



Institute for
Social and Economic
Research



Taking the Long View 2009-2010

About ISER

The Institute for Social and Economic Research (ISER) specialises in the production and analysis of large and often complex datasets. It collects and uses longitudinal data – evidence that tracks changes in the lives of the same individuals over time – household and other panel studies, as well as diary studies, and cross-national and historical comparative materials.

ISER is an interdisciplinary institute, with specialists in demography, economics, sociology, social policy and social statistics. It is an independent department of the University of Essex and is core-funded by the university and the UK's Economic and Social Research Council (ESRC). ISER is organised as two divisions: a research centre; and a resource centre.

The research centre: MiSoC

The Research Centre on Micro-social Change (MiSoC) is the base for ISER's substantive research programme. The core-funded programme is founded on a central theme – the analysis of life chances, taking a longitudinal perspective on people's careers, incomes, family lives, health experiences and so on. Related topics include time use and consumption, and the effects of locality and ethnicity.

The resource centre: ULSC

The UK Longitudinal Studies Centre (ULSC) is the national resource centre for promoting longitudinal research and for the design, management and support of longitudinal surveys. ULSC activities include managing the new UK Household Longitudinal Survey, *Understanding Society*, and the British Household Panel Survey (BHPS). The ULSC also runs a methodological research programme to improve longitudinal survey and analysis methods.

International links

The institute has a strongly international atmosphere, with the majority of its researchers originating from outside the UK. We frequently collaborate with research teams in other countries in comparative analytical programmes, in the organisation of international conferences, in the production of cross-national datasets and in the development of new national panel surveys. ISER also regularly hosts visits from researchers and research groups on the Essex campus, offering analytical advice as well as access to data resources.



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From the Director

In September 2009, Stephen Jenkins stepped down as Director of ISER after a three and a half year period leading the institute. In this, my first Director's report, I would like to take the opportunity to thank Stephen and to recognise his contribution to ISER. Under Stephen's leadership, ISER has gone from strength to strength, with our position as an internationally recognised inter-disciplinary longitudinal research institute firmly established during a period of expansion and growth. Throughout his directorship, Stephen continued to lead by example, with a prodigious record of publication in world-class journals and a commitment to the highest standards – standards he expects of himself as well as others in ISER. Stephen's commitment to research excellence has encouraged a rich intellectual climate where ideas can flourish and researchers can develop their careers. He has been instrumental in increasing our postgraduate student numbers, building an environment for training a new generation of researchers equipped with the academic and technical skills which will ensure their success in the future.

Stephen's support for both senior and junior colleagues is always generous and unstinting. He supported the recently successful funding bid for the ESRC Research Centre on Micro-social Change (MiSoC) for a further five year period from October 2009 to 2014. Together with the major ESRC funding to establish the new *Understanding Society* household panel study of 40,000 households across the UK, Stephen presided over one of the most successful funding periods ever experienced by ISER. This is surely a testament to his sound management and the confidence placed in ISER's ability to deliver high quality research and resource outputs by our funders.

I am of course excited and delighted to take on the challenge of leading ISER and to developing the excellence in substantive and methodological longitudinal research which has come to be seen as ISER's hallmark. Stephen Jenkins' recent contribution to the National Equality Panel, highlighted later in this report, is contributing to major policy debates about the need for interventions at each life cycle stage to counter the way economic inequalities are reinforced over people's lives and often passed on to the next generation. *Understanding Society*, under the leadership of Nick Buck, has completed the first year of data collection and wave 2 of the

study went into the field in January 2010. An interim data release is planned for this summer and plans are underway for analysis using this exciting new data source. The UK Longitudinal Studies Centre (ULSC) including data collection for waves 3 to 5 of *Understanding Society* have recently been funded by the ESRC together with funding for the collection of direct physical measures. Steve Pudney, ISER's Research Director and Principal Investigator for the new MiSoC programme, has mapped out a challenging and innovative programme of research which includes contributions from ISER Research Associates and others to make the programme truly inter-disciplinary. A relatively new and growing research direction for ISER led by Amanda Sacker is health, supporting the bio-social data collection recently funded on *Understanding Society* and ensuring the analysis potential of those data is demonstrated and realised. The Euromod micro-simulation project, under the leadership of Holly Sutherland, continues to expand to new EU countries and has a growing team based at ISER. And the methodology programme led by Peter Lynn plays a pivotal role in ensuring that ISER is at the forefront of developments in survey methodology, not least through the *Understanding Society* Innovation Panel.

The coming year in ISER will be both challenging and rewarding. We are delighted that the University is supporting and investing in ISER's future through the appointment of four new Chairs and we will be looking for high quality candidates across a range of disciplines in the coming year. As an institute with a combined research and resource function for the wider academic and policy community, ISER is uniquely placed to continue to play a major role in the social sciences in the UK and internationally. We have a team of talented and committed staff and I am very much looking forward to working with them and with the wider community over the next few years.



A handwritten signature in dark ink, reading "Heather M Laurie". The signature is written in a cursive, flowing style.

Heather Laurie
Director



From cradle to grave – inequality report calls for major policy reform

The recently-published report by the National Equality Panel argues that policy interventions are needed at each life cycle stage to counter the way economic inequalities are reinforced over people's lives and often on to the next generation.

An Anatomy of Economic Inequality in the UK highlights a range of deep-seated and systematic differences between social groups across all of the dimensions it examines. It indicates that people's origins shape their life chances from cradle to grave. Differences in wealth are associated, for instance, with opportunities such as the ability to buy houses in the catchment areas of the best schools, to afford private education, or to help children onto the housing ladder. At the other end of life, wealth levels are associated with stark differences in life expectancy after 50.

