



The Female Face of Poverty

Examining the cause and consequences of economic deprivation for women

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Table of Contents

1. Executive Summary	4
1.1. Recommendations	4
1.2. Poverty with a female face	4
1.3. Why are women more likely to be poor than men?	5
1.4. The consequences of poverty for women.	5
2. Introduction	6
2.1. Our report.	6
2.2. Structure of report	6
3. Overview of Poverty in the UK	7
3.1. Children.	7
3.2. Pensioners	8
3.3. Disabled people	8
3.4. BME women	9
3.5. Overview of poverty in Coventry.	9
4. Different Routes into Poverty: Labour Market, Family Roles & Benefits	10
4.1. Labour market: employment and women's poverty risk	10
4.2. Family roles.	10
4.3. Intra-household distribution of resources	10
4.4. Poverty and the social security system	11
4.5. The importance of taking a life-course approach	11
5. Children & Young Women	12
5.1. Causes of poverty for children and young adults	12
5.2. The role of benefits	13
5.3. Consequences of poverty in childhood and young adulthood	13
6. Working Age Women	15
6.1. Employment	15
6.2. Caring responsibilities	16
6.3. Housing	17
6.4. The role of benefits	18
6.5. Consequences of poverty for working-age women	20
7. Older women & Pensions	22
7.1. Causes of poverty for older women	22
7.2. Consequences of poverty for older women.	23
7.3. The role of benefits and public services	23
8. Domestic Violence & Poverty	24
8.1. Poverty as a risk-marker for domestic violence	24
8.2. The impact of domestic violence on women's risk of poverty.	24
8.3. Financial abuse.	25
8.4. The role of social security and the tax system	25
9. The Role of Women's Organisations in Mitigating Poverty	26
9.1. How women's organisations mitigate poverty	26
9.2. Services at risk from cuts in funding.	27
10. Recommendations	28
Appendix 1	29
Defining poverty.	29
Appendix 2	30
Methodology	30

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.

1.1. 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.

1.2. 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 pensioners¹.

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/2Jf9JOM>) 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>)

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

1.4. 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.

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

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/2rPXF MQ>)

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>)

2. Introduction

2.1. Our report

This report examines the causes and consequences of poverty for women in the UK. As a consequence of gendered expectations about who should take a caring role and who should earn money women and men tend to have different employment patterns. Because of greater poverty and caring responsibilities, women rely more on public services and on benefits and therefore they have been disproportionately affected by cuts to social security and to public service spending since 2010.¹⁵ This means that women face distinct and specific challenges when it comes to achieving financial security. Poverty is therefore a gendered experience.¹⁶ The experience of poverty for different groups of women also varies according to age, ethnic origin and disability.¹⁷

This report is produced by the Women's Budget Group on behalf of the Coventry Women's Partnership, a collaboration between WBG and five women's organisations in Coventry.¹⁸ The Coventry Women's Partnership is funded by the Smallwood Trust. This is the first of a

series of reports that seek to develop our understanding of economic disadvantage and to improve economic outcomes for women. The issues to be covered by the Women's Budget Group analysis were decided in partnership with the Coventry women's organisations, and were based on what frontline staff identified as issues of concern affecting the lives of the women they support.

This first report on the causes and consequences of poverty for women is intended to be an introductory analysis to the theme of economic disadvantage. It focuses on the determinants of poverty for women and the specific ways in which women experience poverty. The report draws on national data and also highlights the situation in Coventry and the experiences of poverty for women in this city. Subsequent reports will focus on specific issues that contribute to women's economic vulnerability, including the design of the tax and benefit systems, housing, migration status and discrimination.

2.2. Structure of report

Poverty tends to be self-reinforcing. Previous life circumstances and experiences of financial deprivation shape the likelihood of women (and men) falling into or remaining in poverty. Bearing this in mind, this report takes a life-course approach to poverty. It focuses on three broad interconnected causes of poverty – labour market situation, gendered roles within the family, and inadequate benefit support (Chapter 4) – and unpicks them across the different life stages of early years (Chapter 5), adulthood (Chapter 6), and older age (Chapter 7). The consequences of poverty for women are also analysed at each life stage.

Beyond the desk research conducted for this report, we sought to give individual women a voice by listening to their experiences of financial deprivation. We interviewed women in Coventry who had lived through poverty to understand how the structural processes described in this report affect women's daily lives. Their experiences are included throughout the report, in order to illustrate the causes and consequences of poverty identified from desk research.

Links between poverty and domestic violence were raised both by the Coventry organisations and by the women interviewed. Previous research tells us that women living in low-income households are 3.5 times more at risk of suffering domestic violence than women in higher-income households, but we do not yet fully understand the links between poverty and domestic abuse.¹⁹ This report briefly explores the issue, focusing in particular on financial abuse by partners and the economic vulnerability faced by victims of violence before and after fleeing an abusive relationship (Chapter 8).²⁰

Specialised local women's organisations are a lifeline for women in desperate circumstances and they perform a crucial role in mitigating the worst impacts of violence and poverty. They provide a safe place for women and children fleeing violence, legal counsel and advice on the social security system and other rights, psychological support, training in the English language and/or employment and parenting skills. Women's organisations have been struggling with cuts in local funding and benefits since 2010 and many have been forced to cut down on the services and the support they give to women.²¹ For this report, we interviewed staff from four women's organisations in Coventry to understand the services they provide to alleviate some of the consequences of poverty, and to prevent poverty and violence from exacerbating each other (Chapter 9).

