Negotiating the Life Course Survey

Introduction and Perspective

Trevor Breusch
Centre for Social Research, Research School of Social Sciences,
The Australian National University

Edith Gray
Demography and Sociology Program, Research School of Social Sciences,
The Australian National University

Negotiating the Life Course

Negotiating the Life Course (NLC) is a longitudinal survey that investigates how men and women in Australia negotiate employment, family formation and domestic responsibilities across their lifetimes. The survey collects data on a range of variables: demographic, labour market, income, housing, family behaviour, and attitudinal. The aims of the project are to:

• extend theories of human capital and new home economics in explaining women’s and men’s labour force participation;
• map women’s and men’s work trajectories over their life course—from career entry into retirement—and to develop explanatory models of career trajectories;
• identify those aspects of the family-household system and the labour market that facilitate or impede women’s involvement with the labour market;
• investigate the interrelationships between labour force decisions about family formation and household arrangements;
• identify the portfolio of resources that women and men draw upon throughout their lives when making decisions about career and family; and
• assess the policy implications of the findings of the project for the institutions of the welfare state, the labour market and the family.

Detailed information is available at the web site http://lifecourse.anu.edu.au.

Central to the NLC project is the collection of a longitudinal (or panel) survey. The project started with a first wave of interviews in 1996-97 with funding from the Australian National University. Two subsequent waves in 2000 and 2003 were funded by the Australian Research Council,

Address for correspondence: Trevor Breusch, Centre for Social Research, Research School of Social Sciences, The Australian National University, Canberra ACT 0020.
Email: Trevor.Breusch@anu.edu.au
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considerable additional support from the ANU and the University of Queensland. A fourth wave is proposed for 2006. By this time, the potential for longitudinal analysis will be reaching its peak, since many of the participants in the survey will have undergone critical life course transitions.

Three principal investigators have been with the project since its inception: Peter McDonald and Deborah Mitchell (ANU) and Janeen Baxter (UQ). The research team that initiated the project included Frank Jones (ANU, retired), and other researchers from ANU and UQ have contributed to the design and implementation of subsequent waves of data collection. The distinctive nature of the NLC project is due to the multidisciplinary nature of the research team, which covers economics, demography, sociology, and public policy. Much of the research using the data has been undertaken by individuals and groups who have only a passing connection with the data collection. The data are made available to researchers generally, through the Australian Social Science Data Archive (ASSDA), at web site http://assda.anu.edu.au.1

The Data Collections
The survey is drawn from the population of Australians aged 18 to 54 at the time of the initial survey in 1996-97 (Wave 1). The same individuals were re-interviewed in 2000 (Wave 2) and again in 2003 (Wave 3). When Wave 4 is completed in 2006, there will be ten years of data on life course dynamics.

The data in all waves were collected by computer-assisted telephone interviews. One source of possible bias is the technique of randomly dialing a telephone number, then randomly selecting an individual at that number to be the respondent. This technique selects more older and non-working people into the panel than truly required to represent the Australian people, because they are more likely to be found at home to answer the telephone. It may introduce other biases related to telephone access, such as favouring the selection into the sample of those with higher incomes. The sampling procedure also implies that individuals in households with a larger number of eligible adults have proportionally less chance of being included in the sample. Sampling weights to address the sampling procedure and to calibrate some basic demographic attributes to data from the Australian Bureau of Statistics are available in the data files and documented in Breusch (2003, 2004).

In Wave 1, there were 2,231 interviews. Respondents were asked about their current situation, and also asked retrospective questions on education, labour force participation, fertility, and relationship histories. In subsequent waves, similar information was collected for the intervening years between surveys.

There were 1,768 respondents in the Wave 2 interviews of 2000. The loss of about 20 per cent of the original sample is unfortunate, but not excessive.

