

Executive summary

The aim of the “Families to 2030” project was to identify and examine trends in household and family structures over the next 20 years, and to explore the implications of those trends for key policy areas. The project was, by its very nature, experimental, since at the time very little international work had been conducted on the theme of the future of families. This was an opportunity to apply foresight tools to a new, relatively unexplored subject area.

In recent decades families in the OECD area have undergone significant transformation. The extended family has almost disappeared in many countries, and the traditional family consisting of a married couple with children has become much less widespread as divorce rates, cohabitation, couples “living together apart”, single parenthood and same-sex partnerships have all increased. With rising migration, cultures and values have become more diverse, more women have taken up work, more young people are spending more time in education and training, and the elderly are living longer and increasingly alone.

Doing Better for Families (OECD, 2011a) tracks these and other societal changes that have been taking place in recent years. It analyses the family and child policies that OECD member countries have put in place to address them, and reviews the policies that have worked well and those that have not. But what about the future? What sort of changes can we expect over the next 20 years or so, and how will those changes challenge policy makers?

Projections conducted or commissioned by more than a third of all OECD member countries suggest that to 2025-2030, the number of one-person households is expected to grow significantly. Strong growth is also expected in the numbers of single-parent families and in the numbers of childless couples. By the same token, the proportion of single-person households as a share of all households is expected to increase considerably, as is the proportion of single-parent households as a share of all households with children.

A priori, the projected changes in family and household structures suggest significant challenges in the future. For example:

- the expected increase in single-parent families, the numbers of cohabiting couples and reconstituted families could lead to more such families facing a higher risk of poverty;
- the rising number of single-adult households coupled with growing numbers of elderly people implies that the significant proportion of elderly people among society’s poor will persist in coming years;
- the increase in childless-couple households, divorce rates, remarriages and step-families may weaken family ties and undermine capacity for informal family care;

- growing numbers of single-adult households will put increased pressure on housing; and
- the increase in the share of households in which women are in some form of employment diminishes their potential to provide informal care.

However, outcomes are unlikely to be quite so straight forward, for at least two reasons. First, family and household structure are only one of several family-related determinants – earnings, taxes and transfers, and marriage and divorce may play a more significant role. Second, outcomes will also depend on the broader family landscape and the socio-economic environment in which families develop. Key factors include changes to fertility rates, life expectancy, immigration, education and labour market participation of the women and also elderly people. Technological advances in medicine and in ICT could considerably enhance the autonomy of the elderly and the disabled, and facilitate work from home which might help achieve a better balance between family life and work. But most important, perhaps, are the longer term economic prospects. The future economic performance of OECD member countries and the capacity to generate jobs will be crucial for family outcomes.

It follows from this that projections alone are insufficient to obtain a clear picture of how the future might evolve over the longer term. The many factors influencing the future socio-economic landscape for families could combine in any number of ways to produce a multitude of different outcomes. One way to address these uncertainties is to develop several plausible versions of what the world could look like 10-20 years ahead. This is where scenarios enter the picture. For the purposes of the project a workshop was organised to generate such a set of plausible socio-economic scenarios. These were eventually reduced to two contrasting views of the future: a “Golden Age?” scenario characterised by stable but modest economic growth and openness to technologies serving society’s needs; and a “Back to Basics” scenario in which economic performance is volatile and society is slow to adopt new technologies. While the scenarios share certain features such as modest average economic growth rates, continuing pressure on public sector finances, and only marginal improvements in fertility rates, they differ in most other respects. This is most striking in the degree of economic stability, the duration of high levels of structural unemployment, the role of the state, the role of women in the workforce, and the balance between formal and informal care for children and the elderly.

The implications of the projections, trends and scenarios outlined above were explored through three in-depth work streams around the future of families in OECD member countries: the issue of low-income families and social cohesion, work-family life balance, and the role of the elderly in the family as recipients and providers of care.

The findings of the chapter by Susan Harkness on low-income families and social cohesion suggest that current demographic trends may lead to a growing share of the population who will be at risk of low income by 2030. At the same time, labour market trends imply that inequalities will grow, with jobs increasingly polarised between those that are high-skilled and those that are low-skilled, and correspondingly paid. Work is also set to become increasingly insecure for many, with the number of temporary and part-time jobs growing to 2030. If current trends continue over the next 20 years, then key risks for poverty will include living in one of the rising number of single-adult households, living in a single-earner household, and rising work-poverty resulting mainly from low hours of work but exacerbated by low pay. Increasingly fluid family structures will also increase vulnerability to poverty, with more people moving in and out of poverty as a result of family-related events, including divorce or separation. Most pensioners look

set to fare relatively well as they will increasingly receive an income from private pensions and will have greater access to work. Young people, on the other hand, will be a cause for considerable concern as state support for them diminishes and they become increasingly marginalised, leading to a substantial increase in poverty among those who cannot call on parental support.

The scenario analysis produces contrasting results. With the “Golden Age?” scenario low-income families of the future are likely to be dominated by those that are “working poor”, mostly families with just one earner or members working part-time. With employment becoming increasingly flexible (i.e. more part-time and temporary work), many individuals will also move in and out of work, resulting in a rise in the numbers experiencing transitory poverty. Chronic poverty, on the other hand, will fall. As for children, improved childcare and education will have reduced the long-term consequences for poverty. Under the “Back to Basics” scenario, it is out-of-work poverty that would be of most concern to policy makers, with long-term unemployment particularly worrying. People who suffer from poverty will find themselves increasingly detached from the labour market and, with benefits set at low levels, the poor are likely to suffer increasingly from social exclusion.

