



LIS

Highlights from Research Based on LIS: Poverty and Employment

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Using the LIS Database to study **poverty**

Poverty has been at the core of research using the LIS Database since LIS was founded.

- 245 LIS Working Papers include keywords “poverty, poor, low income”.
- Many focus on cross-national variation in levels; some assess trends.
- Common areas of inquiry include:
 - Relative risk of poverty in and across vulnerable subgroups, such as children, single parents, women, and/or the elderly.
 - Extent to which earnings/employment mitigate the risk of being poor, and for whom.
 - Extent to which taxes and income transfers reduce poverty, with a focus on the relative roles of means-tested versus universal transfers
 - Asset/debt holding of the poor (a new area of study, enabled by LWS!)

Using the LIS Database to study poverty

Several methodological decisions are required:

- Selection of unit of analysis: households or persons.

When carrying out person-level analyses, researchers generally assess persons' likelihood of living in poor households.

- Definition of countable income.

Many use LIS variable "disposable income", which is the sum of income from earnings, capital, private transfers, public social insurance and public social assistance – net of income taxes and social security contributions. (Imputed rents, and irregular incomes, such as lump sums and capital gains/losses are not included.)

- Choice of equivalence scale.

Many divide unadjusted income by the square root of household size.

- Setting of poverty line – absolute or relative.

Most use relative poverty lines, typically setting the poverty line at 50% (or 60%) of national median equivalised income.



Using the LIS Database to study poverty

Three illustrative findings

1. Gornick and Jantti 2010 – a study of women and poverty.

LIS WP534, also a book chapter.

Women's likelihood of living in poverty: comparing absolute versus relative poverty rates.

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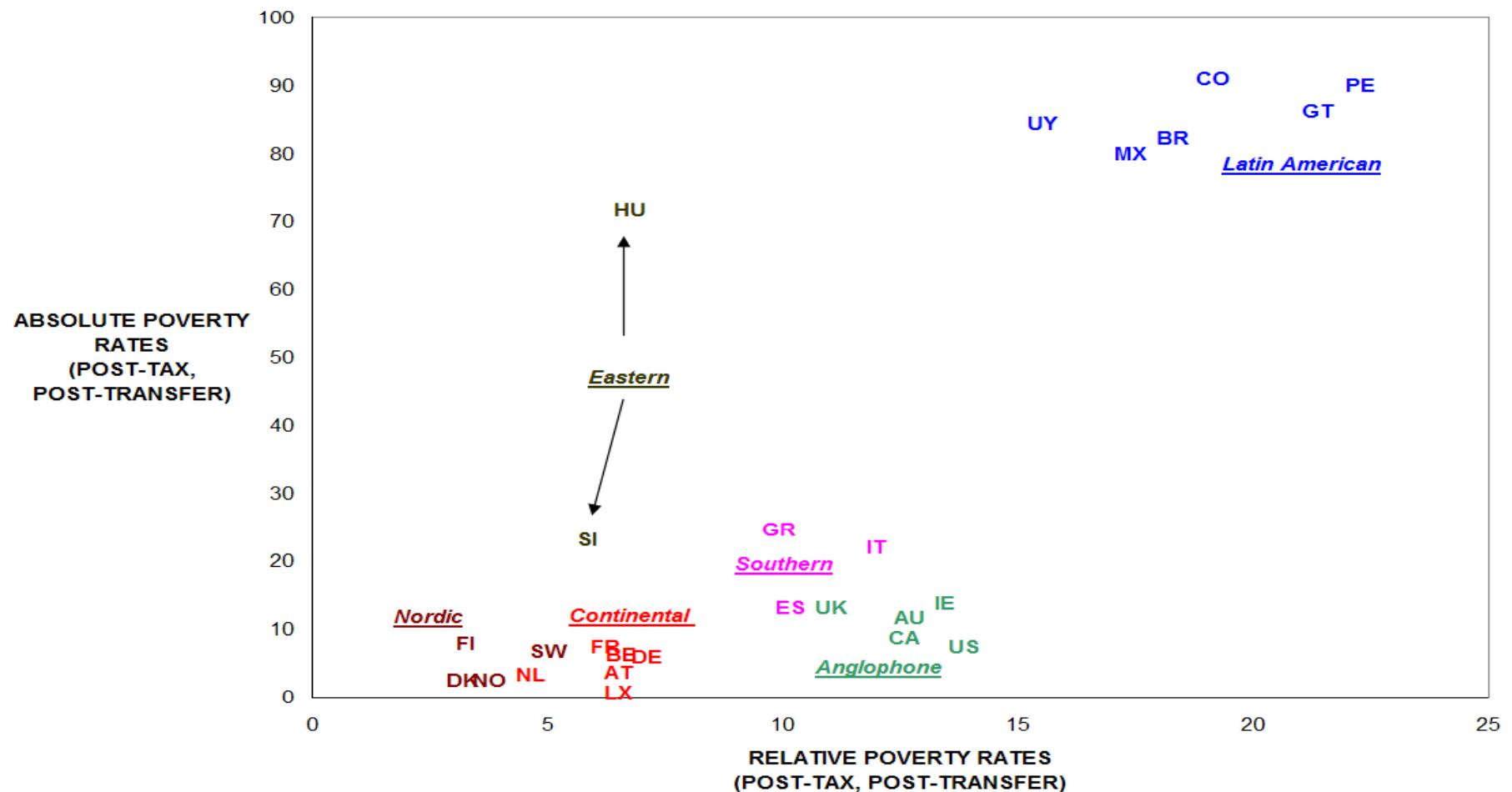
Women's likelihood of living in poverty: comparing poverty "pre-transfer" versus "post-transfer."

