Received: 16 April 2025 | Accepted: 28 April 2026

DOI: 10.1111/ijsw.70076

ORIGINAL ARTICLE

INTERNATIONAL JOURNAL OF SOCIAL WELFARE

Measuring the standard of living in shared-care families—Challenges and insights

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Funding information
Academy of Finland, Grant/Award Numbers: 320162, 338282; NordForsk, Grant/Award Number: 148806

Abstract

This methodological article aims to acquire a better understanding of how current research in the traditional income distribution literature considers shared-care families and what kind of implications these approaches pose for measuring the economic well-being of children living in two homes. Second, it provides insights on how to measure the economic standard of living of individuals in shared-care families. These aims are related to research gaps identified in existing research on separated families. The article pursues these goals by addressing the problems involved, highlighting some of these issues' magnitude and proposing ways to reduce bias in estimates of income inequality and poverty in post-separation families. The article also demonstrates the need to revise current theoretical assumptions that guide measures of economic well-being in order to accurately estimate the standard of living of children and parents in shared-care families.

KEYWORDS

equivalence scale, joint physical custody, poverty, shared care, standard of living

INTRODUCTION

Children are increasingly experiencing parental separation or divorce (e.g., Andersson et al., 2017). Most studies on post-separation economic well-being of these parents and children has focussed on families in which the children live primarily with the mother, which has been the most typical post-separation living arrangement for children (e.g., Andress et al., 2006; DiPrete & McManus, 2000; Harkness, 2022). However, shared care, an arrangement in which children live almost equal amounts of time with both parents, has been increasing over the past decades in many countries (e.g., Meyer et al., 2017; Smyth & Chisholm, 2017).[1] In 2021, one-in-five European children in separated families had a shared-care arrangement, with 12.5% in equal care arrangements and 8.2% spending at least a third of their time with each parent (unequal care) (Hakovirta et al., 2023).

With shared-care arrangements becoming more common, a need exists to re-conceptualise how to measure

Abbreviations: EU-SILC, EU statistics on income and living conditions; HBS, household budget survey; LSSF, Longitudinal Study of Separated Families; UNECE, United Nations Economic Commission for Europe.

[1]Various terms have been used to describe this post-separation living arrangement: shared care, shared residence, alternating residence, joint physical custody or shared placement.

the economic well-being of children and parents after separation (e.g., Berger et al., 2024; United Nations Economic Commission for Europe [UNECE], 2011). Studies on income distribution and poverty have often examined children's economic well-being in only one household—usually the mother's—leaving the other parent's resources out of the equation.

These standard practices and assumptions may not accurately reflect the financial situation of children and parents in shared-care families as shared care introduces complications to measuring household economic well-being. First, we often do not know which individuals and households are impacted by shared-care arrangements. We call this an identification problem related to data collection. Second, shared-care arrangements involve children living part-time in household, for which there are no established methods of taking into account. These challenges, in turn, give rise to a problem that we call the economic unit problem. It arises when statistics cannot consider all the resources available to the child, and from the fact that we do not know how much a child living in two homes costs each household. From the adults' perspective, both the identification and economic unit problems lead to misclassification because a non-observed parent is likely to be misclassified as childless. As a result, the observed parent's standard of living will be understated, as that household's needs may be lower than if the child does not spend time elsewhere, and non-observed parent's standard of living will be overstated since the economic needs from having a child present part of the time are not considered.

Third, it remains unclear how these issues should be considered in measurements of economic well-being. Moreover, assumptions about resource pooling and family members sharing the same standard of living have been called into question (Atkinson et al., 2002; Canberra Group, 2011). We may need to reconsider the assumption that resources are pooled to the same extent within shared-care families and within 'traditional' ones. If they are not, to what extent do such pooling differences lead to additional differences in economic well-being? Finally, decisions on how to examine and measure economic well-being in shared-care families have important policy implications. For example, how shared care is considered may have an effect, for example, on the percentage of children designated as poor (e.g., Bonnet & Solaz, 2023) and on determining eligibility for welfare benefits (Hakovirta et al., 2024).

