



The Northern Ireland Economy: **Women on the Edge?**

A Comprehensive Analysis of the Impacts of the Financial Crisis

Section 5: Lone Parents



Lone Parents

Gathering data and making it gender specific

Insufficient research is undertaken on lone parents in Northern Ireland, but given that 92% of lone parents are women any research that has been undertaken or data collected reflects the situation of women. A Lone Parents' Focus Group was brought together at Gingerbread Northern Ireland to supplement available research with the views of lone parents on the challenges they face in the current economic climate.¹ Issues relevant to the project arising in Gingerbread's advice work were also discussed with Gingerbread staff.

Snapshot of one-parent families

Lone parenthood is a major strand of family life in Northern Ireland. There are nearly 92,000 lone parents with 150,000 children between them² living mainly in urban areas, although 18% live in rural locations.³ Seventy-three percent live in rented accommodation compared to 32% for all households.⁴ Lone parents head more than a quarter of all families with dependent children and the vast majority are women. They are, on the whole, under forty-five years with just less than 20% being under twenty-five. Just over half of the lone parents in Northern Ireland have one child, while one-third have two children. A substantial proportion (40%) has a baby or pre-schooler at home while the youngest child of a similar number is still at primary school.⁵

Lone parents have the lowest standard of living of any household type and are more than twice as likely to be poor as other families.⁶ Those at risk of poverty are most likely to be living in an area of deprivation.⁷ Around a quarter of Northern Ireland's population are children, about a quarter of whom live in poverty.⁸ Around half of these children in poverty are in one-parent households,⁹ with 72% of those in persistent and severe child poverty living with a lone parent.¹⁰ It is not surprising that the youngest lone parents, aged between sixteen and thirty-four years, carry the highest risk of poverty, but that risk is exceptionally high at almost 80%.¹¹

It was reported in 2005 that 27% of lone parents had no qualifications, 52% were economically inactive while a further 13% were unemployed.¹² The study on poverty and social exclusion found that lone parents relied heavily on welfare benefits, including in-work benefits that compensate for low wages such as Working Tax Credit. New work requirements mean that more lone parents must actively seek work and will depend on tax credits.

Gingerbread Northern Ireland identified the critical issues for lone parents as: stress; social isolation; negative attitudes in society; low personal expectations; stereotyping; complexity of the benefit and tax credit systems; financial difficulties leading to poverty and debt; high fuel costs and basic food such as fresh vegetables and meat becoming a luxury; limited access to relevant training opportunities and difficulty in finishing/continuing education and training; the high cost of and access to childcare provision; and poor health.

Public expenditure cuts and welfare reform

An analysis by the UK Women's Budget Group (WBG) shows that lone parents are among those who will suffer the greatest reduction in their standard of living from the cuts made through the Government's June 2010 Emergency Budget and Comprehensive Spending Review in October 2010. Some have characterised the plans and cuts as a direct attack on social care and on women who both use and provide the majority of that care.

The WBG estimates that lone parents will lose services worth 18.5%.¹³ Those who have mortgages have already been hit by the reduction in Mortgage Interest Rate Support. Others will be affected by changes to Housing Benefit, for example, with the increase in non-dependent deductions from April 2011. With older children living at home for longer due to high youth unemployment and a slow job market, lone mothers will be struggling to cover the gap between their housing costs and their benefit. Financial assistance with childcare costs has also been reduced.

The alterations to Child Benefit will have a major adverse impact on women. Many lone parents have described the benefit as a lifeline, yet its value



will be frozen for three years. One change above all will fundamentally alter Child Benefit away from its roots as a genuinely universal benefit available to all women with children, earning or not, to an income-capped benefit to be granted or withdrawn on the basis of the higher, usually male, salary in the household. The policy is more disadvantageous still for one-parent families. If a lone parent earns £42,000 or more she will lose the benefit, even if she has several children, while a couple earning £80,000 together (£40k each) will keep theirs.

