

An Anglo-German Foundation Report

The impact of family structure during childhood on later-life attainment

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Executive Summary

The question addressed by this report is ‘How does growing up in a family headed by a lone mother affect the later-life educational achievements, health, employment status and earnings of German children?’.

Why are the answers important? The more that disadvantage is transmitted from parents to children, the less there is equality of opportunity, a principle of social justice with wide support. Also, it is important to ensure that the huge amount of resources invested in children – mostly by parents – is well spent. In addition, our research is relevant to contemporary debates in a number of European countries about the extent to which policies should focus on reducing inequalities of outcome (for example, unemployment, poverty or poor health), or address the root causes of those inequalities – which potentially include inequalities in family background and family structure.

The relevance of studying the effects of family structure is underlined by the large changes in family structure that have occurred over the last three decades in Germany. For example, between 1991 and 2001, the number of lone-parent families rose from 11.5% to 13.6% of all families. To the extent that life in a lone-parent family affects later-life attainments, increasing numbers of children have become at risk of experiencing this disadvantage.

In Germany, young adults who belong to a lone-parent family at some time during their childhood are more likely to have lower educational attainments, to be in poor health and to have less success in the labour market. However, one cannot conclude from these raw associations that family structure has a genuinely causal effect on socioeconomic attainments – the associations may arise simply because family structure and the outcomes are each caused by a third set of factors.

Estimating the true impact of family structure on socioeconomic attainments in Germany was the goal of the research. We used specially constructed datasets from the German Socioeconomic Panel Survey (SOEP), and considered a number of different outcomes for young adults: highest educational qualification (whether had *Abitur* or higher); whether

attended a *Gymnasium* (an academically-orientated grammar rather than vocational or general secondary school); whether the individual smoked; whether in poor health; whether registered as unemployed, whether receiving social assistance; and earnings (for those who had a full-time job).

Because assessment of the causal effects of family structure is a tricky business, a combination of statistical methods was used to check whether each pointed to the same conclusion or not. In addition, to control for differences in social and cultural environments, analysis was conducted separately for three samples of young adults – those individuals who grew up in a family from (1) the former West Germany headed by a native German; (2) the former West Germany headed by a guestworker; and (3) the former East Germany headed by a citizen of the former German Democratic Republic (GDR).

Our principal findings about the impact of growing up in a non-intact family during childhood are as follows:

- The probability of achieving *Abitur* or higher educational qualifications appeared to be adversely affected by ever living in a non-intact family during childhood for the individuals belonging to the West German and Guestworker samples, but this finding is sensitive to the statistical method that is used to derive it.
- Living in a non-intact family during childhood had an adverse impact on whether the individual was attending a *Gymnasium* at age 14, although only for members of the West German sample. The effect appears to be due to the occurrence of non-intactness rather than to how long non-intactness lasted.
- Individuals who ever lived in a non-intact family during childhood were more likely to smoke and hence be at greater risk of having poor lifetime health. This was found for members of all three samples, and was robust to choice of statistical method. In contrast, family structure during childhood did not affect whether individuals reported themselves to be in poor health.
- Individuals from the West German sample who experienced life in a non-intact family were more likely to live in a household receiving social assistance. There was no impact on the probability of being unemployed or on the earnings for full-time employees for any of the three samples, however.
- Taking the results all together, whether family structure has a genuinely causal effect on the attainments of young German adults depends on the outcome considered and the statistical method employed.
- Whether family breakdown during childhood had an adverse impact also depended on whether the individual belonged to the West German, Guestworker or German sample. This suggests that ‘institutions matter’ for outcomes.

We were able to compare our findings about Germany with findings about Britain because we used a research design that intentionally mimicked that used by a British research project (led by Ermisch and Francesconi).

In Britain, growing up in a non-intact family has an adverse effect on the probability of having educational qualifications to university entry level, and on the probability of non-

employment, regardless of the statistical method used. By contrast, for West Germany, a statistically significant adverse effect is estimated according to one method but not another. (If one controls for unobserved family background effects by analysing differences among siblings, we cannot reject the hypothesis that there is no effect in West Germany for both outcomes.) On the other hand, for both countries, experience of lone parenthood as a child is associated with a higher probability of being a smoker, regardless of the statistical method used.

The Anglo-German pattern of differences and similarities in results cannot be easily related to common characterisations of the cross-national differences in education systems, labour markets or welfare states. That there is no simplistic welfare state 'regime'-type argument to explain cross-national differences in the impact of childhood family structure on attainments is underlined by the recent research comparing Sweden and the USA (Björklund et al, 2004). One might expect family structure changes to have a potentially less adverse effect on outcomes in Sweden than in the USA because of the more comprehensive and generous social safety net in Sweden, and because legal marriages and cohabiting partnerships are treated more equally. Yet, Björklund and colleagues found that, once unobserved family background effects were controlled for, there was no family structure effect on either the number of years spent in schooling or on the earnings of young people in either country.

Our findings provide several messages for policy makers. First, they cannot assume that growing up in a lone-parent family has a universally adverse impact on later-life outcomes. To be sure, it is true in Germany – as in Britain and many countries – that individuals who spent time in a lone-parent family during childhood had lower attainments than those who remained with both parents throughout childhood. But this does not mean that the differences in family structure caused the lower attainments. For some outcomes, they do; for others it appears that they may not. They may be caused by other factors that are associated with differences in family structure (many of which are not directly measurable).

Second, and related, this means that policies to reduce the prevalence of lone parenthood such as making divorce harder will not have unambiguously positive or universal effects on later-life attainments (and 'forcing' parents to stay together may have other adverse consequences for children).

Third, although our results about the impact of family structure during childhood are not clear-cut, this does not mean that 'family background' is not important for determining socioeconomic outcomes. Family background has many dimensions in addition to family structure. Our study has underlined the importance of these, as has much previous research. (In Chapter 4, we draw attention to factors such as maternal educational qualifications, and Chapter 1 also refers to various types of unmeasured background factor.) Put another way, if the goal is to reduce inequalities in later-life attainments, it may be more effective for policy to target educational achievement rather than marriage.

Fourth, if our results provide any comfort for German policy makers, it is that the situation is apparently better than in Britain where the effects of family break-up on later-life attainments are more definitely adverse. However, German policy makers should not be sanguine. Our findings are that there is currently no unambiguous proof that growing up in a lone-parent family has adverse effects for later-life outcomes (with the exception of the effect on smoking). To reiterate: this does not mean that there is no effect. It means

that the size and direction of the effect is not known for sure (for important statistical reasons). Indeed, our results are consistent with the effect being adverse.

Fifth, the experiences of different countries provide no simple diagnoses or obvious policy 'magic bullets' for reducing the harmful impacts of family break-up. Cross-national patterns are often explained with recourse to broad brush descriptions of differences in welfare state regimes and other socioeconomic and cultural institutions. However, these differences provide no straightforward explanation for differences between different groups within Germany, between Britain and Germany or indeed between Sweden and the USA.

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Notes to the editor:

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