This article addresses the challenges related to the conceptualisation and measurement of economic standard of living or economic well-being (terms that we use here interchangeably) in the context of shared care. The article is primarily conceptual and reviews the existing literature addressing these issues. By reviewing guidelines and recommendations concerning income distribution and poverty statistics, the first objective is to acquire a better understanding of how present research in the traditional income distribution literature approaches shared-care families and what kind of implications these assumptions pose for the measurement of economic well-being of children in shared care. The second objective is to gain insights into how to measure the economic standard of living of individuals in shared-care families. The objective was addressed in a review that examined studies attempting to measure economic well-being in the context of shared care, as well as the current perspectives on poverty research highlighting the importance of children's participation in measuring economic conditions. These aims are related to literature gaps identified in existing research on separated families. Thus, this article advances research on children's economic well-being by expanding the measurement framework to account for children's living arrangements in the context of shared-care families.

First, we highlight challenges with current practices for collecting and analysing data from surveys on household income and living conditions. Second, we discuss how basic approaches on sharing the costs of children fit into the shared-care family context. Finally, we propose various ways to tackle the aforementioned problems through existing research and child-centred measurement approaches.

CHALLENGES WITH CURRENT PRACTICES: IDENTIFICATION AND UNIT OF ANALYSIS

Most income distribution and social indicators researchers, and official statisticians follow standard recommendations on the unit of analysis concerning the choice between the individual and the household (Atkinson et al., 2002; Canberra Group, 2011). While recommendations tend to agree that the individual is the unit experiencing a level of well-being, the household is viewed as the unit within which that well-being is measured because individuals share income and other resources with the people with whom they live. Here, 'the household is the basic unit of analysis because this is the level of aggregation of individual incomes at which an assumption of income sharing is most valid' (Canberra Group, 2011, 64). The assumption of income sharing also includes the assumption that all members of the unit share their resources equally and, thus, enjoy the same standard of living. Moreover, each person in the household usually is associated with the characteristics of

the household to which they belong. Furthermore, each person is assumed to reside in one and only one household.

Most statistics that measure families and children's income and living conditions use household-based measures. A household includes either one person living alone or a group of people living at the same address with common housekeeping, that is, sharing at least one meal per day or sharing a living or sitting room. The group may comprise relatives, friends, or a combination of both (Eurostat, 2024; UNECE, 2011). When collecting data, statistical agencies commonly follow the residence-based household concept, in which the general rule is that a person's place of usual residence is where they most frequently sleep overnight. For example, Eurostat's surveys on social conditions or income, such as EU statistics on income and living conditions (EU-SILC) or the household budget survey (HBS), define households as a housekeeping unit or, operationally, as a social unit comprising individuals who share household expenses or daily needs and live in a shared common residence.

In the context of shared-care arrangements, traditional assumptions and practices in collecting and analysing household statistics may mischaracterise the full range of residential ties significantly. First, there is an *identification problem* when applying the residence-based household concept to data collection, in which children living in two households are ignored. Second, even in cases when we can identify children who spend time with both of their separated parents, the *problem of unit of analysis*, that is, the economic unit that we are interested in, remains.

Figure 1 illustrates both problems in the shared-care family context. Let us imagine Mary and John, a couple with a son, Justin. The parents divorce, and they agree to have a shared-care arrangement with Justin. Usually in income distribution statistics, Mary's household would be identified as a lone-parent household if Justin is registered as living with her, and John's household would be identified as a single-adult household. This definition is clearly inadequate, as it ignores that Justin is living in two households.

The identification problem arises due to a lack of information and/or use of the residence-based approach when collecting data. In some population-level household surveys, the household grid used to list the household's members contains some information on people who live in more than one household (e.g., household panel studies such as the UK Household Longitudinal Study), but most often, survey or register data do not consider shared care. Therefore, to understand the standard of living of children in shared care, the notion of the household unit needs to be expanded in data collection.

Still, for instance, the guidelines of the United Nations Economic Commission for Europe recommend that '(w)here an equal amount of time is spent with both parents, the place of usual residence should be the place where the child is found at the time of the census' (UNECE, 2011, 4). The recommendation does not acknowledge that the usual residence approach stating the basic idea of a household as a superior unit has major weaknesses in the shared-care context. If Justin is spending an equal amount of time with Mary and John, and if his parents have decided to share the costs of their child,

