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Abstracts
Ian Alcock  
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**Adult participation in education in Wales**  
Beliefs about personal efficacy have been shown to be an important determinant of educational outcomes for children. In a similar way, the idea of personal agency is sometimes invoked as a way of understanding how some young people can successfully navigate their way into the labour market and avoid the development trajectories associated with an unfavourable socio-economic background. This paper looks at a different relationship between agency and education, and asks whether agency can explain participation in educational courses for adults aged 25 to 64. Governments increasingly aim to create societies where everyone is engaged in lifelong learning and is continually developing their competitive skills in a knowledge-based economy. Insights are offered into which individuals are responding to this call by government in the case of Wales.  
A derivation from BHPS data of adult participation in formal education within academic years is presented. Participation in formal education among adults aged 25 to 64 in Wales is examined in relation to socio-demographic factors. The development from BHPS variables of a scale to measure agency, understood as an individual's sense of control over their life, is presented. The relationship between agency and participation in education, controlling for socio-demographic factors, is examined. Agency is found to be positively related to likelihood of participation in formal education. The relationship is bi-directional, with participation in education being a significant predictor of agency.

Evelina Bertranou  
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Co-author: Kevin Marsh  
**Lifelong learning and well-being: an analysis of the causal relationship between adult learning and subjective well-being**  
The debate surrounding the use of subjective measures of well-being for policy purposes has intensified in recent years. Many social scientists are arguing that the time is right for policymakers to extend their traditional focus on material well-being and economic development to include the impact policies have on how people think and feel about their lives. This has led to numerous studies investigating the impact of economic and social factors on subjective well-being.  
The advantages of employing well-being measures are numerous. First, they provide a standard measure of effect across policy areas. Second, they represent a complete measure of the effects of policies. Third, they can be used to estimate the monetary value of effects, and thus facilitate cost-benefit analysis. However, the employment of such measures present philosophical, methodological, and logistical challenges.  
This paper demonstrates the use of well-being measures in economic evaluation by exploring the impact on a person's well-being of engaging in lifelong learning. Based on data from the British Household Panel Survey, the relationships between a number of measures of subjective well-being and lifelong learning are estimated by employing regression methods for longitudinal data. These estimates are then used to estimate the economic value of lifelong learning.  
The paper explains the approach, summarises the findings of the research, and discusses the challenges in identifying a causal relationship between lifelong learning and well-being and in estimating its monetary value.
Charlotte Buchner  
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**Education, social background, partner choice and labour market success**  
Educational attainment and social background have crucial impact on individual labour market outcome and explain part of the differences in hourly earnings of Dutch males and females in their thirties (cf. Traag et al. 2006). However, actual earnings will not only depend on ones earnings capacities but also on the family situation that has an impact on both the labour supply decision and the type of job one chooses. In this paper, we analyse the relationship between educational attainment, social background, and spouses resources on the chance to have a paid job and on earnings. The labour division within the household is partly due to cultural factors and individual preferences but will also depend on the earnings capacity of both partners. It is expected that the relative importance of the partners earnings capacities and cultural factors varies with educational background.  
For our analysis we use data from Statistics Netherlands (CBS). The basis builds the Secondary Education Pupil Cohort (SLVO) that started in 1982 with 16,813 pupils who were in their last year of primary education. These pupils were followed until the moment they left full time education. Tests of school performance and non-verbal intelligence were administered in the first year of their secondary education, as well as socio-economic background information about the nature and quality of their families of origin. The dataset has been enriched by register data of the labour market position, income situation, family composition and neighbourhood information from 1999 to 2005. As proxies for the individual and partners earnings capacity we consider the actual hourly earnings, hourly earnings before cohabitation and the income and wealth positions of siblings, parents and parents in law.  
We find that for women the chance to have a paid job strongly depends on the earnings capacity of their partner. The higher the earnings capacity of the partner the lower is the chance to have a paid job. The number of hours does not depend on the husbands earnings capacity, but on the number and age of children in the household. For men the opposite is true; the chance to have a paid job does not depend on his wives earnings capacity. Both for men and women earnings, the chance to have a paid job and the number of hours worked increase with the level of education. The impact of the partners earnings capacity does not seem to vary with educational background, however. For both men and women actual hourly earnings are positively correlated with the wealth of the father in law, suggesting that there is positive assortative mating with respect to unobserved earnings traits.

Lorenzo Cappellari  
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**The dynamics of social assistance receipt: measurement and modelling issues, with an application to Britain**  
We model the dynamics of social assistance benefit receipt in Britain using data from the British Household Panel Survey, waves 1-15. First, we discuss definitions of social assistance benefit receipt, and present information about the trends between 1991 and 2005 in the receipt of social assistance benefits, and in annual rates of transition into and out of receipt. Second, we review potential multivariate modelling approaches especially the dynamic random effects probit models that are used in our empirical analysis and, third, discuss sample selection criteria and explanatory variables. Fourth, we present our regression estimation estimates and interpret them. The final section
contains a summary of the substantive results, and highlights some lessons concerning application of the analysis for other countries and some methodological issues.

**Georgios Marios Chrysanthou**
Universidad Carlos III de Madrid

**Estimating union wage effects in Great Britain during 1991-2003**

Using a dynamic model of unionism and wage determination we find that the unobserved factors that influence union membership also affect wages. The estimates suggest that UK trade unions still play a non-negligible, albeit diminishing, role in wage formation. It appears that the greater impact of unobservables in determining individual union propensity concerning the second period under analysis, versus past unionisation experience, implies that those remaining in unions during (1997-2002) gain most from their sorting decision. The significant contribution of unobserved heterogeneity renders the total union wage differential highly variable across individuals. The endogeneity correction procedure employed yields a discernible pattern of the estimated union wage effect relative to OLS and Fixed effects. This is in line with Robinson (1989a) and Vella and Verbeek (1998) and refutes the pessimistic conclusions reached by Freeman and Medoff (1982) and Lewis (1986) that endogeneity correction methodologies do not contribute to our understanding of the union wage effect puzzle.

**Andrew Clark**
Paris School of Economics
Co-author: Emanuela D’Angelo

**Upward social mobility, well-being and political preferences: evidence from the BHPS**

This paper uses 15 waves of BHPS data to provide an integrated analysis of the roles of both individual social status and upward mobility relative to own parents on job and life satisfaction, preferences for redistribution, pro-public sector attitudes and voting. Both greater individual social status and greater mobility with respect to parents are associated with higher levels of satisfaction. However, this symmetric effect disappears for political preferences. While greater social status is associated with less favourable attitudes to redistribution and the public sector, greater upward mobility is associated with more Left-wing attitudes. These attitudes translate into actual reported voting behaviour. Upwards social mobility produces satisfied Left-wingers.

**Andrew Clark**
Paris School of Economics
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**Winning big but feeling no better? The effect of lottery prizes on physical and mental health**

We use British Household Panel Survey data to explore the exogenous impact of income on a number of individual health outcomes: general health status, mental health, physical health problems, and behavioural variables (alcohol consumption and smoking). Lottery winnings allow us to make causal statements regarding the effect of income on health, as these are largely unanticipated and therefore exogenous. These positive income shocks have no significant effect on general health, but a large positive effect on mental health, supporting recent findings in the literature. This result seems paradoxical on two levels. First, there is a well-known status gradient in health in cross-section data, and, second, general health should partly reflect mental health, so that we may expect both variables to move in the same direction. We propose a solution to the first apparent paradox by underlining the endogeneity of income. For the second, we show that income actually has a negative effect on risky behaviours:
lottery winners smoke more and engage in more social drinking. General health will pick up both mental and behavioural elements, which move in opposite directions following a positive income shock. This paper presents the first microeconomic analogue of previous work which has highlighted the negative health consequences of good macroeconomic conditions.

**Hilde Coffe**
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**Intimate relationship transitions, gender and political and civic participation**
Following from theories on the role of resources, social connectedness and social capital, transitions into and out of marriage can be expected to have an impact on peoples societal engagement. Although it is known that married individuals tend to be more politically involved than unmarried individuals, there has not been much attention for the impact of the transition into marriage, nor has there been any attention for changes in different types of political and civic involvement following the transition into separation or divorce.
This study takes a life course perspective, focusing on marriage and separation as events that alter ones structural position in society and enhance social connectedness and social capital. We hypothesize that the transition into marriage or cohabitation increases peoples political and civic participation, whereas the transition into separation goes together with a decrease in participation.
Furthermore, gender differences are anticipated. Women are socialized toward a role that is more private, whereas men are socialized more strongly toward public roles. Becoming a wife and mother intensifies the pressure on women to specialize in the private sphere. This leads to the expectation that after marriage womens political participation might increase less, or even decrease, compared to mens. Since women generally experience more negative effects of divorce (e.g. in income), we also expect the effective of separation on political and civic participation to be more negative than for men.
Using longitudinal data from Switzerland (Swiss Household Panel, waves 1999 and 2007), we tested whether the transition into and out of marriage and cohabitation changes political and civic participation. Preliminary findings do not confirm our expectations. In contrast to what we had anticipated, the entry into marriage and separation do not seem a key point of change in participation. Yet, gender interaction models show that, compared to men, females transition into marriage has a negative effect on voting frequency and associational membership. The effect of separation on electoral participation and action willingness is significantly more negative for women than for men.