The report closes with a set of recommendations (Chapter 10) for an anti-poverty strategy that takes women into account.

15 WBG and Runnymede Trust (2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

16 In this report we use gender to mean the social structures and power relations that create and reinforce inequality, including in access to resources for women and men.

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

18 The organisations included in the Coventry Women's Partnership are Foleshill Women's Training, Coventry Haven, Coventry Rape and Sexual Abuse Centre, Coventry Law Centre and Kairos Women Working Together.

19 S Walby and J Allen (2004) *Domestic violence, sexual assault and stalking: Findings from the British Crime Survey*. Home Office.

20 For a more detailed exploration of these issues see WBG's 2018 report *Universal Credit & Financial Abuse* (<http://bit.ly/2ti4W2>)

21 WBG and Runnymede Trust (2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

3. Overview of Poverty in the UK

The face of poverty has changed in the last two decades in the UK. Overall, the percentage of individuals living in relative poverty fell slightly: 24% in 1994/95 to 22% in 2016/17.²² However, poverty rates for certain groups have changed significantly. Since 2002/03, there has been a reduction in poverty rates among pensioners and single-parent families; but the overall percentage of working-age adults living in poverty has slightly increased (from 19% living in relative poverty in 2002/03 to 21% in 2016/17).²³

Women have a slightly higher risk of poverty than men when poverty is measured on a household basis in the conventional way²⁴ (21% of adult women and 19% of adult men are living in poverty). However, households with only female adults are much more likely to be poor. Single parents and single female pensioners are particularly at risk of poverty. Almost half (48%) of all single-parent households are living in poverty, compared to a quarter (24%) of couple households. The vast majority (86%) of single parents are women. In older age-groups, 23% of single female pensioners are in poverty compared to 18% of single male pensioners.²⁵

Below we look at four specific groups – children, pensioners, disabled people and BME women – to give an overview of poverty and changes to poverty in the UK in recent years.

Households
with only
female
adults are
more likely
to be poor

3.1. Children

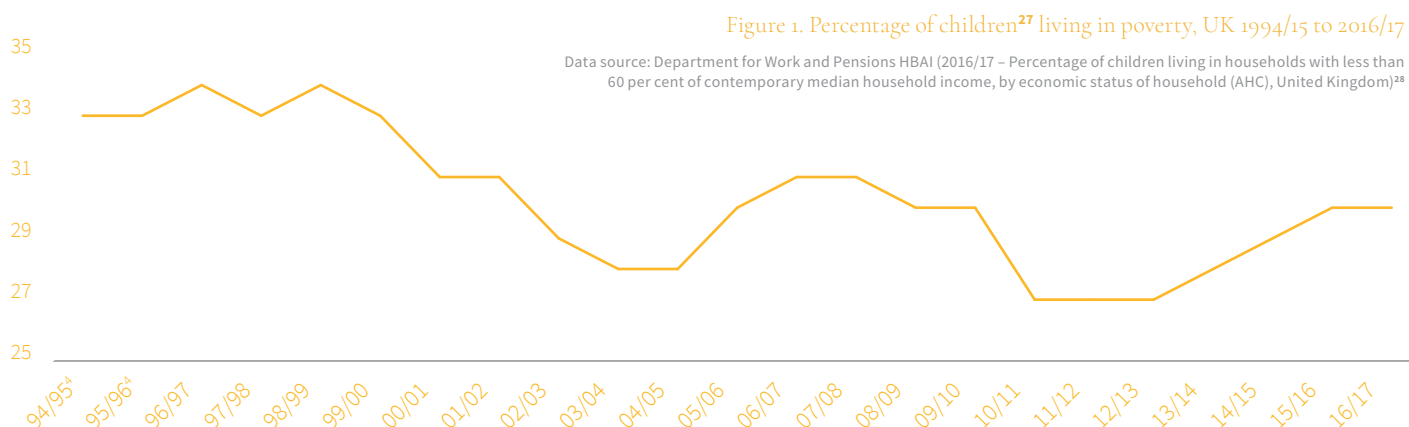
Children are currently more likely to live in poverty than the rest of the population.²⁶

The percentage of children living in relative poverty has declined since the mid-1990s, from 33% in 1994/95 to 30% in 2016/17. However, there have been significant oscillations in the last two decades. Save for a slight rise from 2004/5–2006/7, children's poverty declined from 1997/8, reaching a low of 27% in 2010/11 (see Figure 1).

Recently, the DWP has been registering an increase in children's poverty, from 27% in 2012/13 to 30% last year.²⁹ Forecasts by the Institute for Fiscal Studies (IFS) predict that children's poverty will be seven percentage points higher by 2021/22 (from 30% in 2015/16), which consolidates the worrying upward trend of children living in poverty in the 2010s.

Forecast earnings growth will benefit poorer households with children less than it does middle-income and pensioner households. This is because poorer households with children receive a larger share of their income from benefits than from earnings and, under current government policy, benefits will not rise in line with earnings. Since the threshold for relative income increases in line with median income, more poorer households with children will be below the threshold.

