SUMMARY

Chapter 1: Introduction: reviewing the literature

- The mains aims of this review are to provide a critical summary of recent research on families, focusing on lone parents and low-income couples; to review evidence about what works in respect of policies intended to promote employment among these families; to identify gaps in our knowledge about the needs and circumstances of such families.
- The three main substantive topics covered are family patterns and dynamics; poverty and living standards; and employment patterns, barriers to work and the impact of welfare to work programmes.
- This review is intended to examine the literature across a very broad range of topics. There are eight substantive chapters (plus an introduction and final chapter) and each of these tackles a large range of research. This review is therefore necessarily selective and points to other reviews and sources of information on specific areas as appropriate.
- In line with DWP interests the review makes comparisons between lone parents and low-income two-parent families, but also looks at other comparisons where relevant.

Chapter 2: Understanding family trends in the UK

- The second half of the 20th century witnessed declining rates of first marriage, increasing rates of divorce, increasing rates of cohabitation, growing numbers of step-families and increases in the ages at which people had children, if they had them at all.
- These trends have occurred for a range of structural, cultural and attitudinal reasons. They form part of the change from an industrial to a post-industrial society.
- Family life is much less stable now than it was in the 1950s. People move in and out of different living arrangements. Researchers have sought to capture this but are increasingly hampered by the complexity of people's lives.
- There is some evidence that the duration of lone motherhood is increasing – particularly for single lone mothers. There is also evidence that cohabiting couples have much shorter relationships than married couples – but it is often difficult to compare like-for-like in this field of research.
- A typical lone parent is in her mid 30s with one (or perhaps two) children. She is separated from a partner and living in rented accommodation. But there is much diversity among lone parents and so it is perhaps a little misleading to concentrate too much on 'typical' lone parents at the expense of this diversity. Lone parenthood is a stage in the lifecycle rather than a lifelong family form.

- Low/moderate-income couples are also a diverse group in relation to marital status, age and family type. We know less about this group than we do about lone parents but further analyses of the SOLIF (Survey of Low-Income Families, now known as FACS, the Families and Children Survey) data will provide more information. SOLIF is a representative study of Britain's lone parents and low-income couple families with dependent children (see Appendix B for further information about SOLIF (Survey of Low-income Families) and PRILIF (Programme of Research into Low-Income Families).

Chapter 3: Families and paid work in the UK

- Among fathers, married men have the highest economic activity rates. Both cohabiting and lone fathers are more likely to be unemployed than are married fathers. Among the mothers, married mothers have the highest rates of economic activity and the lowest unemployment rates. Cohabiting and divorced mothers have very similar patterns of economic activity. Single mothers have the lowest rates of activity and the highest unemployment rates.
- Mothers' employment rates vary with qualifications, age, ethnicity, tenure, partner's status and ages of children. The latter is particularly important, with mothers of pre-school children least likely to be employed. The impact of educational qualifications is particularly important for women with pre-school children and for lone mothers.
- Since the mid 1980s there has been a rapid rise in married mothers' employment rates, especially in full-time jobs and especially among those with pre-school children and with educational qualifications. Lone mothers have not shared in these trends. However the differences in employment rates of lone and married mothers cannot be explained by differences in the characteristics of the two groups. The employment aspirations of lone and married mothers also seem to be very similar.
- As women, married and lone mothers share certain factors in common. For example, there is still a gender pay gap between women and men, especially for part-time women workers; and there are substantial pay penalties attached to motherhood. But there is also a growing inequality among women in the labour market with a sharp contrast between those who return to highly-skilled full-time jobs after childbirth and those who have longer breaks, and more part-time working.
- Most of the married women who have entered the labour market over the past decade have been married to employed men and so there has been a rise in the proportion of two-earner couples, especially among those with older children. Children themselves may be employed, with half of teenagers having some experience of paid work.
- Having two earners is increasingly important for keeping families out of poverty. For lone mothers, who cannot have two earners, in-work benefits play an increasingly important role in supporting family incomes.

- Women who become lone parents are less likely to be employed before they became lone parents than are comparable women. However there is also a substantial degree of continuity with those already working staying in work and those not working staying out of the labour market. Re-partnering is associated with higher levels of employment, although it is not clear which comes first.
- Over the seven years of the PRILIF lone-parent cohort, the continuing lone mothers most likely to stay in full-time work were Black Caribbean women, ex-married women, women with one child, and women without pre-school children. Those least likely to enter full-time work were women with young children, women with children with health problems, and women who had high hardship scores.
- BHPS data suggest that for men the significant factors predicting movements into work were related to 'employability' (e.g. work experience, education) or local labour market conditions (local unemployment rate). For women, both married and lone, age of youngest child played an important role. Working in part-time jobs was associated with moves into full-time work. Among couples, both men and women in workless families were much more likely to move into work themselves if their partner had moved into work.

Chapter 4: Family finances and family poverty

- Several factors influence the chances of families with dependent children experiencing poverty. The evidence shows that lone-parent families are at greater risk of poverty than couple families. Families without a working adult, with a disabled parent or child, and large families are also at risk. Ethnic minority households are particularly at risk of poverty, especially Pakistani and Bangladeshi households.
- Durations of poverty can severely undermine families' capacity to manage their financial and material resources and maintain social participation. Lone-parent families and families claiming sickness and disability benefits can experience long durations of poverty.
- Poverty affects families economically, socially, materially and on a personal level. Evidence from qualitative studies show experiences of poor health, poor housing, poor diet, unemployment, financial exclusion and debt.
- There is little evidence of financial mis-management, rather changes in circumstances, inadequate incomes, accumulated debts and different approaches to managing incomes place a strain on families' capacity to manage. Gendered patterns of income receipt and resource distribution within households can also have an impact on financial management and inequalities within families. Health inequalities have a strong socio-economic association, and the effects of poverty are felt throughout the life cycle.

- Lone mothers have poorer health overall than couple mothers. Better health in women was associated with employment. Evidence from the PRILIF and SOLIF data show that poor health is concentrated among workless families and people are prevented from seeking work because of the needs of their partners or children with long-term health or disability problems. Poverty in childhood has a severe impact on children's health and well-being.

Chapter 5: Family employment and poverty in cross-national perspective

- Many of the family trends found in the UK - particularly the rising rates of divorce, cohabitation, births outside marriage, and lone parenthood - are found, to a greater or lesser degree, in many other industrialised countries. However, the UK tends to be among the countries at the highest end of the scale.
- The UK also has relatively low employment rates for lone mothers, mid-range rates for married mothers, and high rates of worklessness among families with children. This means relatively high rates of poverty for families with children, especially lone parents, and high rates of child poverty.
- The importance of parental employment in reducing child poverty risks is very clear, but employed lone parents still run a high risk of poverty in many countries, including the UK.
- Cash transfers help to reduce child poverty rates, more successfully in some countries than others. The highest employment rates and lowest poverty rates are found in the Nordic countries, and these countries also tend to have extensive and generous family benefits and good services for working parents.

Chapter 6: Support for Children

- Children are disproportionately represented among the poorest groups. Children's risks of experiencing poverty are mediated by several factors including; class and employment status, family structure, ethnicity, number of siblings, ill health and disability.
- Children in lone-parent families and families where there is disability and sickness can experience long durations of poverty. Pre-school children are particularly likely to experience repeated spells of poverty.
- The effects of poverty are felt in childhood and into adulthood. Poor children are vulnerable to poor health, poor cognitive development, low self-esteem and poor educational achievement. They are also under considerable social and material pressure to maintain their social relationships and social participation with their peers.
- Several different approaches are possible for measuring the costs of raising children. There is some evidence that lone-parent families face higher costs than couple families with children.
- The evidence from studies of child support payment is that only about one in three lone parents receive child support payment regularly. Lone parents in employment are more likely to receive regular payments than those who are unemployed, and divorced lone parents are more likely to receive regular payment than single lone parents.

- Non-compliance with child support payments is shown to be a complex mix of factors related to the non-resident fathers' capacity to pay and their willingness to pay. These include fathers' incomes, commitments to second families, perceptions of children's needs, the quality of paternal relationship and post-separation relationships between parents.
- The outcomes for children of family dissolution are particularly complex. A review of evidence found the greatest outcome to be poverty, along with poor educational outcomes, early adult transitions, antisocial behaviour, and poor physical health. However, there are many mediating factors, including economic, social and parental factors, which can influence child outcomes before, during and after separation.

Chapter 7: Reconciling work and care

- The numbers of parents using childcare is increasing. Use of childcare is influenced by employment status, socio-economic status and children's age. Despite the growth in formal childcare the majority of parents in the UK prefer to use informal care from family and friends. It is seen as cheaper and more secure, although low-income parents paying for informal childcare are not able to claim the childcare tax credit which is paid as part of the Working Families' Tax Credit and covers up to 70 per cent of weekly eligible childcare costs.
- Childcare use is not solely an issue of cost and availability. Parents' attitudes to childcare are informed by socio-economic factors, and factors associated with their children's perceived well being, but they also appear to be shaped by deeply held attitudes to parenting and motherhood.
- Parents of children who are sick and/or disabled are restricted in their capacity to work by poor childcare provision and a lack of flexibility in employment, childcare and school.
- People with caring responsibilities, especially women caring for more than 20 hours a week are restricted in their capacity to work by their caring role. When in employment, carers tended to have lower incomes than their non-caring peers.
- Although family friendly practices are increasing there is still considerable shortfall between parents' needs and expectations and employers' provision.
- Parental leave schemes in Europe show considerable variation in the type and quality of provision. Successful schemes such as the Norwegian 'daddy quota' are intended to promote gender equality in the labour market and increase fathers' involvement in their children's early years.

Chapter 8: Barriers to work

- There are two main ways in which research has sought to identify the factors that facilitate or impede employment for lone parents. The first compares the socio-economic characteristics of employed and non-employed lone parents, and the second asks lone parents about the problems that they have in finding or keeping work.
- The main factors associated with employment for lone mothers are age of youngest child, educational qualifications, tenure, and also receipt of maintenance, relative lack of hardship out of work, access to in-work benefits, and attitudes to work and family responsibilities.

- Lone mothers themselves cite caring responsibilities, ill health (self and children) and financial factors as important barriers, also lack of work skills and experience, lack of confidence, transport, lack of job opportunities, and employer prejudice.
- Lone mothers' views about employment are closely connected to the ways in which they think about motherhood and their obligations and responsibilities as mothers, and more specifically as lone mothers. These responsibilities are seen as relevant to all children, not just young children.
- This affects attitudes to childcare and lone mothers hold quite complex and sometimes ambivalent attitudes towards the use of childcare. There is a preference for informal care (which is seen as the closest substitution for parental care) and/or for work that enables the parent to continue to provide most of the care. Few people have the opportunity to try out childcare arrangements in advance of working.
- There is only limited information about barriers to taking up education or training, although student lone parents are particularly likely to be in financial difficulties and have problems accessing childcare. Nor do we know much about transitions from very few hours of part-time work into longer hours of work.
- For couples, it is important to note that 'workless couples' are not the same as 'unemployed couples'. About half of the men in workless couples have health problems and many receive disability benefits; most of the women are 'inactive', i.e. not seeking work. These couples share similar characteristics, which for many means similar disadvantages in the labour market. It is this, rather than benefits, which seems most important in explaining their status as workless couple.
- Identity is important for couples as it is for lone parents and gendered expectations about family roles (especially about men as breadwinners) and about jobs ('women's jobs and part-time jobs) affect how both partners in a couple approach the labour market.
- Financial barriers are a significant factor for couples with children, these include concerns about making the transition to work, about meeting the costs of working, and about being able to manage financially. Some families seem reluctant to claim in-work benefits and this is partly related to difficulties and delays that people had experienced but also to negative attitudes to these. People tended to prefer to make up their incomes by overtime or by partners taking up jobs.
- The barriers to part-time work are similar to the barriers to full-time work, but another important factor was whether or not working part-time was seen as being 'worthwhile' - financially but also in terms of the disruption to the family, and in terms of leading on to further or to full-time work. Women tended to be more positive about part-time work than men.

- The most common way to measure labour demand in the survey-based studies has been to include a variable measuring the local unemployment rate but these may be too crude to pick up labour demand effects. There has been some recent interest in examining employers' recruitment and retention policies but this is an area where further work is needed and where the studies of labour supply and labour demand could be brought more closely together. Similarly, few studies have attempted to include variables to measure childcare costs and availability.

Chapter 9: Supporting poor families to work

- Only one of the New Deal programmes - the New Deal for Lone Parents (NDLP) - is specifically targeted upon families with children. Evidence from the evaluation of the NDLP prototype programme and from the early stages of the national programme showed some success in helping lone mothers into work, but take-up has been low and, while most are very satisfied with their participation, some would have welcomed more guidance. The better-off calculations are an important element in the help offered. Extensive evaluation of the national programme is underway. We know little specifically about how couples with children fare in the other New Deal programmes.
- Lone parents generally had higher take-up rates of Family Credit than couples, they were also more knowledgeable about it and other in-work benefits, and they felt less stigma about claiming. Lone parents tend to receive Family Credit when children are older and they can work full time, or they combine it with part-time work when children are younger. Many who leave go back onto Income Support. Couples tend to receive Family Credit when they have young children and one partner is providing full-time care; when one worker in a two-earner family loses their job; and when the family fall into financial difficulties for other reasons. Family Credit did boost income in work, although some recipients still experienced hardship.
- The actual incentive effects of Family Credit are not straightforward to identify nor to isolate from other factors, but it seems that labour market (rather than benefit issues) are most important for many families. Simulations suggest that the Working Families' Tax Credit will lead to increased employment among lone parents but reduce employment among second earners in couples. This needs further research to understand what is actually happening in practice. There has been some recent interest in the factors that make it possible for families to sustain employment, but this is another area where further research is needed.

- Turning to the cross-national comparison, a number of countries have introduced new work requirements and labour market programmes for lone parents. Lone parents are often required to participate in some activities when children reach school age but there is a large degree of variation in what is required and how this is enforced. In the USA, employment rates for lone mothers have risen sharply and welfare receipt has fallen. This is partly a consequence of a strong economy but welfare reform has also played a part. The USA evidence shows that those most likely to move into work are those who are more 'job-ready' with fewer barriers to work and who are in labour markets with good labour demand. Work first programmes produce earlier results at lower costs, but human capital approaches tend to catch up over time. The most effective programmes use a mixture of both, with individual assessments. High compulsion does not necessarily lead to more employment outcomes.
- The only programmes that both increased work and made families financially better off were those that provided earnings supplements to low-wage workers. Many non-employed lone mothers are much worse off financially because of the reforms and even those who work full-time do not necessarily escape poverty. There has been a significant expansion of childcare services (although much of the provision is still of poor quality), and of in-work benefits such the Earned Income Tax Credit. The impacts of welfare reform on children relate to the age of the child, with mixed evidence for young children, generally positive for primary school children but more often negative for teenagers. Current US policy attention is increasingly focused on issues of marriage and family formation.
- The Canadian Self-Sufficiency Project, which pays generous supplements to those in full-time work, has had some success at increasing employment and reducing poverty but many people were unable to find full-time jobs that would give them access to this support.
- Overall, the cross-national comparison shows that there are many ways to pursue work-related policy goals, that isolating 'what works' is very difficult, but that the most effective programmes include a flexible mix of measures of in-work financial support, childcare support and individual assessment for help with job search and training.

Chapter 10: Future research

- Over the past ten years, there has been a substantial body of research into the situations and circumstances of families, and especially of lone-parent families. The combination of quantitative and qualitative research, the increased availability and use of dynamic panel data, and the extensive evaluation programme for the New Deal and other new policy measures has provided an increasingly rich and complex picture.

- Issues identified for further research include: health and disability and the impact of these on families' employment and needs; hardship, the adequacy of benefits and sustainable livelihoods; the dynamics and diversity of family structure; children's perspectives on parental employment and childcare; educational and training needs and barriers to the uptake of these; the nature of family labour supply, the transitions from having one to having two earners and the circumstances of workless families; how families manage paid work and care work; employers' recruitment and retention polices and the measurement of labour demand; the role of Personal Advisers in the delivery of integrated services and benefits; patterns of money management in the context of changing ways of assessing and delivering benefits; equity across different families; and the need for well-chosen cross-national comparisons.
- Finally, much of the research has characterised these family and employment trends in terms of polarisation - between two-earner and no-earner couples, between the well-educated and the unqualified, between women with uninterrupted full-time work histories and those with gaps and part-time working; between teenage mothers and women who postpone having children. These are real divisions but they are not necessarily well captured by the rather rigid and dichotomous concept of polarisation, which can obscure the range of social divisions - of social class, race and gender - and how these operate and interact across the lifecourse.

1 INTRODUCTION: REVIEWING THE LITERATURE

Since 1997 the Labour governments have introduced a wide range of policies aimed at tackling social exclusion, supporting and sustaining employment, and eradicating child poverty. The range and scope of these policies are extensive but the focus is very much addressed towards the policy goals of 'making work possible' (helping people into employment, helping parents combine work and family responsibilities) and 'making work pay' (easing the financial transition to work, increasing the financial returns from work). These measures are creating a different set of conditions under which families live and work, and a new context for individual decisions about matters such as work/care arrangements and perhaps even about family formation and dissolution. We should be careful not to exaggerate the likely impacts of these, especially in the short term, since a wide range of factors influences such decisions, many of them outside government control. Nevertheless these are significant changes in government policy and practice which have the potential to have a real impact upon the lives, incomes and living standards of many individuals and families. This literature review provides a timely opportunity to explore what we already know and what we need to know about family change, about the circumstances of families, and about labour market trends in the last ten years.

1.1 Aims, methods and coverage

This review was commissioned by the Department for Work and Pensions (DWP)[1] and the main aims are:

- to provide a *critical summary of recent research* on families, focusing on lone parents and low-income couples;
- to review evidence about *what works* in respect of policies intended to promote employment among these families;
- to identify *gaps in our knowledge* about the needs and circumstances of such families.

The three main substantive topics covered are family patterns and dynamics; poverty and living standards; and employment patterns, barriers to work and the impact of welfare to work programmes. This is a very broad range of topics and there is a large, and growing, literature in respect of each. We therefore decided that the material to be included should:

- have a focus on empirical data reporting new research results - but we include some more theoretical material for context;

[1] The Department for Work and Pensions (DWP) was formerly the Department of Social Security (DSS).

- have a focus on the UK - but including studies from other countries in order to set the UK trends in context and in respect of particular topics (e.g. welfare to work programmes in the USA);
- cover the period from 1990 onward - except where it relates to topics not covered by later studies or where the study in question has been particularly influential;
- be published and generally available (this excludes conference papers in particular).

The review was based on a wide-ranging literature search using library work, Internet searches and personal contacts. Extensive searches were conducted to identify relevant research using bibliographic databases, including BIDS and the Web of Science. Research Institutes and Research Databases were searched for empirical research relevant to the report. Among those covered were: Equal Opportunities Commission; ESRC Regard database; Europa (European Union); Family Policy Studies Centre; Institute for Fiscal Studies, Institute for Social and Economic Research; Joseph Rowntree Foundation; National Children's Bureau; and the Policy Studies Institute. Major surveys referred to include: British Social Attitudes Survey; British Household Panel Study; Family Resources Survey; General Household Survey; Labour Force Survey, and the Workplace Employee Relations Survey.

We also made extensive use of the PSI Programme of Research into Low Income Families (PRILIF), the PSI Survey of Low Income Families (SOLIF, now known as the Families and Children Survey, FACS), and the evaluations of Jobseeker's Allowance, of the Back to Work Bonus, and of the various New Deal Programmes, particularly the New Deal for Lone Parents and the New Deal for Partners. For US and other overseas material, we made extensive use of Internet searches for recent evaluation reports, as well as the usual bibliographic and library searches. Further details of these reports and publications are found in the text and in the Appendices.

The report covers a wide range of poverty research and these studies use different definitions of poverty. In general, the report refers to 'poverty', 'income poverty' or 'low-income' interchangeably. However, where other definitions of poverty, such as social exclusion, are used this is indicated in the text. 'Income poverty' usually refers to households living on incomes below 50 per cent of mean household income, or 60 per cent of median household income. Social exclusion is a broader measure of poverty 'which refers to the multidimensional and dynamic process of being shut out, fully or partially, from the economic, social, political and cultural systems which determine the social integration of a person in society' (Walker, 1999, p8)

1.2 The structure of the report

Part 1 of the report, *Families, employment and poverty,* includes four main chapters. Chapter 2 reviews the evidence about the nature of family change in the UK, and addresses specific issues such as the growth in cohabitation, stepfamilies and teenage motherhood. Chapter 3 examines the literature on families and paid work, from both an individual and a family perspective. Chapter 4 covers families and poverty, examining how poor families cope and the impact of poverty on health and well-being. Chapter 5 locates the UK in a comparative context by reviewing cross-national research on these topics. In Part 2, *Issues,* Chapter 6 discusses issues related to the financial support of children. Chapter 7 considers how poor families reconcile work and caring responsibilities, focusing in particular upon childcare. Chapter 8 looks at barriers to work for low-income couples and lone parents. Chapter 9 reviews the key evidence relating to welfare-to-work and make work pay programmes in the UK and in other countries, especially focusing upon US evidence. The final part includes a concluding chapter, which identifies gaps in knowledge, and makes recommendations for further research.

1.3 Key statistics on families

In order to set the scene for the literature review, we start by setting out some key statistics in respect of family structure, family employment participation, and family poverty.

There are about seven million families with dependent children in Great Britain (children are defined as being aged under 16 or under 18 and in full-time education), including about 1.5 to 1.7 million lone-parent families. There are about 12.6 million dependent children in these families, including about 2.8 to 3.0 million who live in lone-parent families. Table 1.1 shows estimated numbers of lone-parent and two-parent families in the 1900s from two sources (Haskey, 1998 and Holtermann *et al*, 1999). The numbers are slightly different but both show the same trend of rising numbers of lone-parent families making up an increasing proportion of all families with children. Between 1990 and 1997, the number of two-parent families with children fell by about 400,000 and the number of lone parents rose by about 600,000. Much of this increase was in the first half of the decade and the rate of increase seems to have slowed down in recent years. There are no directly comparable figures for Northern Ireland, but Evason *et al* (1998) report that lone-parent families made up 19 per cent of all Northern Irish families in 1990/91 and 22 per cent in 1996/7.

Table 1.1 Families with children, Great Britain 1990 - 1997

	Haskey			Holtermann *et al*:		
Year[1]	Lone parents (000s)	Lone parents (000s)	Couples (000s)	Lone parents as a percentage of all families	Lone mothers (000s)	Lone fathers (000s)
1990	1,230	1,146	5,941	16.2	1,038	108
1991	1,300	1,145	5,519	16.2	1028	117
1992	1,370	1,266	5,519	18.7	1,150	116
1993	1,440	1,356	5,636	18.7	1,240	116
1994	1,510	1,504	5,636	21.1	1,373	131
1995	1,560	1,646	5,638	19.2	1,498	148
1996	1,600	1,736	5,612	23.6	1,539	197
1997	..	1,727	5,563	23.7	1,548	179

Source: Haskey (1998), table 2.2, estimated from various sources including the Census and the General Household Survey, and from Holtermann *et al* (1999), table 3.2.1 based on the Labour Force Survey.