3. Gornick and Jantti 2009 – a study of children and poverty.

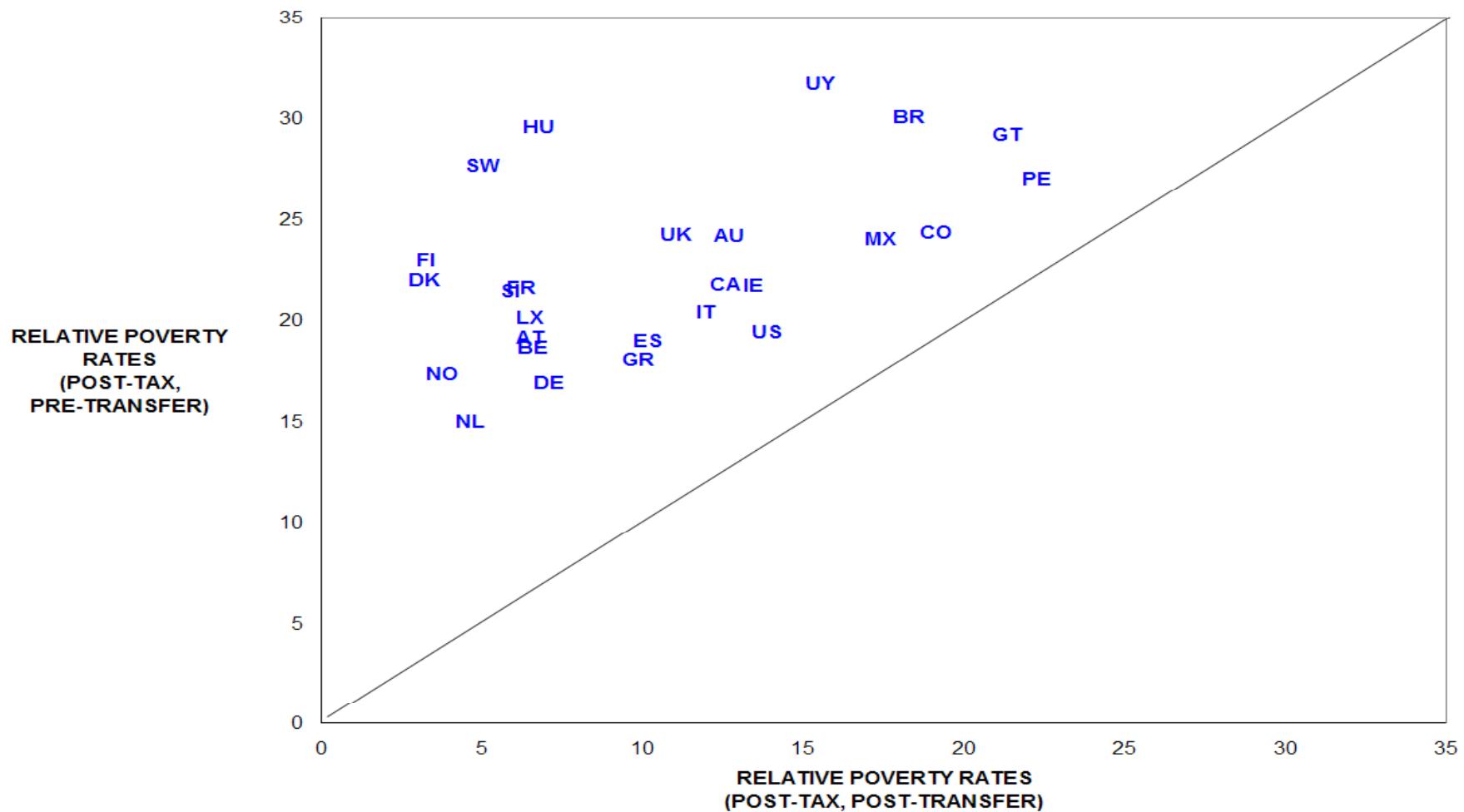
LIS WP509, also a book chapter.

