



# LIS

## Highlights from Research Based on LIS: Poverty and Employment

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14:30-15:30

## 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.

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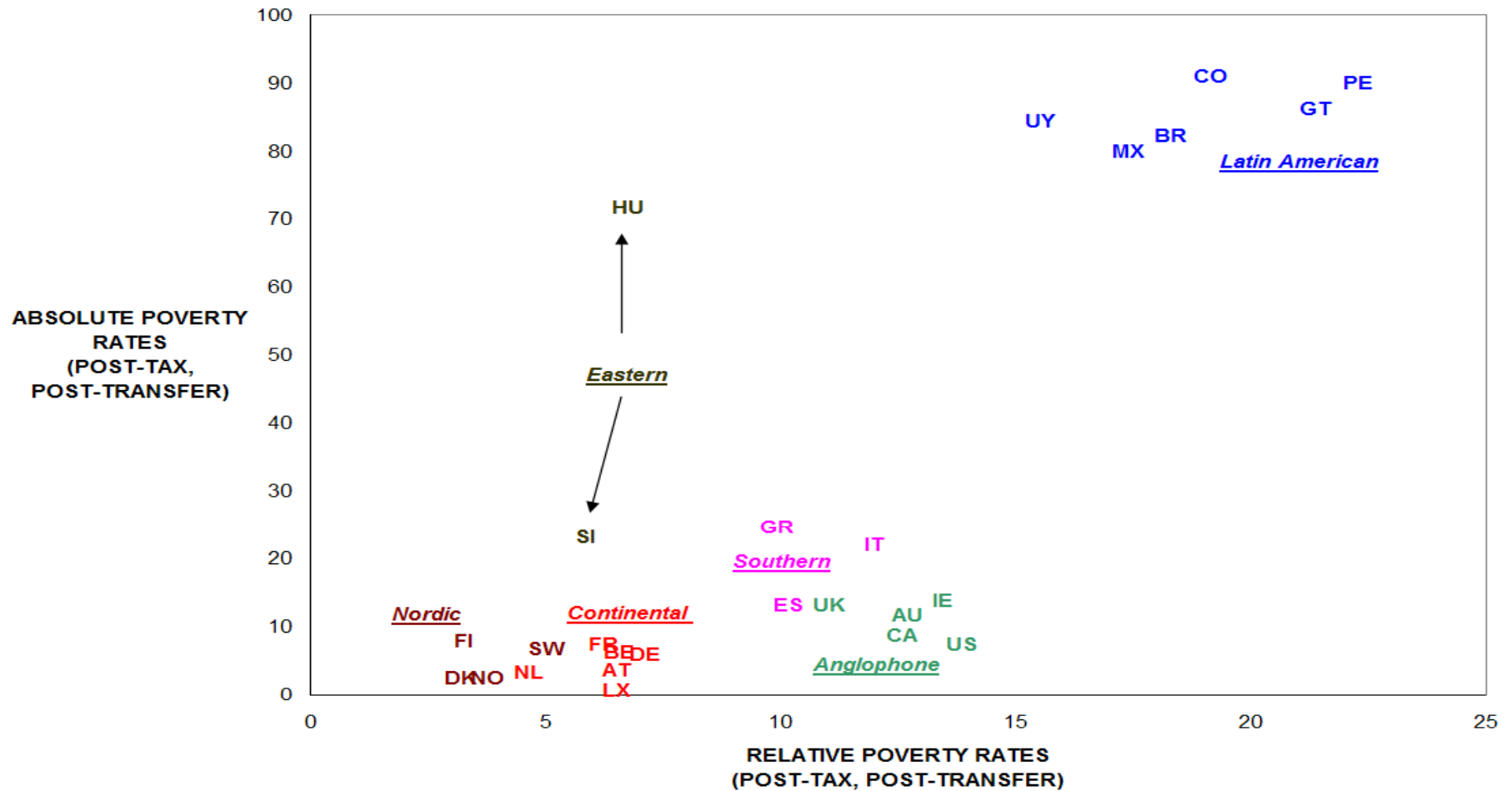
Women's likelihood of living in poverty: comparing poverty “pre-transfer” versus “post-transfer.”

