildings, living in improvised dwellings (such as sheds, garages or cabins), and using cars or railway carriages for temporary shelter.

- **Secondary homelessness**: people who move frequently from one form of temporary shelter to another, such emergency accommodation and refuges. Secondary homelessness also includes people residing temporarily with other households because they have no accommodation of their own, and people staying in boarding houses on a short-term basis.

- **Tertiary homelessness**: people who live in boarding houses on a medium to long-term basis. Residents of private boarding houses are homeless because their accommodation does not have the characteristics identified in the minimum community standard such as a separate bedroom and living room; kitchen and bathroom facilities of
their own; their accommodation is not self-contained; and they do not have security of tenure provided by a lease.

In NSW there were 7,902 homeless children aged 0–18 years in 2006, they accounted for just under a third (28.9%) of the 27,374 homeless people in NSW. This equates to 0.5 per cent of all 0–18 year olds (Figure 8.6) (Table A8.28 (XLSX 260.8KB)).

Under the National Affordability Housing Agreement (NAHA), Australian, state and territory governments are working together to ensure people have access to affordable, safe and sustainable housing that contributes to social and economic participation. The agreement provides the framework for governments to improve housing affordability, reduce homelessness and reduce housing disadvantage for Aboriginal people. From 1 January 2009 the NAHA replaced all previous housing and homelessness support agreements between the Commonwealth and the states and territories, including the Supported Accommodation Assistance Program (SAAP) in NSW. The Department of Family and Community Services continues to deliver the SAAP in NSW under the new NAHA.


The National Partnership on Homelessness commits the Australian, state and territory governments to work together to significantly reduce homelessness by 2013. The NSW Homelessness Action Plan 2009-2014 has been developed as part of the NSW Implementation Plan on homelessness and incorporates activities funded under the National Partnership. The NSW Homelessness Action Plan 2009-2014 includes three strategic directions of: preventing homelessness; responding effectively to homelessness; and breaking the cycle, which are aligned with the National Partnership priority areas.


Age and sex distribution

In 2006, 18.2 per cent of the homeless population were aged 12–18 years (mainly living on their own). Almost 11 per cent of the homeless population were children under 12 years who were with one or both parents (10.6%). The NSW rates are similar to the national rate of 21 per cent of the homeless population that are aged 12–18 years and 12 per cent that are under 12 years of age (Chamberlain & MacKenzie, 2009: 6–7).
Children aged 12–18 years were most at risk at homelessness, with eight in every 1,000 homeless in 2006. This compares with three in every 1,000 children aged under 12 years (Figure 8.6)(Table A8.28 (XLSX 260.8KB)).

Figure 8.6: Homeless persons as proportion of the population, by age group, NSW, 2006

Source: Chamberlain and MacKenzie 2009 (Table A8.28 (XLSX 260.8KB)).

In 2006, a higher proportion of homeless children were females compared with males (53.4%; 46.6%)(Table A8.29 (XLSX 260.8KB)).

Females aged 12–18 years account for one quarter of all homeless females (24.9%), compared to males aged 12–18 who account for 13.6% of all homeless men (Figure 8.7)(Table A8.28 (XLSX 260.8KB) & Table A8.29 (XLSX 260.8KB)). This reflects findings from Bearsley-Smith et al. (2008) who reported that female adolescents are at greater risk of homelessness than other population groups.

Figure 8.7: Homeless children aged 0–18 as a proportion of all homeless persons, by sex and age groups, NSW, 2006
While information on homelessness of Aboriginal children is not provided here, research suggests that these children are more likely to experience homelessness, due to a variety of reasons including lack of access to services, involvement in the juvenile justice system, educational disadvantage and unemployment and overcrowding (National Youth Commission, 2008).

Summary

The economic well-being of children plays a key role in their health, education and development and is related to both their own and their parents’ income levels, employment status and educational attainment. The data shows that a large proportion of children are vulnerable to economic disadvantage as a result of their family circumstances. Children living in rural areas are particularly vulnerable, with a higher proportion of families in these areas experiencing low household income and food insecurity.

Further, while the majority of children in NSW live in reasonable housing conditions, a higher than average proportion of some groups of children live in overcrowded households. This is most prevalent in Central Western Sydney and among Aboriginal children. There were 7,902 homeless children aged 0–18 years in 2006. A high proportion of these children were teenagers and female adolescents.
References


the challenge. Melbourne: RMIT University Press.


[1] Equivalised household income is an indicator of the economic resources available to each member of a household. It can therefore be used for comparing the situation of individuals as well as comparing the situation of households.
[2] In this survey, the term urban means the respondent lived in one of the four area health services designated as metropolitan: Northern Sydney & Central Coast, South Eastern Sydney & Illawarra, Sydney South West, and Sydney West. The term rural means the respondent lived in one of the four area health services designated as rural: Greater Southern, Greater Western, Hunter & New England, and North Coast.

[3] Overcrowding is defined as households with three or more people living in a bedsit or one-bedroom dwelling; four or more people living in a two-bedroom dwelling; or five or more people living in a three-bedroom dwelling.


[5] Estimates are based on 5,123 respondents in NSW. For this indicator 48 (0.93%) were not stated (Don’t know or Refused) in NSW.

[6] In this survey, the term urban means the respondent lived in one of the four area health services designated as metropolitan: Northern Sydney & Central Coast, South Eastern Sydney & Illawarra, Sydney South West, and Sydney West. The term rural means the respondent lived in one of the four area health services designated as rural: Greater Southern, Greater Western, Hunter & New England, and North Coast.

[7] The Supported Accommodation Assistance Program (SAAP) has been re-named Specialist Homelessness Services (SHS). The scope of activity under SHS has broadened from SAAP to include all projects funded under the National Partnership Agreement on Homelessness (NPAH).