The report has generated widespread discussion of the issues we face and how they should be tackled. The Panel was made up of ten leading academics including Stephen Jenkins. And a number of other ISER researchers – Lucinda Platt, Cheti Nicoletti, Simonetta Longhi, Richard Berthoud and Holly Sutherland – contributed to this influential report. In the coming pages we feature two specific pieces of research commissioned by the panel from ISER.

Unravelling spaghetti

Stephen Jenkins was asked to look at how income varies with age. His report, *Spaghetti unravelled: a model-based description of differences in income-age trajectories* is based on 17 years of data from the British Household Panel Survey, is available as an ISER Working Paper and was presented as the 2009 Downing Lecture at the University of Melbourne.

Individuals' income-age trajectories look like cooked spaghetti – they are a complex mix of wiggly lines – statistical models can be used to isolate some key underlying patterns. This research proposes a framework that provides summary descriptions of not only the way in which incomes among groups of similar individuals change with age on average, but also the way in which trajectories for individuals diverge from the average trajectory of their group.

Most of the evidence currently available about the relationship between income and age is derived from cross-sectional data containing individuals of different ages. By contrast, this research uses longitudinal data: how income varies between the age of 30 and 40 years is derived by following 30 year olds over a decade until they are 40 rather than comparing today's 30 year olds with today's 40 year olds.

Knowledge of how income varies with age on average, and the extent to which individual trajectories differ from an average profile, is relevant to many aspects of social policymaking. How income varies over a person's life determines what they are able to spend and influences their consumption and economic well-being at different ages as well as their ability to save for old age, whether privately or through pension schemes. It is important to identify the characteristics of not only the groups who, on average, have persistently low incomes and hence low abilities to save, but also whether a 'group average' is potentially deceptive. Even if income increases with age on average, this is consistent with considerable year-on-year fluctuation in the incomes of a minority, or a mixture of subgroups with rising income and subgroups whose income is falling. These features complicate the design of effective policies for fostering saving by all.

The research differentiates twelve 'social groups', with group membership defined in terms of similarity of birth year, educational qualifications and sex. Among members of the same group, there are income differences at the beginning of the working life and also differences in the rate of growth of

income thereafter. In addition, idiosyncratic variation in an individual's income from the group average is introduced to account for factors such as genuine transitory variation, measurement error, or the impacts of major life events such as the birth of a child or divorce.

Some clear patterns emerge. First, hourly wages increase with age from the beginning of the working life, but at a decreasing rate. On average, and regardless of group, men's wages grow continuously from the start of the working life but at a decreasing rate, peak in the late 40s and fall thereafter. In contrast, women's profiles do not have such a distinct peak – wage growth declines up until the late 30s but then appears to rise again. The growth slowdown for women is consistent with their greater prevalence of part-time work, which is less well paid, particularly over the ages when many have children.

For both men and women, and for both birth cohorts, having higher educational qualifications is associated with higher wages, with the return to additional qualifications greater for women than for men up until middle age. But among people with similar educational qualifications and birth cohort, men are paid more on average than women at every age.

The report argues that it is the transitory error component of income that cooks the spaghetti. This may represent genuinely transitory variation, measurement error or, for broader measures of income, the effects on lifecycle events such as having children, and family formation or dissolution. A task for future research is to incorporate more sophisticated assumptions about its nature and persistence over time.



Stephen Jenkins

Ethnicity and pay gaps

One of the key economic outcomes considered by the NEP was income from employment – or pay. In analysing differences across equalities areas it drew substantially from research carried out by three ISER researchers, Simonetta Longhi, Cheti Nicoletti and Lucinda Platt. This research included an existing study for the Equalities and Human Rights Commission and a specially commissioned study, which provided more detailed consideration of pay gaps experienced by disabled people and ethno-religious groups.



The analysis of group specific pay gaps derives from the commonly utilised notion of the gender pay gap, that is the percentage by which women's pay is lower than men's on average. The extension of the concept of pay gaps to differences between groups other than men and women was developed in a study carried out by Lucinda Platt for the Equal Opportunities Commission in 2006, which drew attention to the very substantial gaps experienced by women across ethnic groups relative to majority male earnings; the diversity between minority groups, with men from some groups being paid relatively well while others had extremely low pay on average (even lower than the average full-time pay of women) and finally the fact that *within ethnic groups* the gender pay gap only existed for some groups.

Simonetta Longhi and Lucinda Platt built on this analysis for the EHRC. But they extended the coverage to all of the equalities areas: disability, religion, sexual orientation and age, as well as ethnic group, looking at men and women separately in each instance. They found a similar pattern of striking ethnic group pay gaps, with Indian and Chinese men in a relatively favourable position in pay compared to White British men, but Pakistani men facing pay gaps of around 23 per cent. All women faced pay gaps relative to White British men, but these showed a broad range from 9 per cent for Chinese women, to 17 per cent for White British women, to 26 per cent for Pakistani women. Pay gaps for disabled people were also marked at 22 per cent for women and 11 per cent for men. Interestingly, in the case of disability there appeared to be a clear case of dual disadvantage, with disabled women's pay worse both than non disabled women's and than disabled men's.

While simple pay gaps summarise pay differences from all causes, including differences in qualifications, age, health status, family status and so on, between the groups compared, the EHRC estimated what average pay would look like if only individuals who were similar in these respects were compared. In particular, pay gaps that derive from differences in qualifications are generally considered 'fair' (though whether that should actually be the case is a point debated in the NEP report); and differences that stem from age at least make those gaps comprehensible. They therefore held a set of basic characteristics constant, and investigated the pay that otherwise similar individuals could expect, dependent on their ethnic group, disability status etc. The analysis found that,

when comparing individuals of similar age, qualifications, occupational group, health status and family status, women from *all* ethnic groups could expect to be paid significantly less than their White British male comparators. The researchers concluded that much of the difference was likely to lie in differences in employment history, especially interruptions to employment and/or changes in occupation that women with children typically face (a point also emphasised in the NEP report), but that they could not exclude the possibility of discrimination in employment.