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

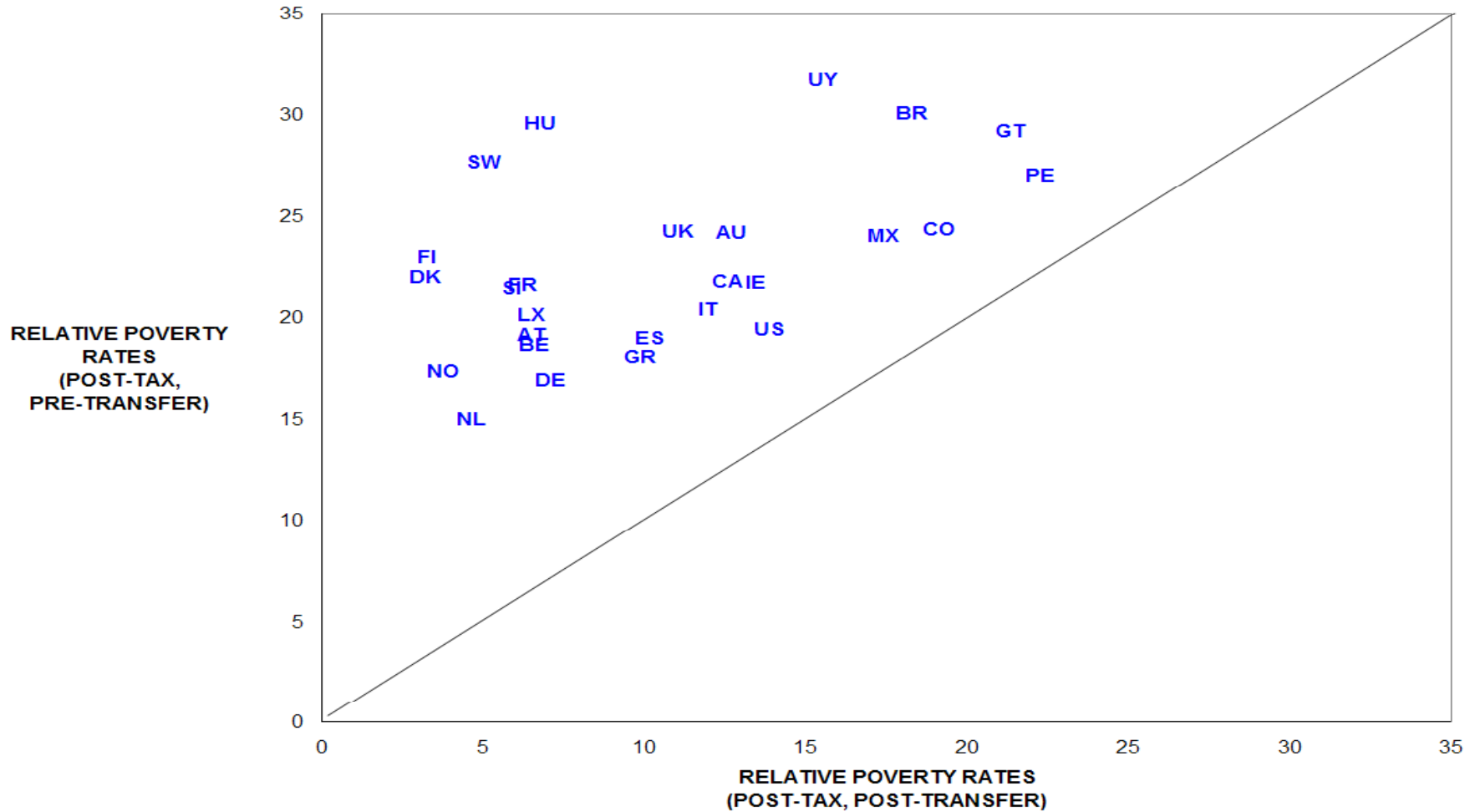
*LIS WP509, also a book chapter.*

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