**Peter Dawson**
University of Bath

**Sporting participation and sporting success**
Over the past decade the issue of sport participation has been marked by increasing levels of media coverage and public concern, as well as a growing level of political and social significance. This has been highlighted in a number of recent government policy documents on sport participation in the UK. The UK Government have set an ambitious target of 70% of the population undertaking 5 x 30 minutes of moderate activity per week by 2020 (DCMS / Strategy Unit 2002) and it is claimed that hosting the Olympics can contribute towards this (at present the figure is about 32% of the population). Furthermore the report also makes the claim that, many sports report an
upsurge in interest following international sporting success, particularly when televised
(DCMS / Strategy Unit 2002: 72).
There is however little research linking success in major international tournaments with
sports participation. Using data from both the General Household Survey and the
British Household Panel Survey this study examines the evolution of sporting
participation in the UK over the period 1977 - 2006. Whilst previous studies have
tended to focus on the demographic determinants of demand (Farrell and Shields, 2002;
Downward, 2007; Downward and Riordan 2007) this study focuses on the extent to
which participation is influenced by success in major international tournaments. Finally
the study also offers some insight into the relationship between participation and
spectator demand.

Matt Dickson
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The lifetime earnings premium in the public sector: the view from Europe
The focus of most of the current literature on public-private pay inequality is on
differences in earnings levels, however the public-private differences are equally
marked in terms of earnings mobility, earnings dispersion and job loss risk. Forward-
looking agents care about earnings and job mobility as well as earnings levels, thus an
assessment of the existence of a “public premium” should be based on measures of the
lifetime value of employment in either sector. Using data from the European
Community Household Panel survey, we evaluate the difference in lifetime value of
employment in the public and private sector, taking into account differences in average
earnings, earnings dispersion and earnings persistence. In addition to considering the
effect of observed individual characteristics, such as education and labour market
experience, the estimation strategy allows for unobserved heterogeneity – for example
in terms of “public service motivation” – to influence the dynamics of individuals’
employment and earnings patterns. The common format of the ECHP permits the
analysis to be carried out for six different European countries – Germany, The
Netherlands, France, Italy, Spain and Portugal. This is first time this modelling strategy
has been applied to European data, affording an international perspective on public-
private pay inequalities.

Aedin Doris
NUI Maynooth
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Estimating models of earnings dynamics with the European Community
Household Panel Data
The aim of this paper is to use panel data on male workers to separate the permanent
from the transitory component of earnings inequality for a number of European
countries. Several authors have noted the need for long panel data sets when conducting
such exercises. Unfortunately the data best suited to international comparisons across
European countries (the European Community Household Panel) is limited to a
maximum of eight years per individual. Therefore, before commencing with a detailed
analysis of the ECHP we conduct a series of Monte Carlo evaluations of our proposed
estimator for ECHP type data structures. Our analysis suggests that for moderate
degrees of persistence in transitory shocks, eight years is sufficient to get precise
estimates of the components of inequality. However, for stronger persistence, eight
years is clearly problematic and longer panels are required. With this in mind, we
estimate the permanent and transitory components of inequality across European
countries. We find that the nature of inequality varies substantially across countries,
with differences in permanent inequality accounting for the majority of the observed cross-country differences in aggregate inequality. We also briefly assess the effects of unemployment and education on the components of inequality.

**Eldin Fahmy**  
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Co-authors: Ruth Levitas, Dave Gordon  
**Understanding the dynamics of multidimensional exclusion amongst working age adults without children**  
This paper examines the multidimensional structure and dynamics of social exclusion amongst working age adults without children based upon the Bristol Social Exclusion Matrix (BSEM) (Levitas et al., 2007). Using data drawn from the British Household Panel Survey, the research explores the dimensionality of disadvantage and the factors associated with vulnerability to multidimensional disadvantage. In particular, the paper assesses the significant ‘trigger events’ precipitating disadvantage, and the protective factors associated reliance over time.  
For the first time, this paper presents an operational measure of multidimensional disadvantage amongst working age adults without children based upon the BSEM model. Cluster analysis methods are used to develop a taxonomy of multidimensional disadvantage for BHPS respondents using 21 BHPS indicators across waves 7 to 15 (1997-2005). On the basis of this classification Cox regression methods are then applied to examine the hazard of entry to and exit from multidimensional disadvantage for different sample segments as well as the trigger events associated with heightened vulnerability.

**Anette Eva Fasang**  
Yale University  
**Social policy and temporal patterns of retirement. Evidence from Germany and Britain**  
Since the 1970s retirement has become increasingly early and less standardized. While much research has addressed the early retirement trend, there is little understanding of changing retirement patterns. Yet, changing retirement patterns are an important potential driver of economic inequality among retirees. This article proposes de-standardization and differentiation as two concepts to systematically analyze temporal retirement patterns. Germany and Britain are compared to assess how social policies interact to shape individual retirement patterns and economic inequality. The study uses sequence analysis and relative distribution methods to provide an innovative and dynamic perspective on retirement. Results from longitudinal data show that retirement destandardization and differentiation are driven by employment maintenance policies on the labor market, high institutional complexity in pensions, and a lack of institutionalized early retirement routes. De-standardization and differentiation of retirement, however, are not associated with increasing economic inequality among retirees.

**Vernon Gayle**  
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**Growing up in the 1990s “An exploration of the educational experiences of cohorts of rising 16s in the BHPS”**  
In the closing decades of the twentieth century there were dramatic changes in the landscape against which British young people grew up. In the UK in the decades immediately after World War II the majority of young people left education at the
earliest opportunity. In more recent decades an increasing proportion of young people remained in education beyond the minimum school leaving age. The early 1980s there was a radical restructuring of the youth labour market. There was a dramatic decline in the number of suitable jobs for those leaving education at the minimum school leaving age and a sharp fall in the number of apprenticeships available. This was partly a consequence in the decline in the manufacturing in Britain. Policy responses directed toward problems in youth employment led to the widespread introduction of training schemes, and at the same time young peoples entitlements to welfare benefits contracted. Provision in further education and later university education expanded.

Our starting position is that changes in the economy, education and training lead us to suspect that the umbrella of social and economic conditions under which young people grew up during the 1990s were sufficiently different from those a decade before to justify exploration. In the UK there was a gap in collecting birth cohort data and no new large-scale birth cohort data was collected between 1970 and the Millennium. This means that there is very limited survey data available on young people growing up in the 1990s. In this paper we demonstrate that the BHPS has the potential to provide some useful insights and can partly plug the gap in youth data resources.

In the paper we construct a series of synthetic cohorts of rising 16s. These are young people in BHPS households that grew up and entered the adult BHPS survey. We illustrate how these cohorts can usefully be used to explore educational and employment experiences. We attempt to exploit the structure of the BHPS data and link the young person’s data with parental, family and household information. We are aware that the synthetic rising 16s cohorts are small samples and not necessarily nationally representative. Therefore we also use supplementary data from the Youth Cohort Study of England and Wales to compare and contrast results.

Michael Gebel
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**Early career consequences of temporary employment in Germany and the United Kingdom**

There is an ongoing debate whether temporary contracts provide a “bridge” to the labour market or whether they lead to an “entrapment” in unstable job with bad career prospects. Drawing on comparable data from the British Household Panel Study (BHPS) and the German Socio-Economic Panel (GSOEP) from the period 1991-2007, I examine the potential negative scar effects of temporary employment at labour market entry on subsequent individual career chances.

At the individual level, temporary employment consequences are assessed in a multidimensional evaluation using propensity score matching techniques in order to compare “statistical twins” with similar individual and job characteristics that differ only in their initial contract status. Particularly, I investigate wage dynamics, chances of finding a permanent job, skill investments as well as subsequent unemployment and inactivity risks. Such a broad look is accomplished by studying the outcomes at different points during the first five years of the employment career. Using longitudinal data allows following genuine individual career trajectories in such a dynamic life-course perspective. Furthermore, I test for gender and education-specific causal effect heterogeneity.

The cross-country comparison between Germany and Great Britain should offer some insights on the mediating role of the institutional context. Due to the weaker education-job linkages, the openness of the labour market and weaker unions in Great Britain, the bridge perspective should be more appropriate for the British case whereas the entrapment perspective with long lasting negative career effects of inferior temporary labour market entry positions seems more applicable in Germany.
The empirical results confirm that a segmentation perspective describes best the German case with higher wages penalties and higher risks of repeated temporary employment cycles. An integration scenario works better in the UK where disadvantages are less pronounced and employment losses are mainly related to educational returners. Nevertheless, also in Germany all differences fade away after four years showing that the view of temporary jobs as permanent scars with long-lasting damaging career effects is inappropriate for both countries. Furthermore, I find gender and education-specific causal effect heterogeneity with stronger incidence of repeated temporary employment for young German men on the one hand and stronger wage penalties for young British women on the other hand. Across boarders, temporary contracts seem to be used more often as a screening device for tertiary graduates.