Table 1.2 shows both the number employed and the employment rates for parents in different types of families in 1990 and 1997. Mothers are less likely to be employed than fathers, whatever the family type, but women's employment rates have increased in the 1990s while men's have fallen (except for lone fathers). For both mothers and fathers, employment rates are highest for those who are married, then for those who are cohabiting, and then for lone parents. The employment rates of lone mothers hardly changed in the 1990s (from 41 to 44 per cent)[2] but, because the number of lone mothers has been rising, this represents an increase in the actual number employed (of about 250,000). The same sort of pattern was true for cohabiting mothers. For married mothers the employment rate rose in the 1990s (from 61 to 69 per cent) but the number employed fell slightly. For married fathers both employment rate and numbers fell, but married fathers still have by far the highest rates of employment of all parents. Shifting the focus to families, rather than individuals, in 1995 about 63 per cent of couples with dependent children had two earners, about 22 per cent had one male earner, about two per cent had one female earner, and about eight per cent had no earners (ONS, 1997).

[2] By 2000, 48.6 percent of lone parents were employed (ONS, 2001). See Chapter 3.

Table 1.2 Employment: number and rates of parents by family type, 1990 and 1997

	Number employed (000s)		Employment rate (% of each group employed)	
	1990	1997	1990	1997
Married mothers	3,480	3,422	61	69
Married fathers	5,206	4,769	92	90
Cohabiting mothers	127	346	50	58
Cohabiting fathers	230	506	83	78
Lone mothers	427	680	41	44
Lone fathers	66	116	61	65

Source: Holtermann *et al* (1999), table 4.2a, based on Labour Force Survey

Table 1.3 shows the number of individuals living in income-poor households by family type in 1988/89 and 1999/2000. Poor households here are defined as those with equivalent income of less than 50 per cent of the mean household income after housing costs. The table also shows (for 1999/2000 only) the proportion in income poverty using an alternative measure (equivalent household income below 60 per cent of the median, after housing costs) as this has become an increasingly accepted measure. As the final two columns show, the mean and the median give broadly similar results. Looking at the 50 per cent of the mean line, the income poverty rates for couples without children were similar at the end of the 1980s (10 per cent) and at the end of the 1990s (11 per cent). The same is true for income poverty rates for couples with children (19 per cent and 20 per cent). Lone-parent families are disproportionately likely to be below the poverty line, and have experienced a rise in their income poverty rate from 50 per cent to 57 per cent. Single people of working age have also seen a rise from 16 per cent to 23 per cent. However, both single and couple pensioners have seen a reduction in income poverty rates. Families with dependent children make up over half of those in income poverty, amounting to around six million people - men, women and children.

Table 1.3 Poverty number and rate by family type, 1988/9 and 1999/00

People in poor households	Number (000s)		Rate %		
	88/89	99/00	88/89	99/00	99/00 (60% median)
Family type					
Single person of working age	1,840	2,070	16	23	23
Couple, working age, no children	980	1,166	10	11	11
Couple with dependent children	4,210	3,400	19	20	20
Single parent with dependent children	1,500	2,736	50	57	58
Pensioner single	1,890	1,160	42	29	29
Pensioner couples	1,680	1,092	33	21	22
All family types (%)	12,000	11.6m	(22)	23	23
					11.6m

Poverty is defined as individuals living in households with incomes below 50% of equivalent mean income, after housing costs.

Source: *Households Below Average Income 1988/89 and 1999/00*

1.4 Summary

The mains aims of this review are to provide a *critical summary of recent research* on families, focusing on lone parents and low-income couples; to review evidence about *what works* in respect of policies intended to promote employment among these families; to identify *gaps in our knowledge* about the needs and circumstances of such families. The three main substantive topics covered are family patterns and dynamics; poverty and living standards; and employment patterns, barriers to work and the impact of welfare to work programmes.

This review is intended to examine the literature across a very broad range of topics. Each chapter tackles a large range of research, and indeed many of the topics we address could fill literature reviews in their own right. This review is therefore necessarily selective and we point to other reviews and sources of information on specific areas as appropriate. In line with DWP interests we focus on making comparisons between lone parents and low-income two-parent families, but where relevant we also look at other comparisons.

Department for Work and Pensions

Research Report No 153

Families, Poverty, Work and Care

Part One - Families, employment and poverty

2 UNDERSTANDING FAMILY TRENDS IN THE UK

Karen Rowlingson

Family structures changed considerably during the second half of the 20th century and this chapter reviews the nature and extent of these changes. The chapter also provides some discussion of the possible explanations for these changes. The third part of the chapter considers the issue of dynamics in family life – movements from one type of family form to another. Finally, the chapter reviews our current knowledge about the structure of lone parent and low/moderate-income couple families.[3]

2.1 The nature of family change in the UK

There was considerable change in family structures in the second half of the 20th century. This section reviews the following changes:

- Declining rates of first marriage.
- Increasing rates of divorce.
- Increasing rates of cohabitation.
- Growing numbers of step-families.
- Increasing age of parenthood and increasing numbers of women not having children at all.
- Relatively high rates of teenage motherhood.
- Increasing numbers of lone-parent families.

2.1.1 Marriage

Despite its reputation for being the era of 'free love', the 1960s were a time when marriage was very popular. This was for three main reasons: children of the post-war baby-boom were coming up to marriageable age; people were marrying younger; and a higher proportion of people were getting married. The majority of men and women still get married, but the numbers have declined in more recent decades. In 1999, 179 thousand *first* marriages took place in the UK – less than half the number in 1970 (Office of National Statistics - ONS 2001). But marriage is still very popular for some people and in 1999 there were 122 thousand *re*-marriages for one or both partners, accounting for two-fifths of all marriages (ONS 2001).

The age at which people first get married has increased from 24 for men and 22 for women in 1971 in England and Wales to 29 and 27 in 1999 (ONS 2001). This is partly because of the increasing popularity of cohabitation as a trial period for marriage but the expansion of further and higher education (particularly for women) is also part of the explanation for delayed marriage.

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[3] Appendix A provides a summary of data sources on British families.

2.1.2 Divorce

The number of divorces doubled between 1961 and 1969 and, largely due to the short-term impact of the 1969 Divorce Reform Act, doubled again by 1972. There was a drop in the number of divorces in 1973 before the numbers began increasing again and peaked in 1993 at 180,000. The number of divorces fell between 1993 and 1999 by 12 per cent to 159 thousand in 1999 (ONS 2001). A great deal of research has been carried out to identify the types of people most at risk of divorce, although little has differentiated between couples with or without children. The following factors have been identified as increasing the likelihood of divorce:

- Early marriage (Ermisch, 1991).
- Premarital cohabitation (Bennett *et al*, 1998).
- Premarital birth (Martin and Bumpass, 1989).
- Having children early in marriage (Ermisch, 1991).
- Childlessness (Ermisch, 1991).
- Couples from poor economic backgrounds (Ermisch, 1991).
- Couples with low educational achievement (Ermisch, 1991).
- Couples from different social classes (Hart, 1976).
- Experience of marital breakdown among close family (Hart 1976).
- Having been previously married (Martin and Bumpass, 1989).
- Experience of living apart (Hart, 1976).
- Access to alternative partners (Hart, 1976).
- Access to an alternative home (e.g. with parents) (Hart, 1976).

Many of these factors are related to one another and they do not, in themselves, explain why divorce is more likely. The discussion in the next section considers the broader explanations for family change, including increasing divorce. But it is worth saying here that there are clear links between divorce and economic disadvantage. Women from poorer groups are more likely to divorce and those who do divorce are more likely to become poor(er) (Jarvis and Jenkins, 1998; Kiernan and Mueller, 1999). Lampard (1994) has suggested that some people divorce as a direct consequence of unemployment and that unemployment is sometimes a direct consequence of divorce.

2.1.3 Cohabitation

Cohabitation has increased considerably in the last couple of decades but it is not unique to the second half of the 20th century. Prior to the 18th century, informal unions were common, particularly among poorer groups (Gillis, 1985). But during the 19th century and early 20th century, legal marriage became the norm and Kiernan *et al* (1998) suggest that cohabitation was probably rarer in the 1950s and 1960s than it was even at the turn of the 20th century. The rise in cohabitation witnessed in the second half of the century has therefore started from a very low base. Among non-married women under 60 in Britain, the proportion cohabiting almost doubled between 1986 and 1998-9 from 13 per cent

to 25 per cent (ONS 2001). This amounts to about one and a half million cohabiting couples in 1996. It has been estimated that the number will almost double by 2021 (ONS 2001). Haskey (1996) found that, in the mid 1960s, fewer than five per cent of never-married women cohabited prior to marriage; in the early 1990s, 70 per cent did so.

Cohabitation has become common as a trial run for marriage. About three men in ten and over a quarter of women in Britain who had ever been married had cohabited before their first marriage (ONS 2001). The proportion of those who had cohabited with their future spouse before marriage increased with age. Three-quarters of never-married childless couples aged under 35 who were cohabiting expected to marry each other.

Cohabitation is not always a trial run for marriage. Sometimes it occurs between marriages and sometimes it occurs because people have decided never to marry. Of women born between 1961 and 1965, 28 per cent remained unmarried at the age of 32. This compared with seven per cent of the 1946 to 1950 cohort and nine per cent of the 1931 to 1935 cohort (ONS 2001). Some of these differences might be due to people getting married at older ages but some will also be due to non-marriage.

Not all cohabiting couples have children but one fifth of all families with dependent children are cohabiting (Haskey 1996). Some economic theory links the growth of cohabitation directly to men's relatively poor employment opportunities (Easterlin *et al* 1990). Research findings support this theory, with evidence that cohabiting couples with dependent children have substantially lower earnings than other families with children. Following on from this they are also more likely to be on Income Support, be in council housing, be in deprived inner-city areas, and be in lower socio-economic groups (Kiernan and Estaugh 1993; McRae 1993; Haskey 1996).

In her study of cohabiting mothers, McRae (1993) noted three main reasons why these women said they had decided not to marry: the costs of weddings; fear of divorce; and a wish to avoid the institution of marriage altogether.

2.1.4 Step-families

There has been relatively little research into step-families. Step-families are formed when two people start living together, one of whom (at least) has children from a previous relationship. Official statistics show that in 1998-9, step-families (married and cohabiting), where the head of the family was aged under 60, accounted for about six per cent of families with dependent children in Britain (ONS 2001). In nine out of ten step-families, the family consisted of a couple with children from the woman's previous relationship(s) only. Thus there are very few step-mother families – the vast majority are step-father families.

Ferri and Smith (1998) argue that policy-makers, like researchers, have generally ignored step-families. They provide the key book in this field and comment that the limited amount of research that has been carried out has mostly concentrated on the outcomes of children of living in step-families. This research generally finds that they do relatively badly – even worse, it is suggested by some studies, than living in a lone-parent family. Their own research suggests that step-families are very much like first families except in terms of their economic position. Step-families are generally poorer than other types of family. This disadvantage can be further compounded if the father in the family has children to support from a previous family.

The existence of step-families contributes to the picture of increasing complexity in contemporary family life. There could be a number of children in the same step-family all with different combinations of parents. Some children might be full siblings (in the biological sense), others might be half siblings (sharing one biological parent only), others might have no biological link to each other at all. The social side of family life and parenting is therefore central to the step-family and we know relatively little about this.

2.1.5 Older parents and childlessness

Another important trend in recent decades is that, generally speaking, women are having children at much older ages than in the recent past. The mean age of women having children in England and Wales rose from 26 years in 1971 to 29 years in 1999 (ONS, 2001a). Not all women have children. About 16 per cent of women born in 1924 were childless by the age of 45. It is projected that about 23 per cent of women born in 1974 will also be childless when they reach the age of 45 (ONS, 2001a)

2.1.6 Extra-marital conceptions

In the last decade, the percentage of conceptions that were inside marriage and led to a birth fell by 12 percentage points to 44 per cent. Over the same time period, the percentage of births outside marriage rose by 10 percentage points to 30 per cent. Almost one in five conceptions (18 per cent) were terminated by legal abortion (ONS, 2001a). The majority of births outside marriage (80 per cent) were registered by both the mother and father and 60 per cent of all births were registered by both parents living at the same address (ONS, 2001a). This confirms the picture of increasing numbers of births to cohabiting couples.

2.1.7 Teenage motherhood

Britain has the highest rate of teenage motherhood compared with other European Union countries (ONS, 2001a). This is largely because teenage birth rates fell throughout Europe between the 1970s and 1990s but in Britain such rates have maintained the same level as in the early 1980s. The Social Exclusion Unit (1999) points to the lack of educational/ employment opportunities for some young women as a key cause of teenage motherhood. Rowlingson and McKay (2001, forthcoming) confirm this picture – about a quarter of young women with unskilled

manual working fathers became teenage mothers (according to data collected in the mid 1990s). The link here is somewhat circular: lack of opportunities cause teenage motherhood and teenage motherhood further reduces opportunities (Wellings and Wadsworth, 1999). Teenage motherhood is very high among the Pakistani and Bangladeshi communities (but very largely within marriage) (Berthoud 2001, forthcoming). This begs the question of whether teenage motherhood itself is considered a problem or teenage lone motherhood. This leads us on to the issue of lone parenthood.

2.1.8 Lone parenthood

The percentage of dependent children living in lone-parent families in Britain more than tripled between 1972 and 2000 to almost one in five (ONS 2001). Although divorced lone mothers were the most common type of lone parent in the 1970s and 1980s, never-married mothers became the most common type during the 1990s (Marsh *et al*, 2001). This was in large part due to the rise in cohabitation and the subsequent breakdown of cohabiting relationships, as discussed earlier in this chapter. As we have seen, the growth of lone parenthood must be seen alongside other important changes in family life.

2.1.9 Ethnicity

The link between ethnicity and lone parenthood is an interesting and highly controversial one (see Song and Edwards 1997). The majority of lone-parent families are white but some ethnic minorities are over-represented among lone-parent families (such as Afro-Caribbean women) and others are under-represented (such as Asian women). In 1996, six per cent of the British population belonged to an ethnic minority group. In the 1999 SOLIF data however, a total of nine per cent of lone-parent families were from ethnic minority backgrounds. Five per cent of lone-parent families were headed by a black lone parent, two per cent by an Asian lone parent and two per cent by a parent from another minority ethnic background.

The Labour Force Survey also shows that just about two-thirds (66 per cent) of black Caribbean mothers were lone parents in 1995-7, compared with 21 per cent of white mothers (Holtermann *et al* 1999). The majority (60 per cent) of black Caribbean lone mothers were single never-married mothers compared with only six per cent of Pakistani and Bangladeshi lone mothers. Lone motherhood in general, and single never-married lone motherhood in particular, is quite common within the black Caribbean community but it must be remembered that, according to the Labour Force Survey, black Caribbean women only constitute about four per cent of all lone mothers and only six per cent of all single never-married lone mothers (Holtermann *et al,* 1999).

We know much less about ethnicity in relation to other family structures but research tends to show that cohabitation is much more likely to be associated with the white community than with other ethnic groups and Asian people are more likely to be married than any other ethnic group (Beishon *et al*, 1998; Berthoud, 2000)

2.1.10 Change or continuity in family life?

As we have seen, many aspects of family life changed in the second half of the 20th century but the amount of change can sometimes be over-stated. Morgan (1995) suggests that we can say *Farewell to the family,* but family life continues. The precise form of family life has changed but even so the majority (80 per cent) of children lived in couple families in 2000 (ONS 2001). Marriage remains popular (see above) though perhaps less so than in the 1950s. As Rowlingson and McKay (2001) argue, it seems that family life is returning to some of the more informal structures evident before industrialisation. But even so, there has been considerable continuity in family forms throughout the 20th century.

2.2 Explaining family change

There is much debate about the precise extent of changes in family forms but it is clear that at the end of the 20th century family life was quite different from 50 years earlier. Why did these changes occur? There is no uncontested theory to explain these changes but a number of factors are put forward as possible contributory causes including:

- changes in the overall and relative employment prospects of men and women;
- changes in the availability of social security and housing;
- changes in divorce legislation and attitudes to divorce;
- changes in sexual attitudes and behaviour, including changes in availability of contraception and abortion;
- changes in attitudes to 'the family' and the individual;
- the rise of feminist ideas and increasing intolerance of male domination and violence.

Changes in family life are closely linked to structural economic change and the 1970s saw the emergence of what has been termed 'post-industrialisation', including mass unemployment from the 1970s onwards, a terminal decline in basic industries and increasing inequality from 1979 to the early 1990s (Hills, 1995). The number of 'marriageable men' in the working class (those able to provide breadwinning wages to support a family) declined and this has been signalled as a major factor in family change in the United States (Garfinkel and McLanahan, 1986; Wilson, 1987). In his book on *When Work Fades*, William Julius Wilson (1996) devotes a whole chapter to what he calls the *'Fading Inner City Family'* (by which he means two-parent family). This, he argues, is due to the concentration of poverty and joblessness in the inner cities. In the UK, Webster (2000) makes a similar point about the increasing correlation between areas of male unemployment and the percentage of households headed by lone mothers.

Among the middle classes, the increasing opportunities for women are also likely to have affected their views of relationships and parenting. The decline of 'mandatory marriage' might therefore be seen as accompanying the decline of industrialisation.

The availability of social security and housing for lone-parent families is often pointed to as a possible contributory factor behind increasing numbers of such families but there is no convincing evidence of this. Whiteford and Bradshaw (1994) compare support provided in different countries and find that lone parenthood is sometimes widespread in countries where support is minimal (such as the United States).

More recently, academic research on the family has moved away from the analysis of economic and welfare structures and considered instead the role of cultural values and individual attitudes on family change. Ingelhart (1990) has emphasised the cultural shift to values emphasising individual self-realisation and autonomy. Following on from this, Giddens (1992) argues that individuals are more inclined towards 'pure relationships', by which he means relationships freely entered into and continued only so long as they provide individual satisfaction. They are therefore contingent rather than based on promises to stay together forever. And there is no obligation, no notion of 'for better for worse'. This all means, according to Giddens, that couples are more likely to separate. Beck and Beck-Gernsheim (1995) draw on both these perspectives arguing that the growth of individualism has resulted in people yearning for close relationships with others. But they argue that this desperate need for love is now focusing more on love of children as love between adults seems too unreliable and contingent. Smart and Neale (1999) argue that this focus upon children has affected how men in particular view their rights and relationships with children post-divorce.

The women's movement from the 1970s onwards cannot be ignored in terms of its contribution to changing women's expectations, and those of society more generally. One example of this (though by no means the only relevant one) is in relation to domestic violence. Women in the past often had little choice but to remain with violent partners. Now there is much less tolerance of violent behaviour, even though such behaviour still occurs (Plotnikoff and Woolfson 1998; Mirrlees-Black 1999).

So there are a number of structural, cultural and attitudinal factors contributing to the changing nature of family life in the second half of the 20th century, and into the 21st. The relationship between them is complex but all three must be considered when seeking to understand family change. Poorer people are certainly more likely to be affected by these changes. As we have seen, they are more likely to cohabit, to get divorced, to form lone-parent families and to form step-families. Some of these family changes also appear to increase poverty – particularly divorce and lone parenthood, and particularly for women (though women's poverty *within* couple families is often invisible). These new family forms have both increased but also merely unveiled women's poverty.

These changes in family structures are not, however, solely confined to poorer groups. People from all walks of life cohabit, get divorced, become lone parents and so on. But the chances of doing so are greater for those from poorer backgrounds and the experiences of people from different backgrounds will differ too. The experience of lone parenthood for a young single mother in inner-city Liverpool will be very different from what it was for Diana, Princess of Wales. This is an extreme example but Britain today is characterised by a high level of inequality and the experiences of people at the opposite ends of this spectrum will be very different even if they share some similarities.

2.3 The dynamics of family life

In the 1950s, family life was relatively stable. Most people got married without having lived together and then generally stayed married for life. Now, it is much more common for people to cohabit and then split up, before cohabiting with someone else and then deciding to marry. The marriage might end within a few years, leading to the creation of a lone-parent family; and then the lone parent might find a new partner, leading to the creation of a step-family. This step-family might then itself split up and so on. The term 'serial monogamy' might be more appropriate to contemporary family life than the 1950s' image of young couples marrying 'till death us do part'. This section looks at dynamics of family life. How long do couples remain together? And how long do lone-parent families last?

2.3.1 The duration of cohabitation and marriage

There is only limited research on the duration of relationships between low/moderate income partners. A forthcoming report (Marsh and Rowlingson, 2001) will provide some information directly on this subject but, for now, we have to rely on evidence about couples from all walks of life. In this research, the main issue of debate has been about the relative duration of cohabiting relationships versus married ones.

It is often claimed that cohabiting relationships are more likely to end than married ones. For example, Buck *et al* (1994: p69) say that cohabiting couples experience more than four times the breakdown rates of married ones. Murphy (1995) has pointed out, however, that this figure is based on a very small sample and another problem in this field is the extent to which 'like-for-like' comparisons can be made between couples with different marital statuses. As we saw earlier, cohabiting couples are often financially worse off than married couples. Married couples with these characteristics have much higher rates of relationship breakdown. The year in which a relationship starts is also linked to relationship breakdown – relationships begun in the 1950s and 1960s are less likely to end than those begun in more recent years. As cohabitation is a fairly recent development, there will again be a correlation between cohabitation and the year a partnership started. Do cohabitations end because they are cohabitations or because they are more recent partnerships?

Buck and Ermisch (1995) have defended their earlier estimates arguing that the difference between the breakdown rates of cohabiting and married couples is highly statistically significant and argue that the difference remains (albeit slightly smaller) when controlling for a wide range of other factors (see also Buck and Scott, 1995). More recent data finds that cohabiting unions last only a short time before either being converted into marriage or dissolving: their median length is about two years (Ermisch and Francesconi, 2000). About three in five cohabitations turn into marriage and 35 per cent dissolve within three years. Higher partner's earnings increase the chances of marriage and reduce the risk of breakdown. So once again, socio-economic factors are related to duration of partnerships – better-off people are less likely to separate. The interesting question is why?

Buck and Ermisch (1995) argue that the difference in duration between marriage and cohabitation makes logical sense as cohabiting relationships are often 'trial runs' for marriage and we would therefore expect them either to end or to be converted into marriage. However, for some groups, cohabitation might be seen as an alternative to marriage and it is the difference in duration between these unions and married unions that is more interesting, if also even more difficult to measure.

This literature review is mainly concerned with low- and moderate-income couples but most of the research to date on duration of partnerships has analysed all couples regardless of their level of income or whether or not they have children. Level of income and presence of children have been used as a variable within the analysis but the research has not concentrated on the groups we are most interested in here. Perhaps cohabiting unions with children should be considered as an alternative to marriage rather than a trial run as we might expect 'trial run' cohabiting partners to get married before they have children (Prinz, 1995). Ermisch and Francesconi (2000) found that births within cohabiting unions substantially reduced the chances of marriage but increased the chances of breakdown. Cohabiting couples with children stay together longer than childless cohabiting couples, because the childless ones are more likely to get married or split up. Nevertheless cohabiting couples with children have higher rates of separation than married couples.

Ermisch and Francesconi (2000: p40) suggest that 70 per cent of children born within marriage will live their entire childhood (to their 16th birthday) with both natural parents, but only 36 per cent of children born into a cohabiting union will live with both parents throughout their childhood. Once again, however, the extent to which it is possible to make comparisons 'like-for-like' leaves some degree of doubt over these figures.