The UK Coalition Government's Welfare Reform Bill introduced in February 2011 to legislate for the biggest change to the welfare system in over sixty years will see lone parents in work receiving less support than they do now with tax credits. The new Universal Credit with its simpler structure of basic entitlement, single withdrawal rate and earnings disregard will not be able to be fine-tuned to particular circumstances as well as the current benefits system and will be less generous to lone parents wishing to work more than sixteen hours a week.¹⁴ Lone parents will also lose out in a range of related measures: benefits will be reduced pound for pound by any maintenance received, the reformed welfare system is unlikely to improve financial support with childcare and there will be tighter sanctions for not working.

Institute of Fiscal Studies

"It is impossible for Universal Credit to replicate the way in which the current system treats lone parents. ... Inevitably, therefore, some working lone parents will lose out from the move to Universal Credit."¹⁵

From Income Support to Jobseekers Allowance

Historically, more than 50% of lone parents received Income Support in the past but the number of lone parents claiming Income Support has decreased significantly, falling by 3.4% in the year up to mid-2009 and by 5.4% in the following year.¹⁶ In mid-2010, 27% of Income Support claimants were lone parents; 97.3% of them were women. The drop in Income Support claimants reflects the impact of the major policy shift in lone parents' entitlement introduced at the end of 2008 to bring more lone parents into the workforce.

Until November 2008, a lone parent with a child under age sixteen could claim Income Support. Since that date, the child age threshold has been reduced to twelve, then to ten and, in October 2010, to seven years. In October 2011 it will drop to five years. At each point the affected lone parents are moved from Income Support to Jobseeker's Allowance (JSA) and must be available for work and actively seek work. As a result around at least 60% of lone parents are likely to be in the labour market.¹⁷

Lone parents with children aged twelve and under can restrict their availability for work to school hours,¹⁸ limit it to a minimum of sixteen hours a week to take account of childcare responsibilities and refuse or leave a job if appropriate childcare is not available. JSA staff in Britain have been unable to define what qualifies as appropriate childcare, relying on lone parents own definitions instead; but are more comfortable in assessing whether childcare is affordable using the mechanism of Better Off Calculations (BOCs).¹⁹

Uniquely, the Welfare Reform Act (NI) 2010 requires the well-being of children to be taken into account in drawing up a jobseeker's agreement. The Northern Ireland Minister for Social Development, Alex Attwood MLA, described this simple change to the position elsewhere in the UK as potentially having a significant impact on the lives of lone parent jobseekers in Northern Ireland and putting, "the power to determine their availability at the hands of lone parents, because they are best placed to make judgements about their responsibilities and lifestyles."²⁰ It was his view that flexibilities and safeguards are essential to accommodate the difficult social circumstances in which people find themselves if a programme of assisting people back into work is to succeed.

Transitioning from Income Support to JSA can present difficulties. Research indicates that most lone parents do not avail of the lone parent transition loan to cover the week's gap in payment periods – from weekly on Income Support to fortnightly on JSA – because they do not want to incur further debt. The researchers noted that many of the lone parents they interviewed were in debt or had had negative experiences with debt in the past.²¹ Lone parents in Northern Ireland identified transitional problems with tax credits and Housing Benefit,



where benefits were not being recalculated within a reasonable timeframe causing them to build up weeks of debt or run into rent arrears.²²

In a 2008 study for the multi-agency Possibilities Project, almost one-third of lone parents did not believe they would be better off financially in work. Effective BOCs are essential to enable lone parents to get an accurate estimation of the financial implications. These need to take into account not just childcare and travel costs, but also the costs of services that once were free while on benefit, such as dental care. In the last year Gingerbread NI has been approached by a lot more lone parents seeking assistance to work through BOCs.²³

Single-handed caring

Without high-quality, affordable, accessible childcare that provides women with the freedom to take up work, Northern Ireland's lone parents face a more precarious existence than their counterparts in Britain. The possibility of earning a decent living is undermined by the historically low levels of full-day cover that is designed for working parents. Where it exists it is over-subscribed while in other areas formal childcare is simply not available. Furthermore, funding to support a similar programme to the Extended Schools Initiative in Britain that has been helpful in providing out-of-school-hours care for children was more limited to begin with and reduced in 2008,²⁴ although it was subsequently increased again. When they manage to find provision, lone parents on low incomes have to mix and match types of care, formal and informal, to cut down the cost to match their budget. A common thread running through studies on lone parents is that they prefer to use family or friends rather than formal care.²⁵