The NEP commissioned follow up of this research from Cheti Nicoletti, Lucinda Platt and Simonetta Longhi. The team looked at the experience of specific ethno-religious groups and separating out first and second generation. For disabled people, they distinguished between those who did and did not experience limitations on their work that they themselves associated with their disability. They also looked beyond average pay to see what gaps were like among those better and among those worse paid. They identified the importance of the occupations that different minority groups were more highly represented in contributing to pay gaps.

For example, part of the reason for high average pay among Indian Hindus was explained by their over-representation in some highly paid occupations such as professionals (especially health professionals) and under-representation in part-time work. By contrast, the pay gap for both Indian Muslims and Pakistani Muslims was partially accounted for by their concentration in low paid occupations, like sales and customer service, and in part-time work. How the different groups ended up in such different occupations remains an issue for consideration in terms of equality of access to the labour market. For disabled people, whether or not they experienced limitations associated with their disability was important for their end pay, though it was noted that those who experienced non-supportive or 'disabling' environments might be more likely to attribute work limitations to their health condition.



Lucinda Platt



Managing your money is good for your health

At the beginning of this year, Ed Balls the Government's Children, Schools and Families Secretary released details of new compulsory lessons for children on managing their finances as adults.

From 2011, five-year-olds will have lessons on how to save money in a piggy bank. When they are at primary school, they will be taught about current and savings accounts and how to budget. In secondary school, the lessons will move on to credit cards, mortgages and loans, with specific warnings about debt.

The move follows on from research at ISER that found being unable to manage money harms a person's wellbeing. The research has been undertaken by Mark Taylor and colleagues on behalf of the Financial Services Authority (FSA).

The motivation behind this project was to investigate the extent to which people's financial capability is a good predictor of their mental health and wellbeing. The resulting insights contribute towards a deeper appreciation of how financial capability affects individuals, and so help the FSA's financial capability work to be targeted more appropriately, and help inform the evaluation of policies and programmes. The key themes were to develop a suitable measure of people's ability to manage and take control of their finances (their 'financial capability') and an understanding of its links with psychological wellbeing, using data from the British Household Panel Survey (BHPS) covering the period 1991–2006.

The project started by creating a measure of financial capability. To fully exploit longitudinal nature of the data, the focus was on financial variables available in all 16 years of data. An index of financial capability was constructed based on an individual's perceived current financial situation and whether this had changed since the previous year. It also took into account their savings behaviour, and the extent of any problems faced in meeting housing payments.

Readily available information from the BHPS' General Health Questionnaire, reported life satisfaction, and individuals reporting a health problem associated with anxiety or depression were used to measure psychological wellbeing.

Individuals whose financial capability varied a lot over time also showed high year-on-year variability in psychological wellbeing. Furthermore, the research established a strong association between financial capability and psychological wellbeing and also between changes in financial capability and changes in psychological wellbeing. People who were less able to manage their finances suffered higher levels of mental stress, reported lower levels of life satisfaction and were more likely to report health problems associated with anxiety or depression.

These findings were confirmed even after controlling for a range of observable individual and household characteristics,

and time-invariant unobserved effects. Moving an individual from relatively low levels of financial capability to average financial capability levels reduces their GHQ score by almost 6 per cent, increases their reported life satisfaction by 2.4 per cent and reduces their probability of suffering a health problem related to anxiety or depression by 15 per cent. However this relationship varies over the financial capability distribution: it is strongest at the top of the distribution. This implies that although increasing financial capability will improve the psychological wellbeing of most people, focusing on the least financially capable may have less effect. The impact of financial capability on psychological wellbeing also differs across different population groups. In particular, low financial capability compounds the already psychologically harmful effects of unemployment or divorce, while being in good health or retirement reduces the psychologically damaging impacts of low financial capability.