2.3.2 The duration of lone parenthood

There has been much more research on the duration of lone parenthood and we know that very few children are born into lone-parent families and then remain in this situation for the whole of their childhoods. It is

much more common for living with a lone parent to be a spell within childhood. Similarly, lone parenthood does not last forever for the parent. People may cease being lone parents when their children become older (and hence are no longer counted as dependent), or through living with a partner – the route through which most spells of lone motherhood end.

According to Rowlingson and McKay (1998), half of all lone parents left lone parenthood within six years of becoming a lone parent. Single never-married lone mothers had shorter spells of lone parenthood than other types of lone parent – about half of all single never-married lone mothers had married within three years of giving birth to the child that had made them a lone mother (according to the Social Change and Economic Life Initiative data collected in 1986). However, there is evidence that the duration of lone motherhood for those counted as 'single' has increased substantially compared to previous (dated) evidence (see Rowlingson and McKay, 2001 forthcoming). The median duration as a single never-married lone mother (the time within which half would be expected to change status) has risen from around three years (using data collected in the early/mid 1980s), to closer to five years using the most recent evidence (collected in the mid 1990s). The estimated duration of lone motherhood for divorced women appears to have hardly changed – at about four and a half years (see also Ermisch, 1991; Boheim and Ermisch, 1998).

Drawing on a cross-section of lone parents in 1991, one study found that eight out of ten lone parents were still alone in 1995 (Ford *et al*, 1998). A few of these had joined but then left a partner in the intervening years. Most of the remainder were with new partners but some had got back together with ex-partners, usually (ex-) husbands. A more recent report on the same cross-section found that, by 1998, 32 per cent of respondents were now living with a partner (Finlayson *et al* 2000).

What types of lone parents find new partners? Research has suggested that two different types of lone parent were most likely to leave lone parenthood: younger women and those with older children. Thus never-married lone parents had a high rate of (re-) partnering because of their age (Ford *et al*, 1998). Another study found that housing tenure was important in relation to (re-) partnering, as lone parents who were owner-occupiers remained lone parents for shorter spells than those who rented their homes (Rowlingson and McKay, 1998). Perhaps owner-occupying women are more attractive to potential partners or perhaps housing tenure is just a good indicator of a range of socio-economic factors.

What about the children in lone-parent families – what happens to them? And are any more children born within these families? Fourteen per cent of lone parents interviewed in 1991 no longer had dependent children in 1995 and so were no longer lone parents. In most cases, the children

had simply grown up but remained in the same household. One in five had had new babies or were expecting one soon. Half of these new children were (about to be) born within a partnership but half were not (Ford *et al*, 1995). By 1998, 23 per cent of the 1991 lone parents no longer had dependent children (Finlayson *et al*, 2000). A quarter of lone parents had given birth between 1991 and 1998 (or were pregnant at the time of the interview in 1998). Those who had found new partners were more likely to have had new children.

2.4 Family structures

This section provides some key statistics on the family life of lone parents and low/moderate-income couples. It draws heavily on the SOLIF (Survey of Low-Income Families) data collected by the Policy Studies Institute for the Department of Social Security (see Appendix B) (Marsh *et al*, 2001). This is the most up-to-date and comprehensive data on lone parents and low/moderate income couples in Britain. It comprised a survey of 4,700 families with children and was carried out in 1999. It used Child Benefit records to sample a complete cross-section of lone-parent families (regardless of income) and a sample of couple families (with children) in the bottom 40 per cent of the income distribution of families.

Table 2.1 gives us a breakdown of the family histories of lone parents and low/moderate-income couple families. As we can see, according to the categorisations used by Marsh *et al* (2001), the largest category of lone parent was mothers separated from cohabitation. But there are many ways of categorising lone parents and the information in the table also shows that there was an even split between lone mothers who have been married and those who have not.

Among low/moderate-income couple families, the majority (81 per cent) were married. Nearly a fifth were cohabiting. There are a number of different ways of categorising couple families. Marsh *et al* (2001) divide them into those whom they refer to as 'traditional' couples (that is, got together at least a year before the birth of their oldest child), 'post-dated' couples (that is, got together less than a year before the birth of their oldest child – or after the birth) and 'former lone parent' couples (that is, where the partner is the step-father of the oldest child, although the couple may have subsequently had children together). Using this categorisation we can see that just over a half of couples were traditional married couples. Among cohabiting couples there was a fairly even split into the sub-categories.

Table 2.1 Lone-parent and couple families by type of family, 1999

	Column percentage
Family type	
All lone parents:	
Lone fathers	6
Divorced mothers	23
Mothers separated from marriage	19
Mothers separated from cohabitation	26
Single mothers	23
Widowed mothers	3
Base	*2386*
Couples on low/moderate incomes:	
Married traditional	56
Cohabiting traditional	6
Married post-dated	15
Cohabiting post-dated	6
Married former lone parent	10
Cohabiting former lone parent	7
Base	*2086*

Base: All families giving sufficient details of relationships (missing data: four per cent of lone parents and four per cent of couples).

Source: Marsh *et al* (2001)

Table 2.2 gives some information about trends in the demographics of lone-parent families. It shows that the proportion of lone parents who had been divorced declined between 1989 and 1999 while the proportion who had separated from a cohabitation increased. The proportion of lone parents who are women has remained constantly high - at around 95 per cent. The cross-section of lone parents has become older over time with a median age in 1999 of 35 years. The number of dependent children in lone-parent families has declined slightly while the age of children in these families has risen a little. Household size has remained about the same. There have been some very noticeable changes in relation to education and qualifications. Lone parents in 1999 were much less likely to have left school before the age of 16 and much more likely to have qualifications at GCSE level or above. Housing tenure has remained fairly constant with most lone parents continuing to rent, mostly from social landlords. There has been little change in their ethnic profile - with nine out of ten lone parents being white. Average spells of lone parenthood appear to have increased. In 1999, the median duration of lone parenthood (for those currently lone parents in the SOLIF study) was about four and a half years.

Table 2.2 Characteristics of lone-parent families (excluding the bereaved)

Column percentages (except means and medians)

	1989	1991	1993	1994	1999
Marital status					
Divorced	45	36	35	36	27
Separated from marriage	18	18	22	19	21
Separated from cohabitation	}37	22	25	24	28
Never lived as a couple		24	18	21	24
Sex					
Female	95	95	94	96	95
Male	5	5	6	4	5
Age					
Under 25 years	23	18	15	14	12
25-29 years	20	22	20	19	17
30-34 years	20	21	24	21	22
35-39 years	15	18	20	21	20
40 years +	22	21	22	24	29
Mean age (all)	32 yrs	33 yrs	33 yrs	34 yrs	35 yrs
Number of dependent children					
1	54	46	49	48	50
2	31	34	35	36	33
3	10	15	11	11	12
4+	4	5	5	5	5
Age of youngest child					
0-4 years	-	47	43	39	37
5-10 years	-	31	33	35	35
11-15 years	-	18	18	22	22
16 or 17/18 years and in FTE	-	3	6	3	6
Median age of youngest child	-	5 yrs	7 yrs	7 yrs	7 yrs
Median age of oldest child	8 yrs	9 yrs	10 yrs	10 yrs	11 yrs
Household size					
2	36	38	37	38	39
3	36	34	37	37	37
4	16	19	17	17	15
5+	12	9	10	8	8
Left school at age					
Before 16 years	-	29	28	27	20
16 years	-	49	47	49	53
17-18 years	-	15	18	19	18
19 years +	-	7	6	5	9

Continued

Table 2.2 Continued

Column percentages (except means and medians)

	1989	1991	1993	1994	1999
Highest qualification					
None	50	41	38	39	26
Below O-level	12	21	16	14	15
GCE O, City & Guilds	23	22	25	28	34
GCE A or similar	5	6	9	8	10
Above A-level	9	10	12	11	14
Housing Tenure					
Owner	24	27	30	25	26
Social tenant	55	56	53	55	54
Private tenant	6	10	7	9	11
Other tenure	13	7	11	11	9
Ethnic group					
White	89	91	93	94	91
Black – Caribbean	4	3	3	3	3
Black – African	1	1	*	1	2
Indian	*	1	1	*	1
Other	4	2	1	*	3
Refused/not answered	1	3	2	1	*
Time spent as a lone parent: current spell					
Mean	-	4y 9m	4y 7m	5y 3m	5y 6m
Median	-	3y 7m	3y 5m	4y 3m	4y 5m
Number of respondents	*1342*	*938*	*849*	*833*	*2402~*

~ Number of lone parents, not including those known to be bereaved.

Source: 1989 data from Bradshaw and Millar's survey quoted in Ford *et al*, 1995); 1991/93/94 data from DSS PRILIF surveys quoted in Marsh *et al*, 1997); 1999 data from the Survey of Low-income Families (Marsh *et al*, 2001). All quoted in Marsh, 2001

There is a great deal of information about lone-parent families over time as these have been studied in a number of surveys over the 1990s. There is much less information about low/moderate-income couples for two reasons: first, there have been fewer surveys concentrating on them; second, the definition of low/moderate-income has changed, making comparisons difficult. For example, in their 1991 survey, Marsh and McKay (1993) included all those whose income was up to the level of Family Credit plus 25 per cent. Their SOLIF survey (carried out in 1999) included all those whose income was up to the level of Family Credit plus 35 per cent, and the structure of Family Credit itself had changed during that time. So these are rather different groups and cannot be *directly* compared. Nevertheless some comparisons can be cautiously made.

Cohabitation increased dramatically from 11 per cent of couples in the 1991 survey to 19 per cent in 1999. Cohabitation was even more closely

linked with social disadvantage in 1999 than in 1991 (Marsh *et al,* 2001). There was also a trend towards smaller families, with the average number of children per couple falling from 2.4 to 2.2. The largest fall was among Family Credit recipients (from 2.7 in 1991 to 2.3 in 1999). The age distribution has remained very similar, with just over half having one child under five. The parents themselves, however, were getting a little older, with the average age of mothers rising from 33.7 in 1991 to 35.6 in 1999 (Marsh *et al,* 2001).

2.4.1 Lone-parent families

This section looks in more detail at some basic demographic information on lone parents. The average age for all lone parents in 1999 was 35 (see Table 2.3). Non-working lone parents were much younger, on average, than those on moderate or high incomes in work. Single never-married lone mothers in 1999 were the youngest of all lone parents and yet, on average, they were still in their late 20s (Marsh *et al* 2001). Lone mothers who had previously had a partner were more likely to be in their mid 30s and lone fathers and widowed lone mothers tended to be in their early 40s.

Table 2.3 Median age – lone parents

	Base	**Median age in years**
Lone parent type:		
Father	*145*	43
Divorced mother	*556*	38
Mother separated from marriage	*446*	36
Mother separated from cohabitation	*615*	31
Single mother	*547*	28
Widow	*77*	43
All	*2386*	34

Base: All lone parents giving sufficient details of relationships (four per cent missing data).

Source: Marsh *et al* (2001)

Half of all lone parents had only one child. And indeed single never-married lone mothers were more likely than any other lone-parent family type to have only one child (see Table 2. 4). Family size decreased as incomes rose. A number of explanations for this are possible. For example, it could be that lone parents who are more likely to be on moderate or high incomes are older and have seen their oldest children become non-dependent. Or it could be that lone parents find it easier to work full-time and hence have a higher income if they only have small families. There is great diversity among lone-parent families in terms of whether or not they have pre-school age children (see Table 2.4). About half of lone mothers separated from cohabitation had children under five in 1999, rising to two thirds among single never-married lone mothers. Other lone-parent families were much less likely to have children under the age of five. This link between the route into lone parenthood and the age of the youngest child is quite easy to explain, as mothers become lone parents by having a baby. They do not remain lone parents forever and so it is not surprising that a high proportion have very young children.

Table 2.4 shows two seemingly contradictory trends – better-off lone parents were more likely to have small families but so were single mothers (who are not, typically, amongst the better off). The key to understanding this is to see that better-off lone parents have small but older families, whereas single mothers have small but young families.

Table 2.4 Number of children and age of youngest child – lone parents

Row percentages

		Number of children				Age of youngest child			
	Base	**1**	**2**	**3**	**4+**	**0-4**	**5-10**	**11-15**	**16-18**
Lone parent type:									
Father	*145*	60	23	10	5	8	30	42	19
Divorced mother	*556*	45	38	12	5	14	39	36	11
Mother separated from marriage	*446*	30	43	17	10	33	37	24	5
Mother separated from cohabitation	*615*	47	36	13	5	48	38	12	1
Single mother	*547*	67	23	8	2	59	29	12	1
Widow	*77*	53	32	12	3	8	32	42	18
All	*2386*	49	34	12	5	36	35	23	6

Base: All lone parents giving sufficient details of relationships (four per cent missing data).

Source: Marsh *et al* (2001)

Research has demonstrated a strong link between single never-married lone motherhood (and teenage lone motherhood) and social class, with those from working class backgrounds being much more likely to become lone mothers (Rowlingson and McKay, 2001 forthcoming). This fits in with the 'lack of marriageable men' hypothesis mentioned above (Garfinkel and McLanahan, 1986; Wilson 1987, 1996). Research has also shown that lone parents appear to be concentrated in particular parts of the UK. Analysis of the 1997 Labour Force Survey found that the highest rates of lone motherhood can be found in the metropolitan areas – particularly inner London, sub-regions of Merseyside and Tyne and Wear. More than a third of inner London families (36 per cent) are headed by a lone mother compared with 21 per cent for outer London (Holtermann *et al,* 2000). These areas are still experiencing lack of labour demand and Turok and Edge (1999) argue that government policy has so far failed to address these issues sufficiently. Rather than focusing on supply-side issues (such as improving people's motivation to work, job-seeking skills and employable skills), the government should, in their view, be considering demand-side issues such as attracting employers to areas where joblessness is high.

There has been very little research on lone parenthood and disability despite the fact that lone parents and their children generally suffer from poor health (Marsh et al, 2001, see also Chapter 4 here).

2.4.2 *Low and moderate-income families*

This section now turns to demographic information on low- and moderate-income couples families. In terms of age, this group (particularly the mothers within these couples) were similar to lone parents – with a median age of 35. Partners were generally a couple of years older than the mothers. There was relatively little variation by work/benefit status but there was some variation in terms of family history (see Table 2.5). Traditional married couples were the oldest. Post-dated cohabiting couples were the youngest. This follows on from previous research (cited above) that has shown cohabiting couples to be generally younger than married ones.

Table 2.5 Median age – couples

		Median age (years)	
	Base	**Respondent (mother)**	**Partner**
Couple type:			
Married traditional	*1163*	38	40
Cohabiting traditional	*129*	31	34
Married post-dated	*318*	32	35
Cohabiting post-dated	*119*	26	30
Married ex-lone parent	*210*	35	37
Ex-lone parent cohabiting	*147*	34	34
All	*2086*	35	38

Base: All couples giving sufficient details of relationships (four per cent missing data)

Low and moderate-income couple families were generally larger than lone-parent families – 30 per cent had only one child compared with 50 per cent for all lone-parent families (Table 2.6). But the trend in terms of work/benefit status was reversed – non-working couples were more likely to have only one child compared with other couples (non-working lone parents were less likely than other types of lone-parent family to have only one child). Non-working couple families were less likely than other couples to have pre-school age children. Once again, this is different from the picture for lone-parent families. Non-working lone parents have (relatively) large, young families compared with other lone parents. Non-working couple families have (relatively) small, older families compared with other couples.

In terms of family history, there was much variation but cohabiting couples generally seemed smaller and younger (in terms of children's ages) than other family types – no doubt linked to the younger ages of the parents (see Table 2.6).

Table 2.6 Number of children and age of youngest child – couples

Row percentages

		Number of children				Age of youngest child			
	Base	**1**	**2**	**3**	**4+**	**0-4**	**5-10**	**11-15**	**16-18**
Couple type:									
Married traditional	*1163*	31	42	19	8	40	31	22	7
Cohabiting traditional	*129*	43	41	11	5	67	21	12	0
Married post-dated	*318*	17	42	27	14	54	31	13	2
Cohabiting post-dated	*119*	40	35	13	12	81	13	5	1
Married ex-lone parent	*210*	15	30	33	21	47	35	15	2
Ex-lone parent cohabiting	*147*	29	34	25	12	50	32	15	3
All	*2086*	29	40	21	11	47	30	18	5

Base: All couples giving sufficient details of relationships (four per cent missing data).

Source: Marsh *et al* (2001)

In terms of ethnicity, Marsh *et al* (2001) find that almost one in ten (nine per cent) of low/moderate-income couples were Asian. A further four per cent were from other ethnic groups. Virtually all of the Asian families were married rather than cohabiting. This suggests that cohabitation, as defined and measured in current research, is strongly associated with the white community.

Family size can differ considerably between ethnic groups. The Fourth National Survey of Ethnic Minorities (Modood et al 1997) found that only four per cent of white families had more than three dependent children. Caribbean and African Asians were similar at seven and three per cent respectively, and Indian families were slightly larger (11 per cent had four or more children). However, Pakistani and Bangladeshi families were considerably larger with 33 per cent and 42 per cent of families having four or more children (larger families are also at greater risk of experiencing poverty, see Chapter 4).

2.5 Summary

The second half of the 20th century witnessed major changes in family structures. The growth of lone parenthood was only one part of this change which also included declining rates of first marriage, increasing rates of divorce, increasing rates of cohabitation, growing numbers of step-families and increases in the ages at which people had children, if they had them at all. There has been a great deal of research on some of the early trends, such as in divorce, and there is some research on slightly later trends, such as cohabitation (though this now appears to be getting a little dated). But there is much less research on some of the most recent developments, such as the increasing numbers of step-families.

Why have these changes occurred? There is no agreed wisdom on this. A range of factors is usually cited including those from a more structural perspective as well as those focusing more on changing culture and attitudes. From a structural perspective the changes in employment

patterns of men and women and changes in levels of inequality more generally are often mentioned, alongside changes in the welfare state and legislation around family life (such as divorce law). From a more cultural/ individual perspective, it is argued that there have been major changes in sexual attitudes and behaviour, as well as changes in attitudes to relationships and parenting. The growth of individualism is often mentioned here and so is the growth of feminist ideas. The precise nature of the relationship between structural and cultural/individual factors is a debate that rages incessantly among academics. Whatever the result of this debate, it seems clear that changes in family life during the second half of the 20th century were part of a broader socio-economic trend from an industrial to a post-industrial society.

The result of these changes is that family life is much less stable than it was in the 1950s. People move in and out of different living arrangements. Researchers have sought to capture this but are increasingly hampered by the complexity of people's lives. There is some evidence that the duration of lone motherhood is increasing – particularly for single never-married lone mothers. There is also evidence that cohabiting couples have much shorter relationships than married couples – but it is often difficult to compare like-for-like in this field of research.

The SOLIF study gives us an enormous amount of information about lone parents and low/moderate-income couple families. A fairly new group of lone parents - those separated from cohabiting partners - is becoming far more prominent. These share some characteristics with single never-married lone mothers and some with ex-married lone parents. A typical lone parent is in her mid 30s with one (or perhaps two) children. She is separated from a partner and living in rented accommodation. But there is much diversity among lone parents and so it is perhaps a little misleading to concentrate too much on 'typical' lone parents at the expense of this diversity. Lone parenthood is a stage in the lifecycle for most lone parents rather than a lifelong family form. Low/moderate-income couples are also a diverse group in relation to marital status, age and family type. We know less about this group than we do about lone parents but further analyses of the SOLIF data will tell us more.[4]

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[4] A second wave of data from SOLIF 2000 will be available in early 2002 and a third wave of the survey in 2001 (which will include higher-income couples as well) will yield data in early 2003. Reports based on SOLIF 2000 will be published by the Department for Work and Pensions in late 2001/early 2002.

3 FAMILIES AND PAID WORK

This chapter outlines recent research on families and paid work. The first section discusses the economic activity of parents as individuals. The second section shifts to a household focus. The third section takes a more dynamic view and examines what we know about employment participation of families over time and about the nature and extent of transitions in and out of work.

3.1 Parents and economic activity

There have been a number of recent literature reviews that have examined the changing situation of parents in the labour market, as shown in Figure 3.1.[5] Our review is necessarily shorter and more limited. We start by looking at employment participation on an individual level and in particular examine the research which has sought to explain variations in the employment participation rates of mothers. The focus here is upon paid employment, not work in the wider sense of both paid and unpaid work.

Figure 3.1 Families and paid work: recent reviews

Title	Contents	Reference
Lone parents and the labour market: results from the 1997 LFS and review of research	Sources on information on lone parents and the labour market; trends in lone parenthood; trends in employment; influences on employment; living standards and well being.	Holtermann *et al* (1999)
Families and the labour market: trends, pressures and policies	Trends in family and labour market; parenting and work; care work and paid work; incomes; health and well-being; public policies; employers and family-friendly employment.	Dex (1999)

Continued

[5] These are all literature reviews that focus on families and employment. See also Burghes *et al* (1997) and Lewis, C (2000) for recent reviews relating to fatherhood, which range more widely but include discussions of issues relating to fathers and employment. The *Social Focus on Families* (ONS, 1997) and the *Social Focus on Men* (ONS, 2001) also provide summaries of statistical data and trends, including employment issues.

Figure 3.1 Continued

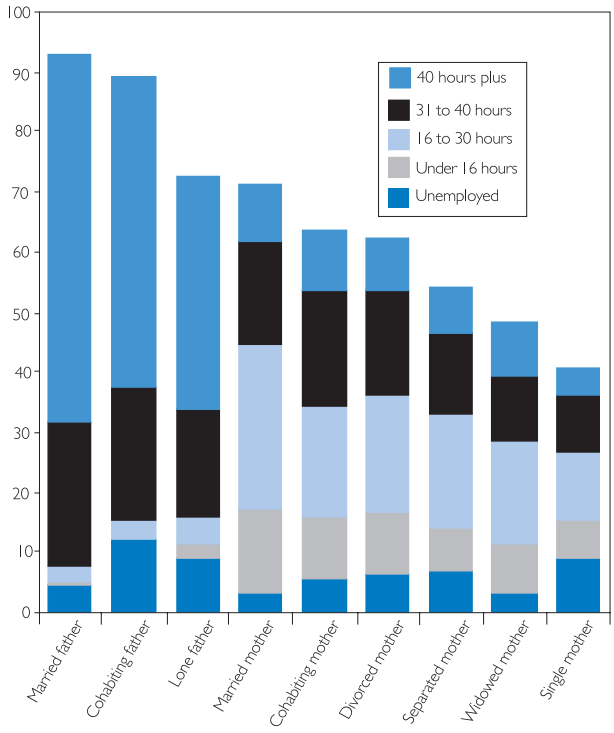
Title	Contents	Reference
Employment, family life and the quality of care services: a review	Working patterns and hours, managing family and work, childcare, elder care.	Kozak (1998)
Employment and family life: a review of research in the UK (1980 - 1994)	Summary of employment situations of mothers and fathers; family and employment transitions; attitudes and norms; managing work and family life; outcomes and effects on parents and children; elder care.	Brannen *et al* (1994)

3.1.1 Mothers, fathers and paid work

Figure 3.2 shows the overall picture of economic activity among parents in different types of family in Great Britain in the late 1990s. The charts for men look very different from those for women. Most fathers are economically active and most work in full-time jobs of more than 40 hours per week. Lone fathers have the lowest activity rates and both cohabiting and lone fathers are more likely to be unemployed than are married fathers. Among the mothers, married mothers have the highest rates of economic activity and the lowest unemployment rates. The most typical hours of work are between 16 and 30 per week. Cohabiting and divorced mothers have very similar patterns of economic activity. Single mothers have the lowest rates of activity and the highest unemployment rates.