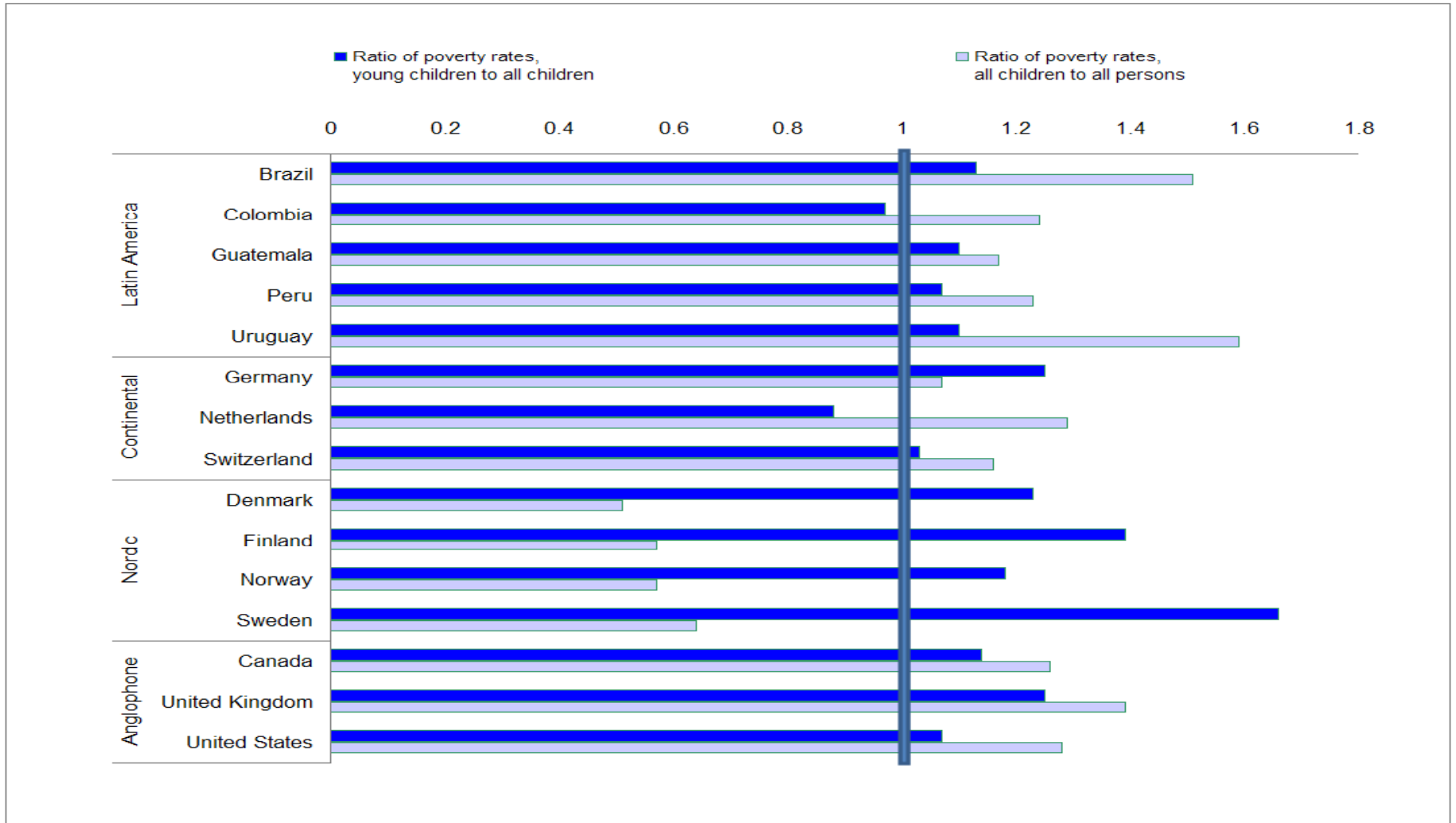
**Example 1:**  
**Percentage of women living in poor households,**  
**absolute poverty versus relative poverty**  
**(post-tax, post-transfer)**