Although childcare workers are not highly paid, the cost of childcare can be prohibitive for the single-earner, even with assistance from the childcare element of Working Tax Credit. In April 2011 this assistance was reduced from 80% to 70% as one of a range of measures to save money in the welfare budget. Lone parents on low incomes, many just starting out on working life under the new obligation to find work, will find it difficult to find around £25-£50 a week from their own resources to fund the balance of their childcare costs.

A fully comprehensive, properly resourced childcare strategy that caters for working parents is overdue. It will become increasingly indispensable as cuts in welfare support, the mounting cost of living and other pressures compel lone parents and two adults in a couple to take up work. The Northern Ireland Executive ought to seize this moment to drive forward daycare for working parents as a priority within a wider childcare strategy and as part of its toolbox for re-building the economy after the recession. This would enable lone parents, other women and men with parenting responsibilities to obtain and retain employment. A comprehensive mixed service of daycare nurseries, childminding and out-of-school-hours provision that is geographically accessible and operates in tandem with working hours needed is essential.

Lone parents shoulder the childcare burden alone. While responsibilities are not equally shared within two-parent families the absence of another adult to assist, even minimally, adds pressure to lone parents' lives. When children are sick, many have no-one to whom they can turn to share the load. On a limited single income they lack the financial means to secure assistance from elsewhere to cover for emergencies or to get some respite from child responsibilities.

While work is a route out of poverty it must be acknowledged that there are more children in poverty in in-work families than there are in families without work.²⁶ The combination of low wages, substantial cuts in welfare support and having to pay more for childcare may plunge more lone parents into poverty. Some people on low income may be able to make extra money by extending their working hours or taking on a second job, but this is a very difficult route for lone parents to take while their children are young.

Employment

Successive research has shown that lone parents want to work and a study in 2008 put this figure as high as 77%.²⁷ They want their employment to provide security and opportunities, not low-level jobs that they know from previous experience are not financially worthwhile. However, they can find their choices constrained by traditional assumptions about appropriate employment which is deeply embedded in cultures and



systems. Careers advisors, employers and policy makers are guilty of stereotyping women and channelling lone parents into highly gendered, often low-paid employment. Gray et al quote a Joint Ministerial Statement, including by the Minister for Women, that "parents, especially lone parents, are a key potential source of childcare".²⁸

While motivated to gain paid employment and financial independence, many lone parents believe that they may not be better off financially in work and are apprehensive at moving from a modicum of financial stability on benefits into reliance on a wage that could disappear at any time or not meet additional work-related costs.²⁹ This concern is likely to be greater, with some justification, during recession and a slow economy when barriers to employment seem to be that bit higher.

Lone parents have identified the availability and cost of transport as such a barrier. More than half of all lone parents in Northern Ireland do not own a car.³⁰ Most rely on public transport. Yet, in rural areas in particular, services can be impractical for travelling to work, especially for those who have part-time jobs or work school-time hours to fit with childcare responsibilities. Public transport, where it is available, may run at peak times early in the morning and at the end of a normal-hours day with few buses in between. More costly, alternative means of travel such as taxis make taking low paid work unattractive or financially impossible.

The UK Government has not met its challenging target of getting 70% of lone parents into employment by 2010.³¹ Employment participation by lone parents in Britain stood at 57.4% in the middle of that year.³² Nevertheless the lone parent percentage reflects a steady rise in their employment, as against the employment rate for all other family types which has remained around 74%. The employment gap between lone parents and all other family types has narrowed from 29.5 to 16.5 percentage points.³³

Remarkably, through the recession to the end of 2009 lone parents in Britain were the only group to have improved their employment position; it increased by 1% compared to a decrease of 2.2% for all other families. The percentage unemployed and looking for, and unable to find, work was also

higher for lone parents (9.3%) than for other family types, although the majority of the 43% of lone parents who were workless were economically inactive due to home responsibilities.³⁴ Research carried out for the Joseph Rowntree Foundation also found that the work rates of lone parents did not appear to be affected disproportionately by the onset of the recession in 2008.³⁵

Lone parents have a higher mountain to climb into work in Northern Ireland where the employment rate is well below the UK average; unemployment has risen over the year to March 2011 and almost half of the unemployed have been unemployed for more than a year.³⁶ Around 55% of lone parents were working in 2010, up from around 45% a decade ago.³⁷ One in seven lacks but wants paid work, a much smaller proportion than in any of the regions in Britain.