Men in the UK work longer hours on average than men in any other EU countries and working hours have increased in recent years (Brannen *et al*, 1997). In 1998, average hours for fathers were about 47 per week including overtime, two hours longer than was the case in 1988. For mothers the average working week increased over the same period from 27 to 33 hours (Harkness, 1999).

Figure 3.2 Economic activity, parents by family type, 1997



Source: Holtermann *et al*, 1999

Becoming a father has very little impact on employment, and there seems to have been little or no change in this over the years. About 21 per cent of men working in the private sector and about 35 per cent in the public sector are working for employers who offer parental leave, and although most men (93 per cent) take some time off work when their children are born, most do this as annual leave and take only a few days (Dex, 1999). Men with young children tend to work long hours and are more likely to do overtime than childless men (Warin *et al*, 1999).

Women now return to work sooner after the birth of children. In 1979, 24 per cent of women who were in employment when they became pregnant returned to work within about 9-11 months of the birth. By 1988, this had risen to 45 per cent and by 1996 to 67 per cent, including 24 per cent who returned to full-time jobs. Most of these women went back to the same employer (86 per cent) and they were less likely than women in the 1970s to have suffered downward occupational mobility on their return to work (Callender *et al*, 1997). About half say they go back mainly for financial reasons, about a quarter give reasons related to self-fulfilment and career (ONS, 1997). Dex (1999, p 33) in reviewing the evidence on women's return to work after childbirth, suggests that:

> *'A polarisation seems to be occurring between higher status, higher waged women and the less educated and qualified …Whilst the former group remain in their jobs, or only take a short break (and so are more likely to retain their employment benefits), the latter group are likely to have longer breaks from work, more part-time weekly hours, more jobs with non-standard employment contracts and less job security.'*

Brannen and Moss (1991) highlighted the difficulties that mothers may have in sustaining employment over the first few years. They found that more than a third of the women who returned to full-time employment within nine months of the birth did not remain in employment up to the child's third birthday.

Table 3.1 shows how mother's employment rates vary with ages of children by family type.[6] Three points stand out:

- employment increases as children get older for women in all family types.
- women with partners always have higher employment rates than lone mothers, but the gap closes as children get older.
- part-time work is almost always more common than full-time work.

The two groups of women most different from each other in terms of levels of employment are married mothers and single never-married mothers. Nevertheless, the single mothers had almost exactly the same *pattern* of employment by age of children as did the married women, but at much lower *rates*. So did divorced women, although among those who worked a higher proportion worked full-time. Cohabiting women were the most likely to be in full-time jobs, across all ages of children, and those with a youngest child aged 10 to 15 were more likely to be working full-time than part-time.

Table 3.1 Mother's employment by family type and age of youngest child, 1997

		Number of children				Age of youngest child			
		Married mothers	Cohabiting mothers	All partnered	Divorced mothers	Separated mothers	Widowed mothers	Single mothers	All lone mothers
		%	%	%	%	%	%	%	%
Age of youngest child									
0 to 5	PT	38	28	36	20	26	8	15	18
	FT	21	22	21	15	11	0	9	10
	All	58	50	57	36	36	8	24	28
5 to 9	PT	48	33	46	32	28	32	24	28
	FT	25	33	25	21	23	15	14	19
	All	73	66	72	53	52	50	39	47
10-15	PT	42	28	41	35	25	26	22	30
	FT	36	52	37	30	33	35	23	30
	All	78	81	78	66	58	61	45	60
All	PT	42	29	40	30	26	26	18	24
	FT	27	29	27	26	21	20	14	21
	All	69	58	67	56	48	46	32	45

Source: Holtermann *et al*, 1999, Table 4.4.2.

[6] *Labour Market Trends* (ONS, 2001) summarises the 2000 Labour Force Survey data on women's employment. This shows employment rates in spring 2000 for married mothers of 70.1 per cent compared with 48.6 per cent for lone mothers. For those with pre-school children the rates are 60.5 per cent for married mothers and 31.6 per cent for lone mothers.

3.1.2 Non-standard employment

Part-time work has been rising, especially for women, and there has also been an increase in other forms of non-standard employment. Self-employment has risen rapidly over the past two decades, and the self-employed are a very heterogeneous group with a wide distribution of income (Meager *et al*, 1994). Eardley and Corden (1996) focus upon low-income self employment, including those within the range of in-work benefits. Two-parent families are more likely to be self-employed than lone parents, and men are more likely to enter self-employment from unemployment than are women. Self employment is also relatively common among Asian families (Metcalf *et al*, 1996). Home-working shares some of the same characteristics as self-employment in that home-workers also include both very low-paid and relatively high-paid workers. Hakim (1998) used Census and Labour Force Survey data to map out the extent and nature of home-working in Great Britain, excluding those who are living in 'tied' housing (such as farmers, publicans). She found that women with dependent children were the most likely to be homeworkers (6.1 per cent in 1996 compared with 2.4 per cent of all adults). Women with pre-school children had the highest rates of homeworking (7.5 per cent). Dwelly (2000) suggests that the poorest workers are being excluded from the benefits of working from their homes because they lack access to information technology.

3.1.3 Explaining mothers' employment patterns

Brannen *et al* (1997), in an analysis of LFS data for 1984, found that mothers were more likely to be employed if they lived with an employed partner, had a partner in a non-manual job, had smaller families and older children, had higher qualifications and were white. They were less likely to be employed if they lived with an unemployed partner, or a partner in a manual job, or no partner, if they had three or more children, no qualifications and were from an ethnic minority group. Holtermann *et al* (1999) also used LFS data (from 1997) and found that mothers' employment varied with age, number and ages of children, educational qualifications, area of residence, ethnicity and housing tenure. Similar factors affected lone and married mothers: 'like couple mothers, lone mothers are more likely to be in employment if they are older, have children of school age, have fewer children, have qualifications and if they are Black Caribbean … [and] if they are owner occupiers'. These two studies thus show a similar picture of the factors affecting parental employment, except for the impact of ethnicity (although this may be a consequence of differences in the extent in which ethnicity is differentiated into different sub-groups in the two studies). Other research (Bartholomew *et al*, 1992; Owen, 1994; Modood, 1997) tends to confirm the findings of Holtermann and her colleagues - black Caribbean mothers have the highest employment rates, followed by white mothers, and then by Pakistani/Bangladeshi women, who have much lower employment rates (and whose husbands also have much higher unemployment rates).

The Holtermann analysis also showed that the impact of educational qualifications was particularly important for women with pre-school children and for lone mothers. For example, couple mothers with educational qualifications were twice as likely to be employed as those with no qualifications. Couple mothers with pre-school children and NVQ 4/5 or above were two and a half times more likely to be employed as those with no qualifications (73 per cent compared with 29 per cent). Among lone mothers, those with NVQ level 4/5 or above were four times as likely to be employed as those with no qualifications (44 per cent compared with 12 per cent).

Both studies look at trends over the previous decade, so going back to the mid 1980s. These showed a rapid rise in married mothers' employment rates, especially in full-time jobs and especially among those with pre-school children and with educational qualifications. For example, in 1984 about 41 per cent of married mothers with a child aged under five were employed, rising to 45 per cent in 1990 and to 58 per cent in 1997. In 1990 about 14 per cent of women with children in this age group were working full-time; by 1997 this had risen to 21 per cent. Married mothers with NVQ level 4/5 and above had employment rates of 60 per cent in 1990 and 73 per cent in 1997. The occupational profile of jobs also improved, with more non-manual and skilled jobs (although these were still the minority).

But lone mothers did not share in any of these trends over this time period. Overall their employment rates hardly changed, from 41 per cent in both 1984 and 1990 to 45 per cent in 1997. Lone mothers with pre-school children did have a slight increase in employment rates between 1990 and 1997 (from 22 to 28 per cent) but rates actually fell for those with older children. The rates also fell slightly for those with higher educational qualifications and there was no upward movement in occupational profile. Thus the employment gap between married mothers and lone mothers has widened, especially in the 1990s.

Holtermann *et al* (1999) investigate whether the differences in employment rates of lone and partnered mothers (i.e. including married and cohabiting mothers together) can be explained by differences in the characteristics of the two groups. They conclude that the employment gap remains large even after controlling for factors such as age, age of youngest child, number of children, educational qualifications and ethnic group. But differences in composition did explain why the employment rates of lone and partnered mothers diverged in the 1990s, with growing numbers of single mothers keeping overall employment rates for lone mothers down.

3.1.4 Mothers in the labour market

Employment has been rising and registered unemployment falling in recent years, but against a background of considerable inequality in the labour market. In the 1980s and 1990s, the distribution of male wages widened

considerably, there were more men in low-paid work, job losses were particularly high among unskilled men, and older men have much reduced levels of labour market participation.[7] Overall, however, the proportion of fathers in employment has stayed at about 85 to 90 per cent since the mid 1980s, although unemployment rates have fluctuated with the economic cycle (Holtermann *et al,* 1999). Thus it is changes in women's, rather than men's, employment participation that have particularly affected families in the past 10 to 20 years. And there have been two opposing trends. On the one hand, the number of married mothers has declined and the proportion in employment has increased. On the other hand, the number of lone mothers has risen and the proportion in employment has scarcely changed. This latter may now be changing, with lone mothers' employment rates on an upward trend since 1997. The Labour Force Survey for 2000 (ONS, 2001) shows that the employment rates for lone mothers rose by over five per cent between 1997 and 2000 while those for partnered mothers rose by just over two per cent. For lone mothers with children aged 11 to 15 there was an increase of about 5.5 per cent compared with less a rise of than one per cent for partnered mothers with children of this age. If these trends continue, the gap in mothers' employment rates might be expected to start to close, especially between ex-married and married mothers, who share similar characteristics.

However, comparing lone and married mothers, as we have been doing, tends to point up the contrast between these two groups and these comparisons need to be placed in the wider context. First, these are comparisons of single points in time and do not show how employment participation changes for individuals over time. Rake (2000, p102), using BHPS data, suggests that divorced mothers have longer spells out of work than married mothers but also longer spells of full-time work. Secondly, lone and married mothers are all women and gender has an important influence on labour market position. Thirdly, and by contrast, it is also the case that there is increasing diversity and inequality in the position of women in the labour market (as there is with men). Thus the differences in employment patterns of lone and married mothers may also reflect selection effects, with lone mothers disproportionately drawn from women with poorer employment records and prospects while the opposite is true for married mothers (see Section 3.2.1). We need therefore to understand the broader picture of the situation of women in the labour market in order to place the employment of married and lone mothers in context.

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[7] The edited collection, *The state of working Britain* (Gregg and Wadsworth, 1999) provides an overview of these trends. See also Hills (1996).

Gender and Pay

Trends in women's wages illustrate the point about increasing inequality among women in the labour market. For women in full-time work the pay gap between men and women has closed significantly, and in 1999 women full-time workers were earning on average 84 per cent of the hourly pay of men full-time workers (Rake, 2000). The gender pay gap is particularly small among young people. But part-time women workers have hardly caught up with men (in general) at all in pay terms, and women are also heavily over-represented among the low-paid and they stay in low-paid work for longer periods (Dex *et al,* 1994; Millar *et al*, 1997; Gosling *et al*, 1997; Desai *et al*, 1999).

The pay 'penalty' of motherhood

There is a pay penalty to motherhood, which is a consequence of mothers spending more time out of the labour market, having more part-time working and experiencing occupational downgrading (Joshi *et al*, 1996, 1999; Rake, 2000). The impact of having children is not just confined to the short term for women, but can mean a significant loss of earnings over the working life and this in turn can affect pension entitlement and incomes in retirement. Again there are variations among women. The timing of motherhood, the number of children, and the level of skill and qualifications all affect this, with low-skilled women in particular losing substantially, because children have a more significant impact on their work patterns.

Rake (2000) reports estimates of the 'costs' of children in terms of mothers' lost earnings. This is a hypothetical analysis based on simulations of lifetime earnings for three types of women - low-skilled, mid-skilled and high-skilled. It models the impact of the number and timing of their children on their labour market participation and hence their gross earnings. The low-skilled woman has two children at age 23 and 26, this takes her out of the labour market for a period and then she returns to part-time work. This pattern, which was 'typical' in the 1980 Women and Employment survey, (Joshi *et al*, 1996), costs a low-skilled woman very heavily - with lifetime gross earnings foregone of £285,000, the total almost equally accounted for by lost years, reduced hours, and lost experience. The mid-skilled woman has two children at ages 28 and 31 and is likely to return to employment quickly after the first, but has a gap with her second child and works part-time until her children are older. This is an increasingly common pattern (as we have seen above) and it costs her about £140,000 in lost earnings (mainly through lost hours rather than lost years or experience). By contrast the high-skilled woman, who has children at 30 and 33, hardly has any gap, does not reduce her hours much and thus hardly loses any earnings - about £20,000. These are hypothetical cases and estimates based on simulations; but they do illustrate the highly unequal outcomes for women in different

circumstances. The study also estimates that a low-skilled never-married teenage mother of two children would forego over £300,000 in gross earnings over her working life.

Type of jobs

Women are particularly likely to be working in service sector jobs and there is a high degree of occupational segregation by gender. In 1995, 60 per cent of British women were employed in the ten most feminised occupations[8] (Rake, 2000). Education is an important factor in determining occupational status, with more highly educated women the most likely to be employed in higher-status and well-paid employment (Kuh *et al*, 1997). Overall, lone and married mothers seem to have rather similar occupational profiles. In 1997, lone mothers were slightly less likely to be in professional jobs (1.8 per cent compared to 2.4 per cent of married mothers) and slightly more likely to be in 'other non-manual' (53 per cent compared with 48 per cent) (Holtermann *et al*, 1999). In the SOLIF study, 15 per cent of lone mothers worked in 'retail, hotels and catering', another 15 per cent in 'banking, finance, insurance' and 47 per cent in 'other services, including health, social services'. For the partnered mothers (who were in low-to-moderate income families) the equivalent proportions were about 23 per cent, 9 per cent and 42 per cent (Marsh *et al*, 2001)[9].

Work aspirations

Hakim (1996) has suggested that differences in women's attitudes and orientations to work are a key factor explaining differences in women's position in the labour market. She divides women into two groups: the 'self-made women' who are committed to employment and the 'grateful slaves' who value family above paid work and devote more of their energies to home than to employment. This analysis has been much criticised because it lays such a strong emphasis on individual aspirations and ignores structural constraints upon employment 'choices' (Crompton, 1997; Dex, 1999). Nor is there any evidence that lone and couple mothers have different attitudes to work. Marsh *et al* (2001) found that both lone and partnered mothers rejected the view that mothers should be discouraged or prevented from taking up paid work. The evidence from opinion polls suggests that mothers' attitudes to work vary more by age than they do by marital status, with older women holding more 'traditional' views (Bryson *et al* 1998, Jarvis *et al*, 2000; Hinds and Jarvis, 2000). Le Valle *et*

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[8] In order - sales assistants, cleaners, domestics, other secretaries, personal assistant, other clerks, accounts and wages clerks, nurses, care assistant, primary and nursery teachers, counter clerks, retail cash desk operators.

[9] These figures are not quite accurate for the 'coupled mothers' since they actually refer to the SOLIF 'respondents', of whom one per cent were men rather than women. But the comparison is very close.

al (1999) found that lone mothers were more likely to give financial need as the main reason for working than were married mothers (59 per cent compared with 29 per cent) but both also pointed to the intrinsic satisfactions of working.

Bradshaw and Millar (1991) asked lone mothers about their employment preferences - if they were working, did they want to stop work, if they were not working did they want a job. They found that the preferred employment rate for lone mothers was very similar to the actual employment rate among married mothers - at that time about 55 per cent. In the SOLIF study (Marsh *et al*, 2001) the same sort of calculation gives a 'preferred' employment rate for lone mothers of 59 per cent - a little below the 62 per cent of married mothers currently employed, but very close.

3.1.5 Parental employment and child outcomes

There has been relatively little research on how children experience parental employment and the impact of this on their everyday lives. There have been some attempts to compare outcomes for children of parental employment. As with the research looking at outcomes for children of different family structures (see Chapter 6) this is a complex area methodologically, with many intervening variables that are difficult to control. There are two recent studies that have used panel data to explore this topic. Joshi and Verropoulou (2000) used data from two birth cohorts (the 1958 National Child Development Study and the 1970 Birth Cohort), and Ermisch and Francesconi (2000) used British Household Panel Survey data. The studies tend to focus on mothers rather than fathers because there is little variation in fathers' employment patterns (most fathers work full time, as discussed above). Both sets of authors are careful to point to the limitations of what these studies can do and to urge caution in the interpretation of their results. In particular, in neither case is there any information available on the type, quality and quantity of childcare for the children. Poor quality care may be one factor in creating negative outcomes (see Chapter 7 here for further discussion of childcare issues). Nor are there any measures of the time parents actually spend with their children and how this varies with employment status. And the impact of maternal employment may be different now, when more mothers are engaged in paid work, than it was for children growing up in the 1970s and 1980s.

Joshi and Verropoulou (2000) focused on second-generation NCDS children, that is children born to the original 1958 birth cohort and aged between five and 17 in 1991, when the outcomes were measured. The children were therefore born between 1974 and 1986, and the mothers were aged between 16 and 28 at the time of birth. The study focussed on four outcome measures, two cognitive (reading and mathematics test scores) and two behavioural (two scaled tests, completed by the mothers, assessing factors such as anti-social behaviour, anxiety, dependency). Five outcomes were measured for the children in the 1970 Birth Cohort.

Two were cognitive (mathematics and reading test scores at age 10), while the other three were longer-term adult outcomes (teenage motherhood, highest academic qualification gained by age 26 and time spent unemployed at age 26).

The results were rather mixed, with both positive and negative outcomes for children at different ages, but in general any effects found were small and of less importance than other factors, such as mothers' educational attainments, poverty, and parental unemployment. From the NCDS mother's employment in the pre-school years had a statistically significant negative impact on children's reading scores but not on the other outcome measures. Mothers' employment when children were at primary school was associated with some positive behavioural outcomes, in particular with lower levels of anxiety. In the Birth Cohort analysis, mothers' employment was negatively related to highest qualifications achieved by children, but not by much, and no statistically significant effects were found for the other adult outcome measures.

Ermisch and Francesconi (2001) adopt a slightly different approach, comparing outcomes not just between families but also within families, the latter by comparing outcomes for pairs of siblings. This provides a partial control for unmeasured family background factors, on the grounds that these are broadly the same for siblings growing up in the same family. They looked at four main outcome measures: educational attainment (achieving an A level or equivalent), unemployment and economic inactivity as young adults, mental health problems (measured by subjective indicators of personal well-being on a 12 point scale) as young adults, and early childbearing (women giving birth before age 21). The children were born between 1970 and 1981.

Overall they found little impact from mothers' part-time employment but there were some statistically significant effects from mothers' full-time employment. Again these varied with age of children. Longer periods of full-time work for mothers of pre-school children were associated with a reduced chance of gaining an A level or equivalent, with a higher risk of unemployment in early adulthood, with a higher risk of experiencing psychological stress in early adulthood, but with a lower chance of early pregnancy. But the outcomes were different for children when they were of primary school age, when mother's employment seems to have had more positive effects on educational attainment, employment and psychological distress measures but more negative effects on early childbearing. In general the sibling comparisons showed stronger effects than the between family comparisons, which partly accounts for the differences between this study and that of Joshi and Verropoulou.

In their interpretation of these results, Ermisch and Francesconi suggest that there seems to have been a 'trade-off' between income and time.

The mothers' full-time work reduced time with pre-school children with some apparently adverse consequences, but on the other hand their full-time work probably meant that they could maintain higher family income over the children's entire childhood. Thus mother's employment can have a positive impact by reducing the risk of poverty but at the cost of less time for children. The authors suggest that policy should seek to encourage part-time, rather than full-time, employment during the pre-school years.

Further work is needed and with a wider range of outcome measures. However these findings of some negative and some positive effects, varying by age of children, but with little evidence of sustained and substantial harm, is also echoed in the US evidence discussed in Chapter 9. Negative outcomes for children are more likely to follow from the experience of living in poverty in childhood than they are to follow from living with a mother in employment, especially part-time employment. Thus, as Joshi and Verropoulou (2000, p 25) conclude:

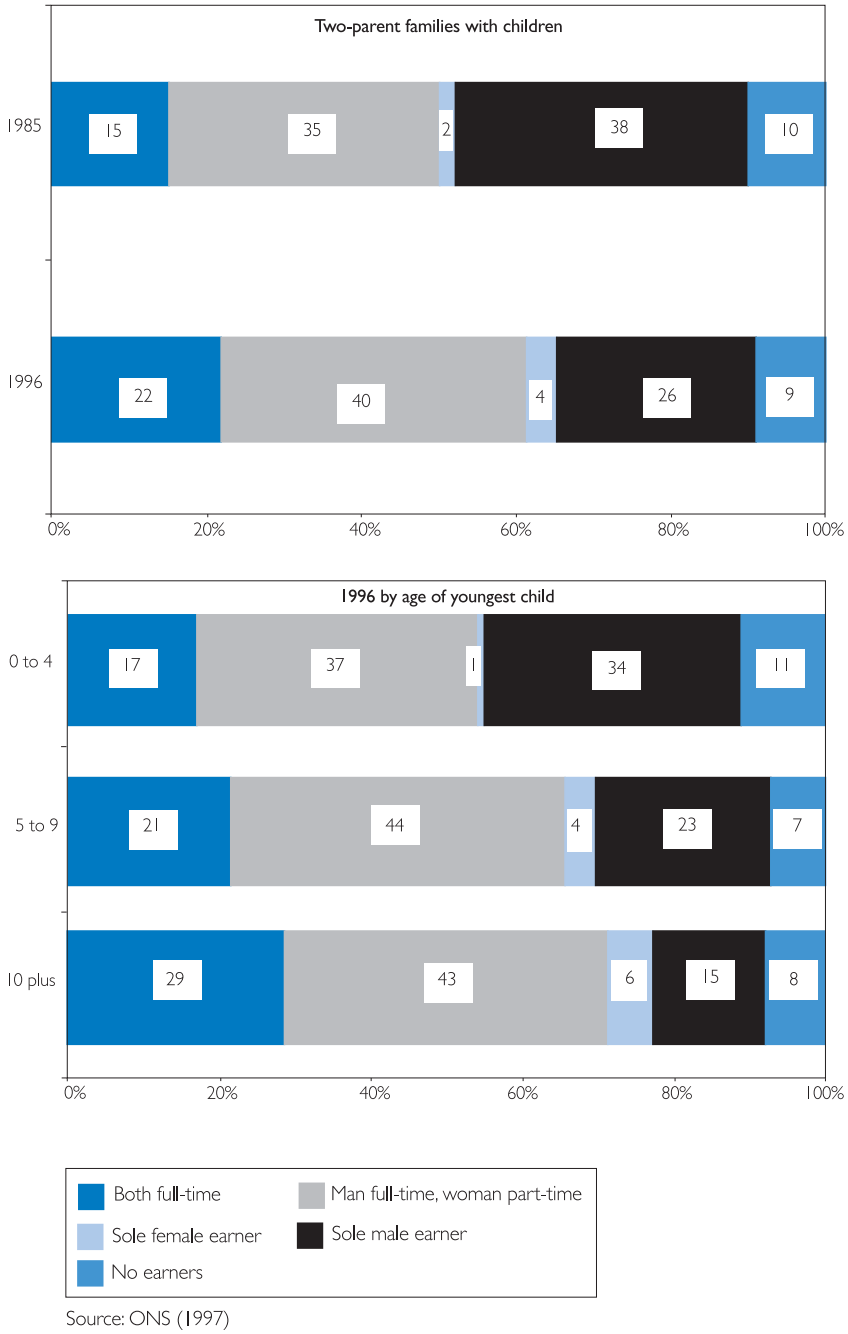
> *'If there were systematic long-term disadvantages to most children whose mothers had been in the labour market when they were small, we would probably have found more sign of it … The evidence suggests that family poverty impairs a child's prospects. Mother's employment helps to keep children out of poverty, and does not appear to do much harm, in general'.*

3.2 Household employment

Until recently much of the research has focused upon individuals, rather than families. However, there is an increasing emphasis in the literature on the importance of analysing employment at the level of the family or household. Looking at parents as couples, rather than as individuals, highlights the rise of the two-earner couple and the decline of the single-earner couple. Most of the married women who have entered the labour market over the past decade have been married to employed men - these are families making a transition from having one to having two earners, not from having none to having one (Gregg *et al*, 1999). Thus, as shown in Figure 3.3, two-earner families increased from about 50 per cent to about 62 per cent between 1985 and 1996. Sole earner couples with a male earner have declined from 38 per cent to 26 per cent of the total, and while the proportion with a female sole earner has increased (from two to four per cent), such couples are still a rarity. The proportion of couples with no one in work at stayed at about one in ten over the period between 1985 and 1996. Aside from the experience of unemployment, there is a clear lifecourse pattern here, which is of course the same as the pattern we observe for mothers' employment - couples with older children are more likely to have two earners. Thus, of couples with secondary school age children, 30 per cent have two full-time earners, 44 per cent have one full-time and one part-time earner and just 13 per cent are sole earner families.