Elena Giarda  
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The burden of housing costs and consumer credit in Europe: preliminary evidence of differences in perceptions among countries  
This paper studies differences and determinants of the housing costs and consumer credit burden perceived by households in six European countries, Italy, Germany, Ireland, France, Spain and the United Kingdom, by exploiting information contained in the 2005 EU-SILC database. Burden perception is very diversified among European households and two countries, Italy and Spain, seem to be seriously affected by housing costs and consumer credit outlays, showing a high degree of malaise with respect to the two components of their household budgets. The question we try to answer is whether European households are faced with different overall economic conditions and whether the diversity in perceptions possibly reflects different subjective perceptions and/or different attitudes towards expectations on their living standards and towards indebtedness at least in its short-term component. The econometric analysis consists of the estimation of two ordered-logit models on the pooling of the six countries, where the dependent variable is in turn the housing costs burden and the consumer credit burden, whose outcomes are “a heavy burden”, “somewhat a burden” and “not a burden”. Explicative variables are households socio-economic characteristics such as age, income, the quota of housing costs on income, education levels and household composition. Aggregate variables such as the Gini index and the unemployment rate are included to account for country-specific effects. We also examine overall economic conditions in each country, by analysing income distribution (via Lorenz curves, Gini and Atkinson indexes, and interdecile ratios) and poverty and welfare measures to understand whether subjective measures are consistent with real economic conditions within each country. There is evidence of less favourable an environment in Spain and partially in Italy, but the question is whether this evidence suffices to fully explain the discontent expressed in these two countries. Conclusions are not straightforward and the debate is open.

Olaf Groh-Samberg  
SOEP / DIW-Berlin  

Intergenerational transmission of social class, education and income – Evidence from long-running household panel data  
This paper explores intergenerational transmissions of education, social status and income in Germany, making use of the unique features of long-running household panel data. Based on 25 waves of the German Socio-Economic Panel Study (SOEP), we are able to follow the life courses of about 700 respondents from age 15 until age 30. This allows analysing intergenerational mobility based on prospective, self-reported
information on a wide range of indicators given by the parents as well as the children. Of course, sample selection issues have to be addressed carefully when analysing a balanced panel of 15 years length. Yet, compared to large-scale data analysis commonly underlying sociological mobility research, the richness and quality of the information provided by household panel surveys allows to address methodological issues as well as substantive research question in greater detail.

This paper focuses on the processes of intergenerational upward mobility experienced by the offspring of working class families. There is a remarkable share of children from working class origins that have gained access to qualified “white collar” jobs during the period of de-industrialisation in the 1980ths; and there is also a remarkable share of the working classes offspring that has remained in working class positions, either in the qualified or the unqualified segments – a huge share of the latter being immigrants originally recruited by “guest-worker” contracts. How can we explain these differences? What are the typical characteristics and paths of upward mobile life courses, as compared to intergenerational working class reproduction? To address these questions, the paper explores the role of parental socio-economic resources and living conditions, the role of educational attainment and immediate entrance into higher labour market segments, as compared to intra-generational career mobility, and the role of assortative mating. These analyses are aimed to provide insights in the mechanisms of intergenerational mobility as well as to validate results from intergenerational mobility based solely on retrospective proxy information on social origin (as given by social class of the father when the respondents was at age 15).

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Determining the effect of change in income on self-rated health using regression models “ordered, linear, fixed or random”?

Many observational studies have shown an association between income and health. However, much less research has assessed how changes in income influence health over time. This could help illuminate the issue of whether income is causally related to health, if longitudinal survey data were analysed with methods to account for bias from both measured and unmeasured time-invariant confounders. The aims of this paper are to discuss econometric and biostatistical regression approaches to such analyses using panel data (i.e., fixed and random effects, and ordinal versus continuous specification of the five-level self-rated health (outcome) variable).

We used data from 16,365 adults from the first four waves (2002-2005) of the New Zealand fixed household panel Survey of Family, Income and Employment (SoFIE). The outcome was annual self-rated health (SRH; five responses: excellent, very good, good, fair, poor), and the main exposure variable was annual household equivalised income. Potential confounding variables included age, sex, ethnicity, education, employment status, marital status, family structure and area deprivation level. Random and fixed effects linear and proportional odds models were fitted using SAS 8.2.

Theoretically, we argue that the best analytical approach is to treat the self-rated health outcome as ordinal (not continuous), and with a fixed effects methodology. A fixed effects proportional odds logistic regression model in SAS is possible using the NLMIXED procedure to compute a hybrid model. This model produces fixed effects estimates for time-varying covariates. The NLMIXED procedure can also be used to estimate the random effects proportional odds model, allowing the inclusion of time-invariant covariates.

Empirically, the random effects proportional odds models found a very small but significant positive effect of increasing income on the odds of a higher/better level of
SRH. This diminished and became non-significant in the (theoretically preferred) fixed effects/hybrid proportional odds models. Qualitatively similar results were found in the linear random and fixed effects models.

Substantively, changes in income in our study have at most a small effect on SRH over the short-term at least. Econometric and biostatistical approaches can be brought together and usefully applied to panel data to answer questions of interest to both the health and economic fields.

Michele Haynes
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Lifecourse pathways and housework time: Australia and the United Kingdom
It is well-known that pathways through the lifecourse have changed in recent years. People are marrying later, having fewer children, living together in cohabiting relationships, separating and divorcing more frequently. These changes have consequences for understanding the organisation of domestic work. Although much previous work on domestic labour has focused on married couples, it is becoming increasingly clear that we need to consider how housework patterns vary at different stages of the lifecourse and in different kinds of households. This is important not just because research has shown that previous relationship experiences will affect the ways in which individuals and couples organise domestic labour in their current households.

Our earlier work has shown that lifecourse events have a much greater affect on women’s housework time than men’s. But this research has focused on Australia, a country that has relatively low levels of institutional and cultural support for gender equality at home. In this paper we examine data from the Households, Income and Labour Dynamics in Australia (HILDA) survey and the British Household Panel Study (BHPS) to investigate the impact of lifecourse pathways on domestic labour time. Our aim is to, first use HILDA to identify the joint influence of unobserved factors on the processes described above; second, to determine whether there is a selection effect from cohabitation into marriage, for women and men who are more prone to higher levels of domestic work; and third, to examine whether these patterns are more widespread by comparison with the UK, a country with broadly similar institutional and cultural features to Australia. We take a multilevel, multiprocess modelling approach. A simultaneous-equations model is used to jointly examine the relationships between time on domestic labour and the birth of a child, the transition from cohabitation to marriage and the dissolution of a union to allow for correlation between unobserved partner and person characteristics that impact on each process.

Guido Heineck
IAB

Does it pay to be nice? Personality and earnings in the UK,
This study uses data from the British Household Panel Study (BHPS) and employs all basic traits from the Five Factor Personality Inventory “openness to experience, conscientiousness, extraversion, agreeableness and neuroticism” to examine the relationship between individuals personality and wages in the UK. The results indicate a negative linear relationship between wages and agreeableness and, for females, wages and neuroticism whereas openness to experience is rewarded. There however are nonlinear gradients between wages and conscientiousness, and wages and extraversion. There further are no joint effects of personality and tenure, and there is evidence for a stronger causal pathway for females.
Less children than expected: updating plans, or failing to realise ambitions?

If women are interviewed around the start of their childbearing years and asked how many children they want, these aspirations are consistently higher than the number of children they eventually go on to have. The degree to which women's aspirations outstrip their realised fertility differs between countries and between different groups of women, but in developed countries this is a robust finding. What is not clear is whether this under-achievement occurs because women are constrained (by work, economic circumstances or other factors) into having fewer children than they want, or whether it occurs because women update their aspirations over their childbearing years.

Distinguishing between these two scenarios is important because they have very different implications in terms of social policy. We address this question using 15 waves of the British Household Panel Survey (BHPS), looking at the degree to which women amend their childbearing aspirations over the course of their lives, and the determinants of their original aspirations, changes in aspirations, and realised fertility.

New Frontiers in Longitudinal Labor Market Research: The IZA-Evaluation Dataset

The evaluation of labor market policies has become an important topic throughout many European countries. In order to facilitate thorough evaluations, which allow drawing policy relevant conclusions, many countries have opened their administrative databases for scientific research in recent years. The advantage of administrative data is straightforward: it is accurate, contains a large number of observations (in some cases the whole population) and is usually available over a long period. Additionally, a fair set of individual characteristics is included in most of the datasets. However, timely information about behavior, attitudes and other personal characteristics, which have proven to be important for modeling economic outcomes, is missing completely. Based on two main pillars, the IZA-Evaluation Dataset aims at making use of the advantages of available administrative data and filling the data gap of missing information. The first pillar is a large random inflow sample into unemployment in Germany for the years 2001-2007 containing over 855,000 individuals; the second one is a timely survey of roughly 18,000 individuals interviewed shortly after they became unemployed. The survey contains a lot of non-standard, innovative questions including search behavior, social networks, psychological factors, (non-) cognitive abilities, and attitudes. This will offer researchers new perspectives in labor market research.