The TUC, based on the Landman Economics model, has calculated that an extra one million children with working parents are in poverty in 2018 than would have been the case had the 2010 benefits system continued unchanged.³⁰



22 DWP (2018) HBAI – Estimated percentage of individuals in relative/absolute low income, 1994/95–2016/17

23 DWP (2018) Households Below Average Income: An analysis of the UK income distribution: 1994/95–2016/17 (<http://bit.ly/2FCZPU8>)

24 See Appendix 1 for an explanation of how poverty is usually measured.

25 DWP (2018) HBAI – Percentage of individuals in low-income groups by various family and household characteristics (AHC), 1994/95–2016/17

26 DWP (2018) Households Below Average Income: An analysis of the UK income distribution: 1994/95–2016/17 (<http://bit.ly/2FCZPU8>)

27 For the HBAI surveys, DWP defines children as individuals aged under 16, or aged 16 to 19 in full-time paid employment

28 Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only

29 DWP (2018) HBAI – Estimated percentage of children in relative/absolute low income, 1994/95–2016/17. (Note that a recession may affect the proportion of children in poverty too – see Appendix 1.)

30 TUC (2018) 'Child poverty in working households up by 1 million children since 2010, says TUC' (<http://bit.ly/2rl81UP>)

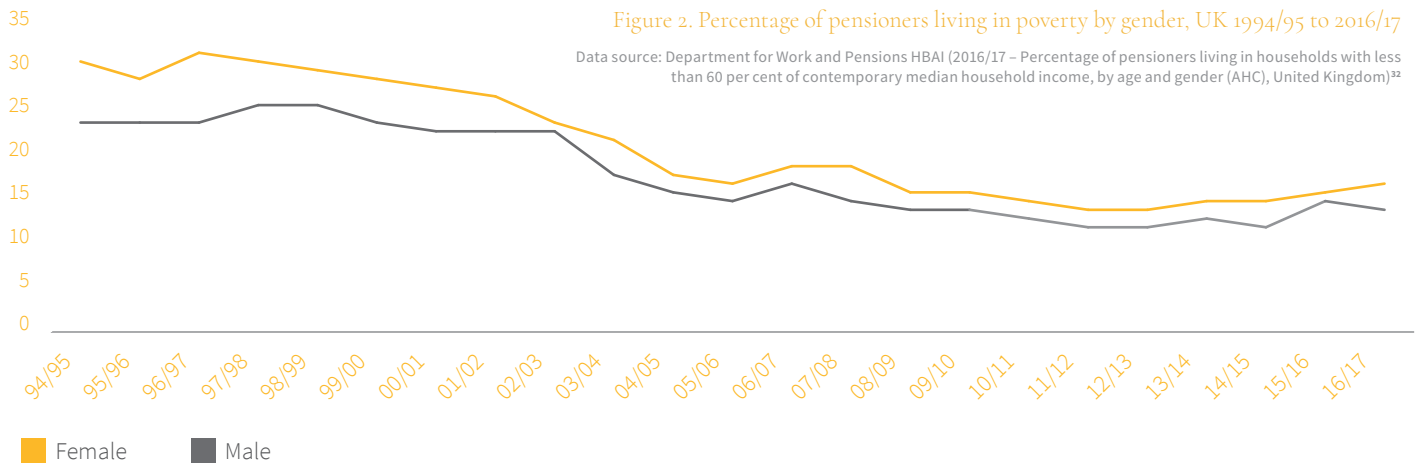
3.2. Pensioners

Pensioners are the group with the most drastic changes in relative poverty rates, with a fall from 28% in 1994/95 to 16% in 2016/17. Reductions in absolute – or anchored – poverty rates were even higher, from 53% to 13% in the same period.

However, in recent years there has been an upward trend in pensioner poverty rates, with the percentage of pensioners living in relative poverty creeping up from an all-time low of 13% in the three years between 2010 and 2013 to 16% in 2016/17.³¹

Female pensioners have consistently had a higher risk of poverty than male pensioners – 17% compared to 14% in 2016/17.³³

IFS predict that pensioner poverty will be slightly lower in 2021/22 than now. This is based on a forecast increase in earnings, since pensions, protected by the 'triple lock', are expected to rise at least in line with average earnings.³⁴