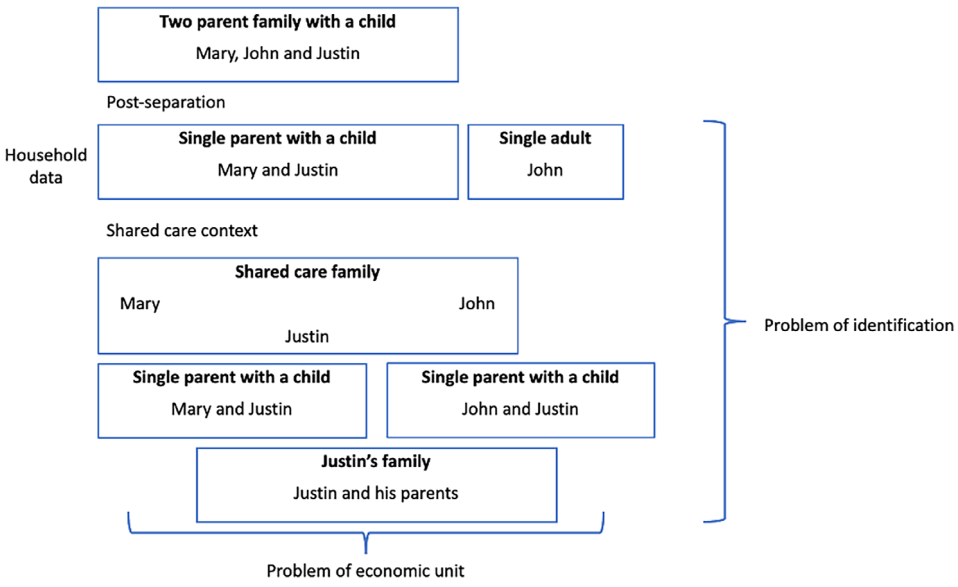

FIGURE 1 Identification and choice of unit of analysis in the shared-care family context.

then we are witnessing a serious mismeasurement of resources by Mary and John's households (more detailed discussion about cost-sharing in the next section). Even if a child only spends every other weekend with the other parent, this still involves mismeasurement of resources in the standard of living for Justin and both his parents, just less so than if the time spent at each home was equal.

Thus, even though we could identify the shared-care context and the ties between different households, and we had all required information about the financial arrangement between households, a problem with unit of analysis remains. The economic unit in question depends on whether we are interested in the economic well-being of the members of Mary and John's households or in Justin's standard of living. On one hand, if we are interested in Mary and John's households, which is common in income distribution statistics, the households' needs should be adjusted based on shared residence. On the other hand, if we are interested in Justin's standard of living, we should consider the contribution to his wellbeing of the resources of both of his parents.

SHARING THE COST OF CHILDREN ACROSS HOUSEHOLDS

In the mainstream income distribution and poverty studies measurement relies heavily on the assumption that resources are shared equally within the household and that children share the same living standard as their parents and other individuals in the household.[2] This assumption has already been questioned in the case of traditional nuclear families while emphasising the potentially disadvantaged role of women and children (e.g., Jenkins, 1991; Millar & Glendinning, 1989; Mishra et al., 2004; Pande, 2003).

How parents share the cost of raising children poses implications for both parents and their children's economic well-being. The economic theories that have been developed to explain resource sharing within families (Becker, 1981; Himmelweit et al., 2013) and to estimate the costs of children (Bradbury, 1994) typically have focussed on parents living together. For example, Becker's (1981) economic approach assumes that families maximise their utility as if they were individuals and emphasises relative and absolute levels of couples' resources. Collective resource sharing models implicitly assume that parents are channelling resources, such as time and money, to children, thereby shaping their development and well-being. However, when family members live in multiple households, these assumptions do not hold. More nuanced frameworks are required that consider how resources are shared across the household to cover the cost of children and how this impacts the economic well-being of children and parents.

Traditionally, mothers have shouldered a larger portion of direct child expenses because children more typically have lived most of the time with the mother post-separation. In such cases, child support payments have constituted the main mechanism to distribute the costs of children between the parents as the non-resident parent has transferred money to the resident parent to cover their part of child-rearing costs (Hakovirta et al., 2022a). In shared-care arrangements, this logic is however questioned, as there is no clear distinction between the non-resident parent and the resident parent, and both parents take care of the child's needs in their homes. This shift in parental roles also brings structural changes to the expenses associated with raising children in two homes.

Thus, shared-care arrangements may alter both the child's costs in the household and how each parent distributes the costs. First, it is reasonable to assume that when a child lives in two homes, the overall cost of raising them increases because some expenses may be duplicated when the children spend time in two households (Bartfeld & Chanda, 2023). This happens regardless of whether the shared-care arrangement is a 50/50 split or some other arrangement where the child lives with the other parent much less frequently but on a regular basis (Hill & Hirsch, 2024). For instance, a child usually needs their own room or space in both homes. They also can be assumed to have double sets of daily needs such as clothing. Other costs also may be added to this, such as the costs of commuting between parents.