Children's poverty rates: comparing poverty rates among young children versus older children, and among all children versus all persons.

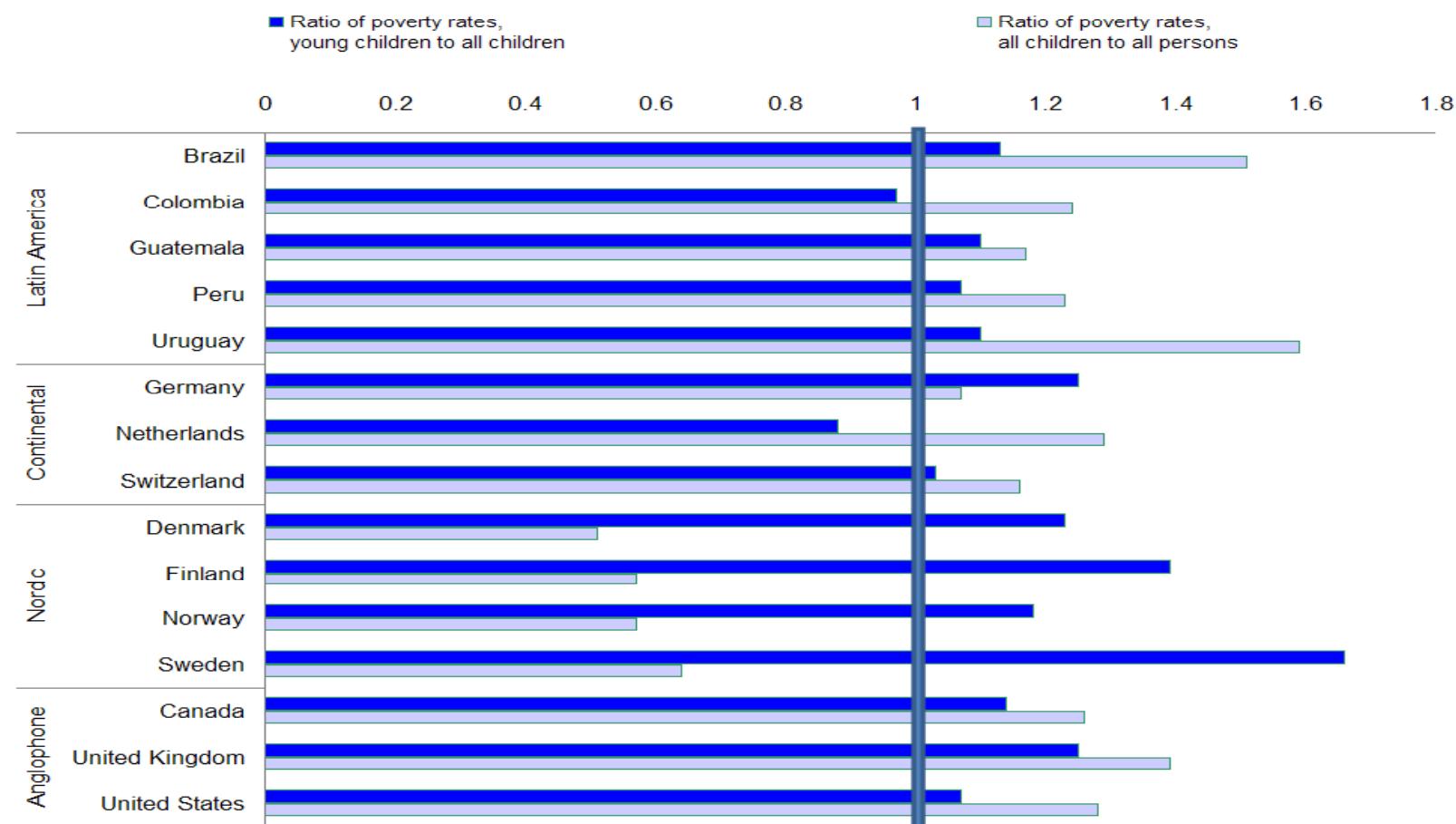
Example 1:
**Percentage of women living in poor households,
absolute poverty versus relative poverty
(post-tax, post-transfer)**