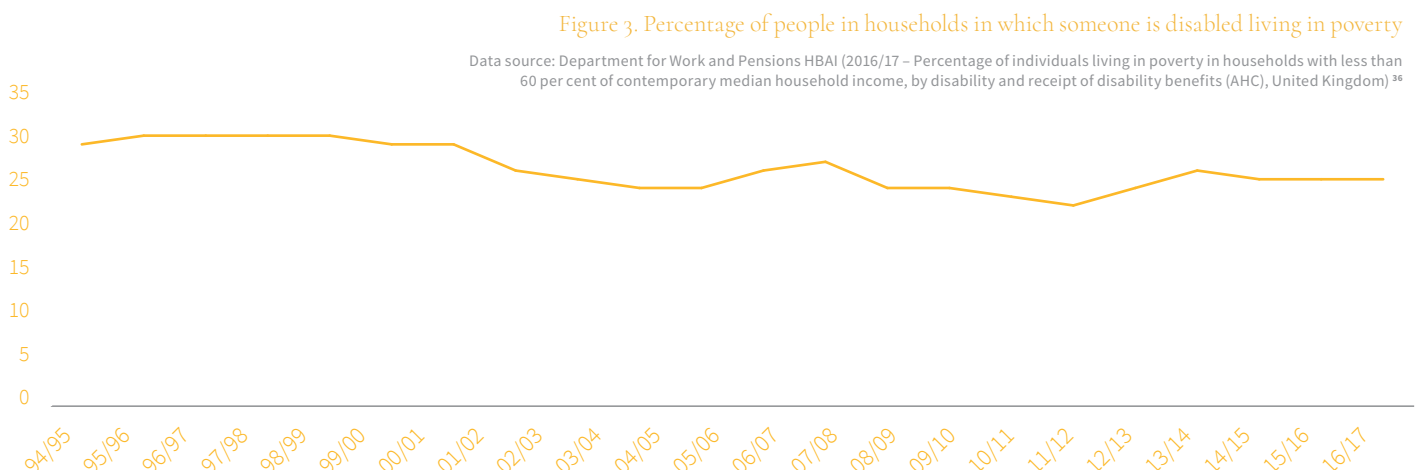


3.3. Disabled people

For disabled people, the trend is again one of a reduction in poverty in the last two decades but a recent increase in the rate of poverty.

Overall, the percentage of individuals in a household with someone with a disability living in poverty has decreased from 30% in 1995/96 – the first year recorded – to 26% in 2016/17. However, the lowest percentage was recorded in 2011/12, at 23%, with poverty levels for households with someone with a disability increasing again since then.³⁵

The way low-income figures are calculated does not take into account the additional costs of disability, even though disability benefits to help meet those costs are counted as additional income (including Disability Living Allowance, Personal Independence Payment and Attendance Allowance for older people). Figures for disability poverty are therefore particularly problematic since they overestimate the disposable income of a household where someone has a disability.^{37 38}



31 DWP (2018) HBAI – Estimated percentage of pensioners in relative/absolute low income, 1994/95–2016/17. (Note that a recession can also affect figures on relative poverty of pensioners.)

32 Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

33 DWP (2018) HBAI – Estimated percentage of pensioners in relative/absolute low income, 1994/95–2016/17

34 House of Commons Library (2018) Poverty in the UK: statistics (<http://bit.ly/2lwHwCk>) p.19

35 DWP (2018) HBAI – Percentage of individuals living in households with less than 60 per cent of contemporary median household income, by disability and receipt of disability benefits (AHC), 1994/95–2016/17. (Note that a recession can affect data on disabled people in poverty: see Appendix 1.)

36 Figures are for the United Kingdom from 2002/03 onwards. Earlier years are for Great Britain only.

37 D Hirsch and K Hill (2016) 'The additional cost of disability: a new measure and its application to sensory impairment', *Disability & Society*, 31(7), pp. 897–913

38 HBAI does not disaggregate data on households where someone has a disability per type of household (e.g. couple household, single female, single female pensioner, etc) nor per gender so we cannot give a gender breakdown of these figures.

3.4. BME women

Inequalities between those from White backgrounds and Black and minority ethnic (BME) backgrounds are widespread and persistent. For BME women, these racial inequalities intersect with and compound gender inequalities. BME women's socio-economic position makes them more susceptible to poverty.

Although BME women have seen improvements in their education outcomes, this has not translated into equivalent labour market success. Racism and sexism in the workplace affect BME women's employment circumstances, with discrimination and bias rife at every stage of the recruitment process.^{39,40} BME women are clustered in low paying occupations and are more likely to be unemployed than their White counterparts, even when qualifications are taken into account.

Larger families and single-parent households are more common among individuals from BME backgrounds. We know that large families and lone-parent households are more at risk of poverty and more susceptible to benefit and public service cuts.⁴¹

Households from ethnic minority backgrounds tend to have much lower incomes and are more likely to be in poverty. In 2015/16, 50% of Bangladeshi, 40% of Black African/Caribbean and 46% of Pakistani households were in poverty, compared to 19% of White British households.⁴²

3.5. Overview of poverty in Coventry

Households in poverty

In the West Midlands, 86% of small areas⁴³ have a higher percentage of households in poverty than the national median (2013/14).⁴⁴ 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%.⁴⁵

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%.⁴⁸

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.⁴⁹

Women and men in the labour market

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).⁵⁰ At 26%, the estimated median hourly gender pay gap is higher in Coventry than in the UK as a whole⁵¹ (19.1%).⁵²

BOX 1. Demographic and socio-economic statistics - Coventry

Coventry has a population of 353,200 which is younger and more ethnically diverse than the UK average.

The average age of all residents is 33 (compared to 40 nationally) and a third of its population – 33.4% – is from a BME background (11.8% in UK) (2011 Census).

Life expectancy is lower than in the rest of the UK: 78.5 years for men (79.5 in UK) and 82.4 for women (83.1 in UK) but it has a similar proportion of people (17.7%) with a limiting long-term health problem or disability.

The employment rate is lower, at 70.2%, than in the rest of the UK (74.7%) and there are more people who are economically inactive (25.8%, against 21.7% nationally). A higher percentage of working age residents do not have qualifications (10% in Coventry, compared to 8% nationally). 5.2% of people in Coventry are unemployed, compared to the national average of 4.5%.