Two-earner couples with children are therefore increasingly the norm, particularly among families with school-age children. The most common pattern is for the man to be in full-time work and the woman to be in part-time work. Such families tend to work longer hours and more unsocial hours. Over a quarter have at least one parent who regularly works evenings or nights (Harkness, 1999). If they both work full-time they are more likely to share domestic work, but if the woman works part-time she also does the bulk of the domestic work (Dex, 1999). The higher paid couples often buy in domestic labour and childcare (Gregson and Lowe, 1994). Two-earner couples are the family type most likely to use formal childcare but many also work hours that allow them to 'shift parent', with fathers providing childcare while mothers are out working, and vice versa. Family activities - such as eating meals together, going out in the evenings, going on holiday - do not seem to vary much in one earner or two-earner families, except where the fathers were working long hours (Ferri and Smith, 1996). In general, two-earner couples are generally satisfied with their jobs, but again less so if they have long hours of work (Dex, 1997).

Figure 3.3 Two-earner couples with children, employment, 1985 and 1996, and 1996 by age of youngest child



Source: ONS (1997)

At the other extreme are the workless couples and Dorsett (2001) has used Labour Force Survey data from 1994 to 2000 to examine the characteristics of this group. This showed that, for men, about half were unemployed and the other half were mostly inactive because of ill health. The women, by contrast, were mostly inactive because they were looking after home and/or children. The average age in these families was around 40 (the men were slightly older), most were white and UK-born, the men were more likely to have had work experience and vocational qualifications than were the women. Strikingly, the couples seemed very alike in a number of respects, not just in personal and human capital characteristics (age, ethnicity, country of origin, qualifications, education,

disability and health) but also in labour market experience (type of worklessnes, duration of unemployment, work experience, length of time since last job, and whether last job was manual or non-manual).

3.2.1 Children and employment

A complete picture of household labour supply would also include children, but few studies have considered this. Dex *et al* (1995) calculate that adult children add about 12 hours per week to the mean of total household hours of work. Dependent children may also be in employment and in some cases contributing towards the household income (for a good overview see Pettitt, 1998 and the edited collection of Mizen *et al*, 2001). Recent surveys of child employment indicate that the majority of British children are engaged in some form of paid employment before they leave school (Hibbert and Beatson, 1995; Hobbs and McKechnie, 1997). Hibbert and Beatson's (1995) nationwide survey for the DfEE found that just over half of all 13-15 year olds had worked at some time during the year. However, this is an underestimation of the numbers of children working as no children under the age of thirteen (the legal age for employment) were included. In a review of child employment studies Hobbs *et al* (1996) estimated that around 30 per cent of 12 year olds and 20 per cent of 11 year olds have jobs.

There has been some debate about the influence of economic circumstances on children's decisions to work. Hobbs and McKechnie (1997) argue that many working children do not need to work for economic reasons. A children's questionnaire carried out as part of the *Small Fortunes* survey found that children in two-parent families were more likely to work than children in lone-parent families or Income Support families. However, although poorer children were less likely than more affluent children to work, when they did they tended to earn more because they had either more jobs and/or worked longer hours (Middleton *et al*, 1998).

Several studies have pointed to the importance of children's contributions to low-income families' finances. A recent study of child employment in North Tyneside by the Low Pay Unit found that six per cent of their sample of working children had given money to their parents (O'Donnell and White, 1998). Middleton *et al* (1998) found that working children contributed six per cent of family income in lone-parent families and families on Income Support. Qualitative research carried out for the ESRC Children 5-16 programme found that while for all children the prime motivation to work was to earn money, work was also a direct consequence of need for low-income children. Poor children in the study were making a contribution to the household economy, either indirectly through providing their own clothes, leisure activities etc, or directly, through buying groceries and lending money to their parents (Mizen *et al*, 2000).

3.2.2 *Incomes in work*

There are, as would be expected, differences in levels of weekly income according to whether families have two full-time earners, one full-time and one part-time earner, or one sole earner (Dex, 1999). Mostly women earn less than their partners and contribute, on average for all couples, about 30 per cent of family income (Rake, 2000). Nevertheless women's earnings are an important factor in keeping families out of poverty (Millar *et al*, 1997; Dex, 1999). Harkness *et al* (1996) estimate that the poverty rate would have been about 50 per cent higher in 1991 if it had not been for women's earnings. Income inequalities across families would also have been much greater without women's earnings (Machin and Waldfogel, 1994). Iacovou and Berthoud (2000) show that, among workless families moving into employment, only those who had two full-time earners had a high chance of escaping poverty (85 per cent compared with 57 per cent of those with one full-time and one part-time earner and 33 per cent of those with a sole earner).

Among one-earner families, in-work benefits have assumed an increasingly important role in supporting family incomes. Lone parents in employment are rarely reliant upon their wages alone. In the SOLIF sample, 60 per cent of the working lone parents were receiving in-work benefits and 40 per cent were receiving child support payments. Without these additional sources of income, most working lone parents - even those working full-time - would find it hard to escape poverty. Millar *et al* (1997) estimated that about half of low-paid lone mothers were lifted out of poverty by in-work benefits. The PRILIF studies consistently show that a combination of income from different sources - wages, benefits, child support - is essential for working lone parents to achieve an adequate income. Even so, lone parents receiving Family Credit did not necessarily escape financial hardship although they had lower levels of hardship than those receiving Income Support (Marsh and McKay, 1993; McKay and Marsh, 1994; Marsh et al, 2001).

Couples with just one earner seem to be in a similar situation, with in-work benefits playing an important role in preventing poverty and hardship. In the SOLIF study about 40 per cent of the sample of low-to-moderate income couple families were receiving in-work benefits. However, one-earner couples have lower take-up rates for benefits than employed lone parents. These 'eligible non-claimants' were the most likely of all couples to be in income poverty (88 per cent had incomes below 60 per cent of the median compared with 78 per cent of non-working couples and 68 per cent of couples receiving Family Credit), although they were not so badly off on other measures of hardship (Marsh *et al*, 2001).

Single breadwinner families, in which one wage can support a family, seem to be increasingly disappearing, except for very high earners. Either families have two earners (although not necessarily two full-time earners) or they have one earner and receive some in-work benefits. Millar *et al*

(1997) suggest that in-work benefits are in practice often 'replacing' a second earner for both lone-parent and two-parent families.

3.3 Labour market transitions

There has been an increasing research focus on examining labour market dynamics - changes in employment status over time - both for individuals and for couples; and in exploring the relationships between family change and employment change. Here we start by looking at lone parents, and then examine the BHPS data on employment transitions for low-income couples with children.

3.3.1 Lone parenthood and employment change

How does becoming a lone parent affect employment status? Holtermann *et al* (1999) review the literature on this topic and conclude that women who become lone parents are less likely to be employed before they became lone parents than are comparable women. Thus women who split up from couples had lower employment rates than married women in general and women who become single lone mothers had lower employment rates than other single women. They also conclude that there is a 'marked' tendency for employed parents to stop working when they become lone parents, again more so for single than for formerly married women[10]. The SOLIF results produce a similar picture of already low employment rates before becoming a lone parent, and these then tending to fall further. However there was also a substantial degree of continuity:

> *'One simple but important finding is that the kind of lone parent that people are destined to become - either working or not working - is forecast by the circumstances prevailing at the break-up of the parents' relationship. The majority of working mothers became working lone mothers. Non-working lone parents remained out of work and found it very difficult to move into work'*
>
> (Marsh *et al*, 2001, p351).

Thus, helping partnered mothers to maintain employment would mean that fewer women would enter lone parenthood from a non-working situation.

For those who stay lone parents, Finlayson *et al* (2000) analyse employment changes from 1991 to 1998 in the PRILIF lone-parent cohort. By 1999 about one-third of the original 1991 sample of lone-parents had re-partnered. Non-working women in 1991 were more likely than working women to have re-partnered by 1998, because they tended to be younger women. But those who re-partnered by 1998 were more likely to be in work than those who remained lone parents, particularly if their partner was employed. The sequence was not consistent - for some jobs came first, for others partners did.

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[10] They also suggest that the evidence shows that unemployment and non-employment increases the risk of becoming a lone parent, see Chapter 2 for a discussion of selection into lone parenthood.

Among those who remained lone parents, the proportion in 'full-time' employment (16 hours plus per week) rose from 29 per cent in 1991 to 45 per cent in 1996 and 50 per cent in 1998. As Table 3.2 shows, almost seven in ten lone parents were in the same employment status in 1998 as they had been in 1991 - 24 per cent were in full-time work at both and 45 per cent were not in full-time work at either. Of those who changed status, five per cent left work and a quarter moved into work. Those most likely to stay in full-time work were Black Caribbean women, ex-married women, women with one child, and women without pre-school children. Those least likely to enter full-time work were women with young children (including those who had new births during the seven years), women with children with health problems, and women who had high hardship scores. The rate of return to work also slowed down over time, and this was especially the case for part-time work.

Table 3.2 Changes in individual employment status, continuing lone mothers, 1991 and 1998

	Status in 1991		
	Working 16 hours plus	Not working or working under 16 hours	All
Status in 1998			
Working 16 hours plus	24	26	50
Not working or working under 16 hours	5	45	50
All	29	71	100

Source: Finlayson *et al* (2000) Table 5.1

3.3.2 Employment transitions - couples

White and Forth (1998) use British Household Panel data from 1990 to 1995 to track 'pathways through unemployment'. They suggest that couples have better chances of entering work from unemployment than single people, that in the medium term people tend to stay in the type of job they first enter (if they enter part-time work they stay in part-time work, if they enter self-employment they stay self-employed).[11] Taylor (2000) also uses British Household Panel Survey data to examine employment transitions over a two-year period (based on the average of five two-year transitions, so using data from across the seven years). This showed that, among couples with children, the most stable employment was found among the two-earner couples (84 per cent have no change), then the sole earners (76 per cent no change) and the no-earner couples (69 per cent no change). When there were changes, the two-earner couples most often became one-earner couples (15 per cent), the one-earner couples became two-earner couples (18 per cent) and the no earners

[11] Bryson and White (1996a and 1996b) examine transitions from unemployment to self employment and in and out of self employment.

became one earner (25 per cent). Moves across the range (from none to two or vice versa) were less common but, where these did occur, it was the no-earner couples that were more likely to become two-earner couples (six per cent) than the two-earner couples were to become no-earner couples (one per cent). Couples with children also made more moves than childless couples, whose situation tended to stay stable. Dorsett (2001), analysing the situation of workless couples using Labour Force Survey data, found that there was a lot of stability from one year to the next. Men with children were more likely to exit unemployment (ILO definition) for work than were women with children for work (15 per cent employed after 12 months compared with nine per cent). Inactive men and women rarely changed status. Brewer *et al* (2001), also using LFS data, similarly find that 'inactive' people have high levels of stability.

Iacovou and Berthoud (2000) focus on the transitions made by low-income families with children, using pooled BHPS data. They identify various low-income groups: *non-working families*, in which no one had a job of 16 hours or more; *low-income working families* - where someone had a job and the family would have been within the range of eligibility for WFTC, and *higher-income families* - where someone was working and the family was outside the range of WFTC[12]. Table 3.3 shows the number of years in these low-income groups. More families experienced low-income working than experienced non-working. About half (47 per cent) were never in either group and 16 per cent spent all seven years in either one or the other.

Table 3.3 Number of years as part of a low-income family

	Status in 1991		
	Non-working	Low-income working	Either
	%	%	%
Number of years			
None	75	57	47
1 - 6 years	18	41	37
All seven years	7	2	16
Total	100	100	100

Source: Iavocou and Berthoud (2000) Table 2.6

The study analysed individual and family movements in and out of these statuses, as well as exploring the relationship between family change and employment transitions. Key findings included:

[12] The WFTC threshold is close to 125 per cent of Family Credit, so these families have slightly lower relative incomes than the 'low-to-moderate' earners in Marsh *et al* (2001), where the threshold was 135 per cent of Family Credit.

Individual movements into and out of work

For men the significant factors predicting movements into work were related to 'employability' (e.g. work experience, education) or local labour market conditions (local unemployment rate). For women, both married and lone, age of youngest child played an important role. For all groups, those working in a 'mini-job' of less than 16 hours per week were more likely to move into a job of more hours than those without work, and the more hours in the 'mini-job' the stronger the effect. For women in couples, those who said they wanted a job were more likely to move into work, but this did not apply to lone mothers or to men. However, lone mothers who were looking for work and those who received training had higher rates of job entry. Thus for mothers, married and lone, age of youngest child and work-readiness (as measured by wanting work or working in mini-jobs) were key factors in predicting movements into work.

Family movements into and out of work

Women who split up from a partner were more likely to leave their jobs than women who remained with a partner. Lone mothers who found a partner were more likely to move into work than those who stayed lone mothers. Among couples, both men and women in workless families were much more likely to move into work themselves if their partner had moved into work. But if their partners left work, they were just as likely to stay in work as they were to leave. This suggests that 'couples tend to move into work together but not to leave work together' (ibid, p54). Iacovou and Berthoud (2000, p 59) sum up their results:

> *'we have presented convincing evidence that movement into work in workless families is related to the presence or absence of a partner, and to the behaviour of other family members. In particular, those people who get a working partner, or whose non-working partner moved into employment, were much more likely to go into work than other people.'*

They go on to argue for the importance of taking a 'family perspective' in policy and in particular that 'more attention should be given to women's work prospects' and that the focus should be on the 'double work package' rather than the single-wage earner (ibid, p93). This is an important point for future research.

3.4 Summary

This chapter has reviewed evidence on parental employment, taking both an individual and a family perspective and looking both at current status and changes in employment over time. The employment of mothers is clearly related to their responsibilities for the care of children while the employment of fathers is more related to their responsibilities for financial provision. There is a 'family lifecourse' pattern to paid work, with families very likely to be one-earner families when children are young and two-earner families as their children grow older. Lone mothers

follow a similar pattern but at lower rates of employment than married mothers. But not all mothers are the same, and in particular women with educational qualifications have higher rates of engagement with the labour market, and have better jobs and pay, than women without qualifications. Decisions about work are not simply individual decisions but depend on family circumstances. Married mothers are more likely to be employed if they have an employed partner, lone mothers are also more likely to be employed if they find a new partner who is employed. In Chapter 8 we review evidence on the factors affecting the employment decisions of families. One-earner families, whether lone parents or couples, are likely to be at a high risk of poverty unless they can supplement their incomes from other sources.

4 FAMILY FINANCES AND FAMILY POVERTY

This chapter brings together evidence on the level, duration and experience of poverty for families with children. It will address issues of financial management, debt and financial exclusion. It will also consider evidence of the impact of poverty on the health and well-being of adults and children in poor families.

4.1 Which families are poor and why?

There are several valuable sources of data for examining the trends in family poverty and social exclusion (see Figure 4.1). Here we focus on the factors that influence the chances of experiencing income poverty.

Figure 4.1 Key quantitative data sources for information on family poverty

Source	Sample	Coverage	Data analysis references
SOLIF Survey of Low-income Families	5,400 benefit units	Lone-parent and couple families, low to moderate incomes, including small sample of high-income lone parents. Geographical coverage GB, but no breakdown regionally.	Marsh *et al* (2001)
PRILIF Lone Parent Cohort Study 1991 – 1998	730 lone parents	Forms part of the PSI Programme of Research Into Low-Income Families (PRILIF). Geographical coverage GB, but no breakdown regionally	See Appendix B
Family Resources Survey (FRS)	23,500 households	Annual questionnaire, primarily income. Large sample size allows for ethnic minority coverage and analysis of variation between ethnic minority groups. Data on household, benefit unit and individual level. Coverage GB with England, Wales, Scotland, and regional breakdowns.	Adelman and Bradshaw, (1998); Howarth *et al*, (1998), Rahman *et al*, (2000).

Continued

Figure 4.1 Continued

Source	Sample	Coverage	Data analysis references
General Household Survey (GHS)	9,000 households	Continuous annual household survey includes small number of lone mother households. Sample size too small for individual ethnic group analysis. Geographical coverage GB, can be broken down for regional analysis	Howarth *et al* (1998), Rahman et al 2000, Gordon et al (2000)
Households Below Average Income (HBAI)	24,000 households	Uses data from Family Resources Survey and elsewhere. Shows current income status and income trends over time. Lone-parent and couple households. Geographical coverage GB and regional analysis	Hills (1995, 1996, 1998), Howarth *et al* (1998), Rahman *et al* 2000
Poverty and Social Exclusion Survey of Britain (PSE)	ONS Omnibus Survey 1,855 GHS Follow-up 1,534	Survey of public perceptions of necessities in life for all adults and children. 2 Stages data, ONS Omnibus Survey questions about 'necessities of life'. GHS follow-up interviews with low-income respondents, asked which items of 50 socially perceived necessities they lacked., among other questions. Geographical coverage GB and regional analysis	Gordon *et al* (2000)

NB: Surveys provide data on a variety of levels: individual, household and benefit unit.

Households are defined as a single person or group of people at the same address who share one meal a day or living accommodation. A household may contain several family units, or benefit units. A benefit unit is defined as a single adult or heterosexual couple living as married and their dependent children.

Table 4.1 shows the risk of experiencing income poverty for adults of working age by different family characteristics and household types. This is based on data from the *Households Below Average Incomes* series (HBAI) and uses 60 per cent of median income before and after housing costs.[13] On both measures adults living in workless households are particularly likely to be income poor (39 per cent before housing costs and 56 per cent after housing costs) but those in households with part-time workers are also at a higher risk of poverty (31 per cent after housing costs) than those with full-time workers (six per cent after housing costs). Adults living in single parent households are at the greatest risk of falling below the 60 per cent of median income threshold, 30 per cent before housing costs, rising to 55 per cent after housing costs are paid. On both measures adults in families with three or more children are approximately twice as likely to be in poverty as families with only one child. The risk of poverty for adults in households headed by a member of an ethnic group is substantially higher than for white-headed households. The severest risk of poverty is found among Pakistani and Bangladeshi households where over half of the adults (54 per cent) are poor before housing costs are paid, and 62 per cent are poor after housing costs, (see Chapter 6 for a discussion of the corresponding risks for children of experiencing income poverty).

Table 4.1 Proportion of individuals of working age below 60 per cent of median income (before housing costs (BHC) and after housing costs (AHC), by family characteristics and household type in 1999/00

	Percentage of group below 60% median income	
	BHC	**AHC**
Economic status		
Working full-time	4	6
Working part-time	23	31
Not working	39	56
Family Type		
Couples with children	14	19
Couples without children	9	11
Singles with children	30	55
Singles without children	15	23
Pakistani & Bangladeshi	54	62

Continued

[13] Two measures of income are used in the HBAI, before housing costs and after housing costs. However, the costs of housing can be misleading. For example, BHC figures for tenants may reflect higher rents, leading to higher Housing Benefit payments, and are not a true indication of the individual's living standards.

Table 4.1 Continued

	Percentage of group below 60% median income	
	BHC	**AHC**
Numbers of children		
0	12	16
1	13	21
2	15	22
3 or more	30	39
Ethnic group		
White	13	18
Black Caribbean	13	22
Black Non-Caribbean	26	45
Indian	23	29
Pakistani & Bangladeshi	54	62
Other	22	35
All working age adults	**14**	**19**

Source: Households below Average Income (DWP 2001, Table 6.9)

4.1.1 Employment status

Economic and labour market factors contribute to income inequalities. The Joseph Rowntree Inquiry into Income and Wealth pointed to growing gaps between the richest and the poorest and between those reliant on benefits and those with earnings. Two-earner couples and single working people dominated the top of the income distribution and workless households were concentrated at the bottom. (Hills, 1995; 1996; 1998). Workless households with children are particularly at risk of income poverty. In 1999/00, 72 per cent of individuals in workless couple families with children and 76 per cent of individuals in workless single households with children were in the bottom fifth of the income distribution (after housing costs) (DWP 2001). There has been an increasing polarisation between work-rich and work-poor households, and longer periods out of work especially for those without a working partner (see Chapter 3). However, employment does not necessarily protect families from poverty; latest HBAI figures for 1999/00 show that of working households after housing costs 13 per cent of couples with children and 23 per cent of single households with children were in the bottom fifth of the income distribution (DWP 2001).

- Gregg *et al*'s (1999b) analysis of the Family Expenditure Survey between 1968 and 1995/96 revealed that worklessness is a major factor in child poverty. Between 1979 and 1995/96 child poverty rates in workless couple households increased sharply from 72 to 89 per cent, whereas child poverty rates in working-couple families fell from 31 per cent to 17 per cent. Child poverty rates fell where the single parent was working from 41 per cent to 31 per cent. But where lone parents were not working the level of child poverty remained static over time at 90 per cent.

- It is difficult to find accurate figures for self-employed households[14] with children. HBAI figures for 1999/00 indicated that self-employed households in general have a wide range of income outcomes, with 27 per cent in the top fifth of the income distribution, and 21 per cent in the bottom fifth (DWP 2001). However, 12 per cent of children (1.6 million) are living in self-employed households, and further information into the living standards of self-employed households with dependent children would be useful.
- Heady and Smyth's (1990) survey of living standards after unemployment found that after three months of unemployment the average disposable income of families had dropped to 59 per cent of its previous level.