Example 2:
**Percentage of women living in poor households,
pre-transfer poverty versus post-transfer-poverty
(relative poverty)**



Example 3:
**Ratio of poverty rates,
 young children (< age 6) to all children (< age 18),
 and all children (< age 18) to all persons**





Using the LIS Database to study **employment**

Starting in the 1990s, many researchers have used the LIS data to study various labour market outcomes.

- Approximately 250 LIS Working Papers fall into this category.
- Many assess employment rates and earnings; some address hours worked and/or job characteristics such as industry and occupation.
- Common areas of inquiry include:
 - Gender gaps in all labour market outcomes.
 - Outcomes in and across subgroups, such as young adults, mothers, persons over age 50.
 - Interplay between earned and unearned income.
 - Effect of policies/institutions on labor market outcomes. Many of these studies combine aggregate (country-level) indicators with our microdata.

Using the LIS Database to study employment

Several methodological decisions are required:

- Selection of unit of analysis: households or persons.
Researchers working at the household level are often interested in employment characteristics associated with the household head.
- Choice of reference period.
Reference periods vary within and across datasets. E.g., in some cases, the dataset includes employment data “at present”; in other cases during the income reference period, which is often both earlier and of longer duration.
- Decisions regarding standardizing across datasets.
The employment data are generally categorical, and the categories often vary across datasets. The LIS staff have standardized many variables; users typically have to make some additional decisions in order to maximize standardization across datasets.

Using the LIS Database to study **employment**

Four illustrative findings

1. Gornick and Jantti 2010 – a study of women and poverty.
LIS WP534, also a book chapter.

Women's likelihood of living in poverty: comparing those with weak versus strong attachment to the labour market.

2. Gornick and Meyers 2003
Book: *Families that Work*

Share of earnings: comparing women's versus men's shares, by family type.