**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.

### 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.

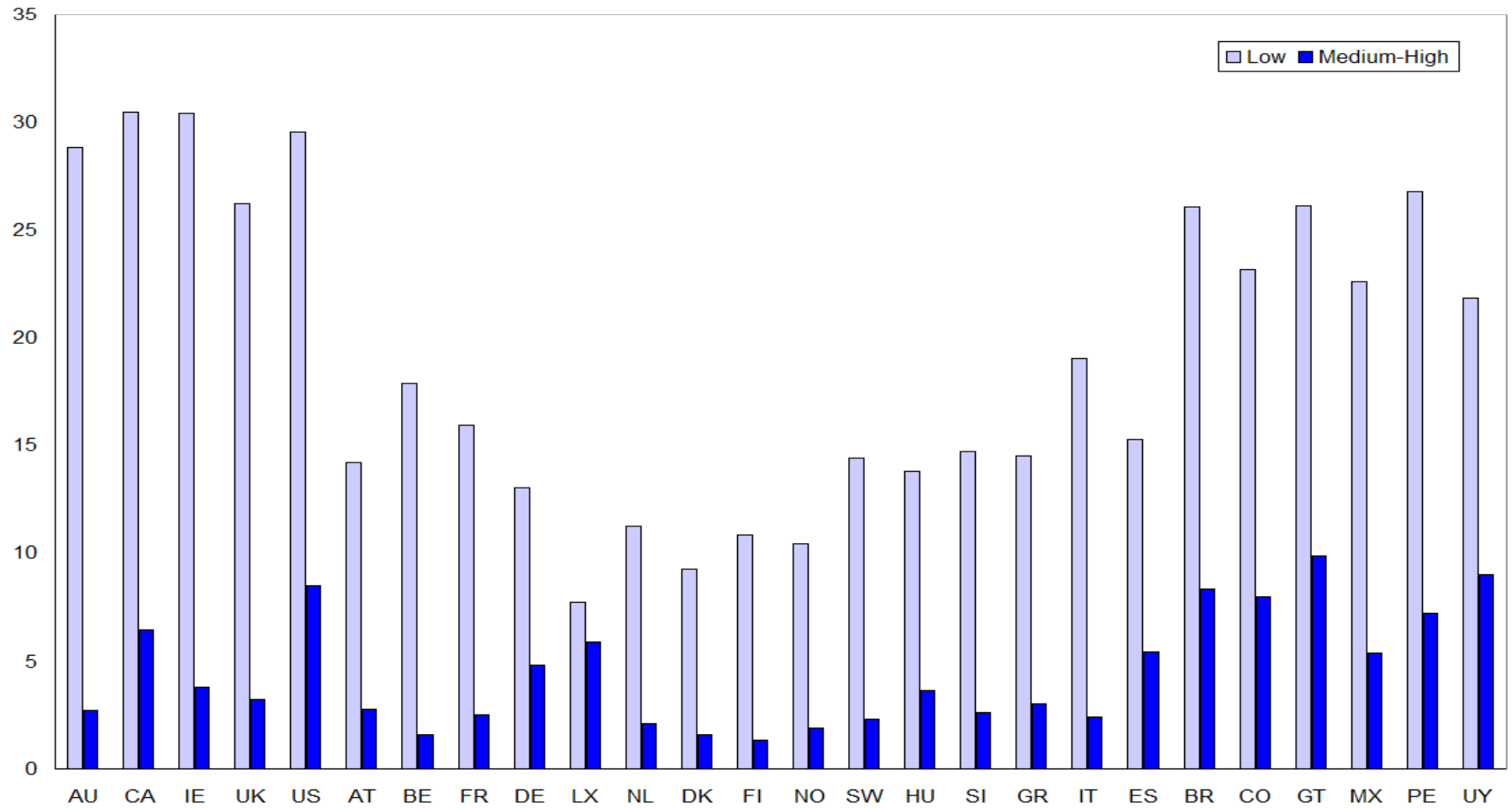
Mean weekly work hours by educational level, comparing women and men.