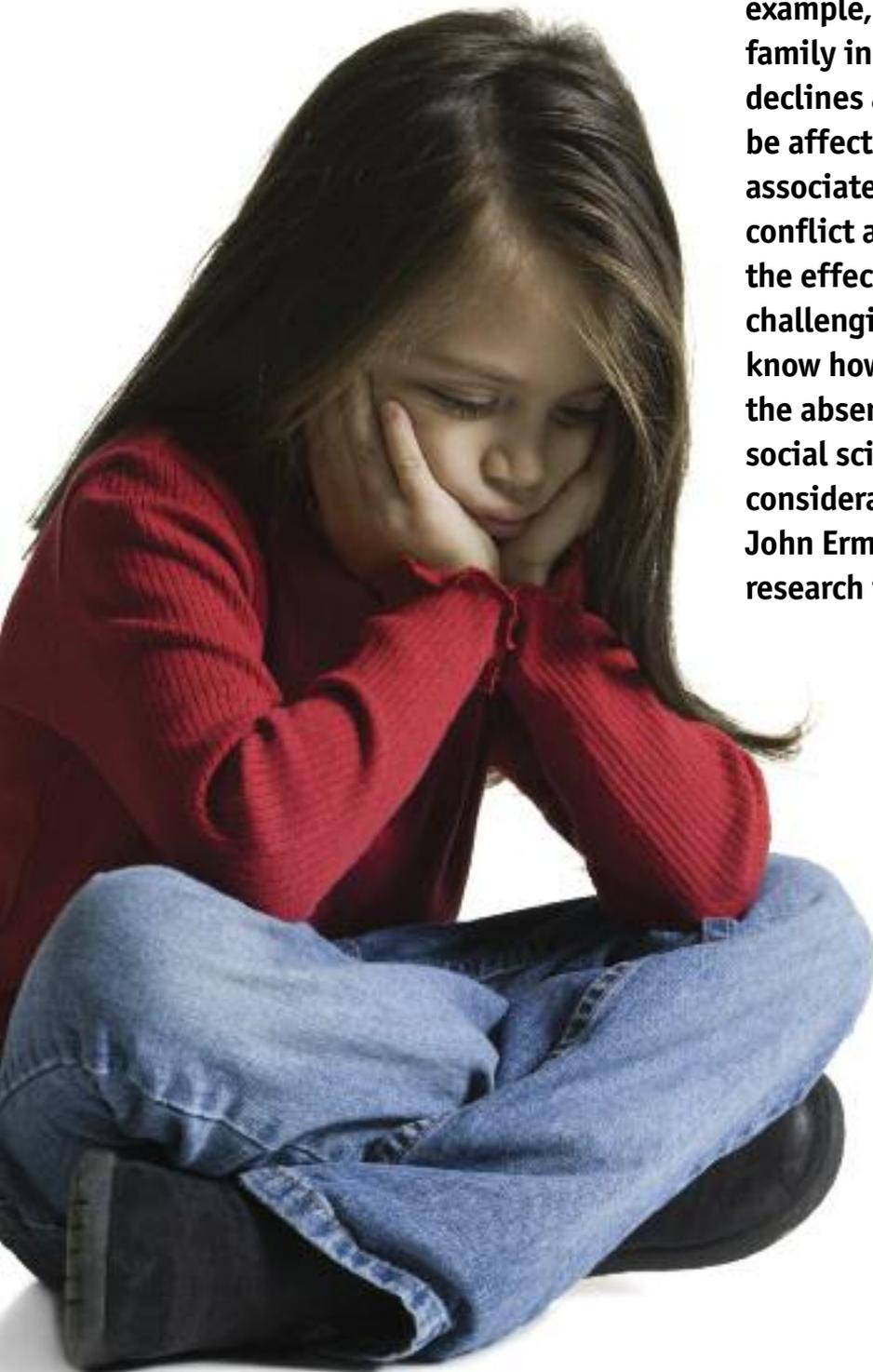
The research raises a number of further questions. The first is the extent to which financial capability is related to favourable economic circumstances or by financial management skills. This research modelled psychological wellbeing as a function of financial capability and found a relationship, but not the determinants of financial capability itself. If financial capability at the individual level is highly variable from one year to the next in an unpredictable way, then this makes it harder to design policies to improve it. Finally, and crucially for the results of this project, is the extent to which people experience shocks or events not captured in survey data that might affect both their financial capability and psychological wellbeing and confound the effects that emerge from statistical models.



Mark Taylor

Effects of divorce on children

The vast majority of lone parent families are generated by the break-up of marriages and cohabiting unions ('divorce' for short), and more than 4 in 10 children will experience their parents' separation. It is natural to suspect that children might be adversely affected by these events and their aftermath. For example, in most cases the income of the family in which the children reside declines after divorce. Children may also be affected by other circumstances associated with divorce, such as parental conflict and maternal stress. Measuring the effect of divorce on children is challenging because it is impossible to know how children would have fared in the absence of their parents' divorce. The social sciences have however made considerable progress in doing so. ISER's John Ermisch has been at the forefront of research in this area.



First, we must be clear about what 'effect' is to be measured. To be concrete, we focus on the effect on the children's formal educational qualifications as an adult, an important outcome because of their influence on future income and life chances. Some children may be affected more than others, but we can estimate the average effect of divorce. For instance, in one UK study 50 per cent of children of divorce attained an A-level qualification or higher compared with 66 per cent of children from intact families. Would the difference in two percentages like these identify the average effect? In general the answer is no. This is because parents who break-up may have children who do less well in education, even if they had remained together. A clear example is less educated parents, whose children tend to end up with lower education and who are more likely to divorce. Other more difficult-to-observe factors are likely to affect both divorce and the educational attainment of children.

A measure of the causal effect of divorce aims to reduce, if not eliminate, the role of such common factors. The idea is to mimic an experimental situation in which some parents are randomly selected to divorce. One way is to make the comparison conditional on a number of observed pre-divorce attributes of parents (e.g. their education) and their children, and the British cohort studies have been invaluable in this endeavour. But this may not be fully successful because of key factors we cannot observe.

Another way is to compare children of the same mother, one of whom experiences divorce as a child but the other does not (i.e. an older sibling is over 16 before the divorce occurred; some studies also use half-siblings). While this method controls for attributes of the mother that are persistent, the passage of time may introduce new factors (e.g. parental conflict) affecting both divorce and the other sibling's education and of course only-children are omitted.

A related approach, suffering from similar limitations, estimates inter-linked statistical models for the risk of divorce and children's education allowing for an unobserved mother-specific factor with a bell-curve distribution that affects both, in addition to the influence of observed factors. It requires that some women have both multiple children and multiple marriages.

Another method relies on a change in the environment, say in the law, which affects the chances of divorce but does not directly affect children's education. In this case, we can identify the average effect of divorce on the children of

parents who were induced to divorce by the change in the law, which is likely to differ from the average effect that the other approaches attempt to estimate. A possible shortcoming of this method is that the behaviour of parents who do not divorce may also be affected by the legal change because it changes the risk of divorce for all.