4.1.2 Family type

The majority of lone parents are female-headed households and the high risk of low-income among lone mothers can be seen in large part as a consequence of gender roles and gender inequalities within marriage and within the labour market (Millar 1989; 1992). Studies of lone parents consistently show that low earnings potential exacerbated by difficulties with childcare, inadequate alternative sources of income including child support, worklessness and long-term reliance on social security benefits are all factors in lone-parent poverty (Bradshaw and Millar, 1991; Ford *et al,* 1995; Marsh *et al,* 1997; Finlayson *et al*, 2000) Evidence from studies of income and poverty show that lone-parent families are at greater risk of experiencing poverty than couple families (Hills, 1995; 1996; 1998; Millar, 1992; 1996; Jarvis and Jenkins, 1998; Gregg *et al,* 1999b).

- Using data from the British Household Panel Survey, Jarvis and Jenkins (1998) show that marital separation is, on average, associated with substantial declines in real income for women and their children.
- Summary evidence from the PRILIF study of lone parents using an index of relative material well-being and hardship shows that at any point in time a quarter of lone parents will experience severe hardship (Ford *et al*, 1995; Marsh *et al* 1997). Those out of work and on Income Support were between three and four times as likely to experience severe hardship as those in work. Workless - couple families are less likely to report severe hardship than workless lone parents (Marsh and McKay, 1993).

4.1.3 Ethnicity and poverty

The severity of poverty among ethnic minority households is highlighted by the 1994 Fourth National Survey of Ethnic Minorities (Modood et al, 1997). Pakistani and Bangladeshi households were substantially poorer than all other ethnic minority groups and white households. Hills (1998) using FRS data for 1995/96 shows that while ethnic minorities make up only six per cent of the population they make up 11 per cent of the poorest fifth, and only three per cent of the richest. Latest figures from the HBAI show incomes in ethnic minority households skewed towards

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[14] The 1996 HBAI methodological review found that a significant proportion of the self-employed report incomes that do not reflect their living standards.

the bottom of the income distribution. After housing costs 62 per cent of Pakistani and Bangladeshi households are in the bottom fifth of the income distribution, compared with 18 per cent of white households. Indian, and Black Caribbean households also had higher percentage than whites households in the bottom fifth at 32 per cent and 26 per cent respectively. Nearly half of Black Non-Caribbean households were in the bottom fifth of the income distribution.

Platt and Noble (1999) in a study of low income in Birmingham using Housing Benefit and/or Council Tax Benefit records, found a great diversity in the experience of low-income population according to their ethnic group. Concentrating on four groups, white UK, Bangladeshi, black Caribbean and Pakistani, they found that the white population was slightly under represented in the low-income population, whereas the Bangladeshi, black Caribbean and Pakistani ethnic groups were over-represented. There were also marked differences in low-income families' composition, 55 per cent of Bangladeshi low-income families consisted of a couple with children, compared with 7.5 per cent of white UK headed families. Lone parents made a up a greater proportion of black Caribbean families than the other groups in the study, but black Caribbean lone parents were also significantly more likely to be working than lone parents in any other ethnic group.

Berthoud suggests that high poverty rates in Pakistani and Bangladeshi households reflect a combination of high rates of unemployment for Pakistani and Bangladeshi men, low rates of economic activity for women, low wages in employment, large household sizes, more adults per household than whites, and many more children per family than any other ethnic group (Berthoud 1997).

4.1.4 Durations of poverty

Lengthy spells of poverty and social exclusion can severely undermine a family's capacity to manage their financial and material resources and maintain social participation. Length of time on benefits is an indication of poverty duration. There were 2.6 million (20 per cent of all) children (i.e. aged under 16 or under 19 and in full-time education) living in households receiving a key benefit[15], of those children in families on a key benefit 61 per cent had been on benefit for at least two years (DSS 2001a). Lone-parent families and families receiving sickness and disability benefits are among those most likely to experience long durations of benefit. About 76 per cent of children in families who were claiming sickness and disability benefits and 63 per cent of lone-parent families had been receiving key benefits for two or more years (DSS, 2001a). Over one third of lone-parent families (34 per cent) have been claiming Income Support for over five years (DSS, 2001b).[16]

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[15] Key benefits in client group analysis are: Jobseeker's Allowance, Incapacity Benefit, Severe Disablement Allowance, Disability Living Allowance, Income Support.

[16] See Walker with Howard (2000) for a detailed analysis of trends in benefit receipt among families.

One-fifth of those leaving poverty will have experienced another spell of poverty within the next five years (Jenkins, 2000). Table 4.2 uses BHPS data to show the annual transition rates into and out of poverty for lone parents and couple families. Lone parents had the highest entry rates into poverty, one-fifth of lone parents who were not poor (19.5 per cent) were poor the next year, and the lowest chance of exiting poverty. Couples with children had a much lower risk of falling into poverty (6.4 per cent) and a higher chance of exiting poverty (48 per cent). Sixteen per cent of lone parents and their children would spend three or more consecutive years in poverty, compared with three per cent of couples with children (Jenkins 2000). The analysis assumes stability in family structure, although many people move between family types, through formation and dissolution of relationships (see Chapter 2 for demographic analysis).

Table 4.2 Annual transition rates into and out of poverty, for individuals who remained in the same family type

	Annual exit rate from poverty	Annual entry rate into poverty	Steady-state annual poverty rate	Steady-state poor three consecutive years
Family type				
Couple without children	63	2.9	4	1
Couple with children	48	6.4	13	3
Single no children	57	6.7	12	0.3
Lone parents	34	19.5	37	16

Source: Derived from Jenkins (2000: Table 5.8)

4.1.5 Family hardship and deprivation

An insight into relative poverty and multiple deprivation is provided by the 1999 Poverty and Social Exclusion Survey of Britain (PSE) (Gordon *et al,* 2000). Designed to add to two previous national surveys known as the Breadline Britain Surveys (Mack and Lansley, 1985; Gordon and Pantazis, 1997), the survey found that 26 per cent of the population lacked two or more items perceived as essential by the general public. Workless households, households reliant on Income Support/ Jobseeker's Allowance, families with young children (especially children aged between two and four years old) and larger families were among those with a higher risk of poverty. Children in lone-parent families were more likely to be necessities deprived than those in couple families; they were almost twice as likely as children in couple households to go without one item and three times as likely to be lacking two or more items (Gordon *et al,* 2000).

For the SOLIF data, Marsh *et al* (2001) devised a summary measure of hardship that identified families with multiple disadvantages. Unlike income poverty that provides a snapshot of peoples' income at a point in time, hardship is often the result of persistent low income (Kempson 1996). The measure included nine indicators of hardship including poor accommodation, severe money concerns, no savings and debt, a lack of heating and a high relative material hardship score (based on an index of basic needs such as sufficient food, clothes leisure items and consumer durables). The study found that the greatest difference between families was associated with work. Almost two in five of non-working families were in severe hardship, this had a disproportionate effect on lone-parent families and their children as 71 per cent of children were living in non-working lone-parent households compared with 26 per cent of children in couple households. Employment did not eradicate hardship for all families and more than one fifth of Family Credit recipients were also in severe hardship. Some families had particular characteristics which made them vulnerable to experiencing hardship and these included long-standing ill-health and disability, caring responsibilities, having four or more children, being of a non-white ethnic minority group, and, if a lone parent, not receiving maintenance.

4.2 The impact of poverty on family life

There are a number of valuable qualitative studies conducted with families on low incomes (see Figure 4.2) which illustrate the impact of poverty and social exclusion on people's lifestyles and choices.

Figure 4.2 Qualitative studies which focus on how families cope with poverty

Beresford *et al* (1999) Two-year participatory research project from 1994 to 1995, involving group discussions. Twenty groups were involved in the project, and a total of 137 people took part. They included a wide range of different groups; unemployed, homeless, lone parents, women's groups, young people and the elderly.

Holman (1998) Unique and personal accounts of seven people living in poverty on the Easterhouse Estate in Glasgow.

Kempson (1996) Meta-analysis of 31 qualitative research studies of poverty. Using evidence from the studies Kempson draws together the findings and brings out common themes and issues. Some of the areas addressed include how families manage on a low income, debt, money management, diet, and health and well-being.

Kempson *et al* (1994) How poor families make ends meet, financial circumstances and household budgeting. Interviews with 74 low-income families. 40 lone parents and 34 two-parent families. Claiming Income Support (47 families), low wages and Family Credit (11 families) and 16 families who were on the margins of eligibility for Family Credit. All families lived in inner-city areas of London, the West Midlands or Manchester.

Continued

Figure 4.2 Continued

Middleton *et al* (1994) Studied economic pressures on children and parents and how they cope with these demands. Over 200 mothers and 130 children from a range of socio-economic backgrounds. 24 group discussions between 1993 and 1994 with parents (mothers), including two groups discussing Child Benefit. Children completed questionnaires, and took part in group discussions and semi-structured interviews.

Cohen *et al* (1992) This study focuses on the experience of poverty and exclusion. It combines two separate studies by Bradford University and the Family Services Unit (FSU) in 1989, 1990. Quota sampling was used to ensure lone parents and different ethnic groups were represented. Interviews were carried out with Income Support claimants. In the Bradford University study; 91 people, (22 lone parents, 30 in couples with children, plus others) were interviewed, one-third of the sample were Asian. In the FSU study, 41 families, (26 lone parents and 19 couples), including 16 Asian families were interviewed.

Jordan *et al* (1992) Labour market decisions in low-income households. In-depth interviews, with 36 two-parent households with dependent children, living on deprived estate in Exeter. Fieldwork was carried out in 1990.

Poverty can affect people's lives in many ways. Poor people themselves, however, are rarely asked to contribute to the process of determining and understanding those effects (Holman, 1998). In Beresford *et al's* (1999) participatory study, poverty was described by poor people themselves as an overwhelmingly negative experience, which had an impact on their lives in four broad areas:

1. Psychologically: poverty was associated with loss of self-esteem, feelings of powerlessness, anger, depression, anxiety and boredom.
2. Physically: poverty was seen as damaging to health and well-being.
3. Relationally: poverty adversely affected people's social and personal relationships and the stigma associated with it overshadowed those relationships.
4. Practically: poverty restricted people's choices, budgeting and child rearing.

Evidence for these sorts of outcomes are found across a wide range of qualitative studies with low-income people (Cohen *et al*, 1992; Kempson *et al*, 1994; Middleton *et al*, 1994; Kempson, 1996;).

In her meta-analysis of 31 qualitative studies Kempson (1996) found that low-income people were suffering from poor health, poor housing, poor diet, unemployment, financial exclusion and debt. People's experiences of poverty were exacerbated by the length of time they experienced it, their different approaches to budgeting and managing money, their family circumstances, health, neighbourhood and access to social support. People in the studies had the same aspirations as others in society - a job, a decent home, sufficient income for bills etc and the need for employment to secure an adequate income. However, they suffered severe disadvantages in the labour market, through job shortages for unskilled workers, insecure employment and low pay. Many were spending substantial periods of time on benefits. Initially people suffered from acute worry, and then some people seemed to cope better, adjusting to the change in their financial circumstances. However, in the long term enduring periods of poverty spelt depression and despair. Kempson's study refers to the early 1990s and at the time she argued that about £15 extra a week would make a difference to people's capacity to manage without going without essential items, raising important issues of financial management and benefit adequacy.

4.2.1 Place and poverty

Kempson's (1996) meta-study also highlights the significance of neighbourhood for understanding people's experiences of poverty and social exclusion. In one study families in inner city areas were concerned about the impact of crime and vandalism on their children. Children and parents found their lives restricted by fear of crime and assault. Interviews with families in two-inner city areas of London, as part of the ongoing research programme into 12 disadvantaged areas by the Centre for the Analysis of Social Exclusion (CASE) (Mumford, 2001), found that the most deprived areas had multiple problems; unemployment, low educational participation, poor housing stock, poor service provision, stigma and high levels of ill-health. Residents were fearful about crime, poor levels of service provision, and stigma (Lupton, 2001).

In contrast, poor people living in rural areas in one study in the Kempson meta-study felt they had a better quality of life, relating to an absence of fear about crime and violence. However, although they felt safer, they also suffered from an acute shortage of employment, transport, affordable housing and local facilities. Previous studies of rural poverty have highlighted the fact that poverty in rural areas is often experienced among considerable affluence, rural people can be reluctant to acknowledge its existence rendering it largely invisible and heavily stigmatised (Cloke *et al*, 1994; Chapman *et al*, 1998).

Burrows and Rhodes (1998) constructed an index of area disadvantage using Census data and data from the Survey of English Housing, to examine whether areas identified by existing indices of disadvantage were the same areas where residents reported high levels of dissatisfaction with their neighbourhoods. Neighbourhood dissatisfaction included crime,

vandalism and litter, problematic neighbours, noise and racial harassment. They found that high levels of neighbourhood dissatisfaction were located not only within the social rented sector (e.g. the 'worst estates'), but also within homeowning and privately rented sectors. Using an ONS system of area classification that clusters wards together they found that the highest levels of dissatisfaction were likely to occur in inner-city estates (London in particular). Next came deprived industrial areas, especially those marked by heavy industry, followed by wards characterised as deprived city areas. Fourth came industrial areas, particularly those involved in primary production, and fifth were lower status owner-occupied wards, particularly those dominated by miners' terraces. This 'geography of misery' provides a useful tool for explaining area based variations in mortality, morbidity and other dimensions of poverty and social exclusion. Noble *et al* (2001) use administrative data to compare levels and rates of benefit receipt across regional, local authority district and electoral ward levels. This showed a general decline in receipt of Income Support and income-based Jobseeker's Allowance, especially among unemployed claimants, less so among lone parents. The rate of decline varied across areas.

4.3 Financial management and debt

Evidence from studies such as Pahl (1989), Vogler and Pahl (1994), Goode *et al* (1998) and Snape *et al* (1998) show that various factors including source and receipt of income and gendered patterns of allocation of economic resources within households can all have an impact on both financial management and inequalities within the household. Figure 4.3 summarises the main types of financial management systems among couples in Vogler and Pahl's (1994) study. That study found that women were particularly disadvantaged in control and access to resources. In low-income households the women's responsibility for financial management served to protect her partner and child(ren) from the level of deprivation she was experiencing, and the management of money was a burden rather than a source of power. Intra-household inequalities were lowest in households with joint control of pooled income, including low-income households.

Figure 4.3 Household Money Allocation Systems

- *Female whole wage system* - Wives have sole responsibility for managing all household finances. Husbands hand over whole wage packet minus personal spending money
- *Housekeeping Allowance* – Husbands give wives a fixed sum for housekeeping, but maintain access to main income
- *Shared management or pooling system* – Income is paid into a joint account or common kitty and both partners have shared access. In practice one partner is often dependent on the other
- *Independent management* - each partner has an independent income and neither has access to the other's. Each partner has responsibility for separate areas of expenditure

Source: Vogler and Pahl 1994

Other studies confirm that women tend to carry the burden of managing on a low income, often going without to ensure the health and well-being of other family members especially children (Goode *et al*, 1998, Middleton *et al*, 1994, 1997):

- Goode *et al*'s (1998) study was based on in-depth interviews of 31 couples in low-income families. Wages were perceived as conferring individual spending entitlement, although in practice women's earnings did not incorporate a personal spending factor. Child Benefit tended to be allocated to children, either directly or through household spending. Family Credit was controlled by women and valued for weekly budgeting. Jobseeker's Allowance was mainly claimed and cashed by men, and the requirement that one partner be the 'job-seeker' appeared to exacerbate gender divisions. Both men and women identified the need to protect children's interests, but women bore the brunt of responsibility for restricting their own and their partner's spending in order to provide for their children. The study suggested that a more flexible benefits system, which facilitated a dual earner model and made it easier to take part-time work, might suit low-income couples better.
- Bradshaw and Stimson's (1997) review of Child Benefit research studies reported that Child Benefit provided a vital and reliable contribution to families finances. It gave women an income independent of their spouse's and allowed mothers some money to spend on their children.
- Snape *et al* (1999) in interviews with 33 couples on Income Support or Jobseeker's Allowance, found that receipt of benefits can influence perceptions of entitlement and reinforce traditional gender roles within the family.

Studies such as those by Bradshaw and Millar (1991) and Rowlingson and McKay (1998) have found that many lone mothers feel better off as lone parents because they have control of their own finances. Bradshaw and Millar's (1991) study of lone parents found that over a quarter of lone parents felt better off than they had before they became lone parents, because the money they had coming into the household was now under their control.

Research studies that have explored the day to day management of families on low income have found little evidence that poor families mismanage their money. Rather that a combination of factors, including changes in circumstances, debt and the duration of poverty, place a heavy burden on families' capacities to manage (Berthoud and Kempson, 1992; Kempson *et al*, 1994; Morris and Ritchie, 1994):

- Kempson *et al* (1994) in a study of 74 low-income families, found two distinct approaches to controlling expenditure. One was to try and keep as tight a grip as possible on all spending, by fierce budgeting. Only 32 of the families were 'keeping their heads above water' through tight control, and they were paying a high price for doing so. They cut back on expenditure to avoid borrowing or falling into arrears, but to do so they were sacrificing their material welfare, cutting back on food and social participation. The other approach to managing adopted by most of the families was to juggle expenditure. These families often had multiple debts and lived in a continuous cycle of juggling bills and borrowing further to meet creditors' demands. Many tried to minimise sacrifices on material welfare, and ensure that their children's needs were looked after. But bill juggling led to considerable arrears, stress and ill-health.
- Berthoud and Kempson (1992), in a study of over 2,200 low-income households found that even the families who budgeted most cautiously on a small income had greater debts than those who adopted an easy-going approach on a more adequate income.
- Morris and Ritchie's (1994) study (60 interviews) compared three groups of couple families with dependent children, who were receiving either Income Support or Family Credit or were median earners not on benefits. They conclude that 'despite fierce prioritising, at lower resource levels there are couples who regularly go without food, have difficulty clothing children, have to deny them recreational spending and are severely constrained by conventional celebrations'.

What is apparent from these studies is that given insufficient resources to meet needs, there comes an inevitable point when it is no longer possible to manage, however skilled and resourceful people are. Poor people do not fall into two groups - those who cope and those who do not. Nor are there two sorts of strategies - those that work and those that do not work. Neither juggling nor cutting back can sustain people in the long term.

4.3.1 Debt and disability

People with a disability depend heavily on social security benefits, with over three-quarters having benefits as their main source of income (Berthoud *et al,* 1993). In interviews with 76 people with a disability and their carers, Grant (1995) found that they all suffered from debt problems. Debt was caused by a range of problems; exclusion from the labour market, financial difficulties associated with sudden onset of disability, loss of earnings and the switch to benefit reliance.

Corden *et al* (2001) found that parents whose children die after a long illness experience severe financial problems as social security benefits are withdrawn. The immediate drop in income can be as much as 70 per cent for a lone parent who has been caring for a child. Financial problems after a child's death were related to the previous costs of care including frequent hospital trips, special equipment and home adaptations. The extra costs of care and loss of income associated with giving up work to care for a child had meant that some families had got into debt.

Fuel and service utility debt is a common experience for low-income families. The cost of basic services and utilities can vary considerable across different parts of the country. A study by Bennett and Kempson (1997) found significant differences in the amounts which people were paying for housing, council tax, water and electricity. Evidence from studies by Rowlingson and Kempson (1993) and Herbert and Kempson (1995) show that changes in circumstances such as redundancy, divorce and illness can have a profound effect on people's capacity to pay their bills, particularly where these changes led to problems and/or delays in benefit claims. Duration on a low income was a factor, as people found it hard to manage restricted incomes over an extended period. A study of benefit fraud by Rowlingson *et al* (1997) also found that one of the factors influencing some families' likelihood of committing benefit fraud was the struggle to cope and make ends meet on restricted incomes.

Payments for fuel arrears are often resolved either through the provision of a key meter, or through direct payments from benefit. Finlayson *et al* (2000) looking at the PSI lone parent cohort over 1991-1998 (see Figure 5.1) found there appeared to be a reduction in the number of lone-parent families reporting that they had difficulties paying debts. In 1991, one in five families had two or more problem debts, by 1998 this had dropped to one in eight. At least part of this recovery seems to be explained by a rise in the numbers of pre-payment meters. Over half of the out-of-work lone parents had an electricity pre-payment meter in 1998. Self-disconnection was a problem, however, eight per cent in 1996 and five per cent in 1998 were left without an electricity supply because they could not afford the meter payments.

Little research has examined the impact on a family's weekly budgets of direct deductions, or reductions in benefits because of sanctions. One study of direct payments from Income Support claimants found that whilst

direct payments were effective in preventing fuel and water disconnections, they also reduced cash flow in households, in some cases leaving people without enough to live on (Mannion *et al*, 1994). The proportion of people reporting inadequate levels of income increased with the number of direct payments they were making.

A rising number of Income Support claimants have deductions from their weekly benefits, over 1.22 million in May 2001, with repayments of Social Fund Loans (786 thousand) the most common (DWP 2001a). Recourse to the Social Fund is one option for families in need; however, many families are refused loans. Huby and Dix (1992) found no evidence that those refused Social Fund awards were different in needs and circumstances from those who received them. Speak *et al* (1995), researching the barriers to independent living of young single mothers, found that of the 31 study mothers who had set up a home 18 had applied for a Social Fund Loan and eight were refused, some for being too poor to repay the loan.

4.3.2 Access to resources

Informal support from family and friends are vital for low-income families' survival (Cohen *et al*, 1992; Kempson *et al*, 1994; Middleton *et al*, 1994; Morris and Ritchie, 1994). However, studies of family and kinship obligations find that family and kinship support has a reciprocal nature and so it is not a gift but an exchange (Finch, 1989, Finch and Mason, 1993). Morris and Ritchie (1994) found, amongst the poorest families support was not always possible where extended kin are themselves in financial difficulty.

While debt is a serious problem for low-income families, access to financial services is also severely constrained (Berthoud and Kempson 1992; Kempson *et al* 1994; Kempson and Whyley 1998; Kempson and Whyley 1999, Collard *et al* 2001):

- The SOLIF report (Marsh *et al*, 2001) found that 54 per cent of lone parents not in work did not have a current or savings account, compared with five per cent of moderate-income lone parents. In addition 60 per cent of non-working lone parents and half of lone parents receiving Family Credit had a pre-payment meter. Sixty-five per cent of lone parents had debts and one in five had four or more debts compared with 21 per cent of moderate-income lone parents with debts. Forty-eight per cent of Income Support lone parents were having deductions taken from their benefits, 72 per cent of these were for social fund loans. Debts accumulated prior to moving into work could take time to clear, and over half of Family Credit recipients were also in debt, and 15 per cent had at least four debts.

- Workless - couple families had a similar profile to non-working lone parents, 49 per cent had no current account, 35 per cent had deductions taken from their benefits, and fifty per cent of non-working couples had prepayment meters. Fifty - five per cent of non-working couples had some form of debt and 16 per cent had four or more debts. Among moderate income couple families only 33 per cent had debts.