Part-time work and activity in voluntary associations in Great Britain

This paper argues that part-time work can affect not only employees' work-family balance and their wellbeing but also their activity in voluntary associations. It examines the effects of part-time working on employees' activity in voluntary associations in general and in expressive, instrumental and instrumental-expressive associations in particular. Using longitudinal data from the British Household Panel Survey for the period from 1993 to 2005, this study concludes that in Britain part-time work increases the likelihood of individuals involvement in expressive voluntary associations (i.e. associations orientated to relatively immediate benefits for their members) but it can be negative for their involvement in instrumental-expressive (such as trade unions and
An examination of the impact of health on labour market transitions

Social inequalities in health remain a major social issue globally. One possible explanation of health inequality is health selection: in other words people with poor health move down the social hierarchy. In this study, we examined comprehensively whether poor health was responsible for negative labour market transitions with particular attention given to gender differences across the full extent of labour market transitions.

Data were pooled from 13 waves (1991-2003) of the British Household Panel Survey (BHPS). This sample comprised 51865 transitions from 7429 individuals who appeared in two consecutive waves (year t-1 and year t). To account for the structure of pooled data having repeated measurements from the same individual, multilevel multinomial analysis was used. The effect of health on each transition was estimated, whilst adjusting for other covariates such as education and age.

The effects of health on the transition and reverse transition from employment to both unemployment and inactivity were continuously significant. Health appeared to have a different effect on the pattern of transitions between men and women. When men left employment, the effect of health on the risk of economic inactivity (OR=2.68) was far more significant than the effects on the risk of unemployment (OR=1.34). In contrast, among women, the effects of poor health on both transitions tended to be about the same degree (OR=1.65 for the former transition and OR=1.47 for the latter transition). Subsequently, poor health lowered the probability of reemployment from unemployment for women, but this was not the case for men.
least individuals living in a most deprived area (lowest decile) have a clear positive significant higher probability to receive public fees to finance the job related training.

**Paul Lambert**  
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**Escape from poverty’ and Occupations**  
Occupations matter. Little - aside from conventions over gender-neutral terminology - has changed since Goblot demonstrated that nothing stamps a man as much as his occupation (1961). Occupations and occupational careers comprise the dominant instruments through which the economic, social, cultural, political and environmental milieus of individuals are defined.

In this paper we will focus on the tradition of research on poverty transitions and the escape from poverty, and its engagement with occupational data. We will present (i) evidence from the BHPS to justify our assertion that occupations matter more than other measures (as indicators related to poverty); (ii) a discussion of why occupational data is not commonly exploited in research on poverty dynamics over the life-course (with attention to the relation between Economics and Sociology, cf. Grusky and Kanbur, 2006); and (iii) results from analysis of BHPS life histories (and a database of pooled cross-sectional UK surveys) which employ an occupationally oriented approach to the analysis of poverty transitions.

Central to our occupationally-oriented approach is a claim that the shape of the occupational structure of stratification in most countries is a normally distributed continuum with truncation and modest positive skew. Using such a metric, we propose rules concerned with non-working individuals, previous jobs held, gender segregation in occupations, household composition, life-course career stage, and hours of work, which allow us to use existing measures of occupational positions in a manner which can effectively incorporate all population groups in an occupation-based analysis. Such rules and definitions are not revolutionary, or even particularly novel, but we argue that their application can give us new insights in longitudinal research on transitions such as involving individuals and households moving in and out of poverty.

As has been done with alternative measures of positions within the inequality structure (such as income-based thresholds, and Gershuny’s measures of lifetime human capital), we use BHPS life history data to study factors associated with movements between positions. Our claim is that an occupation-based measure is preferable. Its definition and operationalisation is more parsimonious than commonly used alternatives; it minimises the number of artefactual and inconsequential transitions (such as can be induced in income-based poverty measures by household composition transitions or changes in working hours); and it appears to offer more substantial purchase on the sociological mechanisms associated with poverty transitions.

**Mijeong Lee**  
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**Does sharing household chores and childcare matter to happy marriage?**  
Since the enactment of 1987 Equal Employment Opportunity law in Korea, marriage bar in the labor market has weakened and more women have continued to work after marriage. Accordingly within the past 20 years, perception of womens role has changed dramatically. In contrast, men have been very slow to adjust to the womens new role in everyday life. According to 2004 Time Use Survey, husbands time spent on housekeeping and childrearing is about 30 minutes regardless of wifes employment. It means that husbands are generally insensitive to wives double burden. In this paper, I want to figure out what influences couples time spent in housekeeping and childrearing.
How does husbands’ participation in the housekeeping and childrearing affect the marital satisfaction of wives? 2007 Korean Longitudinal Survey of Women and Family data are employed and 7,882 married women are selected for the analysis. Wifes wage decreases her time spent on housekeeping and childrearing during weekdays and Sunday and increases husband time during weekdays. Husbands wage decreases his time spent on housekeeping. Resource hypothesis is partially supported. Wifes long working hours increases husbands time spent on housekeeping and childrearing. But, the presence of preschool child does not influence husbands time on them. Finally, controlling intimacy level of couples, husbands participation in the housekeeping and childrearing positively affects wifes marital satisfaction.

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All in the Family: Is Family Smoking Causal?
The World Health Organization (1999) predicts that worldwide mortality from tobacco will rise from about four million deaths in 1998 to about 10 million deaths a year by 2030. While most of this increase stems from tobacco use in low income countries, deaths in developed countries are still significant. The European Partnership to Reduce Tobacco Dependence (2001) observes that: “Unless more is done to help the 200 million European adult smokers stop, the result will be 2 million European deaths a year by 2040.”

Using data from the first 15 waves of the British Household Panel Survey, we investigate whether and how a youths decision to smoke is influenced by the behavior of his parents and siblings. We focus in particular on trying to understand whether a child is ( causally) more likely to smoke when his or her parent smokes and, for children with older siblings, when his or her older sibling smokes.

We pay particular attention to the question of causality. Although there is a positive association between the smoking behavior of youth, parents and siblings, its causality remains an open question in part because it is difficult to find valid instruments.

We propose and use two new approaches. First, we use temporal distance between parent and child to predict the probability a parent starts to smoke and then use the price of cigarettes to predict the parents decision to continue to smoke (Lillard 2008). As a stylized fact, the majority of smokers in all developed countries begin to smoke between the ages of 13 and 19 (Kenkel, Lillard, and Mathios 2004). After age 19 the probability a person starts to smoke falls sharply. We exploit this stylized fact to predict which parents smoke as a function of cigarette prices and taxes they faced in these critical years. Because the second generation faces their decision to start about a generation later, we argue that cigarette prices/taxes in the early years are orthogonal to the cigarette prices at the time the children started.

We also investigate the relationship between the smoking behaviour of siblings. Here we use role-model hypotheses to argue that sibling influences will vary with the sex composition of ones older siblings. Under the assumption that the sex of ones older sibling is exogenously assigned, we explore whether one is more or less likely to smoke if one has a same sex or opposite sex sibling who smokes.

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Durable purchases over the life cycle
In this paper, we investigate the life cycle patterns of households’ spending on durable goods using expenditure panel data on appliances and consumer durables in the British
Household Panel Study (BHPS) between 1997 and 2006. Our paper uses a narrow definition of durables to shift the focus from the influence of capital market conditions on the demand for durables, analysed in Krüger and Fernandez-Villaverde (2005) and (2007), to the role of durability in shaping demand patterns which has received little attention so far.

A descriptive look at the data reveals three novel stylised facts about expenditures on our set of durables: (i) expenditures for appliances as well as consumer electronics decrease strongly as household (heads) age; (ii) the decline is mainly due to decreases in purchase frequency rather than the amount paid in the case of a purchase; (iii) these declines in overall spending and in purchase frequency are larger for electronics, for which we observe more than a 50% decline in the probability of purchasing between age groups 40 and 85. Finally, a comparison with the nondurable commodity food reveals a much larger decrease in durable spending than in expenditures on food over the life cycle.

We analyse these stylised facts in a panel context, advancing an innovative identification strategy to disentangle age, cohort and time effects. Furthermore, we carefully model the impact of prices by modeling the user cost of durables in the light of substantial price changes for the durable commodities.

Given the potential link between the half life of a durable and the life expectancy of the durable-consuming household members and its purchase and replacement decision, our analysis is particularly geared at understanding the demand patterns within older households compared to other approaches in the literature to date.

While Kruger and Fernandez-Villaverde (2005) find that changes in household composition explain roughly half of the hump-shaped pattern in overall life cycle expenditures on durables, our analysis points to significant age-specific preferences even when controlling for household composition.

**Paul Mathews**
London School of Economics

**The influence of relatives on the likelihood of first birth**

Introduction: In the modern gene centred view of evolution the notion of inclusive fitness is critical to explaining the reproductive behaviour of any organism. Natural selection favours characteristics which act to increase the frequency of genes in subsequent generations, and relatives by definition share genes. It is therefore often highly adaptive for organisms to aid and encourage reproduction in their relatives. Particular features of human reproductive physiology such as short birth intervals and the early cessation of female reproduction (menopause) have been argued to be evidence of cooperative breeding between relatives. This study will look to see if the proximity of relatives within females social networks increases their likelihood of having a first birth. Human behavioural ecologists have so far focussed on measuring inclusive fitness effects on the fertility of humans in natural fertility populations. As far as I am aware this study is the first to explicitly examine inclusive fitness effects in a low fertility population.

