

Women's budget group response to the 2001 Budget

Are mothers worth more than the minimum wage?

While we welcome the increase in the flat rate maternity pay, the promised £100 per week is less than the minimum wage for a full time worker.

If women were to be paid the equivalent of the national minimum wage while on maternity leave they would be entitled to £152 a week

We welcome the announcement of paid paternity leave. Support for families is like a jigsaw. There remain three missing pieces which we expect to see put in place after the responses to the DTI's green paper Work and Parents have been considered. These are:

Paying the earnings related element of maternity pay for the full 6 months of maternity leave.

The right to child-friendly working time for all parents.

Making parental leave more flexible and attaching payment to it.

Is the budget meeting the child poverty agenda?

The increase in the Sure Start grant is a welcome additional payment for low-income families.

The Child Tax Credit will only be available to families that pay tax. This means that the lowest income quarter of families will not benefit at all.

Delivering the baby bonus using the mechanism of the child tax credit means that the poorest families will lose out on this vital support during the first year of a child's life. We are concerned about 'purse to wallet' transfers in the Child Tax Credit which will be claimed by the main wage earner in many families.

We recognise that the Integrated Child Credit will solve many of these issues, as it will be available to low income families and paid to the main wage earner but this won't help families in need over the next few years.

What does the budget do to solve practical childcare problems?

We welcome the increase in the childcare tax credit to a maximum of £135 for one child and £200 for two or more children. Unfortunately this still does not meet full costs of all childcare (especially childcare for very young children), and there is still a severe shortage of good quality, affordable childcare in some areas.

What about the poorest pensioners?

Many of the poorest pensioners are women, and while they will benefit from the increase in the minimum income guarantee, they will not benefit from the announced pension credit. Entitlement follows on income above a *full* basic state pension, most women pensioners do not receive a full basic state pension and therefore will not qualify.

What work pays?

We welcome the increase in the National Minimum Wage, which will largely benefit women.

We are concerned about the implications of the announced requirement for lone mothers of children under five to attend compulsory interviews. Rather than imposing sanctions, the Government should provide support for mothers in these groups who might wish to return to work.