Second, a move from mother-only care to shared care entails a shift in the costs of raising children as part of the direct costs decline (such as food), with mothers bearing less of those costs and fathers bearing more (e.g., Melli & Brown, 1994). However, the division of costs depends on mutual agreement between the parents, which can also depend on the nature of the parents' communication and relationship after the separation. These are not necessarily related to the type of shared-care arrangement. For instance, the other parent may still be primarily responsible for child-related expenses such as the child's hobbies or health care costs, while the other parent may reimburse the costs for the other.

[2]The key assumption in standard income distribution analysis is that all household members share the same standard of living. The more or less explicit assumption is that households pool resources and use them in such a way as to achieve this goal. Obviously, this may entail variations in the actual resources used for different persons, depending on their age or, say, special needs or disabilities, but when we write about equal sharing, we mean resources are used in such a way as to lead to the same level of well-being for all members.

Regardless, shared care changes the way both parents are expected to contribute to child-related expenses, for instance, whether child support is expected to be paid and whether parents are expected to share the costs directly (Haapanen et al., 2024a). This is because many countries include deductions in child support payments by the time child spends with each parent, which means either lower child support payments or no payments at all in shared-care cases (Hakovirta et al., 2022b; Claessens & Mortelmans, 2021). As child support orders are less common in shared-care cases than with sole care (Haapanen et al., 2024a; Bartfeld & Chanda, 2023; Meyer et al., 2015), there is less income redistribution in the form of formal child support. Therefore, the ways and extent to which costs are directly shared across households becomes important for understanding families' economic well-being. While research on this issue is limited, empirical evidence indicates that parents with shared-care arrangements are more likely to share child's expenses directly and more equally than in sole care (Haapanen et al., 2024a; Bartfeld et al., 2022). Moreover, the more expenses are shared directly, the less economic difficulties are experienced in shared care (Haapanen et al., 2024b).

Understanding resource sharing in shared care and in relation to economic well-being is an increasingly important issue that has remained critically underexplored as current theories and empirical evidence on cost sharing focus mostly on intra-household allocation. Thus, we can identify a research gap in relation to shared care. More research is needed to understand patterns of allocation of expenses in the shared-care context.

APPROACHES TO MEASURE ECONOMIC WELL-BEING IN SHARED-CARE FAMILIES

Identification and economic unit problems

Statistics Sweden is, to the best of our knowledge, the only statistical agency that has considered shared care in their published, official income distribution statistics. The report on which their procedure is based demonstrates that considering shared care involves multiple steps (Lindberg et al., 2021):

1. The children who spend substantial amounts of time with both their separated or divorced parents need to be identified (*identification problem*).
2. The children who reside part-time in two different households should be 'shared' among the two households (*economic unit problem*).
3. Households should be reclassified based on the presence of 'shared' children (*economic unit problem*).
4. The household's needs should be adjusted based on caring time (*choice of equivalence scale*).
5. Each affected household's equivalent disposable income is recalculated.
6. All income statistics must be recalculated using adjusted income data and reclassified households.

Swedish income distribution statistics nowadays are based on register data. While Sweden has high-quality register data, no register records whether children of separated or divorced parents share their time in each parent's household or how much time they spend in each/either household. *To identify* children who share their time with two parents who live at different addresses, Statistics Sweden uses a predicted probability that a child will be a co-resident. The prediction is based on a model that was estimated using survey data, collected in 2012 and 2013 from non-co-residing parents of children about shared living arrangements (Lindberg et al., 2021, p. 9). The model recently has been re-evaluated using EU-SILC data for the years 2016, 2017, and 2018 (pooled to increase sample size), but this re-evaluation did not lead to adjustments of the model (Lindberg et al., 2021, 11).

The model probability prediction is used to determine which children reside in both parents' household intermittently (Stage 2). Each child then is reassigned to live in both their original household and that of the other parent (Stage 3). Thus, some children who were classified as living with only one parent—often a lone parent—prior to the adjustment are assigned also to live in another household, which often originally was a lone-person household. Statistics Sweden adjusted the needs—that is, the equivalence scale—of the original household to reflect the reduced time the child in shared care spends there, then adds the child's needs to the other parental household's equivalence scale (we discuss the scale itself below).

Adjusting needs: The choice of equivalence scale

Children who spend time with both parents who do not live together do not consume as much in their 'official' household as a child who only spends time in one household. Thus, their weight, that is, how many equivalent adults they represent, should be lower. A key question is how much lower?