Data and Methods: The likelihood of a female having a first birth is examined using seven waves of the British Household Panel Study. The proximity of relatives within a social network is operationalised as the number of relatives who are within an individuals three closest non-household friends. Discrete-time event history analysis is undertaken to measure the likelihood of a first birth in an 18 month period after the interview, lagged by 6 months to control for pregnancy. Age, partnership status and household type are controlled for in the analysis.

Results: Provisional results show that each additional relative who is also considered a close friend significantly increases the probability of having a first birth. This suggests
that women who have particularly close relationships with their kin have earlier first births than those with less close relationships with their relatives, thus providing support for the hypothesis that relatives will aid and encourage reproduction.

**Daria Mendola**
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**How much should we care about consecutive spells of poverty? Proposal of a new index**

Is cross-sectional poverty a reflection of real economic and social disadvantage? Does total number of years spent in poverty provide sufficient information about poverty severity? Recent studies show that in some countries there are good reasons to believe that it is not (see, among others, Mendola et al., 2009).

Traditional measures of poverty persistence, such as ‘poverty rate’ (i.e. the number of years spent in poverty upon total number of observations) or the ‘persistent-risk-of-poverty rate’, do not devote enough attention to the sequence of poverty spells. In particular they are not good enough in underlining different effects associated to occasional single spells of poverty and consecutive years of poverty.

We propose here a new index which measures severity of poverty taking into account the way poverty and non-poverty spells follow one the other along the individual life courses. The index is normalized and does not depend from the number of waves in the panel. It rises with the number of consecutive years in poverty along the sequence, and falls with the increasing of the distance between two years of poverty. All the years spent in poverty concur to the measurement of the persistency in poverty but with a decreasing contribute as long as the distance between two years of poverty become longer.

It can be easily proved that, given the number of waves, the index does not depend on the total number of years spent in poverty, but it is affected by when they occur in the sequence, and mainly from their relative distance. These and others relevant properties of the index and in particular its validity are tested on a sample of European young adults participating in ECHP for seven waves. Ireland, Italy, Portugal and UK show worst performance.

**Maren M. Michaelsen**
University of Birmingham

**Innovation, returns to education and skill-biased technological change in Great Britain**

Using the BHPS this paper demonstrates that the returns to education and the skill premium calculated by year-by-year and pooled OLS, Fixed Effects and Random Effects in average industries in Great Britain has still been high but decreased within the years 1991 to 2004. This development is due to a higher amount of university graduates since the Further and Higher Education Act from 1992 and the intense British economic growth. However, the additional return for working in an innovative industry “the personal innovation premium “ increased significantly during the investigated period leading to constant returns to years of education in innovative industries. The skill premium in innovative industries even increased because the high innovation premium over-compensates the declining skill premium in average industries. These results illustrate that the demand for highly educated and highly able university graduates is still very high in innovative industries, furthering skill-biased technological change in Great Britain.
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**Can CASP scores predict mortality in BHPS sample?**  
Background: As society ages, the quality of life of its members gain greater salience. At least in Western affluent countries, the ageing has not been accompanied by a reduction in the quality of life and the indications are that the quality of life might actually improve in the early old age. Although, the majority of the research effort is directed towards assessing the impact of longevity on the quality of life, the complement of that research question, whether the quality of life impacts longevity is equally interesting. To date, that question has been investigated only in the context of disease and health related quality of life. Recently, introduction of a generic measure of quality of life, CASP-19 into longitudinal studies offers an opportunity to test the association between quality of life and mortality. In BHPS it was offered in 2001 and 2006. This paper aims to examine whether CASP-19 scores can predict mortality in BHPS sample during 2001-2006.  

**Methods:** We used data from British Household Panel Survey Wave 11 (2001-2) when CASP-19 was first used. We selected all those who were interviewed directly and face to face and who were 40 years or older (N=10,291). We followed all those included in the sample for the next five waves (Wave 12 to Wave 16) and our primary outcome was a binary variable indicating whether the participant has died during the interval. We excluded two items from CASP-19 related to health and financial status to avoid bias. Other co-variates used were age, sex, socio-economic position, household income, self-rated health, limiting long-standing illness, and medical conditions.  

**Results:** Compared to a mortality rate of 12 per thousand in those having average quality of life (CASP score 29.4 to 45.8), those with below average quality of life had more than twice (27 per 1000) and those above average had a third less (8/1000) the mortality rate. This gradient was retained for the most part when age and sex strata were examined separately. Regression models adjusted for covariates confirmed the protective effect of quality of life on mortality. Domain specific analysis showed that only control and self-realisation had this effect. These results are discussed in order to explain how quality of life might influence mortality.  

Cheti Nicoletti  
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**Explaining personality pay gaps in Britain**  
In the existing economic literature there are already several empirical studies emphasizing the relevance of personality traits on wages but they do not consider that these traits can be differently rewarded for different occupations, educational levels, experience, etc. The differences in rewards could be related to differences in productivity or to taste-based discrimination (of employers, colleagues or consumers) against workers with specific personality traits. Psychologists find, for example, positive associations between conscientiousness and job performance for all types of occupations and between extroversion and job performance for occupations which require social interaction or team work.  

In this paper, by using the Big-5 trait taxonomy (extroversion, agreeableness, conscientiousness, neuroticism and openness to experience), we classify people into different personality groups and we decompose the pay gap between these groups into a part explained by differences in characteristics and a part explained by differences in the returns to these characteristics. We further decompose those two components to identify the contribution of each specific characteristic.
We adopt the decomposition method proposed by Firpo et al. (2007), which uses weights to equivalize the distribution of covariates between personality groups, and recentered influence functions to provide a detailed decomposition as in the Oaxaca-Blinder approach. For our empirical analysis we use data from the British Household Panel Survey.

We find that agreeableness is the most relevant personality trait in explaining differences in pay followed by openness to experience and neuroticism. There is a significant pay gap for workers who are highly agreeable and about half of it is explained by differences in characteristics. People who are little open to experience are paid less and this disadvantage is totally explained by differences in their characteristics. On the contrary, the pay gap for highly neurotic workers is not at all explained by characteristics and it is probably related to differences in taste-based discrimination. We also find that the penalty for high neuroticism differs significantly by occupation. Looking at the pay gaps at different quantiles, we find similar results.

Geranda Notten  
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**Monitoring absolute and relative poverty; not enough is not the same as much less**  
Financial poverty indicators assess which people have few financial resources and are thereby at risk of having an unacceptably low living standard. Most countries use one or several official poverty indicators but they typically use either an absolute or a relative benchmark to determine what is unacceptable; absolute benchmarks are based on basic needs or rights while relative benchmarks depend on what is considered to be a normal living standard. Applying the absolute US and the relative EU poverty indicators on the US and 15 EU Member States this research shows that it makes sense to use both benchmarks.

We apply both methods to representative EU and US household surveys (ECHP and PSID) covering annual data from 1993 to 2000. We adjust the EU and US poverty measurement methods such that differences between absolute and relative poverty estimates only reflect the conceptual differences in setting the poverty line. Subsequently, the paper separates and analyzes the individual effects of the two underlying factors driving these poverty patterns; (changes in) the level and distribution of income and (changes in) the poverty line.

Patricia Pesquera Menandez  
Nuffield College (Oxford University) and Juan March Institute (Madrid)

**The endurance of family political socialization after leaving the parents’ household**  
An abundant body of academic research shows that family members politically influence each other. Indeed, partisanship is conceived by traditional political socialization studies as the result of a process of value socialization within the family (Greenstein 1965, Hess and Torney 1965, Acock and Bengtson 1978, Westholm 1999, Niewbeerta and Wittebrood 1995, Jaime 2000 among others).

The availability of new individual level panel data is bringing questions related to political family socialization back to the forefront (see Kroh and Selb 2005, Zuckerman et al. 2007). Recent research goes beyond the notion of children being socialized by parents and applies the concept of bounded rationality to explain why family members tend to share political preferences. It is argued that individuals partisan choice is shaped by those with whom they have exceptionally high levels of interaction, trust, and affection (Selb and Kroh 2005, Zuckerman et. al. 2007).

However, this recent research generally assumes that the mutual political influence among family members takes place when they live together. Accordingly, empirical
analyses that use individual panel data are limited to family members in the same household. Yet the following question arises: Does family remain a source of political influence once offspring leave the parental home? New individual panel data can help examine if the similarity of preferences between parents and children goes beyond the years in which they live together and test the traditional understanding of partisanship as a long term preference gained through early socialization. Thus this paper engages with current research and adopts a longitudinal perspective to look beyond the period in which children live together with their parents. I analyze how party preferences change once young persons become independent and leave the parental household. Do respondents remain loyal to the political preferences “adopted” within their family once they live independently? Does the length of the time leaving with parents determine the extent of the socialization effects? I test these two questions applying a fixed effects model and a count model to the data of the BHPS from 1991 to 2007.