While there is not a perfect solution, estimation of the causal effect with different methods allows an accumulation of evidence that is less dependent on one particular approach. Evidence from many countries indicates that the simple comparison of children from intact and divorced parents always shows a big difference in children's education that favours intact families. The methods above demonstrate that it usually overstates the effect of divorce, sometimes substantially. How much it does so depends on the method and the country being investigated.

Irrespective of the method, the evidence indicates that divorce in the UK reduces the chances that children obtain higher qualifications. It does not matter whether children were born in the 1950s or 1970s, and there is some evidence that the negative impact is larger when the break-up occurred before the child started school. Such an effect appears to be absent in Sweden, which suggests that Scandinavian public policies may matter, but this inference is undercut by new findings for Norway which show results similar to those from the UK.

What are the mechanisms producing this effect? Is it the loss of a parent from the household, including his income and involvement? Is it the emotional upheaval during the process of separation, or parental conflict leading up to divorce? Recent evidence from Norway indicates that parental death produces effects on the child's education similar to divorce, suggesting it is not only parental conflict. In general, the studies using large samples, which are needed to estimate the average effect relatively precisely (particularly that of parental death), are less able to identify mechanisms, which is necessary for policy prescriptions. It has nevertheless been important to find out what are some of the effects of divorce on children.



John Ermisch

A year of *Understanding Society*

The future of one of ISER's most prestigious and important projects was secured with the refunding of *Understanding Society* earlier this year. And as the specialist team behind the largest survey of its kind in the world prepares to release initial findings later this year, we look back on a year of *Understanding Society*.

January 2010 saw interviewers returning to the first wave of participants for the first time as the survey's longitudinal nature became a reality. While the first wave of interviews in 2009 focused on the collection of baseline information about people's lives up until that point, wave 2 questions are more focused on seeing how people's lives have changed in the last 12 months. Participants are asked about job change, whether they have moved house, got married or had children. They are also asked about how they are managing their money, how stressful their jobs are and how they spend their free time. It's questions like these that will help researchers start to build up a detailed picture of how people's lives are changing over time.

Participants from the well-established British Household Panel Survey, which has been running for the last 18 years, also became part of the survey this year. This means that researchers across the UK and the world can continue to make use of this well-established and rich resource just under the new umbrella of *Understanding Society*.

Understanding Society is set to become a major resource for understanding key issues that face societies worldwide and, as such, an integral part of the evidence base used to formulate and evaluate government policies. It will also enable better methods of analysis. Because the survey represents people of all ages and from all walks of life in 40,000 households, it provides an unprecedented opportunity to research issues that other surveys cannot because they are too small.

It will provide unique information about the persistence of states such as child poverty or disability, about the factors that influence key decisions and changes such as marriage and divorce, and about how actions at one life stage affect outcomes at a later stage. It also addresses emerging research issues, including how our actions affect the environment, and changing patterns of health, employment and unemployment. The data collected cover many topics and support a wide range of research agendas.

Two areas of emphasis are support for research on ethnicity and identity, and secondly strengthening the health and biological aspects of the survey to allow examination of the interactions between individuals' behaviours, and family and social environments and indicators of their state of health and other characteristics. These physical measurements will supplement data about respondents collected using questionnaires, combined with data linked - subject to informed consent - from external sources such as health service records.

In the longer term researchers will be able to examine the whole life course and developments and changes between generations.



Nick Buck

ECASS

After 14 years, nearly 500 visits from individuals totalling 22,000 days of access to ISER resources and expertise, ECASS, the European Centre for Analysis in the Social Sciences, said goodbye to the last of its visiting researchers in March. ECASS was created to foster the mobility of European researchers and promote the creation of pan-European research networks and was led by Marcia Freed Taylor.

In 1996, ECASS was recognised as one of only four European *Large Scale Facilities* (later renamed *Major Research Infrastructures*) in the social and economic sciences by the European Commission, and funded to facilitate new opportunities for research teams (including individual researchers) to obtain access to individual major research infrastructures they required for their work, and thereby increasing the human resources available for research and technological development. It was subsequently funded under the Fourth, Fifth and Sixth Framework Programmes of the European Commission. Major Research Infrastructures were selected on the basis of competitive application and were acknowledged to be unique or rare within Europe, providing a first-class service essential for top quality research, and capable of offering excellent scientific, technical and logistic support to external, particularly first-time users.

ECASS has enjoyed a very successful 14 years, hosting European researchers from every country of the old and newly expanded European Community as well as those affiliated nations such as Israel, Turkey and Switzerland. Almost all of the disciplines within the social sciences have been represented among the visitors, with a majority of researchers being either economists or sociologists.

All researchers underwent a rigorous selection process by an international Selection Committee (the rejection rate varied between 16 per cent and 52 per cent) and spent up to three months at ECASS carrying out their primarily quantitative, collaborative and cross-national research projects. Funding included travel, accommodation and a per diem to cover the additional costs of living away from home.

A key feature of the ECASS programme was that it allowed the researchers selected, both junior and more senior, the space,

time and resources to carry out their own research in the congenial and collegial atmosphere of ECASS, ISER and the wider University. Projects have focused on a variety of social and economic problems, based on the many data resources accessible through the ISER and the UK Data Archive and allied to the research areas of interest to existing ISER researchers.

ECASS has been coordinated throughout its existence by Marcia Freed Taylor, assisted by John Brice, the Database Manager who provided technical and analytical assistance to our visitors and by Kate Tucker, the ECASS secretary who provided logistical assistance.

The results of the ECASS activities include a large number of completed and expanded PhDs, a wide variety of publications, and a highly motivated network of collaborative and comparative researchers spread throughout Europe. ECASS was instrumental in the establishment of both vertical and horizontal research networks – those involving both senior and more junior researchers, and those between researchers just starting out on their academic careers.