The legislation that drives the back-to-work policy for lone parents was drawn up during better economic times. In the context of the recession the picture is less rosy, with lone parents chasing jobs that are in short supply. Returning to work can be daunting especially for those who have been out of the labour market and primarily at home child-rearing for a considerable time. Many are unsure about what employers are looking for concerned about their lack of qualifications or relevant work experience and anxious about how they would cope on a training programme that is a bridge to employment.

Lone parents may not be up to speed on the extent of flexible working arrangements and, in any event, fear being unable to get the flexibility they require from an employer to meet their childcare responsibilities. Indeed, employers' expectations that workers will work harder and smarter to assist business climb out of recession may lead to less amenable working conditions. Where workplaces are unsympathetic in terms of flexible working, term-time hours or time off, juggling arrangements for children can become a nightmare and lead to disillusionment with work.³⁸

Employment advisors and employment programme providers in Britain are apprehensive about present and future opportunities for lone parents. In a study for the Department for Work and Pensions they report signs of a drop in entry-level vacancies, particularly in the recession-hit



retail industry which is an attractive sector to many lower-skilled and younger lone parents.³⁹ Moreover, if the economic situation forces employers to withdraw from work-trial and work placement arrangements, opportunities for lone parents to gain work experience will be lost. With contraction in both areas they fear it could be difficult to place lone parents in a work environment.

This could lead to greater distance from the labour market, de-moralisation and de-motivation just at the time when more lone parents are expected to find work. The study points out that provider contracts for lone parents make no distinction between long-term unemployed and new claimants but the pressure to achieve employment targets could see providers concentrate on those most likely to succeed in getting a job, and employers choosing those who have become unemployed more recently and thus have recent work experience at the expense of long-term unemployed lone parents.

The study also demonstrated that childcare was a key element of lone parent employability programmes, but there was unease about its sustainability in a challenging funding environment.⁴⁰ The one potential benefit for lone parents from the recession and a slow-growing economy might be the availability of more part-time work, perhaps with flexible working hours that would fit with caring responsibilities.

Training

Barriers to participation in training mirror many of those in the employment field, transport and childcare are two examples. An imaginative approach to policy has delivered some useful childcare support for lone parents. A special childcare measure permits them to claim help with the cost of informal childcare, such as that provided by relatives who are not registered childminders, when participating in training for employment initiatives. Although, since the restructuring of employment training in 2008 it is unclear if lone parents are benefiting from training opportunities and from this childcare support in the numbers they had been previously.

Steps to Work – a programme that is specific to Northern Ireland – was introduced in 2008 to subsume all New Deal programmes including Pathways to Work for lone parents with its specialist lone parent advisors. There is little data available to examine how Steps to Work has delivered for lone parents. However, anecdotal evidence suggests that referral rates have been low since the specialist lone parent programmes were mainstreamed. The impact of rising unemployment could make a difficult situation worse for lone parents trying to avail of Steps to Work.

Before the welfare reform legislation imposed more stringent obligations on lone parents to seek work, few resources were devoted to lone parent programmes and there was less focus on outcomes. It is doubtful that this culture has changed for lone parents with children aged under seven years⁴¹ who are not required to participate but remain voluntary participants. Steps to Work contractors and Personal Advisers in Jobs and Benefits are likely to prioritise mandatory over voluntary clients. They will also focus on those who lost or left employment recently as they are likely to get back into employment more easily than others. Moreover, during the recession, the newly unemployed became the priority.

