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Extended abstract

Employment Responses to a Partner's Disability Onset: Do Working Conditions Matter?

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Background

As the proportion of elderly people in the general population continues to rise, people are now also increasingly caring for dependent adults. In 2021, people who provide unpaid care were estimated to be 5.1 million people in England and Wales[1]. Partners are generally known to offer an important source of informal care provision (OECD, 2017) which complements formal care provided either privately or publicly. On average, one-third of informal caregivers in OECD countries provide care to their spouse (Colombo et al. 2011: 90). Spouses are the preferred informal caregivers and, since they live in the same household, they are generally seen as the most suitable person for the task (Broese 2011). This quantitative importance of spousal care provision makes its consequences on employment a major policy issue.

In order to assess the impact of spousal care provision on labor supply, several studies have examined individuals' employment status transitions following their partner's experience of a disability or health shock. These within-couple spillover effects can manifest through several mechanisms. First, the deterioration of one's health leads to a loss of earnings and increased medical expenses, which can drive their spouse's labor supply (Mincer 1962). Second, a spouse's disability or health shock can affect their partner's labor supply by negatively affecting their health. Severe health conditions in a partner can lead to worsening health (Valle 2013), which in turn is known to influence work behaviors, as individuals in poor health are less likely to be employed or to experience upward careers (Dahl 1993, Costa-Font et Ljunge, 2018). Lastly, the consequences of a spouse's disability or health shock can influence the employment behaviors of the other partner through a trade-off between caregiving and labor supply. Individuals might reduce their labor force participation after their spouse's disability onset to provide informal care (Gianquito 2022).

The employment consequences of a spouse's health shocks have yielded mixed evidence. Some studies have demonstrated a significant decline in employment among individuals whose spouses have been diagnosed with conditions such as cancer (Jeon and Pohl 2017) or work-limiting disabilities (Lee 2020, Jolly and Theodoropoulos 2021). This decline is particularly pronounced among women, who often devote substantial time to caring for their partners. Other studies have found no significant effects of individuals' health shocks on their partners' labor force behaviors. In Denmark, where there is more generous insurance coverage, health shocks were not found to affect partners' employment (Fallon and Nielsen 2021). Recent research using UK data revealed no changes in labor supply, despite an increase in spousal time

[1] From the question "Do you look after, or give any help or support to, anyone because they have long-term physical or mental health conditions or illnesses, or problems related to old age?" in ONS 2021 Census

devoted to informal care, suggesting that spouses may be substituting caregiving for other non-work activities (Gianquito 2022).

These studies have limitations. Notably, none have examined how job characteristics influence the relationship between one's health deterioration and their partner's employment behaviors. Yet, employment transitions following a partner's health deterioration are likely to vary depending on job characteristics. In the case of childcare, it has been shown that working and employment conditions – including job protection, physical exposures, and working hours constraints – shape mothers' labor force participation after childbirth (Damaske 2011). Job characteristics may then also define employment transitions for caregiving partners. Recent research in the US has indicated that job protection plays a pivotal role in the decision to leave employment for caregiving purposes in response to a spouse's disability shock (Anand 2021). This suggests that employment conditions mediate the relationship between individuals' health shocks or disability onsets and their partner's labor supply.

This paper seeks to estimate employment responses to care shocks depending on working conditions. It asks the following questions: how do employment transitions after a care shock vary depending on working conditions? In other words, what types of are compatible with spousal care provision? It goes beyond previous literature by considering differences in job characteristics, but also by using a more rigorous measure of care shocks. Most of the literature on the family spillovers of health deterioration has focused on diagnosed diseases, such as cancer. Yet, these do not always constitute a care shock, as some diseases do not impact the ability to carry on daily tasks. The present study observes disability shocks, defined as the onset of difficulties in Activity of Daily Living (ADL), which imply an increase in care needs.

Method

We draw on data from 9 waves of the English Longitudinal Survey of Aging (ELSA), an annual survey interviewing household members aged 50+ in England on health, social, and economic circumstances. We identify people whose partners reported the onset of difficulties in activities of daily living (ADL) between two waves (N = 953). We define this transition as a care shock. The ADL items used for assessment include 1) dressing, including putting on shoes and socks 2) walking across a room 3) bathing or showering 4) difficulty eating, such as cutting up food 5) getting in and out of bed 6) using the toilet, including getting up or down. As ADL disabilities are potentially endogenous, we limit our sample to married or cohabiting individuals whose partner has no ADL disability at baseline, and we control for baseline health and health behaviors.