Several ECASS researchers have been or still are staff members of ISER, more were and are studying at ISER, and yet more are involved in collaborative projects and networks with former ECASS visitors and with ISER researchers. This means that the “ECASS effect” will continue, even though the programme itself is now at an end.



Marcia Freed Taylor



Changing attitudes

Every year the British Social Attitudes survey asks around 3000 people what it's like to live in Britain and how they think Britain is run. The survey tracks people's changing social, political and moral attitudes and informs the development of public policy. The most recent report includes a chapter by ISER's Amanda Sacker and NatCen's Andy Ross on *Understanding the dynamics of attitude change*. Using the British Household Panel Survey (BHPS) it explores our changing attitudes to homosexuality, divorce, unmarried parents and caring for the elderly and finds that we are becoming more liberal and more tolerant.

Changes in attitudes across time are considered to be the result of three general processes: generation (or cohort) replacement, life-cycle (or age), and period effects. *Generation replacement* represents changes in the attitudes at the level of the nation that occur not because individuals change, but because the attitudes of older, dying generations are being superseded by the attitudes of the young. It is a process of change that is relevant to attitudes that we develop as part of our early socialization, and that remain fairly fixed across the rest of the life course.

Differences in the attitudes between generations are a result of growing up in different times. A good example is religious affiliation. Most people develop a faith very early in life and whilst life events can mean that this faith feels stronger at some times than others, it generally remains constant throughout the life course. However, because new generations

are being born into an increasingly secularized world, religious affiliation is in a steady decline. This type of change is also known as inter-individual change as it describes change that occurs as a result of differences *between* individuals.

Alternatively, change in attitudes can be intra-individual, occurring because the attitudes of individuals change. This can be as a result of a specific event, for example as happened during the late 1980s when, as a nation, we became less tolerant of homosexual relationships following the AIDS epidemic. The type of intra-individual change described above is called a *period effect* because changes in attitude are a result of the context (or period) in which people are living. There is however another kind of intra-individual change that relates to a person's age. This change is termed an age effect, or more appropriately a *life-cycle effect*, because it is a change that relates to reaching or passing through different stages in the



life course. This could include entering the world of work, paying taxes, getting married (or not), buying a house, having children (or not), retiring and so on.

Whilst these three general processes describe changing attitudes over time, in truth, changes that occur across society are often a combination of generational, period and life-cycle processes. Changes that are associated with new stages in the life course will always be situated in a particular context or period and will also be shaped by the period in which a person grew up. Quite often it has been the task of the researcher to try to identify which of these three processes is the dominant driver of change.

On an issue like homosexuality, which most often is asking about the way 'other people' live their lives, the effect of a more secular and individualised world is that we have become more tolerant of other people's choices. This shows up in the research as a combination of a period and generational effect. Barring outside shocks such as the AIDS crisis, we would expect attitudes to continue to change in a more liberal direction.

Attitudes to divorce and marriage may be closer to home – the majority of people have personal experience of intimate relationships. Perhaps this is why changes in attitudes in this area are more a case of life-cycle effects as individuals move into the age brackets where they are themselves forming and dissolving relationships.

The case of cohabiting parents is a complex combination of these. There are strong generational effects as we would expect for an 'other people's lives' issue. But there are also complicated overlays of life-cycle effects, older individuals, who notably held the most conservative views on parenthood and marriage, were the most likely to change their views on this issue over time. As the number of children born to unmarried parents grows, the personal experience of becoming a grandparent of a child in a cohabiting household might be leading older people to take a more liberal view on this issue.

In the case of care of the elderly, there seems to be a period effect of a growing realisation of the need to care for one's parents – perhaps an 'other people' type attitude in the sense that it is the principle of caring for one's parents that has seen an improvement over time. This apparent increase in altruism however is counteracted by those in the age groups that are actually providing the care, suggesting again that life-cycle effects are more important when the experience is personal.

In summary then, there are general processes at work – on average, we are becoming more liberal and tolerant. These period effects (which subsequently feed through into generational change), may relate to individualization, secularisation and so on. They dominate when the attitudes relate to distant values and 'other people'. However, our attitudes can be very much affected by what we are being faced with in our daily lives – these are more likely to be personal experience and hence life-cycle effects. In some cases, these effects enhance the generational replacement effect towards tolerance, but they can also counteract it.

Another interesting feature is the relationship between chronological age and attitude change – older people are less likely to change their views than young people, hence the tendency for generational change to be the underlying mechanism for 'distant' issues such as homosexuality. But this is not necessarily the case with issues that directly relate to older people. When it comes to situations that are relevant to them, (for example, becoming grandparents to a child born to a cohabiting couple) then the elderly can also be seen to change their attitudes over time.



Amanda Sacker

Social care debate

In most developed countries, population ageing is associated with increasing need for social care for disabled older people. Consequently, reform of the social care system is one of the biggest policy issues facing the UK and other countries. ISER researchers Richard Berthoud, Ruth Hancock and Steve Pudney are making a significant contribution to the policy debate on disability benefit and social care, with support from the ESRC, Nuffield Foundation, Department for Work and Pensions and Age UK (formerly Age Concern and Help the Aged).



At present, the UK has a system of care services for older disabled people which results in diverse local arrangements for provision and charging, and the policy framework within which local authorities work varies among the countries of the UK. In addition to local care services, central government administers a national system of cash benefits – principally *Attendance Allowance (AA)* and *Disability Living Allowance (DLA)* – which may be received by older people who are able to demonstrate significant care needs arising from disability. The 2006 Wanless report and the 2009 government Green Paper on social care envisage the creation of a National Care Service, with possible funding options including diversion of spending from cash benefits into the new care service.