3. England, Gornick and Shafer (forthcoming) – a study of the education gradient in gender equality at work.

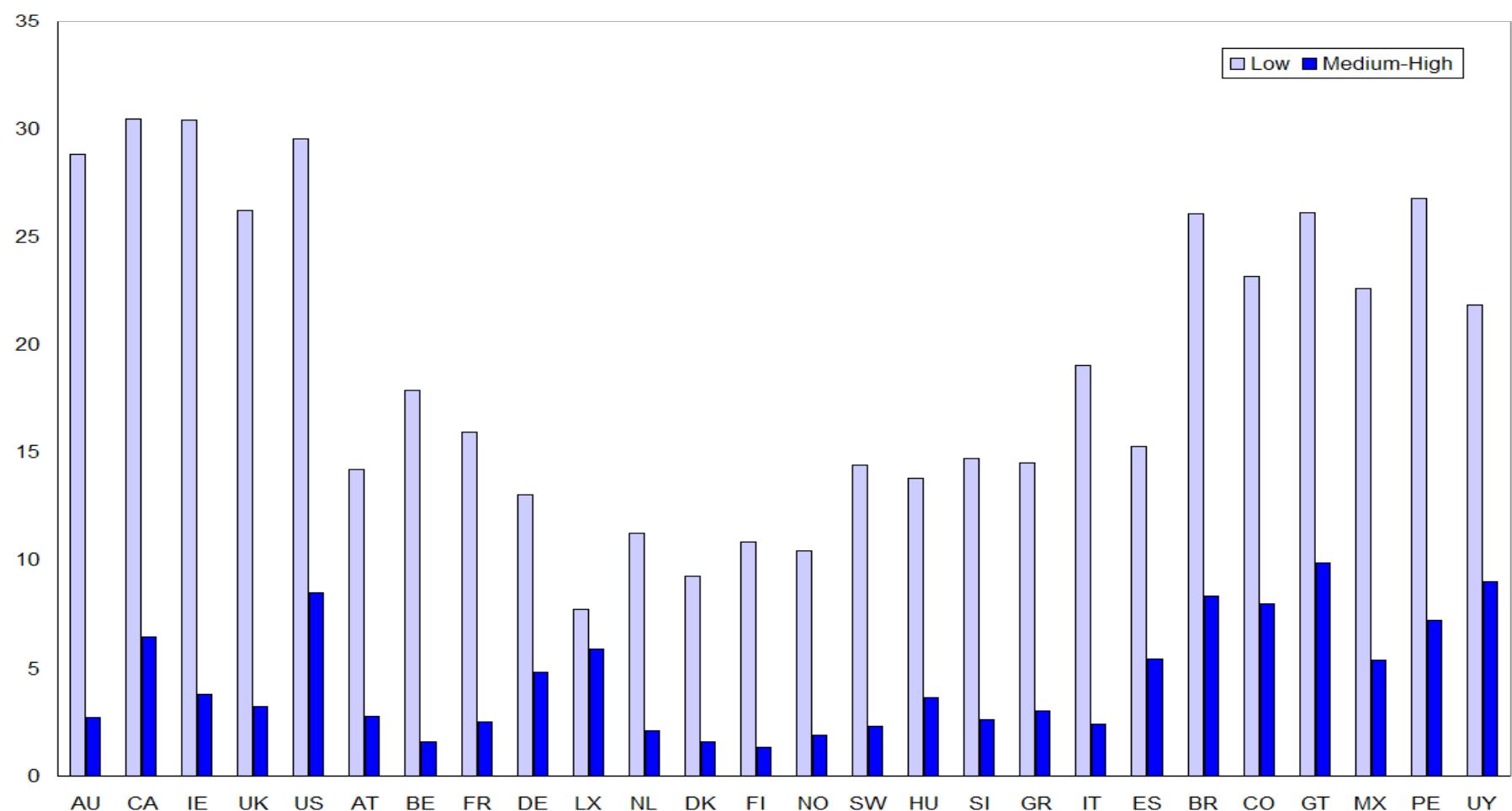
Mean weekly work hours by educational level, comparing women and men.

4. Gornick and Meyers 2003
Book: *Families that Work*

Effect of having a preschool-aged child on the odds of being employed: comparing mothers versus fathers.