So, a lone parent may strive to get into work, but may simply not be the most important consideration for Jobs and Benefits or Steps to Work providers who may want to work with easier-to-place candidates to demonstrate they are meeting outcome-related indicators. A number of lone parents told Gingerbread NI they were interested in its Marks and Starts programme and needed to move from Income Support to Job Seekers Allowance to qualify but were unable to get an appointment with a Jobs and Benefits Adviser for weeks. For lone parents who need support to get into work, especially those who are in the next cohort required to seek work from October 2011, this could be detrimental.

Steps to Work should be monitored closely and its data analysed to appreciate the outcomes for various groups, be it women generally, lone parents, young women, women with a disability or from a minority ethnic background, and older women now that the age limit for retirement has been removed and state pensions will not be available until age sixty-six within ten years.



There needs to be continuous assessment of how lone parents are faring in training programmes. This is most important in the current downturn and during efforts to re-grow the economy as this critical period coincides with the obligation on lone parents to return to work at increasingly earlier stages in their children's lives.⁴² For example. How many lone parents are referred? How many lone parents have completed Steps to Work programmes? How many were offered and accepted specialist lone parent support within programmes? What training programmes have they been offered and completed? The challenge will be to ensure that lone parents get access to the type of training and work experience that they need and are not prevented from doing so by barriers created by extended supply chains between funder, referral offices and providers, especially under the prime provider/sub-contractor model.

Non-gendered training and careers advice is needed along with action to develop access onto non-traditional career paths and ongoing support for lone parents returning to work. The focus of statutory training programmes on level 2 qualifications is a contributory factor to in-work poverty. Training should enable lone parents to move beyond basic level qualifications which trap them in minimum wage employment by offering a ladder of skills and qualifications which facilitate labour market progression. As indicated by those working closely with lone parents this is also likely to have a positive impact on labour market retention.⁴³

Making ends meet

A study undertaken by the Joseph Rowntree Foundation to define a Minimum Income Standard (MIS) found that a lone parent in Northern Ireland with one child at primary school and another at secondary school would need an income 4.5% greater than in Britain. The Foundation concluded that safety net benefits cover just two-thirds of the standard for those with children and that the minimum wage is too low for most people to reach the MIS with a single full-time earner in the family; although some families and lone parents who manage to work full-time and avoid child care costs may be able to do so.⁴⁴

Evidence of the impact of living below the Foundation's minimum standard can be seen in the discussion in the Lone Parents' Focus Group for this project where participants reported that they constantly worried about money and debt, and this had increased since the rapid rise in the prices of many staples in late 2010. Many were experiencing difficulty managing on benefits. Even for one lone parent in the group earning what she described as a reasonable wage it was a struggle to balance the budget, replace costly items such as a car needed for work that was on its last legs, advise children that items they wanted could not be afforded and wondering whether the money would stretch for all the household expenses.

Lone Parents' Focus Group

"I am really worrying about money now. As a lone parent, even in a good job with a good salary, I worry will my salary stretch for the mortgage, rates, bills, food. I never worried before. It is becoming incredibly difficult. With a child of thirteen will it become more expensive?"

The focus on children living in poverty is often on young children, and indeed one-parent households with children up to four years are at greatest risk, but lone parents with children in their early teens face the next highest risk.⁴⁵ It can be assumed that the finding in 2005 that six times as many poor lone parents as all other poor households with children lack at least one food necessity for their children⁴⁶ is even more prevalent in the present day economy.

Lone Parents' Focus Group

"Pay as you go' lone parents work on specials, reductions, etc. on shopping especially when they are on benefits."
"Mince, sausages, bacon – we know a 101 ways to cook mince. It's hard to provide a healthy diet."

In common with other mothers, lone parents stretch themselves to do their best for their children, often going without things themselves and reducing any little savings they have or entering into debt for birthday and Christmas presents or to take children on holiday. All of the participants in the Lone Parents' Focus Group admitted to scrutinising their budgets more and



taking harder decisions on what they could and could not do. The first casualty was the family's social life. This meant stopping days out for the family, or the occasional treat of a meal out or a trip to the theatre or cinema for themselves. Because of increasing petrol costs most were making calculated decisions on whether they needed to use their car or not, saving its use for essential trips.