Rates of crime are lower in Coventry than in the UK average, as well as rates of interpersonal violence.

Coventry has a higher number of children in care than the national average (81 per 10,000 under-18-year-olds against 62 nationally) and a slightly higher number of young people who are not in employment, education or training (NEET) (6.8%, against 6%).

House prices are cheaper than the national average but there is a higher rate of homelessness (4 per 1,000 households as against 2.5 in the UK as a whole).

Source: Coventry City Council (2018) Headline Statistics – May 2018 (<http://bit.ly/2IL9nCM>)

39 WBG and Runnymede Trust (2017) *Intersecting Inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2JLave5>) p.12

40 McGregor-Smith (2017) *Race in the Workplace* (<http://bit.ly/2ILPJCF>)

41 WBG and Runnymede Trust (2017) *Intersecting Inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2JLave5>) p.11

42 JRF (2017) *Poverty rate by ethnicity* (<http://bit.ly/2kqKttS>)

43 There is no equivalent statistical information to DWP's Households Below Average Income figures at the local area level, because the sample sizes in the underlying survey would be too small when broken down by local area. We use information on incomes for MLSOAs as a proxy to compare poverty at the local level.

44 ONS (2017) *Small area model-based households in poverty estimates, England and Wales: financial year ending 2014* (<http://bit.ly/2rhUu02>) (measured on a before housing costs basis here)

45 House of Commons Library (2018) *Poverty in the UK: statistics* (<http://bit.ly/2lwHwCk>)

46 MLSOAs are ONS's geographical units designed to contain an estimated 3,000 households each. Names given are approximate areas to facilitate recognition by readers and correspond to the official MLSOAs codes: Cannon Park (E02001999), Bell Green (E02001961), Little Heath (E02001962), Manor House (E02001964), Foleshill (E02001966), Paradise (E02001972), Daimle Green (E02001977), Hillfields (E02001981), Lower Stoke (E02001985), Coventry (centre) (E02001988), Willenhall (E02001996).

47 ONS (2017) *Small area model-based income estimates, England and Wales: financial year ending 2016*

48 House of Commons Library (2018) *Poverty in the UK: statistics* (<http://bit.ly/2lwHwCk>)

49 Figures from End Child Poverty, January 2018 (<http://bit.ly/2k8Rkic>)

50 ONS (2018) *Annual population survey – Economic Activity by sex* (10 May 2018)

51 Although due to confidence intervals in the statistics used it can be similar to the national average

52 ONS (2018) *Annual survey of hours and earnings – resident analysis – Hourly pay by sex* (10 May 2018)

4. Different Routes into Poverty: Labour Market, Family Roles and Benefits

Women's poverty is largely explained by the position of women at the intersection of three different systems. This section gives an overview of how women's position in the labour market, the gendered roles within the family and in society, and the design of the social security and tax system have an impact on women's poverty risk.⁵³ These dimensions have specific implications for each life-stage so they are discussed in more detail in each appropriate section.

Women's position in society has an impact on women's poverty risk

4.1. Labour market: employment and women's poverty risk

The Institute for Fiscal Studies and the Joseph Rowntree Foundation have warned that in-work poverty is the new face of poverty in the UK and one of the biggest challenges in the present.^{54,55} 57% of people in poverty are children or working-age adults living in a household in which someone is employed, and this percentage has increased from 35% in 1994-95⁵⁶. This is due to a combination of low earnings (the number of hours worked may not be sufficient to guarantee a good income) and low pay (what people are paid per hour may not be sufficient for an adequate standard of living) and a range of other factors that relate to the labour market participation of household members and the financial support provided.

Earnings and Pay

Women's income is affected by the hourly-rate they receive for their paid work (pay) and by the number of hours that they work (earnings).

Women predominate in sectors associated with low pay – the so-called 'five Cs': caring, cashiering, catering, cleaning and clerical work. A higher proportion of women are in low-paid work than men: 22% of women are low paid on an hourly basis, compared to 14% of men.⁵⁷ Women also tend to get stuck in low pay and are more likely to switch to other low-paid jobs.⁵⁸

Women are overrepresented in part-time employment which creates a double whammy: working fewer paid hours means lower overall earnings, and part-time positions tend to be paid at a lower rate than full-time positions.⁵⁹ This means that employment very often does not provide a sufficient income for women.

4.2. Family roles

Expectations within the family – and across society – about who should take on caring responsibilities and who should be the breadwinner have a significant impact on the employment patterns of women and men. Women are more likely to work part time than men or to be economically inactive, and this likelihood increases with the number of

children (see 'The Motherhood Penalty' in section 6.1. for more details). Women are therefore more likely to be financially dependent on men and/or on the state. They have a higher risk of poverty in the event of a relationship break-up and are more affected by cuts and changes to benefits.

4.3. Intra-household distribution of resources

Because of the differentials in earnings noted above women tend to have lower incomes than men. Women living in couples are often shielded from poverty, at least in theory, only by their partner's income. Lower earnings lead to women being more at risk if their relationship breaks down in the future, or if their partner loses his job. They also often mean a greater risk of poverty in old age.