1 For a discussion of the Archive and its services to the research community, see Breusch and Holloway (2004).
considering this is a survey of individuals, including young single persons who might have been on the verge of leaving the parental home or otherwise highly mobile. Another factor to consider in assessing the attrition rate is the more than three years that elapsed between the waves. In this wave, revised questions were asked in the collection of data on income, fertility expectations, and children, and a new set of questions was asked about retirement.

By Wave 3 in 2003 the respondents were aged 24 to 61. The sample size again decreased, with 1,192 respondents being interviewed. This is further reduction in the sample of about 33 per cent, which is a more significant attrition rate. The project team plans to supplement the sample in the next wave of data collection by interviewing new participants of the current sample age, and additionally to refresh the sample at the younger ages (that is, with respondents from age 18). Supplementary questions in Wave 3 focused on the domestic division of labour, maternity leave, and women’s employment.

**Some Research Outcomes**

The NLC project has generated and supported a considerable body of research. One of the strengths of the project is the provision of individual-record data for use by the research community with little restriction on the users and little tampering with the data compared with the extensive confidentialising that such data are often given. The distribution facilities of ASSDA not only permit access to the unit record file by bona fide researchers, but some basic statistical functions may also be conducted on the dataset by anyone with access to the internet, via the tab ‘Analysis’ at the ASSDA website.

Areas where researchers have made considerable advances to knowledge using NLC data include the division of work in the home, participation in the labour force, and family formation.

Our understanding of the domestic division of labour has been substantially developed by the work of Baxter and her colleagues using NLC data. This work has found that couples that cohabit prior to marriage have a more egalitarian division of labour than do couples that do not cohabit (Baxter, 2005; Baxter, 2001). By viewing the data longitudinally, another study provides evidence that the time spent on housework changes as people move through different stages of the life course (Baxter, Hewitt and Haynes, 2004). Related areas of investigation have included satisfaction with housework duties (Baxter and Western, 1997) and change and stability in the division of household labour (Baxter, 2002).

A second area of research that has been addressed by users of the NLC data is the relationship between family and the labour force. Some topics include the estimation of forgone earnings from motherhood, child care, and patterns of employment (Cobb-Clark, Liu and Mitchell, 2000; Chapman, *et al.*, 2001; Gray, 2001; Walter, 2002; Gray and McDonald, 2002; Jennifer Baxter, 2005; Breusch and Gray, 2003).

Family formation and dissolution are central components of the NLC project. Research has documented delays or changes between generations
in major life course events such as leaving home (McDonald and Evans, 2003), having children (McDonald and Evans, 2003; Gray, 2002; Meyer, 1999), and relationship formation and dissolution (McDonald and Evans, 2003; de Vaus, Qu, and Weston, 2003).

The last mentioned paper of de Vaus, et al. (2003) is of special interest because it combines data from NLC with comparable data from the Household, Income and Labour Dynamics in Australia (HILDA) survey, and the Australian Life Course Survey (ALCS). One finding is that the duration of marriage varies by whether people live together prior to marriage or not. The main—and perhaps surprising—discovery is that the union of people who live together prior to marriage is not as long as those who do not live together, even when the time before marriage is included. They also report that this gap in union duration between people who have and who have not cohabited prior to marriage has declined substantially for recent generations of married people. The researchers speculate that cohabitation prior to marriage is becoming more normalised than for prior generations. However these results also demonstrate the fallacy in the ‘try before you buy’ principle for marriage.

The extensive responses to questions on aspirations and intentions that are recorded in the NLC surveys provide insights into the life paths taken by Australians. Areas range from fertility, where it is shown how people’s fertility intentions vary over time (McDonald and Evans, 2000), to the impact of aspirations and economic factors on home ownership (Merlo and McDonald, 2002; Baum and Wulff, 2003). Other research on home ownership finds that the factors associated with entering home ownership are—not surprisingly—relationship formation, gaining of employment and increases of income, while exiting of home ownership is associated with relationship dissolution, unemployment and loss of income (McDonald and Merlo, 2002). Jennifer Baxter and McDonald (forthcoming) also show that the fall in home ownership rates among young Australians is entirely explicable as delay rather than a fall in the likelihood of that cohort ever owning a house.