Lone Parents' Focus Group

*"I pick things up in Tesco and put them back."
 "The cost of living is becoming more scary. For example, petrol could go up from £1.20 to £1.75."
 "If inflation goes up to 5% we've had it."*

The heightened attention to managing budgets very tightly in the present economic climate comes on top of a habitual practice of economising as the poverty and social exclusion study reported in 2005. The study concluded that poor lone parents economised to a greater extent than other poor households including on clothes, basic amenities such as gas and electricity, the telephone and social activities.⁴⁷ The focus group revealed that replacing large household items was proving difficult. Participants reported widespread buying from catalogues, which charge above high street prices and at a high rate of interest, to pay for white goods⁴⁸ and clothes because it offers instant credit for essential items and facilitates payment by instalment.

Debt

More than three-quarters of Northern Ireland's lone parents have no savings at all⁴⁹ and 60% are in debt.⁵⁰ Gingerbread NI reports both an increase in fuel poverty and a greater number of lone parents approaching the organisation since mid-2010 for advice after falling into debt.⁵¹ The persistence of the debt problem was borne out by focus group participants who spoke of turning to the 'tick man' and other means of borrowing. That borrowing money is a significant feature of lone parents' lives is corroborated by research showing that just under half of all lone parents had borrowed money while many were behind in payments for loans, hire purchase agreements and catalogue purchases as well as for household bills.⁵²

Of all household types, lone parent households are the most likely to be in arrears with bills.⁵³ Some participants in the Lone Parents' Focus Group were trying to pay back student loans from their over-stretched income. For others the potential loss of the Educational Maintenance Allowance for teenage children staying on in full-time education after the age of sixteen would be a severe blow, although it is not clear if the Northern Ireland Executive will follow the lead of the UK Government to abolish it. The £30 per week for each young person would be a considerable loss to the family budget. Add to this the fact that many young people continue to live at home for longer, often unable to get a job or live independently, and this means that lone mothers may simply swap their childcare responsibilities for supporting, including financially, an adult dependent.

Lone Parents' Focus Group

"I went to university later and graduated in 2005. I have a student loan to pay back if I get a job. I borrowed a social security budgeting loan and they stop money from my benefit to pay it back. I negotiated it down to £5 a week. One social security loan is being paid off and another is waiting to be paid. I'm also paying off other loans."

Money management on a low income is particularly difficult for those on fortnightly benefit payments who often have to seek a loan to see them through to the end of their second week. Many lone parents involved with Gingerbread NI regularly express similar difficulty with very many reporting it is difficult to budget with fortnightly or monthly benefit payments. Participants said they were only "saved" by the weekly payment of Child Tax Credit. The unanimous view in the Lone Parents' Focus Group was that there should be a return to weekly payment of benefits. Despite the experience of people who use the benefits system, this is unlikely to happen as the UK Government intends to make payment monthly for the new Universal Credit, which will be a single payment to replace most existing core benefits and all tax credits. Problems with money management and debt are likely to become worse for lone parents.



Lone Parents' Focus Group

"Child Tax Credit is weekly so it keeps us going in the bad week."

Gingerbread NI's advice office reported extensive use of interest-only mortgages with the concern that the 50% cut in interest rate support, from 6% to 3%, is likely to impact significantly on lone parents on benefit and may lead to homelessness. The method of calculating Working Tax Credit also adds to an individual's debt burden. Calculated on an annual basis, some lone parents qualify for Working Tax Credit only to find that they have to repay a portion of it if they have the smallest change in their income. This has put some off applying for it, thus not taking advantage of all the financial help to which they are entitled. It has been suggested that the new Universal Credit, which will assess income more regularly, will reduce overpayment that has to be recouped. On the other hand, moving to consolidation of core benefits into one Universal Benefit means that any delay in payment could have severe repercussions for a lone parent.

Lone Parents' Focus Group

"I've no credit card and no debt except my mortgage and student loan. I need a car for school and work and I need a new car. I'm concerned that I can't save enough money to buy one."