New forms of money, increased use of credit and debit cards, and decreased use of cash signal the rise of an 'electronic economy' from which those on low incomes are increasingly excluded. Pahl's (1999) analysis of Family Expenditure Survey data found clear patterns of exclusion from the electronic economy. Those who were 'credit poor' also tended to be 'information poor' and 'work poor'. There were also gender differences; men dominated the use of new forms of money such as Internet banking, and this was changing the balance of financial power within families.

4.4 Health and well-being of low-income women and childrens.

The *Independent Inquiry Into Inequalities in Health (*DoH, 1998*)* recommended that a high priority should be given to the health of families with children, and further steps taken to reduce income inequalities and improve the living standards of poor households. Health inequalities have a strong socio-economic association (DHSS, 1980 (The Black Report); Drever and Whitehead, 1997; DoH, 1998; Gordon *et al*, 1999; Graham 2000). The PRILIF studies have consistently found high rates of chronic ill-health among low-income families (Ford *et al*, 1998; Finlayson *et al* 2000; Marsh *et al* 2001).

The impact of poverty and health inequalities is felt throughout the lifecycle (Davey-Smith, 1999). In a study of the relationship between income and health, Benzeval and Judge (2001) used BHPS data from 1991/1997 and found a significant relationship between past income and current health. Financial hardship in childhood affects health when older, although those who do well educationally go some way towards mitigating the poor background/ill-health cycle.

Smoking is closely associated with socio-economic status, and other indicators of disadvantage such as unemployment and marital status (Drever and Whitehead, 1997; Thomas *et al*, 1998; Gordon *et al*, 1999). Marsh and McKay (1994) found that individuals in three out of four families on Income Support smoked. Comparing women from the PRILIF surveys (lone mothers only) and women in the NCD birth cohort, showed that lone mothers smoked more than other mothers, and that living in severe hardship was the primary deterrent to quitting smoking (Dorsett and Marsh, 1998).

Evidence from studies looking at the health of lone mothers finds an overall pattern of poor health. Comparative analysis of health status between lone mothers and married or cohabiting mothers comes from General Household Survey data:

- Popay and Jones (1990) found that lone parents reported poorer health than parents in couples, and were more likely to have long standing illnesses, including ones that limit their activity. Differences in the health status of women in lone-parent households and women in couple households widens the poorer they are. Lone mothers' health appears to be more strongly linked to low household income than couple mothers' health, which suggests that poverty could entail an additional burden for lone mothers.
- Shouls *et al* (1999) compared lone mothers with couple mothers from 1979 – 1995, and found that lone mothers were consistently more likely to report less than good health and limiting long standing illnesses than couple mothers. The findings also showed a significant increase over time in the prevalence of poor health among young lone mothers who are not in work.
- Benzeval (1998) found that lone mothers had poorer health status than couples. Over five measures of reported health, divorced lone mothers had the worst health, closely followed by single and separated lone mothers. All had significantly poorer health than married or cohabiting mothers, although there were no significant differences between different groups of lone mothers.

Better health is associated with employment, although this is a complex area since poor health may have led to poor employment records. Evidence from a range of studies show an association between paid work and women's health (Popay and Jones, 1990; Arber, 1991; Bryson *et al*, 1997; Shaw *et al*, 1996):

- Arber (1991) found that employment record was a strong factor in women's health regardless of marital status, housing tenure or parental status.
- Evidence from a longitudinal study of census data suggests that a woman's economic activity may have a strong influence on her mortality. Bethune (1997) found that employed women had lower than average mortality even when their husbands were unemployed, whilst unemployed women had higher mortality even if their husbands were in work. Unemployed women with unemployed husbands had a 35 per cent mortality excess.

Although there is evidence of the links between better health and employment, there is relatively little research that looks at women's health in relation to both their material circumstances and their social roles (Arber, 1991; Graham 1993, Macran *et al*, 1996). Payne (1991) argues that women's health experience is the sum of their caring work, paid and unpaid work and the conditions under which they carry out this work. Whilst paid employment can increase women's economic status, it can also result in additional strain in carrying out the demands of home and childcare.

There is some indication of increasing ill-health amongst lone parents and their children over time. In the PRILIF survey the prevalence of long-term illness among lone-parent families had doubled between 1991 and 1998. In 1991, six out of ten reported 'good' health over the last year, but this had dropped to below half in 1998. Poor health was associated with poorer socio-economic circumstances (Finlayson *et al*, 2000). However, there is little evidence to indicate that poor health affects the duration of lone parenthood. Unhealthy parents in the PRILIF study were neither more nor less likely than healthy ones to leave lone parenthood (Ford *et al*, 1998).

Family health and well-being have an impact on whether parents work or not, and people may be prevented from working by long - term health or disability problems of their partners or children (Shaw *et al*, 1996, Finlayson *et al* 2000, Iacovou and Berthoud 2000) (see Chapter 8 for a discussion of barriers to work):

- Four out of ten lone parents in the PRILIF lone-parent cohort said they had to limit employment by caring for a sick or disabled child. (Finlayson *et al*, 2000).
- In the SOLIF study, 35 per cent of lone parents, 41 per cent of couple respondents and 62 per cent of partners reported having a long standing health problem. Half of partners in non-working couples (49 per cent) were in a poor state of health, compared with 10 per cent of those in working couples. A quarter (26 per cent) of respondents in workless couples were caring for someone other than their children because of ill-health or disability (Marsh *et al,* 2001).

Data relating to ethnic inequalities in health is problematic and tends to be reduced to crude cultural and genetic explanations, which neglect socio-economic circumstances entirely (Nazroo, 1999). Data which incorporates a socio-economic analysis from the fourth PSI National Survey of Ethnic Minorities indicates that ethnic minorities had poorer health than whites on most indicators but that the pattern is not uniform. Socio-economic factors are important both within *and* between ethnic groups. Those in poorer socio-economic conditions had poorer health within each minority group (Nazroo, 1997).

4.4.1 Children's health in low-income families

There are socio-economic differentials in childhood mortality, morbidity, health service use and health-related behaviours (Woodroffe *et al*, 1993; Botting and Bunting, 1997; Law, 1999):

- Bradshaw (2001a) reviewed evidence from 20 years of British data examining the impact of poverty on outcomes for children. For outcomes in children's health, he reported clear evidence that mortality, most morbidity, fatal accidents, neglect and physical abuse, smoking, suicide and mental illness were associated with poverty and its proxies.

The impact of poverty on children's heath can begin at the earliest stages of their lives. Evidence put before the Acheson Inquiry showed that stillbirths and peri-natal and infant mortality rates show long standing differences between social classes (Law, 1999). Low-income mothers on benefits may not be able to afford an adequate and healthy diet for their pregnancy (Dallison and Lobstein, 1995).

A study of 48 low-income families by Dobson *et al* (1994) found that parents struggled to maintain a 'mainstream diet', and were unable to risk changing diets in case food was not eaten. Money for food, being the most flexible, was often used to meet other contingencies. Dowler and Calvert's (1995) study of 200 lone-parent households found that a combination of material deprivation, long durations of poverty, and deductions from Income Support led to nutritional deprivation in lone mothers' diets and sometimes in their children's.

There have been no British studies specifically designed to measure poverty among disabled people, and evidence of the impact of poverty on childhood disability and limiting long-term illness is mainly indirect. Reviewing the evidence Gordon and Heslop (1999) found households with a disabled child to be among the 'poorest of the poor':

- Analysis of the Family Fund Trust database (Lawton 1998) found that about 17,000 families in the UK have more than one disabled child, and about 6,500 families are caring for two or more severely disabled children. Families with more than one disabled child were more likely to be lone parents, workless or in semi-skilled or unskilled manual jobs and reliant on Income Support.
- In the SOLIF study about one third of both lone parents and low-to-moderate income couples had at least one child with a disability or long-term illness; of these, seven per cent of lone parents and eight per cent of couple families had two or more sick or disabled children (Marsh *et al,* 2001).

4.5 Summary

Different factors influence the chances of families with children experiencing poverty. The evidence shows that lone-parent families, workless families, families with a disabled adult or child, large families and ethnic minority families are particularly at risk. Poverty affects people at economic, material, social and individual levels, and has short - and long - term impacts upon their health and well-being and on their capacity for social engagement and inclusion.

There is little evidence that poor families mis-manage their money, but they do face considerable difficulties in coping with the social and material consequences of being poor in an affluent society. Durations of poverty, lengthy spells reliant on benefits, accumulated debts and direct deductions from weekly benefits all place a severe strain on a family's capacity for financial management, and a disproportionate impact on women who

tend to absorb the costs of coping. Gendered patterns of income receipt and resource allocation within families can also have an impact on both financial management and inequalities within households. The evidence presented in this section raises questions about benefit adequacy and the use of direct deductions from weekly benefits.

The evidence from the PRILIF and SOLIF studies shows consistently high levels of ill health among low-income families with children (lone parents and couples), including families that are caring for children and others with a disability or long term illness. There is evidence that employment is linked to health, particularly for women, but there is not much research which addresses the issue of women's health and employment in the context of the demands of her caring roles within the family. Despite overall improvements in children's health generally, it is clear that poverty and disadvantage in childhood adversely affects the health and well - being of children.

5 FAMILIES, EMPLOYMENT AND POVERTY IN CROSS-NATIONAL PERSPECTIVE

In this chapter we summarise some key statistics from cross-national datasets and review evidence from cross-national studies of family change, mothers' employment and family and child poverty in order to examine how the UK compares with other countries.

5.1 Family structure and family trends

There are several good sources of cross-national data for examining family trends in the EU (see Figure 5.1). In general, the trends for EU countries have been towards falling fertility, less marriage, later marriage, more divorce, later childbearing, and more non-marital births. Cohabitation has almost certainly increased substantially, especially among the young, but until recently there has not been much data available on this. Despite these common trends, however, there are still substantial differences across countries. Hantrais (1999) identifies three main groups of European countries. In Sweden, Denmark and Finland, and to a lesser extent France, there is both delayed family formation (low marriage rates, late mean age of marriage and childbirth) and high de-institutionalisation of marriage (high levels of divorce, high levels of extra-marital births). Greece and Portugal are at the opposite extreme, maintaining both more traditional family forms and timing. Ireland, Spain and Italy have delayed family formation but relatively low de-institutionalisation of marriage. The opposite is true in the UK, Austria and Belgium, with high levels of de-institutionalisation but not so delayed family formation. Whether family trends are converging towards the Nordic model has been the subject of much debate.

Bradshaw (2001, p15) sums up the position of the UK compared with other EU member states as follows:

> *'[the UK has] a comparatively high fertility rate, low age of first marriage, high divorce rate, low mean age of child bearing, high birth-rate outside marriage, high proportion of lone parents, high proportion of cohabiting couples, high proportion of families with three or more children.'*

As he points out, this combination of factors contributes to relatively high rates of family and child poverty found in the UK because groups generally at risk of poverty (lone parents, large families) tend to be over-represented here (see further discussion below)[17]. Some other English-speaking countries share somewhat similar demographic characteristics to the UK. For these countries there is no single regular source of data

[17] Although the causal links may also go in the other direction - that high rates of poverty and inequality in society lead to particular patterns of demographic behaviour (Rowlingson, 2001).

(like Eurostat) providing information on family formation and structure. Baker and Tippin (1999) quote figures for Canada, Australia and New Zealand in the early 1990s. These show patterns similar to the UK and Northern European and Nordic patterns: low fertility, high divorce and high rates of non-marital births. The same is true for the US, although black families and white families are different from each other, with more non-marital births for the former and more divorce for the latter (Waldfogel *et al*, 2001).

Figure 5.1 European Union: information on families and family policy

Within the European Commission, Directorate General V (DGV) deals with Employment and Social Affairs. DGV has established several EU networks that have focused on family and employment. These include the network on *Childcare and Other Measures to Reconcile Employment and Family Responsibilities (*1986-1996) and the network on *Family and Work* (1994 to 2000). The work of the latter has been taken over by the European Work-Life Alliance 'BALANCE'.

The *European Observatory on Family Matters* (formerly known as the European Observatory on National Family Policies) was established by DGV in 1989, as a multi-disciplinary network of independent experts on family issues, to monitor and evaluate developments in family policies and family trends. The Observatory (co-ordinated by the Austrian Institute for Family Studies, 2001-2004), holds annual meetings and publishes regular newsletters and reports. These compare demographic trends, summarise national policy developments and examine specific topics. Examples of the latter include families and care (1994 report, Ditch *et al* , 1995), cohabitation (1995 report, Ditch *et al*, 1996), children (1996 report, Ditch *et al* , 1998). Papers from the seminars in 1999 (Family Issues between Gender and Generations) and 2000 (Low Fertility, Families and Public Policies) are available from the Observatory website and published by DGV. The *European Employment Observatory* also produces regular (published and website) reports on employment trends.

Through Eurostat, the European Commission also publishes regular overview reports on demography (*The Demographic Situation in the European Union* - annual since 1994) and employment trends (*Employment in Europe* - annual since 1988). *The Social Situation in the European Union (*first published 1999) brings together a range of relevant information. The European Commission also publishes regular *Eurobarometer* reports, based on public opinion survey data. Several have focused on family issues, including *The Europeans and the Family* (Commission of the European Communities, 1993).

Continued

Figure 5.1 Continued

The *European Foundation for the Improvement of Living and Working Conditions* was established in 1975 to carry out research and development projects, to contribute to EU policy on working and living conditions.

The *MZES/EURODATA Family Policy Database* provides quantitative data and institutional information on family policies in European countries through a database and country-specific documentation and information.

See Appendix D for Website details.

5.1.1 Lone parenthood - levels and trends

Comparing levels and trends in lone parenthood across countries can be particularly problematic because of a lack of data based on the same definitions. There are three main elements involved in defining a lone-parent family: age of children, marital status of parent, co-residence with other adults (Roll, 1992). Some countries do not include any age criteria so that a lone-parent family could be an elderly person living with adult children or a working-age parent living with dependent children. Roll (*op cit*) defined a lone parent as someone not living with a partner, who may or may not be living with other adults, and who has at least one child aged under 18 years. This was also the definition that Bradshaw *et al* (1996) sought to apply in their study of lone parents' employment in twenty countries. However, in practice not all countries involved were able to provide data on this basis. Although these statistics are now somewhat dated, they are the most comprehensive set of recent figures.[18]

Figure 5.2 shows that the UK was among the countries with the highest rates of lone parenthood, with an estimated 21 per cent of families with children headed by a lone parent in the mid 1990s[19], compared with 29 per cent for the USA, 25 per cent for new Zealand, 21 per cent for Norway, and 19 per cent for Denmark and Germany. The countries with the lowest estimated proportions of lone parents were Japan, Italy, Luxembourg and Spain (all around five to seven per cent). In all countries the majority of lone parents are women, but one in four lone parents in Greece are men, one in six in Germany, Italy and Luxembourg.

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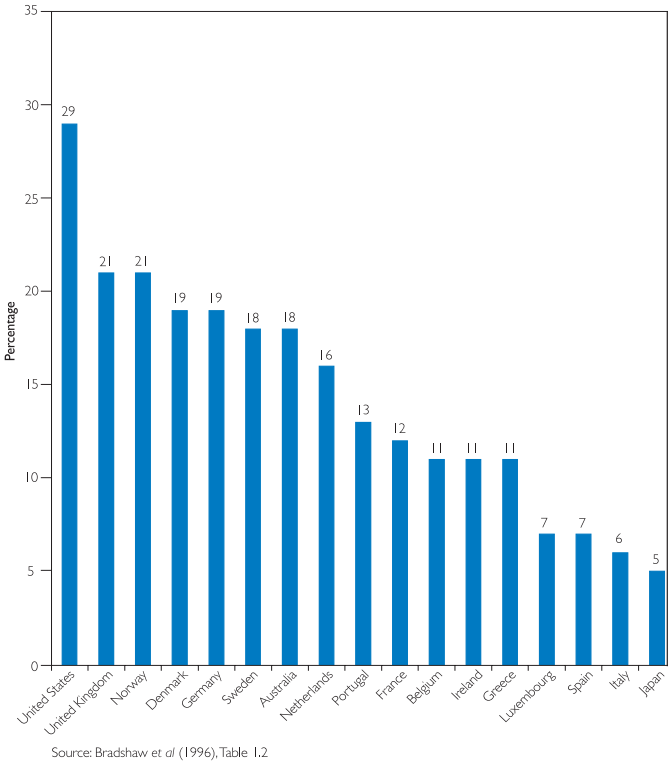
[18] We mainly report data from the twenty-country study by Bradshaw and his colleagues because it provides the most comprehensive picture across the widest range of countries.

[19] The current estimate is closer to 24 per cent, see Chapter 3 for a detailed analysis of the current UK figures.

Figure 5.2 Lone parents as a percentage of families with children, various countries, early 1990s



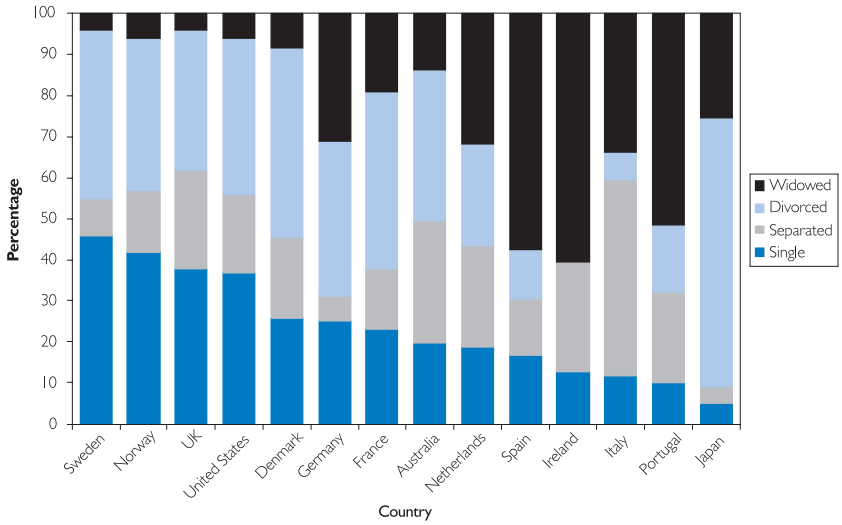
Source: Bradshaw *et al* (1996), Table 1.2

In respect of routes into lone parenthood, Figure 5.3 shows that the breakdown of marriage through separation or divorce is the most common reason for the formation of a lone-parent family, although widows formed the majority of such families in Ireland, the Netherlands and Portugal. Single lone mothers make up a significant proportion of the total in Austria, Sweden, the UK, New Zealand, Norway and the USA. Single motherhood is closely related to cohabitation, as many single-mother families are formed as a result of the breakdown of a cohabiting relationship. The available statistics in many countries are not adequate for examining trends over time. In general it seems that lone parenthood has been on the increase, and if rates of divorce, non-marital births and cohabitation continue to rise, especially in countries where these are still relatively low, then so too will the numbers of lone parents. Looking at trends over time, Rowlingson (2001, p174) argues that:

> *'over the past thirty years there appear to have been two trends in operation. During the 1970s and 1980s, divorce and separation from a husband were the main causes of lone parenthood, increasing sharply during this time, with a decline in the proportions of lone parent families caused by widowhood. But the late 1980s and 1990s have witnessed a growing number of single women having babies or cohabiting couples splitting up … This change should be placed in the context of a more general increase in cohabitation and births within cohabiting relationships.'*

However, Rowlingson also suggests that the rate of increase of lone parenthood may be slowing down in some countries, with national statistics from Norway and the Netherlands showing that the number of lone parents has remained relatively constant throughout the 1990s, and statistics from Australia and the USA showing a reduced rate of increase.[20]

Figure 5.3 Routes into lone motherhood, various countries, early 1990s



Source: Rowlingson (2001), based on Bradshaw *et al* (1996)

5.2 Families and employment

There are various publications and reports which provide general accounts of employment trends for men and women in EU countries (e.g. Hantrais and Letablier, 1996; Eurostat, 2000a). There has been considerable research interest in cross-national patterns of employment participation among women, and especially lone mothers (for example OECD, 1993; Bradshaw *et al* , 1996; Lewis, 1996; Duncan and Edwards, 1997, 2000; Kilkey, 2000; Pedersen *et al*, 2001; Millar and Rowlingson, 2001). Table 5.1 summarises the key statistics from Bradshaw *et al* (1996). This shows considerable cross-national variation in employment rates for both lone mothers (ranging from 23 per cent in Ireland to 87 per cent in Japan) and married mothers (from 32 per cent in Ireland to 84 per cent in Denmark). In most countries lone mothers are less likely to be employed than married mothers, particularly so in the UK and New Zealand. The UK has relatively low employment rates for lone mothers and mid-level rates for married mothers, but with high rates of part-time work.

[20] In Australia the proportion of lone-parent families with children was fairly static between 1998 (21.5 per cent) and 1999 (21.4 per cent) (Whiteford, 2001). In the USA, Census Bureau statistics show that the proportion of children under 18 living with a lone mother fell from 19.9 per cent in 1995 to 18.4 per cent in 2000 (Dupree and Primus, 2001; see also Wigton and Weil, 2000).

Table 5.1 Proportion of lone mothers and married/cohabiting mothers employed, various countries, early 1990s

	Lone mothers			Married/cohabiting mothers		
	Full-time work %	Part-time work %	All %	Full-time work %	Part-time work %	All %
EU countries						
Austria (1993)	43	15	58	28	18	46
Belgium (1992)	52	16	68	36	22	61
Denmark (1994)	59	10	69	64	20	84
Finland (1993)	61	4	65	62	8	70
France (1992)	67	15	82	49	20	68
Germany (1992)	28	12	40	21	20	41
Ireland (1993)	-	-	23	-	-	32
Italy (1993)	58	11	69	29	12	41
Luxembourg (1992)	61	13	73	32	13	45
N'lands (1994)	16	24	40	13	39	52
Portugal (1991)	43	7	50	48	7	55
Spain (1991)	-	-	68	-	-	38
Sweden (1994)	41	29	70	42	38	80
UK (1990/2)	17	24	41	21	41	62
Other countries						
Australia (1994)	23	20	43	24	32	56
Japan (1993)	53	34	87	17	20	54
New Zealand (1991)	17	10	27	31	27	58
Norway (1991)	44	17	61	40	37	77
USA (1992)	47	13	60	45	19	64

Part-time: less than 30 hours per week.

Source: Bradshaw et al (1996), table 1.3

Lone parents are much more likely to be without employment than are couples with children. Table 5.2 compares 'worklessness' rates for lone-parent and two-parent households in various countries. There are significant cross-national variations, but also a strong contrast between these two family types. Workless rates are typically six or seven times higher for lone parents as for couples, in some cases even higher. This has a very substantial impact on poverty rates (as discussed further below). The UK has relatively high rates of worklessness for both lone parents (six in ten compared with an average rate of about one in ten) and couples with children (about one in ten compared with an average of about one in seventeen). In many other countries workless families are more likely to be households close to retirement rather than households with children. About 30 per cent of workless households in the UK include children compared with 14 per cent in France and 11 per cent in Germany.