Existing research on the cost of raising children in two households offers little guidance on the appropriate estimation of child costs in the case of shared care. In

Australia, two studies (Henman, 2005; Henman & Mitchell, 2001) used budget-based approaches to identify the costs of children in various living arrangements relative to the costs assumed when children live in only one household. Henman (2005) estimated that normative child costs for a resident parent with 50% contact time are, on average, 72% of full-time child costs for moderate income parents and 87% of full-time costs for low-income parents. This study—which made specific assumptions about the degree to which various categories of costs would be duplicated, rather than divided, between homes—suggests that total care costs are substantially higher when children are cared for in two homes and that the difference is particularly pronounced in lower-income families due to a higher proportion of fixed costs.

A substantial fraction of a child's economic needs depends very little on how much time they spend in a household—a bed and at least part of a room are needed in any case (clothes, toys, etc., probably are not transported between homes). The main goods and services that are consumed less often than when living in one household full time are related to food and drink, possibly culture and hobbies. One approach to adjusting the equivalence scale is to examine to what extent children of different ages consume goods that depend on their actual presence in the household (McClements, 1977). However, alternating residences is associated with costs as well. For example, if the distance between the two homes is substantial, then moving from one to the other and back is associated with considerable travel costs, depending on the frequency of transfers. Then again, some evidence indicates that shared-care arrangements lead to fewer transitions than sole care arrangements (Steinbach & Augustijn, 2021).

It is necessary to consider the question of whether children in shared care also should be assigned a higher consumption weight when calculating their economic well-being. We assume that this is a reasonable assumption and, therefore, assign dual-household children a higher consumption weight than children living in one household. Our assumption is that the cost of accommodation, clothes, shoes and the like will be double for the parents. This increased support burden is managed by raising the consumption weight for the child corresponding to these costs.

In the Swedish approach (Lindberg et al., 2021), needs, that is, the number of equivalent adults, are adjusted downward in the original household and upward in the 'new' household (Stage 4). The Swedish national scale normally assigns a weight of 0.52 to the first and 0.42 to additional children. Children on this scale are age 19 or younger, while a more standard definition is that those 17 or younger, or in the case of the modified OECD equivalence scale, 13 or younger (Hagenaars et al., 1994), are children.

Lindberg et al. (2021) noted that just dividing the weight in half (i.e., assuming equal time in both households) is too large an adjustment. They used the original estimates on which Swedish equivalence scales were based to argue that the first child 'costs' 46% of a full-time child to either parent they live with, and that subsequent children 'cost' 36%. So, total costs of a child with a shared residence are 0.76 (0.52 + 0.24) for the first and 0.57 (0.42 + 0.15) for subsequent children. These total costs then are assumed to be shared equally among each of the households, leading to a scale of 0.38 for the first and 0.28 for subsequent children in both the original and 'new' households. Each person in both the original and 'new' households (including any children living there originally) then has their equivalent income recalculated (Stage 5), after which all income statistics, including income inequality and income poverty statistics, are recalculated (Stage 6).

The methodological choices in the Swedish study differ from Australian (Qu & Weston, 2021) and U.S. (Bartfeld & Chanda, 2023) studies. While Qu and Weston (2021) utilised the Australian Longitudinal Study of Separated Families (LSSF), Bartfeld and Chanda (2023) focused on separated mothers using Wisconsin court record data merged with administrative income records. As both data sets focused on separated families, they also included information about shared-care arrangements. In Qu and Weston (2021), needs were adjusted using the modified OECD scale in a straightforward manner by dividing the weight as follows: Those under age 15 were assigned a weight of 0.15, rather than 0.3, and those ages 15–17 were assigned a weight of 0.25, rather that 0.5 (see, also, Son et al., 2014). However, Bartfeld and Chanda (2023) used an approach that considered how much time the child spends with the parent. Based on studies on child-related expenditures and estimates on child expenditures in shared care (Bartfeld et al., 2022; Henman, 2005), they assumed that half the costs are fixed and half decline proportionally over time.

Ad hoc subject module of European income and living conditions (EU-SILC) data

Children's living arrangements typically are measured by simple predefined questions or a conventional scale that may distinguish only between sole and shared care arrangements (e.g., Sodermans et al., 2014). Such measures have obvious limitations. There are household panel studies that include information on shared-care

arrangements. For instance, the questions on shared care in the UK's Understanding Society longitudinal study originate from 12th wave (2002) of the British Household Panel Survey. It includes questions on the frequency, regularity, and duration of visits by children to non-resident parents. Since 2009, these questions have been transferred to the Family Networks module of the UK Household Longitudinal Study and are asked every other wave. The data have been used in research on the prevalence of shared care in the UK (Haux et al., 2017), but to our knowledge, they have not been used to take shared care into account when examining income distribution or economic well-being.