The intra-household distribution of resources is another element in women's individual risk of poverty. Published ONS and other official statistics usually measure income at the household level, implicitly making the assumption that resources are shared equally among all members of a household. However, when this is not the case, there

may be women (or men) effectively living in 'hidden poverty' within households whose incomes are above the poverty line. Although it is certainly the case that economies of scale exist, and couples pool at least a proportion of their resources, we know from recent data that this is not always the case.⁶⁰ Published income data at the individual level is crucial to improve estimates of the number of people living in poverty. Individual data on material deprivation and incomes brought into the household by individuals are necessary to carry out fine-grained poverty analysis and to understand the degree of control over resources within households.

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

54 JRF (2018) 'Working families still locked in poverty – time to right the wrong of in-work poverty' (<http://bit.ly/2JOTSG7>)

55 IFS (2018) Poverty and pay in the UK: the state of play and challenges ahead (<http://bit.ly/2FBPD7T>)

56 Ibid.

57 Resolution Foundation (2018) Low Pay in Britain 2018 (<http://bit.ly/2LnMLpA>) p.34

58 Ibid.

59 Ibid

60 Eurostat (2013) Income pooling and equal sharing within the household – What can we learn from the 2010 EU-SILC module? (<http://bit.ly/2J5AT9S>) p.24

4.4. Poverty and the social security system

Redistribution of resources via the tax and social security systems is crucial for tackling poverty for everyone. Previous research has found that the variance in poverty rates between women and men across countries was largely explained by the differences in tax and benefit policies.⁶¹ For instance, in the UK there were reductions in poverty among lone parents and single older women in the 2000s that were due not only to increases in employment but also to improvements in universal child benefit and in means-tested benefits/tax credits for both groups.⁶² These policies reduced the difference in poverty rates between women and men and reduced persistent poverty.

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 their presence in the labour market is less consistent (see above) and also often part time.⁶³ Women also rely more on the social security system, for two reasons. They are more likely to be in situations in which they have to claim benefits – for example, as single parents. Women also tend to act as ‘conduits’ – in other words, they are more likely to receive benefits on behalf of others, especially for children.⁶⁴

Cuts to benefits since 2010

Since 2010, a series of cuts and changes to benefits have had an impact on women's risk of poverty. Cuts to spending on social security will total £37bn per year by 2020.⁶⁵ These include, for example, a four-year freeze on most working-age benefits and limiting child tax credit and the

child element of Universal Credit to the first two children (for children born after April 2017), making large families considerably worse off. The break in the link between Local Housing Allowance (housing benefit for private rents) and actual rents effectively reduces the support families receive for housing and risks throwing many people into poverty.⁶⁶

Social security changes have disproportionately affected women,⁶⁷ and BME women in particular,⁶⁸ since BME women are more likely to live in larger households and head single-parent households – both groups which have been hit particularly hard by benefit and tax credit cuts.⁶⁹

Conditionality and sanctions

Conditionality – making benefit support conditional on certain behaviours (e.g. actively seeking a job) – has been a staple of social security for the last decades. However, conditionality has become more stringent in recent years, with sanctions for failure to comply being more widely enforced.⁷⁰

Conditionality is now also applied to previously exempt groups, such as lone parents with younger children and many disabled people. It fails to take into account the structural barriers that these groups face in the labour market, including the lack of childcare provision, the unavailability of flexible jobs to accommodate caring commitments for lone parents, and a failure to adapt jobs for people with disabilities.

4.5. The importance of taking a life-course approach

Poverty tends to trap people in a cycle from which it is difficult to escape. Women in the UK find it harder than men to escape the ‘stickiness’ of poverty: they are somewhat more likely to be in persistent poverty (8.2%) than men (6.3%).⁷²

To understand the cumulative nature of poverty it is important to take into account risks at specific points in women's lives. For instance, we have to look at the educational opportunities for young women because these contribute to determining their income during their working-age years. In addition, women's employment patterns have an impact on their risk of poverty in the present and in the future. This is because part-time employment and career breaks are likely to result in lower lifetime earnings and lower pensions in the future.

Changes to life circumstances also affect women's risk of poverty – although not in a straightforward way. For instance, marriage or cohabitation may safeguard some women against low household income through the earnings of a male breadwinner; however, in cases of financial abuse, some women in one study reported feeling ‘richer’ once they separated from their partner because they were now in full control of the money they received.⁷³

The subsequent sections of this report follow three broad life stages and unpick each separately: childhood and early adult years; working-age years; and older years. We look into the causes and consequences of

poverty in each life stage. As we move along the life-course, attention is paid to the cumulative impact of previous experiences of poverty. In each section we take an intersectional approach by analysing the specific ways women from minority backgrounds and women with disabilities face a higher risk of poverty.