**Birgitta Rabe**  
University of Essex  
Co-author: Mark Taylor  
**Differences in opportunities? Wage, Unemployment and House-Price Effects on Migration**  
Most previous empirical studies of individual migration choice analyze the reasons associated with out-migration from an origin location. In contrast, we model the migration decision within the context of potential destinations, using British panel data over the period 1993-2007. Contrary to earlier micro studies we show that regional differences in expected individual wages, employment opportunities, and house prices are important determinants of migration, thus confirming results of aggregate analyses. Moreover, we find that it is important to control for unobserved individual heterogeneity. After doing so, the effects on migration choice of individual unemployment and being a council tenant disappear.

**Anita Ratcliffe**  
University of Bristol  
**Subjective well-being and house prices**  
Research on the determinants of well-being is proliferate yet very little attention has been paid to whether and why house prices influence well-being. Using subjective measures of well-being as a proxy of utility, we advance three competing hypotheses as to why well-being and house prices might be linked. A wealth channel would suggest that owners of housing assets become wealthier as house prices rise, which may lead to changes in consumption and leisure choices and subsequently well-being. While homeowners experience better outcomes as house prices rise the opposite is expected for prospective homeowners. A relative wealth channel would suggest that homeowners experience better well-being outcomes as their relative circumstances improve where as prospective homeowners experience a deterioration in well-being as their relative circumstances worsen. A common factor channel would suggest that house prices simply proxy for unobserved factors that drive consumption or well-being directly. We test these hypotheses empirically using the British Household Panel Survey (BHPS) between $1991-2005$ to which we match house price data from cities and towns. The evidence is consistent with a common factor channel forging a link between well-being and house prices.
**Julie Rochut**  
IEMS University  
Co-author: Philippe VanKerm  

**The link between health and unemployment in Europe**  
The aim of this article is to assess the link between unemployment and health in European countries. While the impact of unemployment on health and happiness has been widely studied at a country level (Clark and Oswald (1994), Winkelmann and Winkelmann (1998), among others), to our knowledge, little has been done at the European level (Anh et al. (2004)). We then, intend to investigate the possible protective role that unemployment insurance can play on health by comparing several European countries. All the more, few studies have also found that poor physical or mental health can lead via poor work performance to job loss (Dooley et al. (1996), Jusot et al. (2007)). Here, we also try to infer the direction of causality.  

We use the European Community Household Panel (ECHP) to analyze the health behavior of Europeans toward the loss of employment. We focus on six European countries, Denmark, France, Greece, Ireland, Italy and Spain which display the eight waves of the panel. This panel provides individuals data on health in particular self assessed health (SAH) and socio-economic variables for a long period which allow us to take into account individual specific effect. Using a bivariate probit allows us to disentangle the direction of causality but also to take into account the possible correlation between the unobservable characteristics that explain both the unemployment and health status. The chosen strategy is to estimate a bivariate probit in panel using an EM algorithm.  

Our first results show that there is strong evidence that unemployment is deterrent for health but also that health status has an impact on the probability of being unemployed. The impact of unemployment on health seems more important in Ireland and Greece (being unemployed rises by 60 percent the probability of being in bad health) whereas Latin countries such as Spain, Italy and France encounter a relatively smaller impact of being unemployed. The same conclusions hold for the inverse, being in good health decreases the probability of being unemployed in a more important way in Ireland Greece and Denmark. The explanations seem to lie both on the unemployment insurance system but also on the unemployment rate in the country that act via stigma effect. First estimations using bivariate probit, give us the insight that the two equations have to be estimated jointly to avoid bias.

**Amanda Sacker**  
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**Socio-economic influences on trajectories of self-rated health: evidence from Britain, Germany, Denmark and the United States**  
Background: We investigate socio-economic inequalities in self-rated health dynamics for working-aged adults in post-industrial countries. The aims of this study are to: describe average national trajectories of self-rated health over a 7-year period; identify socio-economic determinants of cross-sectional and longitudinal health; and compare cross-national patterns.  

Methods: Data come from the British Household Panel Survey, the German Socio-Economic Panel Survey, the Danish panel from the European Community Household Panel Survey, and the US Panel Study of Income Dynamics. Respondents of working age from 1995-2001 were sampled. Socio-economic indicators include education, occupational class, employment status, income, age, gender, minority status and marital status. Latent growth curve models describe average national trajectories of self-rated health and individual differences in these trajectories. Latent factors representing
Result: Aging-vector graphs are used to visualize trajectories of self-rated health. These reveal both changes in health as people age and trends in the sum of changes from a given age in each national context. Socio-economic covariates predicted baseline health in all four countries, with the strength of association consistent with Esping-Andersen’s welfare regime type. Once inequalities in baseline health had been accounted for, there were few determinants of health change. When these did occur, they were in countries classified as liberal welfare states.

Conclusion: National differences in self-rated health trajectories and their socio-economic correlates may be attributed, in part, to welfare policies.

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Panel attrition in the BHPS - a Question of personality?
Panel attrition and nonresponse are seen as major threats for the quality of survey data. Panel attrition means that participants of one wave of a panel reject to take part in a next wave. If the attrition shows a systematic character, there might be a strong bias in the panel data. Nonresponse occurs in cross sectional surveys, if sample persons refuse to participate. If those substantially differ from participating subjects, the survey data might be biased.

The literature on nonresponse mentions several hypotheses about the mechanisms that lead to nonresponse. One of these hypotheses is the social isolation hypothesis. Following this hypothesis, persons tend to refuse a survey request more likely, if they feel socially isolated. In this sense, the phenomenon of nonresponse is seen as related to specific, marginalised subgroups of a society. The social isolation hypothesis was empirically tested in several studies. Social isolation was usually operationalised through socio-demographic and socio-economic variables. But research on personality psychology has shown that social isolation is primarily a question of personality. One of the most comprehensive concepts of personality is the “Five Factor Model” - a purely descriptive model of personality, which includes five different personality dimensions (Big 5): extraversion, agreeableness, conscientiousness, neuroticism, and openness.

In my studies on nonresponse in the German General Social Survey in 2004 and 2006 I followed the idea that social isolation, caused by specific personality traits, causes nonresponse. I came to the result, that neuroticism and conscientiousness are negatively correlated with the willingness to participate in the GGSS, while extraversion, agreeableness, and openness are positively correlated.

These results of the GGSS shall serve as basis for further analyses on the BHPS. In my paper I analyse the data of the BHPS in order to answer the following question: Compared to my results on the impact of personality on nonresponse, do personality traits affect panel attrition in the same way?

Pia Schober
London School of Economics

Relationship quality with pre-school children: How domestic work matters to her, him, and them
Most longitudinal studies comparing couples marital satisfaction before and after becoming parents have found a decrease in both partners happiness with the relationship at least temporarily after the birth of their first child (e.g. Twenge, Campbell et al. 2003). Recent UK studies also find a reversal in the previously established stabilising effect of children (Chan and Halpin 2005). This research provides the first investigation
of British couples relationship quality when they have preschool children, who seem to face an increasing risk of experiencing parental family breakdown.

For most couples, the transition to parenthood results in a significant increase in time spent on domestic work especially due to time-intensive childcare. This is often accompanied by a shift towards a more traditional division of domestic work and reduction in paid work of at least one partner (usually the mother). To date, there is a lack of evidence as on how couples division of childcare may matter to relationship quality. Despite considerable literature on housework and paid work, we also know very little specifically for couples with preschool children. This paper provides new British evidence on how the satisfaction with ones partner and couples relationship stability during their first years of parenthood is associated with differences in partners division of childcare, housework and paid work.

Based on data from the British Household Panel Survey (1994-2005), the empirical analysis uses ordered logistic regression and event-history analysis. The results suggest that couples who share childcare are less likely to separate than those where mothers are mainly responsible for childcare, even though sharing is generally associated with lower satisfaction with the partner for mothers and also most fathers. In contrast to previous findings for other couple populations, the division of housework seems to matter less than childcare for couples relationship quality during the early years of parenthood. The paper concludes by reflecting on possible reasons for the contradictory effects of egalitarian childcare arrangements on satisfaction and relationship stability, and for the lack of significance of housework inequality among this sample of new parents.

Anna Schrader
University of Manchester

Patterns of work-life mobility in Britain - Bridging gaps between intra and intergenerational mobility research

Class analysis in the UK has largely been dominated by the so-called third generation of stratification research, which is characterized by a narrow interest in social fluidity measured in terms of relative intergenerational mobility rates. Especially throughout the 1980s and 1990s, relative mobility chances (net of mobility due to changes in the occupational structure) have constituted the primary research object. Thereby the main focus has been on intergenerational transmission of advantage, with male mobility receiving far more attention than the social mobility of women.

Absolute mobility rates and work-life mobility, i.e. actual mobility experiences of individuals, have largely been considered as epiphenomena unnecessary for investigating social fluidity. However, recently there have been calls for a renewed interest in career trajectories to improve our understanding of mobility regimes. This paper therefore takes a different approach by focusing on absolute rates and patterns of work-life mobility. By incorporating the longitudinal character of social class, it moves beyond snapshots of class structures in standard mobility tables. Examining work-life histories from the British Household Panel Survey holistically, the paper investigates patterns of class careers by means of sequence analysis. A typology of career patterns is generated and subsequently linked to socio-economic variables. The paper thus provides a detailed description of work-life mobility from 1991 to 2005 and uses multinomial logit models to explore associations between age, class of origin, education and career type.