Jeanne Fagnani’s chapter examines the key factors influencing work-family life arrangements in the coming years. She identifies the increase in mothers’ employment rates as an irreversible trend, and also expects labour market participation of the over-65s to continue to grow, notably in Europe and North America. The most important changes can perhaps be expected at the workplace itself: while some members of the workforce will be experiencing long working hours, others will increasingly hold part-time or temporary jobs, many of which will involve non-standard working hours and/or unpredictable schedules. Without a broad-based effort to reorganise working time in a way that is compatible with family needs and childcare arrangements, there is little prospect of improvement in work-family life tensions.

The “Golden Age?” scenario would see progress on a number of fronts: gender equality would figure more prominently on the agendas of policy makers and companies alike; there would be strong growth in both public and private market-based childcare services, and large businesses would be keen to offer flexible, family-friendly work schedules in an effort to attract and retain skilled personnel. On the downside, the growth in non-standard working conditions and long hours would continue, suggesting that access to public, private and employer-based childcare arrangements would not be within reach for many people in unstable, low-paid employment and working on unpredictable schedules. The “Back-to-Basics” scenario would see retrenchment of many of the less positive aspects of current trends. With the economy performing poorly, long-term unemployment widespread and public budgets very tight, public childcare would be facing cutbacks, work schedules becoming increasingly onerous and inflexible, and the gender-based division of un-paid work would be reverting to traditional models. The overall situation would offer little scope for improvement in the work-family life balance.

The chapter prepared by Klaus Haberkern and colleagues sees the elderly playing a more important role in future, both in the family and in society more generally. This will be due to increasing longevity as well as the likely persistence of low fertility rates. The authors argue that the potential, abilities and resources of the elderly have been largely overlooked, and that improved living conditions are allowing older people to participate ever more actively in society. They are already net providers of support: the data show that older people and the elderly provide more support than they receive, and that only the

oldest-old are on aggregate net receivers. Demographic ageing will enlarge the pool of potential care providers among the elderly, but only until around 2030. Beyond that date, the increase in elderly care receivers will outpace the increase in potential care providers. Ultimately, however, the balance between care providers and receivers will depend on a multitude of factors, not least on changing family structures and living arrangements, family obligations, fertility and childlessness. But other factors will also play a role – urban design, transport and housing; the extent to which technology will be used to facilitate communication and care; and last but not least, the kind of policies governments deem necessary to introduce in order to improve caring structures.

When it comes to the issue of the future role of the elderly, neither of the two contrasting scenarios is entirely positive or negative. In the “Golden Age?” scenario, for example, higher female and elderly labour market participation rates would conflict with informal care provision; greater use of non-family care support and advanced technologies would entail higher out-of-pocket expenditures; and more disruption and re-constitution of families would exacerbate both the care situation and aggravate the mismatch between current policy frameworks and changing family structures. In the “Back to Basics” scenario, there would be more scope for informal care, but greater dependency on the capacity of families to deliver it; potentially greater numbers of informal care providers, but – especially among low-income groups – greater risks of a poverty trap through foregone income and the costs associated with care giving. The authors pinpoint a number of key tasks that lie ahead for policy makers, notably the need to: consider re-defining “the family”, but also to re-design family policy to find a better balance between family responsibility, state responsibility and mixed responsibility; better align care leave arrangements to changing family and household structures; support semi-professional home care arrangements in communities; and encourage mixed generation housing supported by professional care and technological innovations.

Drawing on the observations of all three authors, but also on the contributions of project participants made during several steering group meetings and workshops, a set of possible courses of action for policy can be identified which are both cross-cutting and long-term in their approach to addressing many of the challenges set out in the preceding analysis.

Box 0.1. Ten long-term policy options

As many OECD member country governments will find it hard to sustain current levels of universal social benefit coverage over the next two decades, they need to prepare the ground for reforms well in advance. This should be done by:

- Ensuring they have long-term fiscal projections and scenarios of future public spending on health, long-term care, pensions and social benefits; and by exploring the scope for achieving value for money through more effective spending.
- Exploring broad avenues for improving social outcomes without increasing spending, through a re-balancing of responsibilities among individuals, the family, business, associations and the state. This can be achieved by: reviewing family responsibilities and entitlements within the broader scope of the so-called “family network”; re-visiting the issue of responsibility and individual choice; and enlarging the contribution that greater engagement of all social actors can make.
- Seeking savings, or at least more efficient outcomes, through more coherent policy approaches, for example by looking at individuals’ planning, financing and organisation of care in terms of overall life-cycle changes.
- Addressing as a priority the need to move individuals and families out of potentially long-term dysfunctional situations, such as long-term unemployment, chronic poverty, and young people in neither employment, nor education nor training.
- Attaching more weight to the potential uses of new technologies in addressing some of the structural problems that may affect families in the future, and to the possibilities for integrating technological innovations into policy considerations and planning.
- Paying more attention to future shifts in the spatial mobility patterns of households and families, as mobility will become increasingly important for maintaining family cohesion.
- Making greater use of the scope offered by housing policies to influence family formation and intergenerational solidarity.
- Undertaking sustained efforts to step up gender mainstreaming with a view to limiting the long-term detrimental effects of perpetuating gender inequality.
- Improving the evidence base for effective policy making through concerted efforts to close data and research gaps, notably in the fields of long-term projections, longitudinal household panels, and the growing phenomenon of reconstituted families.
- Strengthening the links among family-relevant aspects of different policy domains, such as care for children and the elderly, labour market, education, technology and housing.