Health and well-being

Participants in the focus group referred to the impact of low incomes and stress on their mental, emotional, physical and general well-being. This correlates with the information reported in the 2005 study on poverty and social exclusion. Not only were lone parents more likely to self-identify as being in poor health at more than twice the rate of other households with children, researchers found a significant relationship between self-rating of health and poverty.⁵⁴

Lone Parents' Focus Group

"Previously I was on anti-depressants. I feel I'm going back down into this They [participant's two daughters] said they noticed how stressed I'm getting recently. We have lost the EMA (Educational Maintenance Allowance) for my younger daughter and there is the cost of the older one going to university. I'm shopping less."

"I'm stressed. I fear the future."⁵⁵

"Ninety-eight per cent of lone parents are continually stressed. This has a knock-on on health and general well-being."

This fear was expressed by the participant. The EMA is a devolved matter its abolition is one of the options being considered to reduce the deficit. If the Northern Ireland Executive decides to abolish it this is likely to happen in April 2012. A DE official indicated on 22 June 2011 that the former Minister of DEL made clear he had no plans to abolish it.

A 2008 report suggests that lone parents have a higher premature risk of death than mothers with partners, are consistently associated with poorer health outcomes and have a higher chance of suffering from anxiety and sleep problems.⁵⁶ A study in the west of Northern Ireland found that 99% of lone parents suffered from stress and 55% from depression.⁵⁷

Support and providing for the future

Lone parents' support systems are under pressure. Gingerbread NI lost a long-term advice worker due to insufficient funds and its lone-parent employment training programme has had to manage a 25% cut in an across-the-board reduction in schemes funded under the European Social Fund. This means that fewer lone parents will get the opportunity in future to start on a pathway to skills and employment that is tailored to suit their needs.

None of the women in the Lone Parents' Focus Group felt financially secure. None had a pension or knew of any lone parent who had one. No-one conceived of ever being able to afford one.

Lone Parents' Focus Group

"I had hoped to take out a pension but I haven't enough money to pay into a company pension scheme. If I had a partner, or maintenance, I could pay in."

Several of the participants made the point that, as lone parents, they were meeting the full financial burden of raising children on their own. Cases ranged from never receiving any maintenance payments to irregular payments which eventually petered out after a few years,



even where a former partner had a comfortable standard of living. That ex-partners were not making financial contributions to the family, particularly where they had the means to do so, was considered an injustice.

In its January 2011 Green Paper reforming the maintenance system the UK Government proposed to place responsibility for agreeing workable arrangements in the hands of both parties. The Child Support Agency would become a statutory child maintenance service to which they could turn, for a price, if necessary.⁵⁸ The service will have an entry or applicant charge intended to incentivise voluntary 'family-based' arrangements, i.e. to enable parents to put in place their own financial arrangements.⁵⁹ While lone parents might welcome a scheme that promises to enforce maintenance payments if asked, the proposed scheme places a burden on the partner with the children.

As the applicant, the lone parent will pay an initial fee. Whether the non-resident partner pays a fee at all depends upon the method of payment, and his choices affect whether the lone parent will have to pay further fees. For example, by choosing not to pay direct or by failing to pay, the service will collect the maintenance from him for a fee of between 22% and 32% of the value charged proportionally against the parties. Thus, an ex-partner's decision can ensure that a lone parent faces additional charges of between 7% and 12% of the maintenance payment.⁶⁰

It is unfair for the burden of cost to be carried by the lone parent with the children, normally the woman, especially where she has no control over the triggers for the charges. Maintenance should be collected at no cost to the lone parent who already bears most of the financial and other costs of raising the children. The proposal to pay may result in some women not pursuing ex-partners. This is even more likely to be the case under the new Universal Credit which will be reduced pound for pound by any maintenance received. Any suggestion to link maintenance to contact with children would be inappropriate – a lone parent should not be pressed to continue a relationship that she is deeply uncomfortable in, even one simply about financial arrangements. In everything, women and children must be protected from violence.

Lone Parents' Focus Group

"I don't receive maintenance. I work hard. I am a lone parent meeting the full burden."