Aside from academic research output, NLC data are used by students both in research training and in the classroom. As at the start of 2005, these data are, or have been, the principal thesis resource used by 21 graduate research students. NLC data have been adopted as training data sets for graduate coursework classes in demography, epidemiology and public policy. Government researchers have used the data to inform internal policy analysis and decisions, although little of this work is seen publicly. There has also been a small amount of use by commentators in the media.

**Strengths and Coverage**

There are four main strengths of the NLC project: (1) the framework is academic and interdisciplinary; (2) the collection is longitudinal; (3) retrospective data are collected; and (4) the responses are collected in detail.

The advantage of a longitudinal study is that allowance can be made for the idiosyncrasies of individual subjects. No matter how detailed the
questioning in a survey of human behaviour and attitudes, there will always be some important attributes of the person being studied that remain unknown to the analyst. The influence of unobserved individual factors can be removed, or at least reduced, by making before-and-after comparisons on the same individuals. With appropriate analysis, any unchanging individual characteristics will cancel out when changes in behaviour are attributed to changes in circumstances. This approach will reduce the unexplained variability in the data and thus allow the observations made on a sample of individuals to be more reliably generalised to an entire population.

Since the start of the NLC project, several other longitudinal surveys have begun, each with a different focus. The one that is closest in orientation and scope to NLC is the Household, Income and Labour Dynamics in Australia (HILDA), although there are some important distinctions between the two projects. HILDA is a longitudinal survey of Australian households, where in NLC the focus is more clearly on the individuals. In both cases, however, some data are collected at the other level as well. NLC is clearly academic in orientation, where HILDA has considerable input into its design from government departments and agencies. The data from HILDA that are available to the general research community have been modified to protect the confidentiality of the respondents, where NLC data on individuals need less intervention because respondents cannot be identified by combining their data with that of other individuals in their household. The HILDA project is well funded, allowing a larger sample, more frequent interviewing, and a more extensive questionnaire. The longer time spans between waves of data collection in NLC allow for more life course events to be observed so their effects can be analysed.

A considerable amount of retrospective data was collected in the first wave of NLC. One failing of many cross-sectional or prospective longitudinal studies is that they ask only questions of current relevance to the participant, losing valuable past information. The reasons are obvious: extra questions place further burden on participants, or if the overall length of the questionnaire is controlled, the retrospective questions must compete with other topics for inclusion. Issues of recall can also affect the quality of retrospective data. These problems can be moderated by restricting the questions to matters that the respondent is likely to recall clearly and to be able to date with some accuracy. In NLC the overall benefits of the retrospective data clearly outweigh the difficulties of collection.

The retrospective questions establish the histories of the respondent’s relationships, their education since the year they turned 15, and their participation in the labour force from the same age. In the latter two categories, distinctions are made between full-time and part-time engagement. These detailed histories allow the construction of much richer measures of human capital than is typically the case in social surveys.

Many new findings have come from the retrospective data. Jefferson and Preston (2005) demonstrate the impact of past participation in paid work
in accounting for the differences between men’s and women’s current superannuation provisions. Also using these retrospective work histories, a PhD thesis by Jennifer Baxter (2005) explores women’s transitions in and out of work around the birth of a child. Janeen Baxter (2005) uses the relationship histories to demonstrate the impact of premarital cohabitation on the division of household labour. As mentioned earlier, de Vaus et al. (2003) find interesting variations in the length of marriage between those who did and did not cohabit prior to marriage.

NLC data provide insights into a range of work and family issues, in a degree of detail that is yet to be fully utilised. Taking the workplace as an example, the standard records of occupation, industry, and hours of work are available, but so too are more contextual details such as the size of the workplace, the respondent’s level of responsibility, and workplace benefits. There are also questions on the respondent’s perceptions of the chances of promotion, the limits to employment, and the importance of various aspects of the job. Much of this information is not available in other surveys that collect detailed data on family responsibilities. There is substantial scope in these data to investigate further dimensions of the interaction between work and family.