4. Gornick and Meyers 2003

*Book: Families that Work*

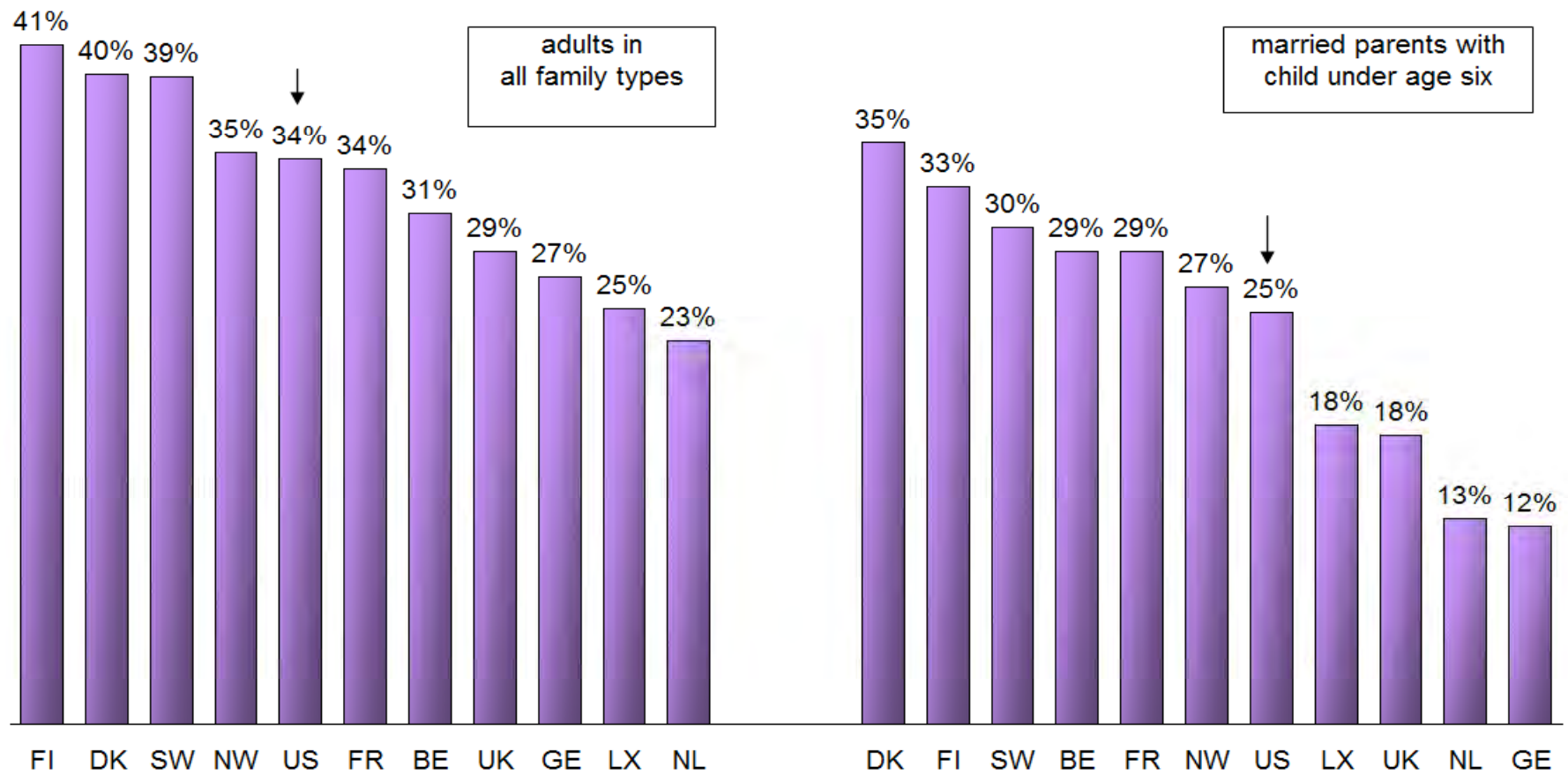
Effect of having a preschool-aged child on the odds of being employed: comparing mothers versus fathers.