Our empirical strategy is based on the comparison of changes in employment outcomes between respondents whose partners had no ADL disability and developed ADL disability, and those who did not. We use propensity score matching with difference-in-difference to capture employment transitions after a care shock, and we study heterogeneity based on gender and working conditions. The outcomes we examine are 1) whether the partner/potential caregiver is economically active, 2) whether the partner/potential caregiver is working full-time or part-time, 3) whether the partner/potential caregiver has the same job as in the previous wave, 4)

whether the partner/caregiver reports to be looking for a new job. Working conditions are captured through job-exposures matrices built from the Skills and Employment Survey, which associated each occupation with scales of job demands, job control, and job physicality, as done by Belloni et al. (2022), and Carrino et al. (2019). In comparison with self-reported working conditions information, job exposures reduce risks of reporting bias and endogeneity (Solovieva et al. 2014). We differentiate between employment transitions in the short-term (about 2 years) and in the long-term (about 9 years). We explore heterogeneity based on gender and working conditions.

Preliminary findings

In this study, we explore employment transitions following a 'care shock.' A care shock is defined as a sudden onset of disability reported by an individual's partners. Preliminary descriptive results indicate changes in labor supply dynamics in response to such events.

Figures 1, 2, and 3 describe individuals' employment status, working hours, and job change intentions, based on whether their partner reported the onset of an Activities of Daily Living (ADL) disability. We restricted the sample to individuals who were employed at the baseline. For treated individuals, the figures depict these employment characteristics in the first wave of treatment, while for never-treated individuals, they illustrate the data in wave 2. The figures reveal substantial differences in employment outcomes between individuals whose partners reported ADL disability onset and the rest of the sample. Notably, individuals whose partners reported an ADL disability onset and were employed in the preceding wave are more likely to be inactive or engaged in part-time employment. This employment status gap, contingent on the partner's ADL disability onset, appears to be slightly more pronounced among women. Furthermore, after a partner's ADL disability onset, employed women are less inclined to report changing jobs or seeking new employment opportunities. These descriptive results suggest a noticeable reduction in labor supply following a care shock.

However, it is important to note that the characteristics of individuals whose partners experienced a disability shock are distinct from the rest of the sample. Table 1 outlines the sociodemographic and job-related characteristics of these individuals at baseline. They tend to be older, less educated, and in poorer health. Additionally, they are more likely to be engaged in physically demanding and manual labor. The differences in employment outcomes between the group affected by the care shock and the rest of the sample could then be driven by these sociodemographic and working condition disparities. Propensity score matching will help address these structural differences before running the difference-in-difference models.

