

A collage of four women's faces, each in a separate tilted frame. The top-left woman has dark hair and glasses. The top-right woman has light hair and a serious expression. The bottom-left woman has short dark hair. The bottom-right woman has dark hair and a thoughtful expression. The background is white with a green horizontal bar above the title and a green diagonal bar at the bottom.

The Female Face of Poverty

Examining the cause and consequences of economic deprivation for women
Executive Summary

July 2018

1. Executive Summary

This is a report about the causes of poverty among women and the consequences that poverty has on women's lives. It is part of a collaboration between the Women's Budget Group (WBG) and five women's organisations in Coventry to improve the support they provide disadvantaged women.

1. Recommendations

To tackle and prevent women's poverty, our recommendations are threefold:

Access to an independent and adequate income for all

- Barriers to employment should be tackled by investment in childcare and adult social care, public transport and flexible and adaptable jobs.
- Benefits should be designed to ensure that every individual within a household has access to a fair income.
- In addition to collecting data at the household level, statistical authorities (including the ONS and DWP) should collect and publish income data at the individual level.

Sharing care responsibilities and care costs more equally – within families and in society

- Parental and paternity leave should be lengthened and adequately paid to ensure that men can take it. Maternity leave should be paid at the same higher rate.

- Flexible working should be offered as an immediate right to all employees so that women and men can choose their right balance of work and family responsibilities. Differential use of flexible working by men and women should be monitored, and policies put in place to encourage more equal take up.
- Investment in child and adult social care should be consistent and adequate to ensure that these services are high quality, affordable and available to all who need it.

Sustainable funding for specialist women's organisations

- Specialist local women's organisations should be adequately funded to ensure that all women have access to relevant support.

2. Poverty with a female face

Poverty is gendered. Women in the UK are slightly more likely to live in poverty than men when this is measured on the usual household basis (21% of adult women, compared to 19% of adult men in 2016-17) and female-headed households are poorer than comparable male-headed households.

For example, almost half (48%) of single-parent households are living in poverty, compared to a quarter (24%) of couple households. In the vast majority (86%) of such households, the single parent is the mother.

In older age-groups, 23% of single female pensioners are living in poverty compared to 18% of single male pensioners.¹

3. Why are women more likely to be poor than men?

The position of women in the labour market, the design of social security and women's roles within the family all contribute to women's vulnerability to poverty.

Employment

Employment can be an important safeguard against poverty. But this is not always the case for women. Women's employment rate (age 16-64) is at an all-time high in the UK, at 71%,² but women make up 60% of employees on low pay³ and 73% of part-time workers. The gender pay gap was 18.4% in 2017 and has remained stable in the last 20 years. These gaps in earnings continue to have a negative impact on women's income before and after pension age.

Family and Care

Women's looser attachment to the labour market is a consequence of gendered roles and expectations about who should shoulder caring responsibilities. The design of the benefits system and lack of investment in transport, child care and social care also hinder women's ability to combine care commitments with paid employment.

Social security provision

Women tend to rely more on means-tested benefits and men more on national insurance benefits which are not means tested. It can be harder for women to qualify for national insurance benefits because of periods out of paid work.⁴

With the new Universal Credit system, cuts in work allowances, taper rates and the single monthly payment particularly hit women by reducing work incentives for some second earners and potentially increasing women's vulnerability to poverty and financial abuse.

Cuts in benefits and public spending since 2010 have disproportionately affected women, and BME women in particular.^{5,6}

Benefit sanctions have been increasing in severity and conditionality is now applied to previously exempt groups (e.g. more lone parents and disabled people).⁷ These sanctions are having a particular toll on vulnerable groups such as the victims of sexual and domestic violence⁸ and are pushing many people into destitution and ill health.⁹

1 DWP (2018) Households Below Average Income – Percentage of individuals in low-income groups by various family and household characteristics (AHC), 1994/95-2016/17

2 ONS (2018) Statistical bulleting: UK labour market: April 2018 (<http://bit.ly/2rirc0G>)

3 Resolution Foundation (2017) Low Pay Britain 2017 (<http://bit.ly/2Jf9J0m>) p.5

4 E.g. see F Bennett (2018) 'Gender and social security' in J Millar and R Sainsbury (eds.) Understanding Social Security (3rd edn.), Bristol: The Policy Press

5 EHRC (2017) Impact of tax and welfare reforms between 2010 and 2017: interim report (<http://bit.ly/2xKUVpj>)

6 WBG and Runnymede Trust (2017) Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK (<http://bit.ly/2JLave5>)

7 M Stephenson (2014) The impact of benefit sanctions on people in Coventry (<http://bit.ly/2qnMvyd>)

8 Ibid. p.4

9 Welfare Conditionality Project (22 May 2018) 'Welfare conditionality largely ineffective, research team finds' (<http://bit.ly/2IGc0C6>)

4. The consequences of poverty for women

Housing

Restricted access to good quality housing is a consequence of poverty.