Conclusions

Most lone parents are already struggling to make ends meet. They have the lowest standard of living of any household type and are more than twice as likely to be poor as other families. This also manifests itself in poor health and well-being. Working lone parents will be one of the losers in the new Universal Credit system. While some may be encouraged into mini-jobs of less than sixteen hours a week, the new system will provide less assistance to any lone parent working more than sixteen hours. Benefit sanctions for not working will be tougher.

The UK Coalition Government's new Universal Credit measures are intended to increase the incentive to work and penalise people for not working, though much of the incentive drive is focused on the primary earner in a couple. Being in work will not solve the poverty trap for lone parents, in-work poverty has been a rising trend since the mid-1970s.⁶¹ Moreover, a working lone parent also receiving benefit will not gain from receiving maintenance. The fundamentals of working poverty need to be tackled by government including low wages, through a higher minimum wage and its enforcement, and the elimination of the gender pay gap.

The UK Government should re-think the implications of what the Universal Credit means for vulnerable groups like lone parents, including revising the proposal only to pay the benefit monthly. The likely outcome is an increased debt burden and stress for lone parents. The Northern Ireland Administration has the power to vary particular arrangements in introducing a parallel benefits system in Northern Ireland to maintain parity with the rest of the UK. The Executive should make it possible for Universal Credit to be paid weekly.

Government, policy-makers and employers should acknowledge and understand the unique position of lone parents in the labour market: the sole burden of care lies with them. With greater numbers of lone parents now being required to



work, and many wanting to work, it is essential that the right infrastructure of support is in place. Most particularly, there needs to be enough childcare provision, including provision that meets atypical working patterns. This needs to be affordable through assistance to low earners from government and the employers. Employers need to embrace flexible working to create reassurance for lone and other working parents. Reductions in state financial support for childcare weaken the already fragile infrastructure and disincentives lone parents seeking work.

Lone parents, including those who have been out of the labour market for a considerable time, must be given equal consideration in training and employment placements to prepare them for work. Support and pastoral care must be solid and consistent to build their confidence and skills for work. A significant effort is needed to tackle the qualifications deficit (27%) among lone parents.

Given the number of children in poverty and the vulnerability of lone parents to poverty it is important that what is happening to lone parents as a result of the economic downturn, public expenditure cuts and welfare reform is tracked. Government should be prepared to put measures in place to mitigate the worst adverse impacts.

Recommendations

- The Northern Ireland Executive should drive daycare for working parents forward as a priority within a wider childcare strategy as one of its tools for growing the economy as well as assisting lone parents.
- The Steps to Work programme should be monitored closely and its data analysed to evaluate its impact on and its outcomes for lone parents.
- Higher-level training that permits participants to achieve better qualifications should be included in employability training programmes so as to prevent the cycling in and out of work which has been a feature of lone parent employment.
- A Northern Ireland subsidy scheme should be established for lone parents and other low income groups to offset any increase in tuition fees that would prevent their access to higher education.
- The Departments of Employment and Learning and Enterprise, Trade and Investment should actively promote family friendly policies and flexibility in the workplace and ensure that all employers are aware of arrangements, obligations, models of good practice and the Northern Ireland Executive's support for these measures.
- Benefit adjustments should be made more quickly when people's circumstances change, especially where Housing Benefit and Working Tax Credits are concerned. Assessment for the purposes of Working Tax Credits should be undertaken more regularly than once a year.
- The UK Government and Northern Ireland Administration should reintroduce weekly payment of benefits to assist lone parents and others on low incomes to manage their budgets. Whether the UK Government does so or not, the Northern Ireland Administration should make provision for weekly payment of Universal Credit.
- The Northern Ireland Executive should consider and activate measures to offset the impact of the welfare cuts on lone parents and other low income groups, especially at this time of high food and fuel costs. One of the steps that should be considered is the introduction of social tariffs for energy and fuel.
- Lone parents should benefit from the Northern Ireland Social Protection and Social Investment Funds.
- Maintenance arrangements should be established and enforced at no cost to the resident parent, who bears all or most of the cost of raising the child. Child maintenance should not be linked to contact with the child by the absent parent.



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