Figure 1- Employment status in relation to partners' ADL disability onset

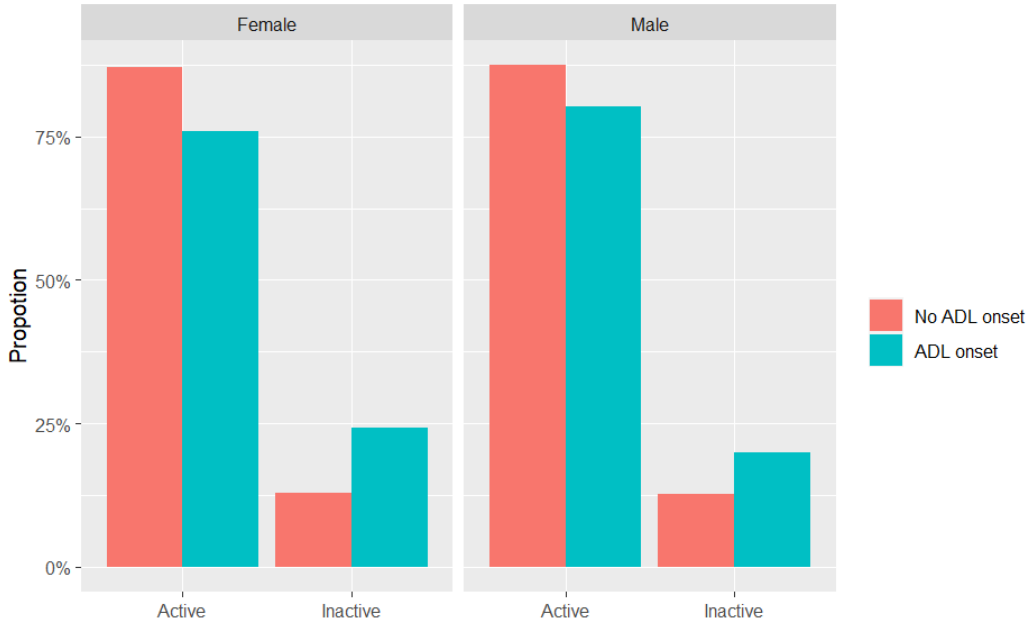

Figure 2 - Working time in relation to partners' ADL disability onset

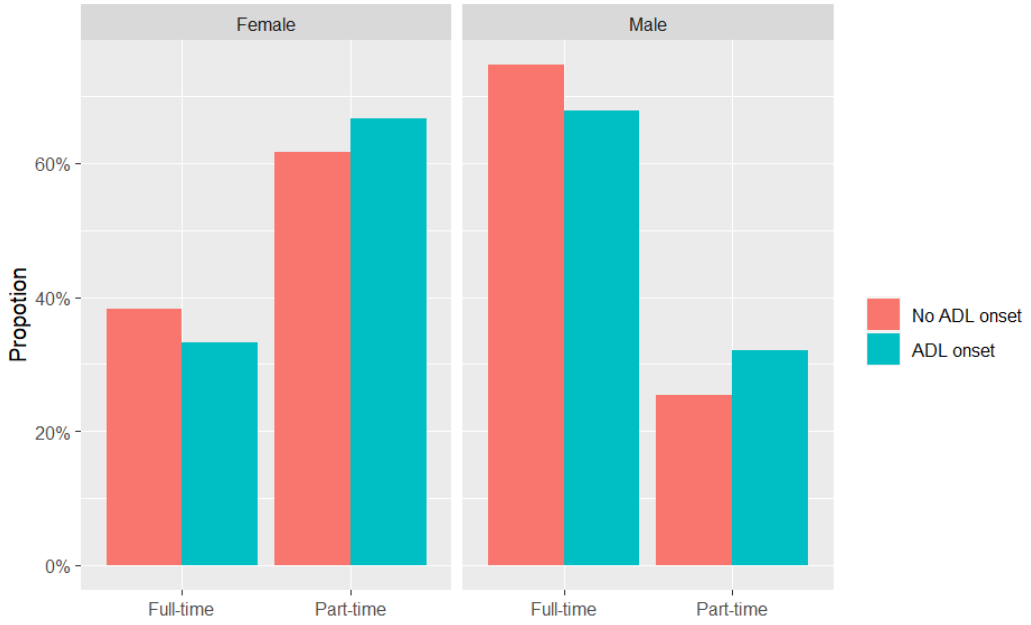

Figure 3 - Job change and job change intentions in relation to partners' ADL disability onset

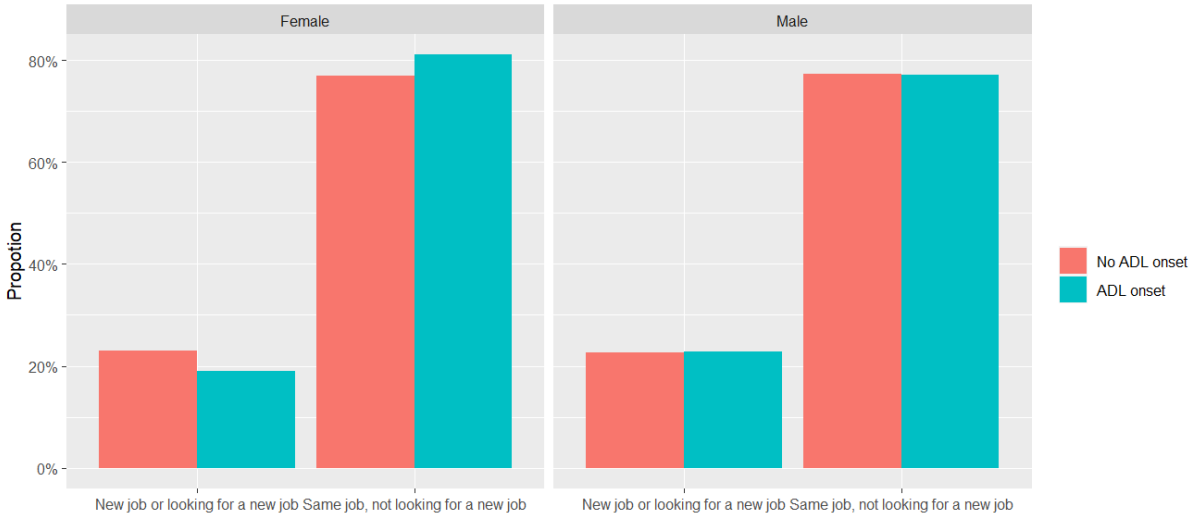

Table 1 – Sociodemographic and job characteristics at baseline of employed individuals depending on whether their partner reported an ADL disability onset

Characteristics	Overall	Partner no ADL onset	Partner ADL onset
__Age__	58.3 (6.8)	58.2 (6.8)	60.7 (6.8)
__Sex__			
Female	47.8%	47.8%	48.7%
Male	52.2%	52.2%	51.3%
__Education__			
Less than upper sec.	17.6%	17.3%	25.4%
Upper sec/vocational training	58.5%	58.6%	55.7%
Tertiary	23.9%	24.1%	18.9%
__Self-rated health__			
Excellent/Very good/Good	86.7%	86.9%	80.8%
Fair/Poor	13.3%	13.1%	19.2%
__Work main characteristic__			
Heavy manual work	4.6%	4.6%	5.1%
Physical work	23.8%	23.7%	28.2%
Sedentary work	42.5%	42.6%	38.1%
Standing work	29.1%	29.1%	28.7%
__Control at work__			
Control at work	80.2%	80.2%	79.4%
Low control at work	19.8%	19.8%	20.6%

Source: ELSA

Sample: Individuals aged 50 and over who were employed at baseline

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