Regarding data primarily collected for understanding economic well-being, income distribution and living conditions, in 2022, Eurostat released a special ad hoc subject module focussing on the living arrangements and conditions of children in separated and blended families as part of the European income and living conditions (EU-SILC) survey. The data were collected in 2021, and the release included 28 European countries.

The data allow for identifying children who potentially have a shared-care arrangement by providing information on the number of nights the child spends in the household on average in a typical month. Number of nights is a common threshold in determining shared-care arrangements (Sodermans et al., 2014; Steinbach & Augustijn, 2021). Children may be identified as having a shared-care arrangement by using different cut-offs for number of nights. A child who spends 50% of nights with the other parent can be said to have a symmetrical shared-care arrangement, but very often, a 30–70% threshold is used to identify shared care (e.g., Hakovirta et al., 2023; Meyer et al., 2017).

However, as surveying focuses only on the sample household or sample person's household, EU-SILC does not provide information about the other parent or other household where the child lives part of the month. Thus, the sample design omits crucial information about, for example, the other parent's employment situation and total household disposable income, as well as the number of individuals living in the other household, which would be required to build a comprehensive understanding of the child's economic situation.

However, some inter-household transfers, such as alimony and child support, are recorded in EU-SILC, but notably, the households also may share resources through other means (e.g., joint accounts or by dividing responsibility on expenses) that are not reported. Also, in both the Swedish statistics and Australian studies discussed above, cost-sharing between households was based on assumptions. More research is needed on how expenses are shared between households. This is crucial, as discrepancies in financial contributions and responsibilities can impact the economic well-being of the parties involved. For example, the lack of child support transfers in shared-care cases includes an expectation that expenses for children are shared in other ways in shared-care families (Haapanen et al., 2024a). As with intact families, cost-sharing in shared-care families is also merely an assumption, and we lack data that includes information not only on how parents share resources within households, but also across households. This perspective is also missing from the EU-SILC 2021 ad hoc module. Collecting information on intra- and interhousehold cost-sharing and consumption patterns would help develop more informed equivalence scales for all family types.

From household- to child-centric approaches?

For Sweden, Lindberg et al. (2021) examined the adjustments' effects—that is, reassigning shared-care children to two households and changing the needs of both the original and new households—on common income distribution statistics. The results indicate that mean and median income have not been affected much by the adjustments, for example, in 2017, mean and median fell less than a quarter of a percentage point. The Gini coefficient similarly declined from 0.322 to 0.321, that is, by 0.001. The overall income poverty rate (with the poverty line set at 50% of median income) declined from 8.1% to 7.9%—also a very small change. The changes were bigger in groups affected by shared care, of course. The overall child poverty rate decreased from 19.1% to 18.2% (this appears to be at 60% of median income). Children deemed to have shared care saw a large decline, from 18.7% to 6.9%.

Children of lone parents—that is, those who do not have shared care despite having separated parents—in turn saw an increase in their poverty rates—in the case of lone-mother children, from 45.9% to 50.7%. At first glance, the increase in the poverty rate for lone-mother children can seem surprising, demonstrating that considering shared care can exert counter-intuitive effects on groups that seemingly are unaffected by the adjustments. The reason why lone-mother children's poverty increases is because shared care is more common among higher-income parents (e.g., Berman & Daneback, 2022; Brons et al., 2026), so once shared-care children are reclassified, the remaining population of lone-mother children is poorer on average. The downward adjustment of their needs (which would lead to a reduction in their poverty rate) does not counteract this selection effect.

The Swedish results highlight how considering shared care can lead to substantial changes in the incidence of child poverty among both children with and without shared-care arrangements. Thus, the results demonstrate that efforts to solve the identification and economic unit problems are highly relevant if we are interested in the standard of living of children in shared care. Prior Swedish and Australian attempts (Lindberg et al., 2021; Qu & Weston, 2021) to solve these problems focussed on parental households' economic resources, that is, their objective has been to diminish mismeasurement of Mary and John's household incomes. Consequently, Justin's perspective, that is, the economic unit of Justin, remains missing (see Figure 1).