The paper demonstrates the unique characteristics of an expanding middle class and relative homogeneity of the working class. Results also indicate the importance of education relative to social background. While education generally seems to be the more influential factor, findings also suggest that class background has considerable
impact in specific locations, e.g. protecting service class offspring from working class employment.

Besides these substantive interests in patterns of social mobility and factors involved in processes of social reproduction in Britain, the paper also seeks to explore innovative methods. It combines optimal matching as a rather descriptive pattern-search technique with regression analysis and thereby offers new methodological approaches to social mobility research.

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Co-authors: Ann Evans, Edith Gray

**The effect of life histories on repartnering in Australia and the United Kingdom**

In recent years as a result of a rise in divorce rates coupled with an increased prevalence of cohabitation, a growing percentage of the population has or will experience the breakdown of a relationship and also the possibility of forming another new relationship. It has therefore become increasingly important to understand how people repartner after the dissolution of a previous union. Although a large body of literature already exists on the study of remarriage, there is far less research which has investigated repartnering in the form of a cohabiting union. Further, much of this work focuses on those who have been previously married, and less is known about patterns of repartnering after the breakdown of a cohabiting relationship (Wu and Schimmele, 2005). This paper seeks to address the issue of repartnering, both in terms of forming cohabiting and marital unions, from a comparative perspective. Using a longitudinal approach we compare the nature of repartnering behaviour in Australia and the United Kingdom, countries with similar policy and legislative frameworks. We find that within five years of becoming single, an estimated 49 per cent of the United Kingdom sample and 43 per cent of the Australian sample had entered a new relationship, most commonly cohabitation. Multivariate analysis reveals important similarities as well as differences in the demographic and socio-demographic determinants of forming a new union in the two countries.

Jennifer Smith  
University of Warwick

**The ins and outs of UK unemployment**

What drives fluctuations in employment over the cycle? There is continuing debate as to the driving factors particularly, so far, among US researchers. The answers should inform both policy and search-matching models of labour market dynamics. Shimer (2005, 2007) and Hall (2005) have suggested that cyclical changes in unemployment are driven by changes in the job-finding rate, and that the separation rate has little role. On the other hand, Davis, Faberman, Haltiwanger and Rucker (2008) and Fujita and Ramey (2007) suggest that the separation rate is countercyclical, with particular impact on changes in unemployment at the start of a downturn.

Three of the first papers to apply these ideas to non-US data are Petrolongo and Pissarides (2008), who look at the UK, France and Spain; Elsby, Hobijn and Sahin (2008), who investigate 14 OECD countries; and Gomes (2008) who focuses only on the UK. Elsby, Hobijn and Sahin (2008) find using LFS data that the split in the explanatory power of fluctuations in inflows versus outflows in accounting for unemployment changes is about 20:80 for the UK. Petrolongo and Pissarides (2008) and Gomes (2008), both using the LFS (and claimant count in the former), also conclude that the job-finding rate is dominant, except for early in (some) recessions when the separations rate plays a big role. Recent US research (Davis, Faberman, Haltiwanger, and Rucker, 2008) has also placed more emphasis on separations.
Yashiv (2007) concludes that the disagreements about key features of labour market dynamics can only be resolved by further work using micro data. This paper aims to contribute to our understanding using monthly data on labour market transitions and related wages from the BHPS. Monthly inflows and outflows into unemployment, employment and inactivity are calculated using BHPS lifetime history data and recall data obtained at each annual interview. Unlike some previous research this paper investigates a three-state model in which flows to and from inactivity can play a critical role in employment and unemployment dynamics (Yashiv, 2007; Jones and Riddell, 2006). Unusually, the BHPS includes information concerning reason for job loss, which allows separations to be divided into quits and layoffs, so that their individual contribution to unemployment changes can be investigated. Employment-to-employment transitions are also measured.

Following Shimer (2007), changes in unemployment are decomposed into changes resulting from changing separation and job-finding rates. The technique used varies depending whether the steady-state unemployment rate approximates actual unemployment or not (Elsby, Michaels and Solon, 2008). Account is taken of various aspects of measurement error, including spurious transitions and seam effects as a result of annual interviews requiring recall of past labour market status (Paull, 2002), and time aggregation the likelihood that monthly data will understate true transitions occurring in continuous time. The method of data construction is based on Paull (2003).

Both inflows into and outflows from unemployment show significant cyclical variation. BHPS data confirm the importance of fluctuations in the hiring rate. But the previous finding (e.g. Shimer, 2007) that the overall separation rate is relatively constant over the cycle, and hence plays little part in unemployment fluctuations, is found to hide important differences between layoffs and quits. Layoffs move strongly countercyclically (corresponding with results using US CPS data in Elsby, Michaels and Solon, 2009); quits less so. These findings remain whether or not we adjust data in various ways, including matching representative employment changes (as in Davis, Faberman, Haltiwanger and Rucker, 2008), or allowing lags of unemployment change to affect current unemployment change out of steady-state (as in Elsby, Hobijn and Sahin, 2008).

The research summarised above forms the first part of a multi-stage project. A further stage will investigate whether the data confirm rigidity in relevant pay rates. Countercyclical layoffs imply rigid real wages, while procyclical hires imply flexible real wages for new employees. In addition, work on BHPS will be repeated with GSOEP. It is anticipated that comparison of these data relating to labour markets with different characteristics in terms of pay determination and institutions will elucidate the roles of the different flows and the influence of wage rigidity (the German system being characterised by a dominant apprenticeship system).

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**How important are social networks for a healthy and happy retirement?**

It is increasingly recognised that an individual's social capital may be an important determinant of their health, alongside their human and financial capital. This paper presents new evidence on the importance of social networks for individuals (mental and physical) health in retirement using data from the British Household Panel Survey. Since 1991 this survey has collected detailed information on individuals social networks (organisational membership and contact with friends) and a range of indicators of physical health (self-assessed health status, specific health problems and mortality) and mental health (general health questionnaire and life satisfaction). The length of the
panel allows us to explore in detail the dynamics of the evolving relationship between social networks and health in retirement.

Identifying a causal effect of social networks on health is complicated by the fact that health is likely to be a key determinant of social participation. We address this in the following ways:

First, we condition on an individual's health and social capital at retirement and compare the evolution of health during retirement across individuals with 'low' and 'high' social capital and 'good' and 'bad' health. In the BHPS we observe individuals in each year for up to ten years in retirement allowing us to map the evolution of health outcomes.

Second, we use an instrumental variables approach. Following Glaeser, Laibson and Sacerdote (2002), our instruments are derived from a model in which social networks arise from individual investment decisions and include factors that affect the costs/benefits of social network formation for individuals (but not directly health outcomes), including tenure in current residence, probability of moving, and social network characteristics of the local neighbourhood.

Finally, we explore a number of possible mechanisms through which social networks may affect health outcomes – including mitigating the effect of stressful events such as widow(er)hood, providing information and peer effects that reinforce healthy behaviour such as health check-ups, as well as direct effects on specific health outcomes.

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A multilevel analysis of social capital and self-rated health: evidence from the British Household Panel Survey

Social capital is often described as a collective benefit engendered by generalised trust, civic participation, and mutual reciprocity. This feature of communities has been shown to associate with an assortment of health outcomes at several levels of analysis. The current study assesses the evidence for an association between area-level social capital and individual-level subjective health. Respondents participating in waves 8 (1998) and 9 (1999) of the British Household Panel Survey were identified and followed-up five years later in wave 13 (2003). Area social capital was measured by two aggregated survey items: social trust and civic participation. Multilevel logistic regression models were fitted to examine the association between area social capital indicators and individual poor self-rated health. Evidence for a protective association was found for area social trust (OR=0.81, 95% CI:0.68-0.96) after controlling for individual characteristics, baseline self-rated health, and individual social trust. There was no evidence for an association between area civic participation and self-rated health after adjustment. The findings of this study expand the literature on social capital and health through the use of longitudinal data and multilevel modelling techniques.

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The Impact of Work-Related Training on Employee Earnings: Evidence from Great Britain

Using data from the British Household Panel Survey for the years 1998-2005, this study estimates the impact of work-related training on earnings levels. Different measures for general and specific training are constructed from available information. The analysis diverges from the standard fixed effects framework for earnings determination modelling and presents evidence in support of the predictions of the standard human capital theory with regards to training sponsoring using a random effects formulation.
for the earnings equation suggested by Nijman and Verbeek (1992) for controlling for attrition bias in unbalanced panels.

Alessandro Tampieri
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**Education and marriage: theory and evidence**
This paper is concerned with the relation between marriage and higher education. We build up a model with educational assortative matching where individuals decide whether to acquire higher education both for obtaining educational surplus and for increasing the probability to be matched with an educated partner. Education can be either asymmetric or symmetric between genders. The educational choices between future partners are simultaneously determined as a Nash equilibrium. The results for asymmetric education suggest that, as assortative matching increases, the proportion of educated men increases, and their educational surplus falls. On the other side, the proportion of educated women diminishes and their educational surplus increases. In the case with symmetric education, the educational benefit falls as assortative matching increases, regardless the gender. We test our model using the British Household Panel Survey. Our results are consistent with the theoretical assumption of educational assortative matching. Even if the proportion of educated men is slightly higher than the proportion of educated women, the educational surplus is lower as the educational qualification increases for both men and women, as suggested by the symmetric-education hypothesis.