Financial vulnerability limits the choice of living location and therefore the availability of family support, good jobs for low-income women and schools for children. It also limits women's ability to flee violent and abusive relationships. Homelessness is particularly prevalent among single parents, with nearly half (47%) of all homeless households being single-mother households.¹⁰

Health

The burden of managing poverty has an impact on women's health.

Women are often responsible for budgeting in low-income families with children and this is associated with poor health and low morale. Mothers will often shield their families from poverty by going without food, clothing or warmth themselves.¹¹ Cuts to public services are leaving many people with unmet care needs, particularly older women, who tend to live longer and more often on their own, and so tend to have greater caring needs than older men.

5. Overview of poverty in Coventry

Households in poverty

In the West Midlands, 86% of small areas have a higher percentage of households in poverty than the national median (2013/14). The total percentage of people living in relative poverty in the West Midlands is slightly higher than the average for the UK: 24% compared to 22%.

Coventry is divided into 42 'Middle Layer Super Output Areas', of which 31 have an average household income in the most common income band in England and Wales (£25,000-£35,000). Ten MLSOAs in Coventry have an average annual household income of less than £25,000, the lower end of the most common income band in England and Wales (£25,000-£35,000): Bell Green (£24,200), Little Heath (£24,300), Manor House (£23,700), Foleshill (£24,200), Paradise (£20,000), Daimle Green (£23,300), Hillfields (£17,600), Lower Stoke (£19,200), Coventry (centre) (£23,800) and Willenhall (£23,900). The only MLSOA with an average annual net income higher than £35,000 is Cannon Park, with just £35,200.

Children

Over a third (34%) of all dependent children in the West Midlands live in poverty. This is higher than the UK average of 30%.

Specifically for Coventry, there are considerable differences between the three major constituencies in the city: Coventry North East has the highest percentage of children living in relative poverty (36.7%), followed by Coventry South (32.4%), while Coventry North West (27.4%) has fewer than the national average.

Women and men in the labour market

Coventry has a higher rate of economic inactivity and unemployment than the national average; (25.8% of adults in Coventry are economically inactive, compared to 21.7% nationally, while 25.8% 5.2% are unemployed, compared to the national average of 4.5%). Employment figures by gender mirror the national pattern: there is a higher proportion of men than women in employment in Coventry (73.5% and 67%) and a higher percentage of women than men are economically inactive (30.6% of women versus 21% of men). At 26%, the estimated median hourly gender pay gap is higher in Coventry than in the UK as a whole (19.1%).

Debt

Women represented roughly two-thirds of those with severe debt problems in the UK in 2013.¹²

Rising housing costs, cuts to housing benefit and caps to Local Housing Allowance (to meet private rents) are forcing many people into rent arrears and/or to turn to foodbanks to feed their families. People struggling financially may be forced to accept credit at high interest rates or door-step loans to avoid rent arrears.

Domestic violence and abuse

Poverty may exacerbate domestic abuse and violence by increasing or prolonging women's exposure to it and by reducing their ability to flee.¹³

The relationship between poverty and domestic violence is a complex one but we know they are correlated. For half of domestic violence victims living with their abuser, financial abuse prevents them from leaving the relationship.¹⁴

BOX 1. Demographic and socio-economic statistics - Coventry

Older people may sometimes be living in larger houses due to their children having grown up and moved out of the house. The 'bedroom tax' affecting tenants in social housing (called by the government abolition of the spare room subsidy) may have a significant impact on such people, as was the case of a woman who sought help from the Coventry Law Centre:

A member of staff at the Law Centre told the story of an elderly woman she had recently supported. The woman had been living in her social rented house for over 30 years, having brought up her family there and now living alone after her children had moved out of the house. She was affected by the bedroom tax, having to pay for the rooms she was not using. She had severe mental health issues, a consequence of a hard childhood, involving neglect and abuse, and having grown up in care. New benefit rules also laid down that she needed to go for a medical assessment to be approved for disability benefit – after which they deemed her to be fit. She was under psychiatric help, taking medication, and never left the house. She was already in debt because she had to pay rent from her disability allowance; and then this was stopped. The Law Centre helped her to appeal, but this will mean that the woman will have to attend a tribunal to prove that she is ill, having been so for such a long time. During all this process, she is not receiving the money and this is putting her into greater poverty.

"I went to see her last week and it was freezing cold in there, she hadn't really eaten. All the anxiety that this caused her, on top of her other mental health issues, is massive."

10 ONS (2018) Households accepted by local authorities as owed a main homelessness duty by household type, England, 2006 Q2 to 2017 Q4 (<http://bit.ly/2rPXFmq>)

11 WBG (2015) Poverty in the UK: the need for a gender perspective (<http://bit.ly/2GWExqa>)

12 F Bennett and M Daly (2014) Poverty through a Gender Lens: Evidence and Policy Review on Gender and Poverty (<http://bit.ly/2qu24Ur>)

13 Family Welfare Association, One Parent Families and Gingerbread (2008) The financial impact of domestic violence

14 Women's Aid (2015) Unequal, Trapped & Controlled - Women's experience of financial abuse and potential implications for Universal Credit (<http://bit.ly/2zaUdgz>)

In collaboration with the Coventry Women's Partnership



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Enabling women to be financially resilient