More can also be learned from analysing the data longitudinally. To date few papers have employed more than one wave of data, and still fewer have made the analysis by statistical methods that fully exploit the longitudinal structure. Most papers that use the information contained in multiple waves simply examine flows in and out of various states. For example, Breusch and Mitchell (2003) examine events associated with mobility between different income quintiles, while McDonald and Evans (2000) look at changes in birth intentions between waves. Other research has investigated individual behaviour given a respondent’s background as measured at an earlier time, such as the analysis of maternal employment by Gray and McDonald (2002). In this edition, van Wanrooy explores respondents’ working hours given their earlier stated preferences for work. Research of this type will continue to provide further insights from NLC data, but important contributions can be made by studies that employ panel data techniques to control for unobserved characteristics.

The Three Papers
It is natural that Wave 1 of the NLC Survey has been the most used, because it has been available to researchers for longest and it contains the largest sample of respondents. It also includes some questions that are not asked elsewhere in Australian surveys.

Ingrid Linsley’s paper ‘Causes of Overeducation in the Australian Labour Market’ seeks to explain why some people are found in a job for which they appear to have excessive education qualifications. The basis for this work is a direct question in NLC Wave 1, asking ‘about how much education or schooling is required to get a job like yours?’ With nearly 30 per cent of respondents indicating that they have more education than needed, it is important to know if this indicates a structural imbalance in the Australian
economy or if it is just a by-product of the processes by which people are absorbed into the labour market and find the right jobs to match their interests and skills. Linsley canvasses four theories that might explain the observed phenomenon: human capital, job competition, assignment, and career mobility. Her conclusion that the job competition model best explains the data is not a comfortable one. It indicates a persistent attachment of people to jobs for which they are overqualified, and thus implies an inefficient allocation of resources in education.

One of the solid facts of labour economics is that married men are paid more than single men. There is disagreement in the literature about the reasons for the observed differences, and about the extent that married women might experience a similar premium. Mark Western, Belinda Hewitt and Janeen Baxter pursue related questions in their paper ‘Marriage and Money: Variations across the Earnings Distribution’. While they do examine the differences in marriage premium between men and women, their primary question is how the premium varies at different levels of earnings. They introduce an innovation to this body of research by using the quantile regression method, which allows for different effects of the explanatory variable (in this case, marriage) at different levels of the response variable (earnings). In common with much other research they find a smaller and more doubtful premium for women across the range. The surprising result is that the additional earnings universally reported for married men is found to be proportionally much less at the top end of the earnings distribution. They speculate that a different earnings mechanism may operate for high earners, and that the usual explanations of a marriage premium by either specialisation or selection are deficient for this group.

Do Australians work the hours that they would like to? Brigid van Wanrooy explores the issues in her paper ‘Adapting to the Life Course? Evaluating Men and Women’s Working Time Preferences.’ The longitudinal nature of the NLC data collection is important here, to allow a comparison of stated preferences with an outcome three years later. The theoretical framework is sociological, drawing on the preference theory of Catherine Hakim, which has been influential at the highest levels of policy formulation in Australia. This theory states that some women have set preferences with respect to their involvement in paid work, which are reflected in constant preferences for restricted working hours, irrespective of life course changes. Since the theory links people’s preferences at different points of time, its predictions have to be explored longitudinally. Van Wanrooy finds that the differences between men’s and women’s working hours are much as expected from the theory, with much more variation in women’s hours than in men’s hours over the life course. But in examining the ability of workers to close the gap between the actual hours they work and their preferred hours, she find similarities in the behaviour of men and women that do not fit easily with the theory.

Three other papers using the data from Negotiating the Life Course are forthcoming in an issue of the Australian Journal of Social Issues.
References