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**When change matters: the effects of dependent interviewing on survey interaction in the British Household Panel Study**
We examine the effects of questionnaire structure on survey interaction in the context of dependent interviewing (DI). DI is becoming a widely used device in longitudinal surveys to identify change or stability in respondent circumstances. DI was implemented in the British Household Panel Study (BHPS) to improve measures of change and to reduce respondents' cognitive burden. Through systematic observation of the survey interaction using behaviour coding, we aim to understand the mechanisms giving rise to findings which suggest that DI improves measurement. Drawing on sociolinguistic theory to conceptualise the survey interaction, we analyse an application of DI to obtain respondent employment characteristics. The BHPS uses a pair of questions to ascertain change in circumstances, the first being a yes-no interrogative which prefers positive agreement on the part of respondents. Under conditions of no change in respondent circumstances, DI seems to enhance the survey process. However under conditions of a change in respondent circumstances, respondents are required to provide a dispreferred answer to the DI question. Consistent with prior research, we find that respondents provide dispreferred answers through a number of verbal machinations including mismatch answers, explanations and other stray talk. We assess whether these verbal actions influence subsequent question administration as might be expected from theory. We find qualitative evidence that dispreferred response methods lead to question administration errors, but this link is not entirely systematic. Instead, non-standard interviewer behaviour seems unrelated to both respondent action and question structure.
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**Optimal Treatment of Income Imputation in Complex Panels**  
We investigate optimal methods for addressing item nonresponse in panel surveys. Income components are among the variables most frequently subject to item nonresponse, and the study of income dynamics can be distorted by such nonresponse and the form of imputation used to address it. For example, because the use of donor values based on conventional hot deck matching likely leads to overstatement of the longitudinal variance of earnings for individuals with imputed values, a common approach to the presence of imputation is to eliminate observations with imputed values from analyses of earnings and income dynamics. This approach is likely to be sub-optimal from a statistical perspective, and it is particularly problematic given the existence of alternative imputation procedures in panels that rely on longitudinal in addition to cross-section information to form the imputations.

We propose to develop a framework for optimal statistical treatment of different types of imputation in studies of wage determination and wage dynamics using panel data. We illustrate our methods using data from the Survey of Income and Program Participation (SIPP), administered by the U.S. Bureau of the Census. Each SIPP panel is a nationally representative stratified sample with waves of interviews administered at four-month intervals for periods up to four years (currently covering most years for the period 1984-2007). In addition to cross-section hot deck matching, missing observations on earnings and other income components in the SIPP are imputed using data from previous and subsequent waves, including the use of carryover values. Such longitudinal imputations have very different implications for income dynamics than do standard cross-section imputation techniques. We propose a comprehensive investigation of earnings imputation in the SIPP panels, with the intent of developing weighting schemes or other methods to incorporate different types of imputed values and obtain consistent estimates for various classes of cross-section and dynamic earnings models. These findings are likely to be of use in a wide range of future studies of income and earnings determination and dynamics, particularly those using the SIPP and other panel surveys with a complex structure.

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**Has income growth in Britain become more pro-poor?**  
Assessments of who is getting better off over time typically summarize changes in the incomes of particular groups, e.g. the poor or the rich, or for subgroups such as lone parent families and other families with children. These calculations ignore the fact that these groups change composition over time: the same individuals are not being compared. To assess whether this years poor (or rich) are gainers or losers, one has to track the fortunes of individuals using longitudinal data. Using data from the British Household Panel Survey, we compare the patterns of individual income growth over the period 1992-1996 with those of the period 1999-2003. We develop methods providing a longitudinal perspective, and show that the pattern of income growth became more pro-poor between periods, and in a different manner than is revealed by conventional analysis. The results are consistent with the aims of the New Labour government to reduce pensioner and child poverty.
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Welfare state provisions and immigration policies in Belgium and Ireland  
Since some years Belgium is witnessing a lively debate with respect to immigration policies. Some see immigration as one of the solutions to maintain the sustainability of the welfare state in the light of an ageing society, whereas others see it as a threat. Both positions are too simplistic, as the interactions between immigration and the welfare state are many and complex. Our paper wants to contribute to this debate. Therefore, we compare Belgium, which is labeled as an old immigration country, with a new immigration country, namely Ireland. In this paper we examine the contribution to and dependency on welfare state provisions by immigrants compared to natives in both countries. We estimate for each individual the determinants of his/her dependency on (i.e. costs) and contribution to (i.e. the benefits) the system of social security. We try to distinguish the relative impact of the various common socio-economic variables (such as education level, gender, age) as well as at that of migrant-specific factors. To analyze these issues we use the data of EU-SILC. We handle these questions for different categories of immigrants, within the current limits of the survey. Our calculations serve as a stepping stone for the estimation of the fiscal effects of migration. The comparison between an old and a new immigration country will help to understand the interaction between immigration and the welfare state.

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Mental health, work incapacity and tax contributions: an analysis of the British Household Panel Survey  
The Government has embarked on a programme to increase the availability of psychological therapies. This followed high-profile reports on the economics of such a programme claiming that the programme would “cost the Exchequer nothing”. In part, these analyses relied on two statistics: the proportion of Incapacity Benefit (IB) claimants diagnosed with mental and behavioural disorders; and estimates of the costs to the Exchequer of periods on IB. These are cross-sectional associations that have been used to support a case for intervention and constitute forms of cost-of-illness and human capital arguments. We subject these two statistics to more rigorous longitudinal analysis using nationally representative data from the first seventeen waves (1991-2007) of the British Household Panel Survey. The panel structure of the survey enables us to model the effect of depression on the probability of being on IB whilst controlling for various sources of endogeneity that bias cross-sectional inference. The detailed income and benefits questions allow us to derive and analyse an individual-level proxy measure of ‘contributions to the Exchequer’. In addition, we can control for covariates and unobservable heterogeneity in our estimations. Our results reveal that simple estimates of the effects of depression on IB claims and on contributions to the Exchequer are confounded substantially by observable covariates and unobservable heterogeneity. We also find the effect of depression on IB claims is only a partial assessment of the impact of depression on Exchequer contributions.
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**Right to Buy...time to move?**
This research uses longitudinal data from the British Household Panel Study (BHPS) to study moving behaviour and moving desires of those who bought their homes under the Right to Buy.

The consequences of the Right to Buy legislation, introduced in the early 1980s, have been studied intensively. One stated aim of the Right to Buy was that it was expected that freeing up the housing market, by removing the debilitating effect of public housing, would help to reduce constraints on inter-regional mobility. This would give people more freedom to move between regions for family, environmental and, especially, labour market reasons. Despite this clearly stated goal of the Right to Buy policy, there has been no research on whether council tenants became more mobile over long distances after buying their house.

This research is the first study to examine rigorously whether the Right to Buy legislation did indeed “free-up” people to move inter-regionally. To compliment the research on moving behaviour, the moving desires of those who bought under the Right to Buy are also considered. An investigation of peoples desire to move (or the lack of this desire) may provide an insight into the factors that influenced peoples decisions to purchase their council homes. Initial results from studying the effect of the Right to Buy on mobility using longitudinal data from the BHPS will be presented.

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**Well-being over the life span: semiparametric evidence from British and German longitudinal data**
This paper applies semiparametric regression models using penalized splines to investigate the profile of well-being over the life span. Splines have the advantage that they do not require a priori assumptions about the form of the curve. Using data from the British Household Panel Survey (BHPS) and the German Socio-Economic Panel Study (SOEP), the analysis shows a common, quite similar, age-specific pattern of life satisfaction for both Britain and Germany that can be characterized by three age stages. In the first stage, life satisfaction declines until approximately the fifth life decade. In the second age stage, well-being clearly increases and has a second turning point (maximum) after which well-being decreases in the third age stage. Several reasons for the three-phase pattern are discussed. We point to the fact that neither polynomial functions of the third nor the fourth degree describe the relationship adequately: polynomials locate the minimum and the maximum imprecisely. In addition, our analysis discusses the indistinguishability of age, period, and cohort effects: we propose estimating age-period models that control for cohort effects including substantive variables, such as the life expectancy of the birth cohort, and further observed socioeconomic characteristics in the regression.

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**Elderly’s participation in disability benefits: targeting, timing and later outcomes**
This paper analyses receipt of Attendance Allowance (AA), the main disability benefit available to older people in UK. Using seventeen waves of British Household Panel Survey data, we first investigate to which extent entry into AA is responsive to changes
in potential claimants’ disability status, and to other personal characteristics that might act as confounding factors in the targeting process. Second, we analyse the time gap between the onset of disability and claiming. Third, we compare later outcomes of AA recipients with those of an appropriately selected control group. Results indicate that entry into AA is highly responsive to previous changes in disability status, and that AA enhances recipients’ perceived financial wellbeing. However, considerable delays in claiming are also found which, given the low life expectancy of disabled elderly, might severely compromise the effectiveness of the program.