The need to focus also on Justin's economic unit emerges from recent child well-being studies that have begun to draw on sociological understanding of childhood by conceptualising children as social actors in their own rights (e.g., Bessell, 2021; Chzhen et al., 2022). The child-centric approaches emphasise the importance of human rights by seeking to promote child well-being within a framework shaped by the UN Convention on the Rights of the Child (United Nations, 1989). Children also confirm their active roles in forming perceptions of poverty and material need, which both complement and contrast with parental perceptions (Chzhen et al., 2018). From a methodological perspective, the child-centric approaches call for participatory methods and new surveying techniques to measure children's experiences and perceptions. This area of research has been growing in recent years, and the results have been promising by providing new insights into the nature of child poverty and well-being (Main & Bradshaw, 2012; Saunders & Brown, 2020).

Indirect or direct measures of economic standard of living

An important standard assumption in distributional research using income and consumption is that all members of the same household have the same standard of living. Some may think this is a reasonable approximation of the truth, while others, uncomfortable with the assumption of equal levels of well-being, need to make it for lack of direct indicators of within-household variations in standard of living. To probe how reasonable the assumption of equal levels of well-being is, we should distinguish between well-being, on one hand, and resources devoted to 'producing' well-being on the other. Assuming that resources are shared equally is very different from assuming that the level of well-being is the same.

Indeed, different people may need quite different levels and kinds of inputs to achieve the same level of well-being—an idea that is central to the capabilities approach to well-being (Sen, 1985). One way to think of the assumption of equal well-being within the household is that the household produces a similar level of well-being to all its members—even if the resources required to achieve this vary across its members. Similarly, direct and indirect approaches to poverty measurement have long been discussed in the poverty literature (Ringen, 1988). While indirect measures refer to economic resources, such as income, direct measures refer to different types of deprivation indicators or subjective assessments of one's economic difficulties.

Particularly in the context of children's perspective in shared-care arrangements, it is crucial to consider whether to measure resources, such as income or the level of economic well-being, more directly through consumption, deprivation or subjective assessments (for child deprivation indices, see, e.g., Main & Bradshaw, 2012; for multidimensional child poverty, see, e.g., Chzhen et al., 2018). For example, one argument in favour of direct measures is that resource sharing of parents in shared care is difficult to observe because a shared-care arrangement diminishes the need for inter-household income transfers. Instead, potential resource sharing within Justin's (Figure 1) economic units occurs in consumption related to children's needs and wants. However, inclusion of more direct measures of a child's economic well-being would mean boosting data collection requirements.

Still, particularly for scholars interested specifically in children's economic well-being (but not so much that of their parents), lessons remain to be learned. When focusing on children, we can argue that many problems linked to data collection and assumptions concerning the concept of household, economic unit and resource sharing are avoided in the measurement of economic well-being. Thus, from child poverty and child deprivation perspectives, increasing efforts to develop child-centric methods also will benefit research examining children in shared care.

CONCLUSIONS AND DISCUSSION

The first objective of the article was to highlight challenges in approaching shared-care configurations in current practices when collecting data on income distribution and living conditions. We argued that assumptions regarding income sharing and the residence-based household concept's superiority are problematic in the shared-care context, leading to identification and economic unit problems.

Thus, the lesson from this article is that if we are interested in families with children, we should remember that we are measuring the economic well-being of a large and likely growing number of families inadequately. Both identification and economic unit problems lead to mismeasurement of child poverty and the economic well-being of children, single parents, and single adults. Therefore, we should put more emphasis on data collection principles to avoid identification problems.

Apart from this, we should develop methods and principles further on how to input shared-care arrangements through existing data. The data reviewed for this article often lacked detailed information on shared-care arrangements, residential relationships and resource pooling, which highlight the challenges in fully capturing household living arrangements' nuances. It also created constraints on getting accurate information on children's economic well-being and, in the worst case, led to mismeasurement of economic situations of families with children. Thus, future data collection efforts should remedy this by asking more detailed questions about living arrangements and household members' relationships with each other, as well as non-members. Fortunately, some household panel studies provide good examples of this. Moreover, register and administrative data should be pursued to obtain information about children residing in multiple households. It would help researchers ensure that they have comprehensive data on all household members, which is crucial for analyses that involve understanding household dynamics and living arrangements.

The article's second objective was to gain insights into how the economic well-being of children who spend almost equal time in two homes should be measured. The approach adopted by Statistics Sweden provides an example of how to solve the identification problem when using national register data that do not include specific information about shared-care arrangements (although it does presuppose the existence of survey data as the basis for modelling shared care). All other attempts to examine living standards in the shared-care context—such as the ad hoc subject module of EU-SILC, as well as Australian (Qu & Weston, 2021) and U.S. (Bartfeld & Chanda, 2023) studies—have focussed only on separated, divorced or blended families. Even though they do not help us solve the identification problem, they provide useful insights on the economic unit problem and the question of how to approach resource sharing in the shared-care context.