61 J Gornick (2004) ‘Women's economic outcomes, gender inequality and public policy: findings from the Luxembourg Income Study’, cited in F Bennett and M Daly (2014) *Poverty through a Gender Lens: Evidence and Policy Review on Gender and Poverty* (<http://bit.ly/2qu24Ur>) p.48

62 F Bennett and M Daly (2014) *Poverty through a Gender Lens: Evidence and Policy Review on Gender and Poverty* (<http://bit.ly/2qu24Ur>) p.10

63 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

64 M Daly and K Rake (2003) *Gender and the Welfare State*, Cambridge: The Polity Press

65 WBG (2017) *Gender impact of social security spending cuts*. (<http://bit.ly/2F22Q1J>). Figure using Landman Economics model

66 For more details, see WBG and Runnymede's Trust *Intersecting Inequalities report* (2017) (<http://bit.ly/2jLave5>)

67 E.g. see F Bennett (2015) ‘The impact of austerity on women’, in L Foster, A Brunton, C Deeming and T Haux (eds.) *In Defence of Welfare II*, Social Policy Association (<http://bit.ly/2HugW57>)

68 WBG and Runnymede Trust (2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

69 59% of Black Caribbean, 44% of Black African children and 61% of children in mixed race households grow up in single-parent families, while the overall proportion of children in the UK living with a lone parent is 22% (Runnymede Trust, <http://bit.ly/2rPUC7q>)

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

71 Relative income poverty in current year + 2 of 3 preceding years

72 ONS (2017) *Persistent poverty in the UK and EU: 2015* (<http://bit.ly/2qszcvj>)

73 Wilcox (2006) *Surviving Domestic Violence: Gender, Poverty and Agency*, Palgrave Macmillan, p. 119.

5. Children and Young Women

Several of the factors that have an impact on a woman's risk of living in poverty at some point in her life are determined at a young age. Cultural expectations around gender roles, the family learning environment and parental socio-economic and educational background all influence how well a girl will do at school, which subjects she will choose to study and her employment progression. Educational attainment and parental qualifications will particularly influence a girl's (and boys') risk of poverty later in life.⁷⁴

This chapter explores the causes of poverty in childhood, the importance of education for poverty risk in the future, recent trends in youth poverty, and the role of benefits in protecting children and young women from poverty.

Parental employment & benefit entitlement both determine a child's risk of poverty

5.1. Causes of poverty for children and young adults

The risk of a child living in poverty is linked to the income of their household. Their household income is in turn largely determined by two factors: their parents' net earnings and the benefits they receive. Data on children's poverty is not sex-disaggregated; so we do not know whether there are any significant differences between the number of girls and boys living in poverty. The observations below are therefore not broken down by gender but refer to children in general.

Employment status of adults in household

Parental employment status is crucial in determining a child's risk of poverty: a child is three times more at risk of poverty in a family in which no one is employed (73%) than in a household in which at least one adult has a job (24%).⁷⁵ But parents' employment patterns also matter: while only 13% of children in families with one parent employed full time and the other employed part time are in poverty, in families where both parents are only employed part time, the percentage of children in poverty shoots up to 63%.⁷⁶ Parents not having employment is thus a risk factor for children's poverty, but low earnings through parents being employed for only a few hours is also significant.

Household composition

The composition of the family is also relevant. The risk of poverty increases with the number of children in the family: 25% of children who are the sole child in their family are in poverty, compared to 42% of children living with two or more siblings.⁷⁷ 51% of Black African, 65% of Pakistani and 64% of Bangladeshi children live in large families, compared to 30% of those in White British families.⁷⁸ Black Caribbean (24%), African (24%), Other Black (26%) and White and Black African (21%) all had a higher proportion of lone-parent families than the England and Wales average (11%).⁷⁹

Living with a single parent can also be a marker of poverty. Half of all children living with a single parent (49%) are in poverty, compared to only a quarter (25%) of children living with couple parents.⁸⁰ Within single-parent families, the risk of poverty very much depends on that parent's – usually the mother's – employment status. Only 23% of children of lone parents who work full time are living in poverty, compared to 72% of children whose single parent has no employment.⁸¹ However, the ability of a single mother to be employed is highly dependent on infrastructure such as childcare provision and transport being widely and affordably available (see section 6.2.).

Disability also affects the risk of a child living in poverty. There are proportionately more children living in poverty in households in which someone is disabled (38%) than in households in which no one is disabled (26%).⁸²

Poverty for young adults

Young people (aged 14-24) were the age group with the highest percentage of individuals living in poverty: 30% (2010/11-2012/13).⁸³ The rates of poverty for 20-24 year olds has increased more than any other group between 2000/01-2002/03 to 2010/11-2012/13.⁸⁴

Parents remain a relevant source of support for many people in their twenties. Around one in four young adults (aged 20-34) lived with their parents in 2015, 60% of whom were men.⁸⁵ But young women are more likely to be lone parents and move in with their parents, forming concealed families. Housing costs, prolonged education and delayed formalisation of relationships are all reasons presented by the ONS for this increasing phenomenon.⁸⁶

74 House of Commons Library (2018) Poverty in the UK: statistics (<http://bit.ly/2lwHwCk>) p.26

75 These figures are for the percentage of children living in households with no one in work whose income is below 60% of contemporary median equivalised disposable household income, compared to the percentage of children living in households with at least one adult in work that are below 60% of the median household income (after housing costs). From DWP (2018) HBAI – Percentage of children in low-income groups by various family and household characteristics, 2016/17

76 These figures are for the percentage of children living in households with no one in work below 60% of the median household income, compared to the percentage of children living in households with at least one adult in work below 60% of the median household income (after housing costs). From DWP (2018) HBAI – Percentage of children in low-income groups by various family and household characteristics, 2016/17

77 DWP (2018) HBAI – Percentage of children in low-income groups by various family and household characteristics, 2016/17

78 WBG calculations by Lucinda Platt (LSE), based on HBAI surveys (2010/11 to 2012/13). 'Large families' here means 3 or more children.