**Example 1:**  
**Percentage of women living in poor households,**  
**by labour market status**  
**(relative post-transfer-poverty)**



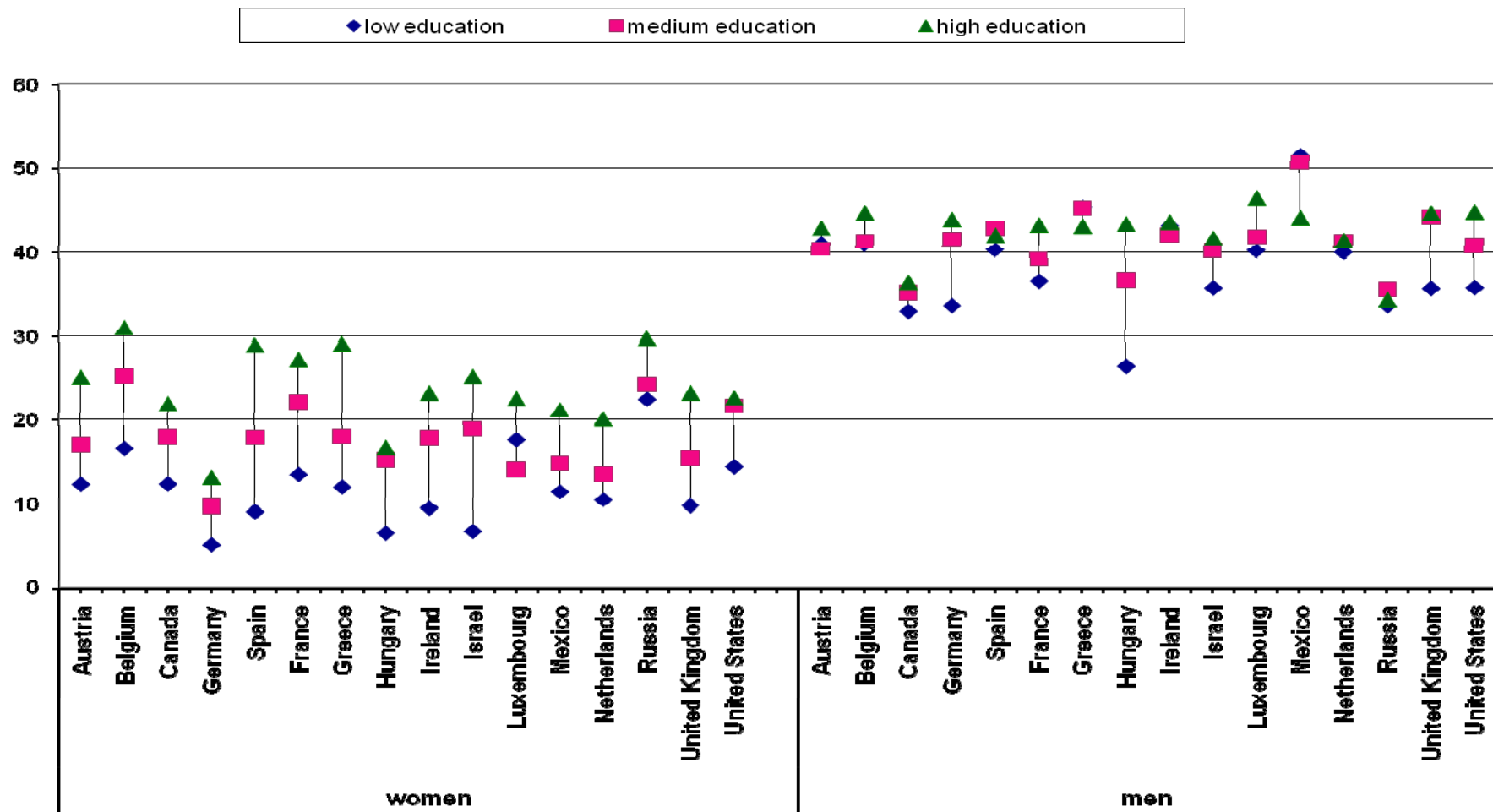
## Example 2: Earnings by gender

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