ISER research has shown that there is only a limited overlap between the groups of older people who are receiving disability benefits and receiving care services and that around 40 per cent of pensioners receiving AA or DLA would be below the poverty line without it. This is especially true for older pensioners, who also have greater degree of material deprivation. Written evidence to the 2009 House of Commons Work and Pensions Select Committee inquiry into Pensioner Poverty and the 2009-10 Health Select Committee inquiry into Social Care, based on ISER research, argued that any system of support for the disabled has some of the features of a lottery – judgement is required in deciding on applications for benefit and the outcomes of those judgements are necessarily unpredictable to some extent. This means that switching from a dual system of support involving two independent assessments of need (for AA/DLA + local care services) to a unitary system providing only care services with a single needs assessment will increase the uncertainty faced by potential claimants – since all eggs will be in one basket. In particular, the chances of ending up with no support at all are likely to increase greatly.

Research has shown that people with higher levels of age and disability and lower levels of income are more likely to claim AA and that outcomes of the claim adjudication system are strongly related to disability, as one would expect. There is little sound evidence that AA/DLA is received by significant numbers of people without any disability, but there is evidence of a large number of people (at least 30 per cent of the over-65s) who are not receiving AA or DLA but would be predicted to be successful, were they to make a claim.

Research on disability faces the same basic challenge that government agencies face in making needs assessments – how do we measure the degree of disability or care need arising from disability? ISER research is based mainly on information from household surveys, and different survey designers have chosen different ways of asking people about their disability. Given these differences, how robust are research results? Do different surveys with different questionnaire designs produce data that tells a different story? Research on this issue, which compares three national surveys widely used in disability research, is producing reassuring conclusions – that all three surveys give essentially the same picture of the relationship between disability and receipt of disability benefit.



Richard Berthoud, Ruth Hancock (University of East Anglia) and Steve Pudney

Study at ISER

In the last year ISER has been home to more than 30 postgraduate students, all of them undertaking research in areas related to ISER's expertise and experience.

ISER's postgraduate students on both Masters and PhD programmes are taught, supervised by, and associate with, some of the leading researchers in their fields.

With nearly 40 research staff and a constant flow of visiting scholars from abroad, including economists, econometricians, sociologists, social psychologists, survey methodologists, statisticians, and political scientists, it is an academic environment that is second to none.

Students at ISER describe it as "intellectually stimulating", "supportive" and "open". Many say it is also an environment that is second to none in respect of resources and facilities. It is certainly a culturally diverse environment too with PhD researchers coming from places such as Italy, Estonia, Germany, the States and Spain to name but a few.

One of ISER's PhD students is Karon Gush, whose own experiences juggling family life and a desire to study, have influenced her work looking at the role of childcare in a mother's decision and ability to work.



In contrast to earlier generations, today's UK mothers are more likely to engage in paid market work whilst still looking after their young children. In the context of these social and cultural developments regarding 'working mothers', the research sets out to establish the extent to which differing childcare options enable mothers to reconcile the demands of motherhood and employment.

Finding high quality and affordable childcare in the UK is acknowledged to be difficult. However, for those women who elect to return to employment after childbirth, this is precisely what they need. Mothers return to work for a variety of reasons. For example, they do so to maintain investment in a career, to earn money, for social contact, and so on; but whatever the motivation, they are dependent on the supply of childcare, given that somebody must look after the children.

Whilst the supply of childcare is crucial, of equal importance is the match between what a mother requires from her childcare package and what it can deliver. The relative merits of different childcare options vary across a range of dimensions; such as how reliable they are, the amount of control that can be exercised over arrangements, how flexible they can be, what kinds of costs are involved, and trustworthiness of the carer. The degree of harmony between childcare package and childcare requirement will thus depend on ability to pay, confidence in the quality of care activities, and approaches to work/family balance.

The particular point in time when a mother returns to work after childbirth indicates the moment of initial reconciliation between job and motherhood. To evaluate the roles that different types of childcare options play in achieving this

reconciliation, the research considers how forms of childcare are related to the speed with which a woman (re) enters the world of work after giving birth. Using data from a nationally representative longitudinal study of over 18,000 infants and their family circumstances, the UK Millennium Cohort Study, mothers' full employment and childcare usage histories from the point of the child's birth up to the age of around three years are reconstructed. The factors associated with a return to work compared to remaining out of the labour market over the period are then explored further.

The findings show clear indications that childcare is an important factor in the speed of return to work, as might be expected, but what is innovative is the insight that the type of childcare matters. Perhaps predictably, the financial cost of childcare is shown to be an important factor; but being able to organise arrangements within the household is also critical in earlier returns. More surprisingly, there is little evidence associating the trustworthiness of the carer with speed of return. Furthermore, differences in timing of return to work by occupational class appear to be heavily linked to specific patterns of childcare usage.

Karon Gush is due to complete her PhD in 2011.



Karon Gush

A year at ISER

Here are some other ISER highlights from the last 12 months.

Sixth formers learn why surveys matter



60 local sixth formers find out Why Surveys Matter, as part of a special interactive workshop staged by ISER as part of this year's ESRC Festival of Social Science. Students find out how surveys work, get hands on experience of carrying out a survey and have the opportunity to meet and talk to younger researchers working in the field.

Home Office research published

Research into criminal and anti-social behaviour carried out by a team including Steve Pudney is published by the Home Office.

Longitudinal Analysis of the Offending, Crime and Justice Survey 2003-06 presents longitudinal analysis of self reported data on offending, drug use and anti-social behaviour amongst young people (initially aged 10 to 25) from the Offending, Crime and Justice Survey.