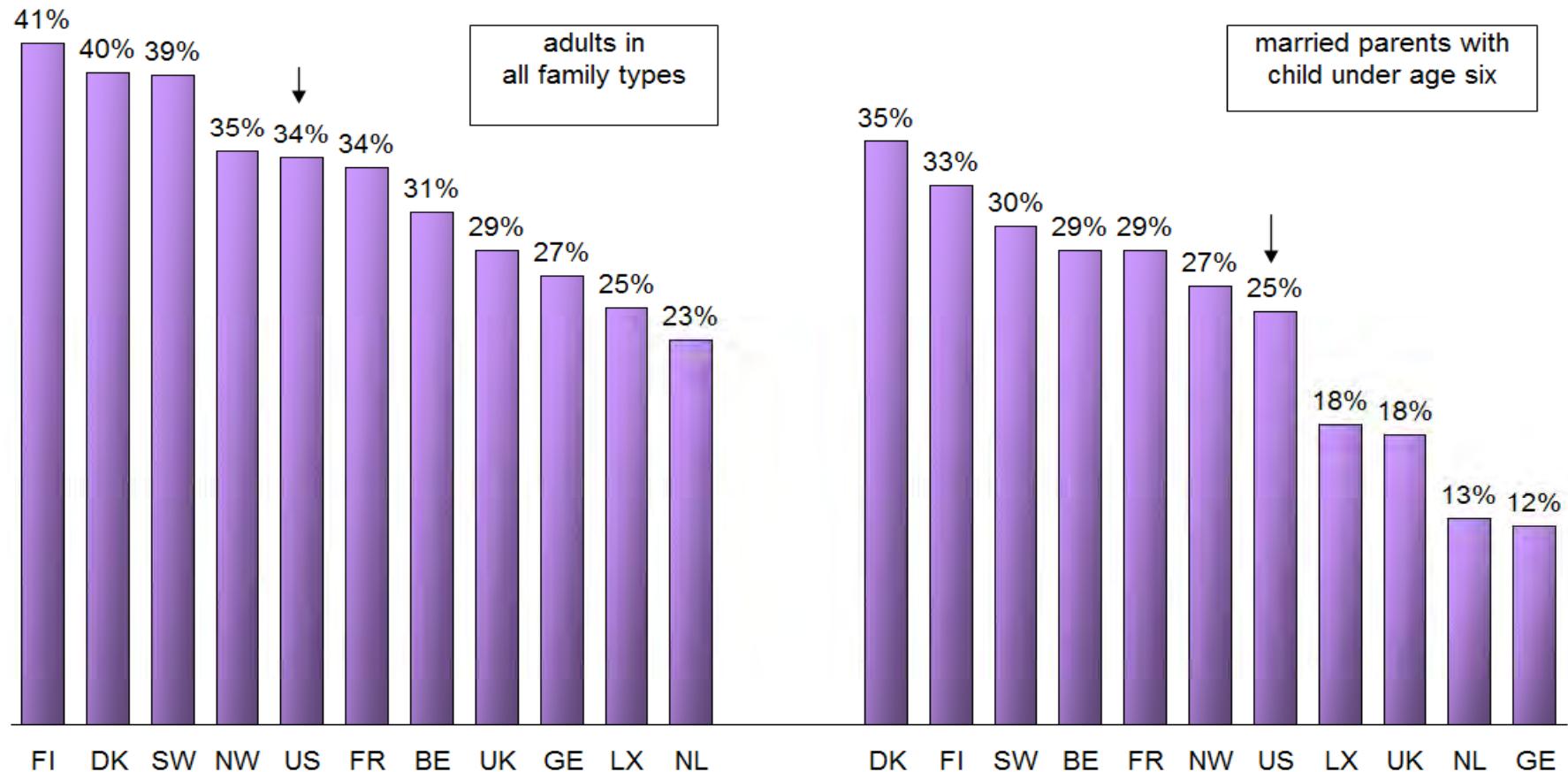
Example 1:

**Percentage of women living in poor households,
by labour market status
(relative post-transfer-poverty)**



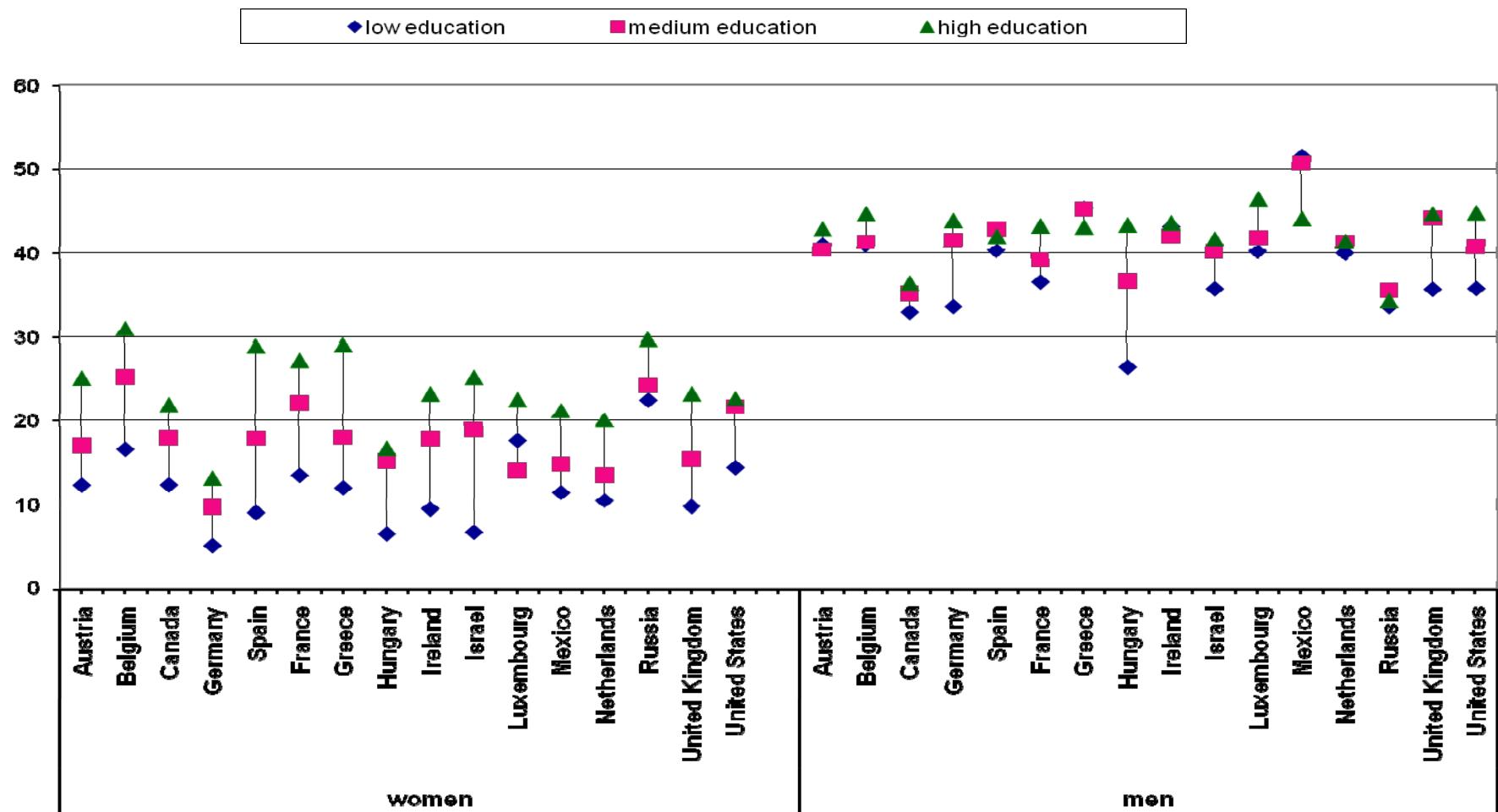
Example 2: Earnings by gender

**Share of Total Labor Market Earnings Taken Home By Women
in the US and Ten European Countries**



Example 3:

**Weekly work hours by educational level attained:
age 25-54, married, with young child (under age 7),
(this figure includes those who work zero hours)**



Example 4:

**Regression-adjusted effect of having a preschool-aged child (age 3-5)
on the odds that married parents are employed**