Table 5.2 Worklessness[1] among families with children, various countries, 1996

	Single adult HH, children aged under 18 %	Two adult HH, children aged under 18 %
EU countries		
Austria	23.5	3.3
Belgium	51.1	6.3
Finland	42.1	7.2
France	34.0	5.9
Germany	38.0	5.5
Greece	35.4	3.1
Ireland	61.0	12.0
Italy	28.9	6.6
Luxembourg	29.7	2.1
N'lands	55.1	5.7
Portugal	25.2	2.5
Spain	39.4	9.0
UK	60.8	10.7
Other countries		
Australia	57.1	9.4
Canada	48.9	8.2
Mexico	33.6	2.8
Switzerland	17.1	1.7
USA	34.1	5.7
Average	**39.7**	**6.0**

[1] Non-employed households as a % of all households of each type.

Source: OECD (1998) Table 1.7

5.2.1 Explaining variations in employment rates

Bradshaw *et al* (1996) examined various factors that might explain the variation in employment rates for lone mothers in different countries. Their analysis was based on comparisons of employment rates with demographic indicators, measures of family policy inputs, and analysis of the outcomes of the tax/benefit systems for different family types. The results suggested that these factors all play a part but the patterns are not always consistent. For example, the characteristics of UK lone mothers make them less likely to be in employment, but other countries where lone mothers have similar characteristics have much higher employment rates. Similarly, there was no clear relationship between financial incentives (as measured by tax/benefit transfers) and employment rates. For each country, therefore, the mixture of constraints and opportunities was

somewhat different. Thus, they concluded that:

> *'The employment levels of lone mothers will be influenced by their characteristics, the state of the labour market, public attitudes to mothers' employment, maternity and parental leave, the level of in-work incomes and benefits available out of work, the rules governing labour participation, the effectiveness of the maintenance regime, the treatment of housing costs and health and education costs. However the most important factor of all this is the availability of good quality, flexible and affordable childcare.'*
>
> (Bradshaw *et al*, 1996, p79)

This echoed the conclusion reached in an earlier and similar, although less comprehensive, study by the OECD:

> *'In each country there is a matrix of factors affecting the participation of lone and married mothers… However it is clear that specific factors can predominate in some countries and not others. The structure of labour markets, societal and cultural norms and the impact of tax/transfer systems will all shape participation rates and patterns and the extent to which particular factors have an impact.'*
>
> (OECD, 1993, p69)

Other studies have also pointed to the complexity of factors affecting the labour supply of both married and lone mothers. Gornick *et al* (1997) analysed the impact of public policy measures to support mothers' employment (parental leave, childcare, and education) on the employment rates of mothers and found higher levels of employment associated with more generous and universal provision. Pedersen *et al* (2000) found some association between education levels and employment for lone mothers in the European Community Household Panel (ECHP). They also analysed Denmark and the UK in more detail (using national data sets) and concluded that public policies differences in childcare and welfare support may explain some of the differences between these two countries. However, and like Bradshaw and his colleagues in their research, they remain perplexed as to some findings, such as the reasons why Denmark has such high employment rates for lone mothers, *'when net replacement rates are so high, and when subsided childcare is available both in and out of work'* (p196).

Duncan and Edwards (1997, 1999) argue that these sorts of outcomes can only be understood within a different sort of theoretical approach, one that is derived less from economics and more from sociology. They explicitly reject the 'rational economic' approach to explaining labour supply and argue that it is more important to take into account the ways in which gender and class-based values and attitudes interact with social norms and welfare state policies. They use national case studies to explore these issues and conclude that lone mothers' orientations to employment vary both across and within different welfare systems in ways that can

only be understood by reference to values and social norms (see Chapter 8 for further discussion)[21].

There is also quite an extensive body of cross-national literature that has explored the issue of welfare support for lone mothers in the context of wider discussions of the gendered nature of welfare state 'regimes'. Lewis (1992, 1997), for example, has compared different countries according to whether policies are structured in order to sustain a 'male breadwinner/ female caregiver' family model. Lone mothers are often seen as a 'litmus test' of the treatment of women in different welfare states (Hobson, 1994). Kilkey (2000) and Strell and Duncan (2001) provide useful overviews.

5.3 Family and child poverty

The main sources of cross-national data on family and child poverty are summarised in Figure 5.4[22]. It is clear that the availability of cross-national data about family and child poverty has improved immensely over the past decade and these studies provide a wealth of new information. However, there are still some important limitations. First, with the exception of the ECHP, all these data-sets have been created through the harmonisation of national surveys and so the information available may not always be strictly comparable in all respects. Second, the most recent data refer to the mid 1990s, and it is generally only possible to examine cross-national trends over the past decade, and cross-national dynamics over about two to five years (up to a maximum of ten years in Germany and the USA). Third, small sub-sample sizes for some family types in some countries limit the possible analyses (for example, the numbers of lone parents are low in several of the ECHP national samples). Fourth, the poverty measures used are usually defined in terms of low income relative to the national average and are thus sensitive to the overall shape of the income distribution, which differs across countries. Fifth, as in most single - country poverty studies, these cross-national studies calculate income on a household (or sometimes family or benefit unit) basis and so take no account of the distribution of income within households. Income is equivalised to reflect family size but there is some evidence that these equivalence scales do not fully capture the real costs of children. And, finally, income alone is only a partial indicator of living standards and poverty but only the ECHP includes other indicators of material and social deprivation.

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[21] Kjeldstad (2000, p364), discussing the increase in employment rates for Norwegian lone mothers offers a simpler explanation: 'lone mothers may be seen as one of several groups of women, or rather lone motherhood should be seen as among several life cycle stages, gradually to become included in the labour market'.

[22] See also Barnes, 2001 for a comparison of different approaches to measuring child well - being in various countries.

Figure 5.4 Cross-national data on family and child poverty

The Luxembourg Income Study (LIS)	Cross-sectional and time series based on national household income surveys harmonised to common definitions. Started in 1983 with seven countries (Canada, Israel, Norway, Sweden, UK, USA), it now includes some data for over 25 countries, covering a range of years from the 1970s onwards.	Many publications including Hauser and Fischer, 1990; Hobson, 1994; Cantillon, 1997; Bradbury and Jäntti, 1999; Bradshaw, 1999; Forssén 1999; Christopher *at al,* 2001.
The European Community Household Panel (ECHP)	Panel data, first wave in 1994 in EU countries Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, the UK, with Austria added from 1995, Finland and Sweden are not included.	Key publications: Eurostat 2000b; Pedersen *et al,* 2000; Millar 2001. 12
The OECD project on Income Inequalities	Cross-sectional and time series data on 17 OECD countries Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Mexico, Netherlands, Norway, Sweden, Turkey, UK, USA, collected from national authorities for period from mid 1980s to mid 1990s.	Key publications: Oxley *et al,* 2001.
The dynamics of child poverty	Collated data from national panel surveys in seven countries (Britain, Germany, Hungary, Ireland, Russia, Spain, USA).	Key publications: Bradbury *et al* (2000, 2001); Jenkins *et al* (2001).

5.3.1 Poverty by family type

Despite differences in time periods and definitions, there are some consistent conclusions that emerge from cross-national comparisons of the income poverty risks of lone-parent and two-parent families (Hauser and Fischer, 1990; Hobson, 1994; Forssén, 1998; Pedersen *et al*, 2000; Christopher at al, 2001; Millar, 2001). These are that:

- within countries, lone-parent families tend to have higher rates of income poverty than two-parent families with children, and lone mothers higher income poverty rates than lone fathers;

- across countries, there are substantial variations in the income poverty rates of lone-mother families[23];
- employment reduces the risk of income poverty among lone mothers, but does not eliminate it. There are also significant cross-national variations in income poverty rates for employed lone mothers.

Table 5.3 summarises data from three studies to illustrate these points. The English-speaking countries, the UK in particular, tend to have the highest income poverty rates for lone-parent households while the Nordic countries, Sweden in particular, tend to have the lowest rates.

Table 5.3 Income poverty rates: lone parents, various countries, early and mid 1990s

	Highest poverty rates	Lowest poverty rates
LIS, early 1990s[1]		
All lone parents	UK (56%), USA (50%), Austria (47%), Australia (46%), Germany (39%), N'lands (20%)	Sweden (3%), Finland (4%), Denmark (7%), Belgium (9%), Norway (11%)
Employed lone mothers	Austria (42%), USA (30%), UK (27%), Australia (22%), Germany (12%)	Sweden (1%), Finland (2%), Denmark, N'lands, Belgium (4%) Norway (7%)
Non-employed lone mothers	USA (85%), UK (80%), Germany (76%), Austria, Australia (62%), N'lands (28%)	Sweden, Belgium (10%), Denmark, (12%), Norway (17%), Finland (18%)
ECHP, 1994[2]		
All lone mothers	UK (43%), Portugal (37%), Spain (34%), Ireland (31%), Italy (25%)	Denmark (13%), Germany (16%), Belgium (19%), N'Lands, Greece (21%), France (23%)
Married or cohabiting mothers	Portugal (21%), Italy (20%), Ireland, Spain, UK (19%)	Denmark (2%), Germany (7%), Belgium (8%), France (14%), N'Lands (15%), Greece (16%)
LIS, mid 1990s[3]		
Lone mothers	USA (47%), Canada (41%), Germany, Austria (39%), UK (32%)	Sweden (3%), France (24%), N'Lands (26%)
Lone fathers	Austria (28%), USA (22%), UK (20%), Canada (17%), Germany, (11%)	N'Lands (0%), Sweden (7%), France (11%)

[1] Bradshaw et al, (1996) LIS, early 1990s, 11 countries, equivalised household income less than 50% of national mean.

[2] Pedersen et al, (2000), ECHP, 1994, 11 countries, equivalised household income less than 50% of national mean.

[3] Christopher et al, (2001) LIS, mid 1990s, 8 countries, equivalised household income less than 50% of national median

Table 5.4 shows ECHP data on income poverty rates and persistence for lone parent and large families in 1996. This again confirms the over-representation of lone-parent families among those in income poverty. Lone parents have a higher risk of income poverty than the average household does in every country except Denmark. Germany and the

[23] Many of the studies focus upon lone mothers rather than lone parents in general.

Netherlands have relatively low income poverty rates in general but lone-parent households are over twice as likely to be poor as the average household and they are also more likely to remain poor. Greece and Portugal have relatively high income poverty rates in general but lone parents are not much greater at risk of income poverty or persistent income poverty than other households. The UK has a relatively high income poverty rate in general, an even higher risk for lone-parent households, and lone parents are very likely to remain persistently poor. Couples with one or two children (not shown in table) have lower than average income poverty rates. But in many countries, large families (couples with three or more dependent children) have higher than average poverty risks, although usually lower than those of lone parents. However, in Austria, Italy, Luxembourg, Portugal and Spain, large families are more likely to be income poor, and to be persistently poor, than are lone-parent families.

Table 5.4 Income poverty rates and poverty persistence: lone parents and large families, Europe, 1996

	Poverty rate[1] rate %	Poverty risk index[2]		Poverty persistence[3] %	Poverty risk index[4]	
		Single parent	Couple with 3+ children		Single parent	Couple with 3+ children
Austria	13	146	229	-	-	-
Belgium	17	149	118	7	136	84
Denmark	12	57	41	3	17	78
France	16	180	140	6	161	162
Germany	16	227	143	7	188	121
Greece	21	116	88	10	105	40
Ireland	18	164	145	8	234	180
Italy	19	113	189	8	95	225
Luxembourg	12	154	182	5	63	177
Netherlands	12	243	137	3	189	185
Portugal	22	129	176	12	126	194
Spain	18	118	190	8	86	146
UK	19	228	133	8	288	150
EU13%	17	32%	25%	7	13%	11%

[1] Poverty line 60 per cent of median national equivalised national household income

[2] Country specific country poverty rate =100

[3] Also poor in 1994 and 1995

[4] Country specific poverty persistence rates

Source: Eurostat (2000a), tables 2.3, 2.6, figure 2.17

Kilkey and Bradshaw (1999, 2001) and Kilkey (2000) use the 'model families' methodology[24] to examine the relationships between social transfers, employment participation and poverty for lone mothers and find no clear patterns across countries. Employment tends to reduce poverty risks but 'there are some countries with low poverty rates despite low levels of employment and still others with high poverty rates despite high levels of employment' (Kilkey and Bradshaw, 1999, p178). Solera (2001) uses LIS data to compare pre - and post-transfer income for lone and married mothers in Italy, the UK and Sweden. She concludes that:

> *'Contemporary debates on the family poverty problem underline the importance of adequate social security benefits … Much less appreciated is the anti-poverty role of support for the employment of mothers. Evidently, cash benefits are important. The market alone is insufficient to guarantee welfare … when the state intervenes with generous and universal transfers - as in Sweden - the poverty risk is greatly reduced. On the contrary, where transfers are mainly selective … anti-poverty effectiveness is greatly reduced'*
>
> (Solera, *op cit*, p475)

Although there is only limited information available, it seems that private transfers of maintenance/child support in most countries play only a minor role in the incomes of lone parents (Hauser and Fischer, 1990; Hobson, 1996). We look in more detail at child support in Chapter 6.

5.3.2 Child poverty

There has been a growing interest in cross-national studies of child poverty in recent years, including research by Bradshaw (1999, 2001), the work of UNICEF Innocenti Research Centre (UNICEF, 1999; Bradbury *et al*, 2000), and two recent edited collections (Vleminckx and Smeeding, 2001; Bradbury *et al*, 2001). Table 5.5 summarises various estimates of income poverty rates for children, mainly dating from the early to mid 1990s. These show that:

- there is substantial variation in income poverty rates for children across countries - these are lowest in the Nordic and northern European countries and highest in English-speaking countries and southern Europe;[25]
- children tend to have a higher risk of income poverty than adults, but many poor adults live in households with children;
- children in lone-mother families have higher rates of income poverty than children in couple families (and stay poor longer, Bradbury *et al* , 2001);

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[24] This involves defining a particular family type according to set criteria (e.g. marital status, number and age of children, employment status and wages, housing situation) and calculating their incomes before and after social transfers (tax, benefit and the value of in-kind benefits). This methodology has been extensively used by Jonathan Bradshaw and his colleagues at the University of York (Bradshaw *et al*, 1993; Bradshaw *et al*, 1996, Eardley *et al*, 1996).

[25] The child poverty rates for children in transition countries show a very mixed picture and (unlike the other countries) often change radically when an absolute rather than relative poverty line is used (Bradbury and Jäntti, 2001).

- child poverty rates vary substantially with the employment status of their parents, and this is true for both lone parents and couples. Income poverty rates are significantly lower in households with employment, especially if there are two earners (see Figure 5.5).

We do not have data that would enable detailed comparisons of trends over time. But the available evidence shows no clear trends in child poverty, with some countries having reduced levels in recent years while in others (including the UK) child poverty has increased (Oxley *et al*, 2001)[26]. Bradbury and Jäntti (2001) find that countries with higher levels of national income tend to have lower child poverty rates, except in the case of the USA. Although children in lone-parent families are at an increased rate of income poverty, differences in family structures are not a significant factor explaining the variations in child poverty rates across countries. Employment is the most significant factor, with lower child poverty rates in countries with higher rates of parental employment. This is strikingly illustrated in Figure 5.3, which shows that in many countries two-earner families have negligible rates of child poverty (although others are not so successful). Cash transfers are less important than wages in explaining cross-national variation in income poverty rates although they can play an important role in reducing child poverty (Forssén, 1999; Oxley *et al*, 2001)[27]. In their analysis of the role of cash transfers in EU counties, Immervoll *et al* (2001) identify three groups: in Denmark and Luxembourg child poverty rates are low before cash transfers and so these have little impact. In Spain, Italy, Greece, Portugal and Ireland, child poverty rates start high and the low level of cash transfers does little to change this. In the UK, Belgium, Austria, France and the Netherlands, cash transfers are both relatively high and relatively successful at reducing income poverty for children.

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[26] This analysis pre-dates the recent increases in support for children in the UK, which Piachaud and Sutherland (2000, 2001) estimate have lead to a reduction in UK child poverty rates.

[27] There are substantial cross-national differences in the level and nature of the cash/benefit support for families with children, see studies by Bradshaw *et al* (1993), Ditch *et al* (1998); Battle and Mendelson (2001).

Table 5.5 Income poverty rates: children, various countries, 1980s/1990s

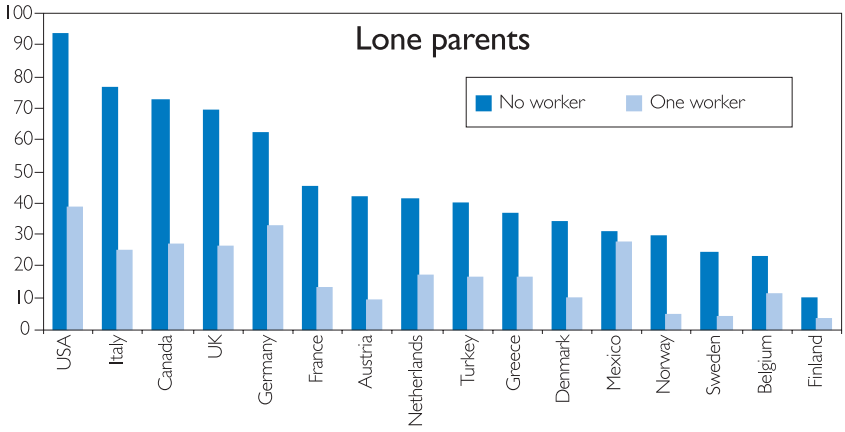
	Highest poverty rates	Lowest poverty rates
LIS, early 90s[1]		
All children	Russia (27%), USA (26%), UK, Italy (21%), Australia (17%), Canada (16%), Ireland, Israel (15%), Poland (14%), Spain (13%), Germany, Hungary (12%), France (10%)	Czech Republic, Slovakia (2%), Finland (3%), Sweden (4%), Norway (5%), Austria, Denmark, Belgium, Luxembourg, Taiwan, Switzerland (6%), N'lands (8%)
Children in lone-parent families	USA (60%), Canada (45%), Germany (43%), UK (40%), Australia (38%), Austria (33%), Russia (31%), Luxembourg, Ireland, N'lands (30%), Israel (27%), France, Spain (25%), Switzerland (21%), Italy (20%)	Sweden (4%), Poland (5%), Finland (6%), Slovakia (7%), Czech Republic (9%), Denmark, Norway (10%), Belgium, Hungary (12%), Taiwan (15%)
Children in two-parent families	Russia (26%), Italy (21%), UK (18%), USA, Ireland (17%), Australia (15%), Israel, Poland (14%), Canada, Spain (12%), Hungary (11%)	Czech Republic (1%), Slovakia (2%), Sweden, Finland, Norway, Austria (3%), Taiwan, Switzerland, Luxembourg (5%), Denmark, Belgium (6%), N'lands (7%), France (8%), Germany (9%)
ECHP, 1994[2]		
Children in income poverty	Ireland, UK (28%), Portugal (26%), Germany, Italy, Spain (22%), Austria (21%)	Denmark (6%), N'Lands (12%), Greece (16%), France (17%), Luxembourg (19%), Belgium (18%)
Children in HHs lacking 3+ necessities	Portugal (59%), Greece (42%), Spain (38%), UK, Italy, Luxembourg (27%), Ireland (20%)	Denmark (5%), N'lands (9%), Belgium (13%), France, Germany (14%), Austria (15%)
OECD mid 90s[3]		
All persons	Mexico (22%), USA (17%), Turkey (16%), Greece, Italy (14%), UK (12%), Canada (10%)	Finland, Denmark (5%), N'Lands, Sweden (6%), Hungary (7%), Belgium, France, Norway (8%), Germany, Australia (9%)
Children	Mexico (26%), USA (23%), Turkey (20%), Italy (19%), Canada (14%) UK, Greece (12%), Australia , Germany (11%), Hungary (10%)	Finland (2%), Denmark , Sweden (3%), Belgium, Norway (4%), France (7%), N'Lands (9%)

[1] Bradbury and Jäntti (2001), LIS, early 1990s, 25 countries, children are poor if their household has an equivalised disposable income of less than 50% of the overall median.

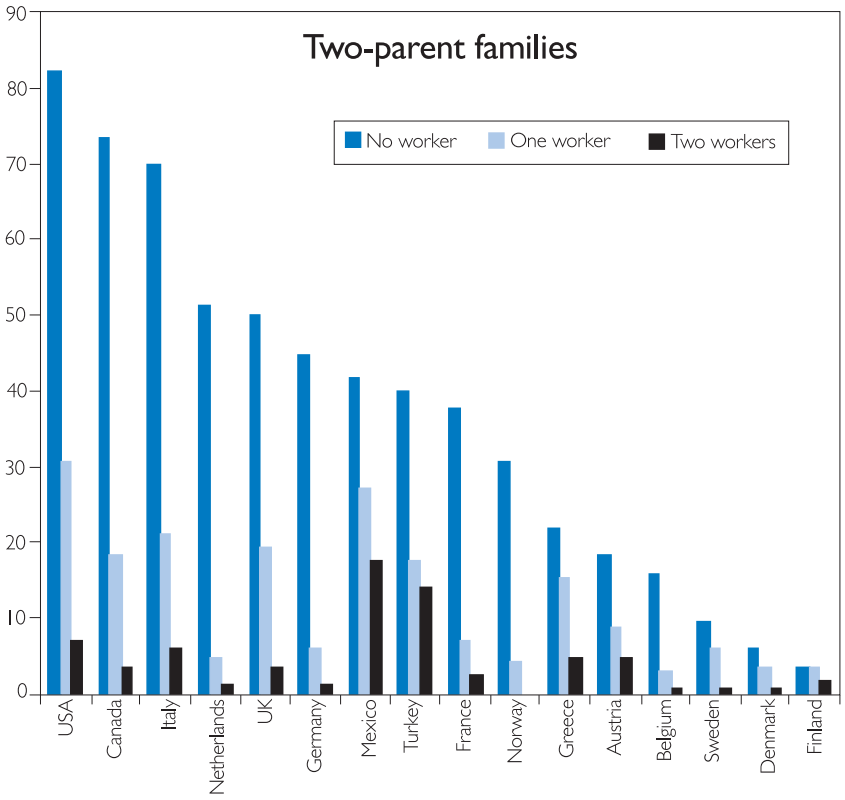
[2] Bradshaw (2000), ECHP 1995, 13 countries, children below 16 in households with total income below 60% median equivalised total income in 1994.

[3] Oxley *et al* (2001), national data sets. Income is equivaleised.. Poverty line set at 50% of median household disposable income per person

Figure 5.5 Child income poverty rates: families with children by employment status, various OECD countries, mid 1990s



Source: Based on Oxley et al (2001)



Source: Based on Oxley et al (2001)

5.4 Summary

Many of the family trends found in the UK - particularly the rising rates of divorce, cohabitation, births outside marriage, and lone parenthood - are found, to a greater or lesser degree, in many other industrialised countries. However, the UK tends to be among the countries at the higher end of the scale. The UK also has relatively low employment rates for lone mothers, mid-range rates for married mothers, and high rates of worklessness among families with children. This means relatively high rates of income poverty for families with children, especially lone parents, and high rates of child poverty. The importance of parental employment in reducing child poverty risks is very clear, but although

employment reduces the risk of income poverty it does not eliminate it, particularly for lone mothers. Cash transfers help to reduce child poverty rates, more successfully in some countries than others. The highest employment rates and lowest poverty rates are found in the Nordic countries, and these countries also tend to have extensive and generous family benefits, including well developed systems of child care and parental leave.