New ethnic minority women project

Lucinda Platt and Alita Nandi receive £45k in funding from the Government Equalities Office for a project looking at ethnic minority women's economic well being. The four month project will research ethnic inequalities in women's incomes and poverty risks, and the contribution of ethnic and gender inequalities to child poverty.

Research project looks at advice on offer to teenagers

A team of researchers begins to look at the impact that Information Advice and Guidance (IAG) has on the educational and career decisions of school leavers to see if more can be done to help young people make the right choices about their future. The research is being carried out for the Department of Children, Schools and Families (DCSF).

Survey experts present at Canada Methodology event

Peter Lynn is the keynote speaker at the 2009 Statistics Canada Methodology Symposium while ISER Director, Heather Laurie also presents a paper on the

Income distribution conference



ISER researchers are involved in a high-level conference organised by the Institute for the Study of Labour and the OECD which looked at how the economic crisis is affecting personal incomes and the household income distribution.

transition from the British Household Panel Survey to *Understanding Society*. The annual event, held in Ottawa is one of the world's leading regular survey methods events and is well-attended by government, academic and private-sector researchers from around the globe.

Recession research shows who will be hardest hit

Research by Richard Berthoud shows that the substantial increase in the numbers of people out of work during the recession will hit ethnic minority groups, young adults and those with poor educational qualifications hardest.

The report concludes that:

- The proportion of Pakistanis and Bangladeshis out of work – already high at 47 per cent – would rise by nearly 7 percentage points.
- The number of 20-24 year-olds without jobs would soar by a quarter, compared with those aged 55-59 who would see a rate rise of just 1 in 25.
- Under qualified people – already seriously disadvantaged – would see an increase of between 4 and 5 percentage points, compared with an increase of about 2 percentage points for those with good qualifications.

ISER research presented to policymakers

Mark Bryan presents recent research on Life Course Events and Later Life Employment at a seminar for policymakers.

Transitions in the second half of life: assessing the lasting impact of life events and experiences is the subject of the last in a series of seminars called justAGEING, organised by the Equalities and Human Rights Commission in conjunction with the recently-merged Age Concern and Help the Aged charities.

Children are focus of major new study

ISER academics play a key role in The Russell Sage Study, a project that will explore the differences in opportunities and achievements between children of well off and disadvantaged parents. The cross-national study is funded by the Russell Sage Foundation, The Sutton Trust and The Pew Charitable Trusts and hopes to provide a better understanding of how family resources impact on a child's life from a young age through early childhood, adolescence, young adulthood and adulthood.

Unemployment research grant

A team of researchers at ISER is awarded funding to look into the dynamics of unemployment. Mark Taylor and Simonetta Longhi are examining the job search activities of both unemployed and employed people over a 16 year period from 1990-2006.

Further reading and references

Details of all ISER projects and Working Papers are available on the website at www.iser.essex.ac.uk. Below are some further references relating to the articles in this publication.

National Equality Panel report

An anatomy of inequality in the UK
Report of the National Equality Panel
Government Equalities Office

Spaghetti unravelled: A model-based description of differences in income-age trajectories
Report for the National Equality Panel
Government Equalities Office
ISER Working Paper 2009-30
Stephen Jenkins

Downing Lecture 2009
University of Melbourne

Pay gaps across equalities areas
Equalities and Human Rights Commission Research Report 9
Simonetta Longhi and Lucinda Platt (2008)

Decomposing wage gaps across the pay distribution: Investigating inequalities of ethno-religious groups and disabled people
Report for the National Equality Panel
Government Equalities Office
ISER Working Paper 2009-31
Lucinda Platt, Simonetta Longhi and Cheti Nicoletti (2006)

Pay gaps: the position of ethnic minority women and men.
Manchester: Equal Opportunities Commission
Lucinda Platt (2006)

Managing your money

Financial capability and wellbeing: evidence from the BHPS
Financial Services Authority Occasional Paper Series
Mark Taylor, Stephen Jenkins, Amanda Sacker (2009)

The impact of life events on financial capability: Evidence from the BHPS
Financial Services Authority Consumer Research Series number 79
Mark Taylor (2009)

Effects of divorce on children

Parental separation and children's educational attainment: a siblings analysis on Swedish register data
Economica 73:605-624.
John Ermisch and Marco Francesconi (2001)

Family structure and child outcomes in the USA and Sweden
Journal of Population Economics 20:183-201.
A.D Björklund, Ginther and M. Sundström (2007)

Family structure and children's achievements
Journal of Population Economics, 14:249-270
John Ermisch and Marco Francesconi (2004)

Parental partnership and joblessness in childhood and their influence on young people's outcomes
Journal of the Royal Statistical Society A 167:69-101.
Jonathan Gruber (2004)

Is making divorce easier bad for children? The long-run implications of unilateral divorce
Journal of Labor Economics 22:799-833.
W. Sigle-Rushton, J. Hobcraft and K. Kiernan (2005)

Parental disruption and adult well-being: a cross cohort comparison
Demography 42:427-446.
F. Steele, W. Sigle-Rushton and O. Kravdal (2009)

Consequences of family disruption on children's educational outcomes in Norway
Demography 46:553-574.

Marital splits and income changes over the longer term
Chapter by Stephen Jenkins in *Changing Relationships*
Published by Routledge

Changing attitudes

British Social Attitudes – the 26th report
Edited by Alison Park, John Curtice, Katarina Thomson, Miranda Phillips, Elizabeth Clery, Sarah Butt
Published by Sage

Research themes and contacts

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**Social stratification and
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**Tax-benefit policy:
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ISSN 2040-3194