Thus, in addition to including multihousehold residents in data collection, more innovative solutions should be considered to estimate the existence of shared care using data that cannot be supplemented with more detailed information. In addition, especially if we are interested in child poverty from Justin's perspective, the child-centric approaches that are currently undergoing intensive development can help us to study the well-being of children in shared care (e.g., Chzhen et al., 2018).

We also can identify literature gaps on measuring the living standards of individuals in separated families. Complexities arise particularly when applying equivalence scales to shared-care families. Thus, more research is needed to develop models that reflect more accurately the costs and resources of both households sharing parenting responsibilities. These scales should consider the cost of children and both direct and indirect costs incurred by both households (Bartfeld & Chanda, 2023).

The discussion on the challenges associated with shared care and ways to address them also contributes more broadly to the literature on complex families. The concept of 'complex' family refers to cohabiting or registered couples with one or more children in which at least one is a noncommon child (Berger et al., 2024). This category is even more complicated to identify than the simplest version of a shared-care family presented in Figure 1. Even though this article focused on the simplest version of the shared-care family context, a more complex family context provides an example of the need to reconsider the concept of a household, the unit of analysis and basic assumptions about equal resource pooling. Here, we should go beyond the co-residence bond and examine a person's economic position within a network.

The Swedish results (Lindberg et al., 2021) highlight the importance of considering shared care if we are interested in the economic conditions of children in shared-care arrangements, or if we are interested in differences in economic conditions between different family types. The results demonstrate that considering shared care alters the economic conditions for Justin (son) and Mary (mother), but also John (father), who appeared childless before. Furthermore, by considering shared care, the results demonstrate that the situation of 'real lone parents' and their family members is even more dire than we normally find in poverty research.

Hence, from a policy perspective, our article demonstrates that researchers and policymakers should consider these factors when designing or reforming social policy programmes. Very often, social security and family policy benefits follow the usual residence-based approach, that is, they are paid to parents with whom the child is registered to live (Hakovirta et al., 2024; Merla et al., 2024). Thus, shared care, as well as other family complexities, pose challenges to current income support systems, and we should ensure that legal and governmental frameworks that provide financial support for families with children are based on accurate assessments of what

is needed to support a child across multiple households. These policy aspects concern not only the benefits directed to parents, but also general understanding about the concept of household or economic unit in different benefit schemes. The question also is related to assumptions about intra-household income sharing. While different intra-household income sharing assumptions have been examined in poverty studies, less attention has been paid to their role in minimum income schemes (see, however, e.g., Assal & Nardo, 2024). This lack of understanding is even more obvious when thinking how benefit schemes consider resource sharing among families sharing care post-separation.

Separated parents and their children are of special concern in public policy, not the least of which is because they often have higher poverty rates and are affected by the increased prevalence of shared care significantly. However, shared-care arrangements affect a much broader set of people than only shared-care children and their parents, such as new members of reconstituted families, stepparents, step-siblings and other members of the extended family. Our examples have demonstrated that both family ties and economic dependencies may extend beyond single households and biological relationships. This highlights the importance of thinking carefully about the challenges in measuring the economic well-being of children and parents who are part of complex family structures.

ACKNOWLEDGEMENTS

This study was supported by the Academy of Finland Flagship Programme (decision number 320162), the Academy of Finland (decision number 338282), and NordForsk (decision number 148806). Open access publishing facilitated by Turun yliopisto, as part of the Wiley - FinELib agreement.

CONFLICT OF INTEREST STATEMENT

The authors declare no conflicts of interest.

DATA AVAILABILITY STATEMENT

Data sharing not applicable to this article as no datasets were generated or analysed during the current study.

ETHICS STATEMENT

The authors declare that the study was conducted in accordance with the highest standards of academic integrity and research ethics. As a theoretical investigation, it does not use sensitive personal data. All sources of information, prior research, and theoretical frameworks have been appropriately acknowledged and cited.

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How to cite this article: Niemelä, M., Hakovirta, M., Jäntti, M., Lindroos, E., & Haapanen, M. (2026). Measuring the standard of living in shared-care families—Challenges and insights. *International Journal of Social Welfare*, *35*(3), e70076. https://doi.org/10.1111/ijsw.70076