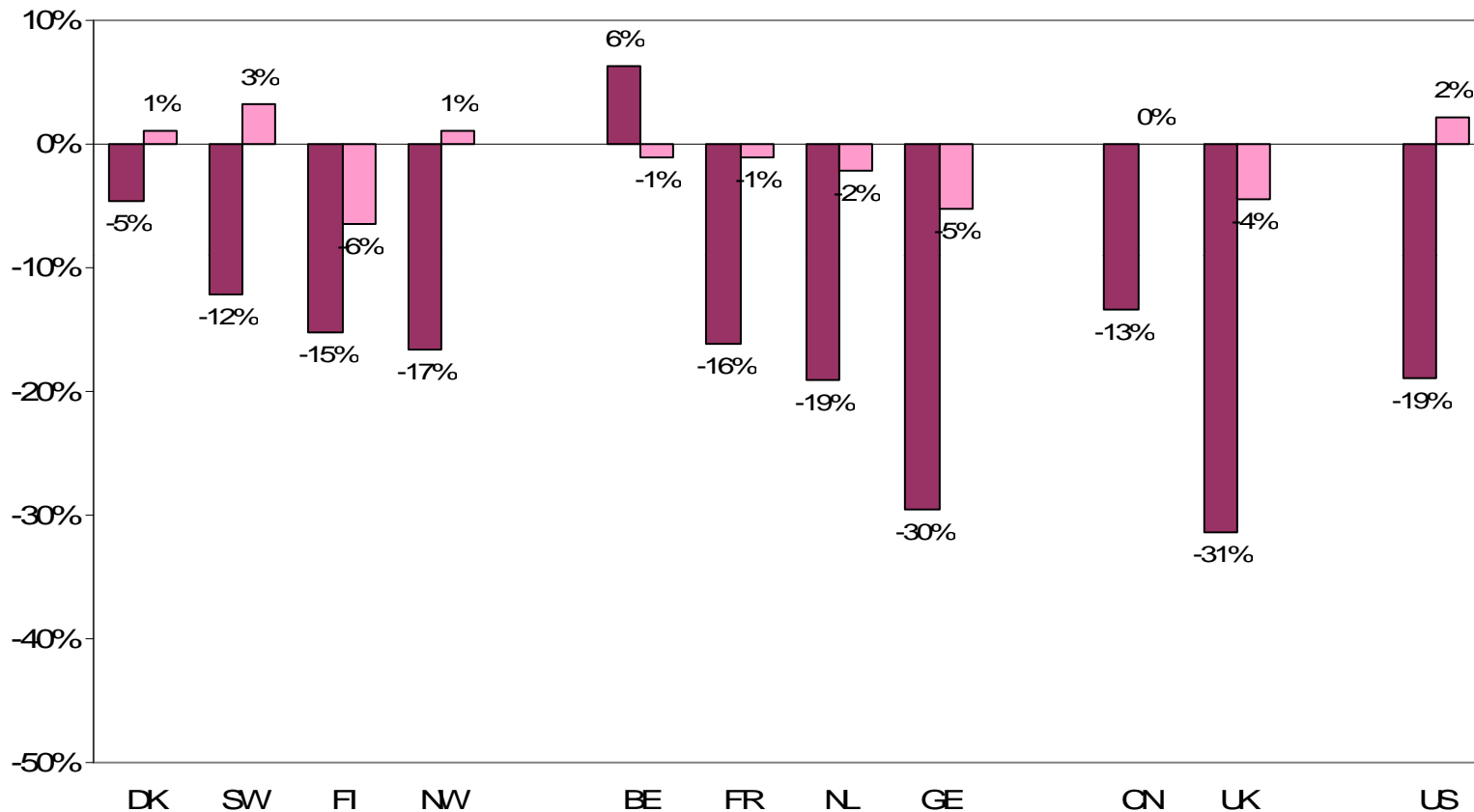
### Example 3:

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



Source: LIS data

measured as percentage difference in employment rates between parents with youngest child aged 3-5 and parents with youngest child aged 13-17

■ mothers ■ fathers