79 ONS (2014) Census analysis: What does the 2011 Census tell us about the characteristics of Gypsy or Irish travellers in England and Wales? (<http://bit.ly/2ILPnAc>)

80 DWP (2018) HBAI – Percentage of children in low-income groups by various family and household characteristics, 2016/17

81 Ibid.

82 DWP (2018) HBAI – Percentage of children living in households with less than 60 per cent of contemporary median household income, by disability, UK excluding DLA, PIP and AA, 2016/17 (please note that this study discounts disability benefits, contrary to what is usually the case in HBAI figures for disability income)

83 New Policy Institute (2015) Poverty among young people in the UK (<http://bit.ly/2GO1kzA>) based on HBAI surveys from 2010/11-2012/13.

84 New Policy Institute (2015) Poverty among young people in the UK (<http://bit.ly/2GO1kzA>) p.8

85 ONS (2016) Why are more young people living with their parents? (<http://bit.ly/2LwjBoi>)

86 Ibid.

5.2. The role of benefits

For children

Children's risk of poverty is affected by their family's entitlement to benefits. Poverty rates for lone parents fell in the 2000s and the rate of persistent poverty also went down, due to increases in employment and in universal child benefit, as well as improvements in means-tested benefits and tax credits.⁸⁷ However, with benefits and tax credits being cut since 2010, poverty for children and working-age adults has increased and is forecast to increase further (see chapter 3 for more details).⁸⁸

The replacement of several means-tested benefits, including child tax credit, with Universal Credit, a single household monthly payment, also raises concerns about its effects on children. Research points to the importance of labelling different income sources to ensure that they are used for their intended purpose and reach the person they are supposed to help.⁸⁹

For young adults

Changes to welfare benefits are also having a significant impact on how young people structure their lives. Unemployment among young people after the 2008 financial crisis reached a peak in 2012 and has been steadily decreasing.⁹⁰ However, structural changes to the labour market have translated into more precarious jobs and a reduced entitlement to social security benefits.⁹¹ Changes to qualifying criteria for benefits, such as the rollout of Universal Credit (with stringent criteria about who should seek a job), and caps to Local Housing Allowance (see below), have increased young people's vulnerability to poverty.

Young people were particularly affected by changes to the Local Housing Allowance rates. For people younger than age 35, who are single with no children, the LHA rate is based on the price of a room in shared accommodation. This means that young people will receive less Housing Benefit than before and are compelled to live in a flatshare or discouraged to leave the parental home.⁹²

5.3. Consequences of poverty in childhood and young adulthood

Health and well-being

Poverty has a considerable impact on girls' (and boys') health and well-being. Poor households have limited access to goods and services that improve their health, such as good housing and food. New figures from the ONS show that life expectancy for the poorest 10% of girls has decreased.⁹³ This is the first time since records began that a social group has experienced a decrease in life expectancy.⁹⁴

Parenting and educational attainment

Poverty has an impact on children's educational opportunities and wider life chances. Their access to extracurricular activities, hobbies and school trips is hindered by a family's lack of money.⁹⁵ Poverty can have a negative effect on parents' mental health due to the stress of managing a low income for a household⁹⁶ and this can have a knock-on negative effect on their ability to parent positively.⁹⁷ This is particularly important for children's educational attainment, since the role of parents is crucial in this. Parental engagement with education and parental expectations have a strong effect on the educational attainment of children⁹⁸ and that in turn has a significant impact on a child's future financial prospects.

Education and future earnings

Differences in (future) poverty risk begin as early as pre-school. Children who attend pre-school education can expect to earn 7.9% more over their working lives than children who do not, and children who attend high-quality pre-schools will earn 4.3% more than children who attend low-quality pre-schools.⁹⁹

Girls outperform boys in every subject and at every educational level, although the gap is smaller in Maths and STEM subjects. This is true in every ethnic group, although the gender educational attainment gap varies across socio-economic and ethnic groups. For instance, girls are 35% more likely to go to university than boys, but this gap is even wider in relation to young people from disadvantaged groups: girls from disadvantaged backgrounds are 51% more likely to go to university than boys in the same socio-economic group.¹⁰⁰

However, better performance in school and university has not translated into higher earnings in the labour market for women, where the gender pay gap has persistently lingered at 20% for the last decade.¹⁰¹ Poor White British boys are the least likely group to access higher education (8.9%) but ethnic minority groups experience higher unemployment rates compared to White British groups.¹⁰² This results in a significant gap between educational attainment and social mobility for ethnic minorities. This gap is the widest for Pakistani and Bangladeshi women and is largely explained by family and cultural expectations and discrimination faced by these groups.¹⁰³

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

88 IFS (2017) Living Standards, Poverty and Inequality in the UK: 2017-18 to 2021-22 (<http://bit.ly/2wRZ5eO>)

89 WBG (2018) Universal Credit and Financial Abuse: making the links (<http://bit.ly/2ti4W2>)

90 House of Commons Library (May 2018) Youth unemployment statistics (<http://bit.ly/2IQao8Y>)

91 IMF (2018) Inequality and Poverty across Generations in the European Union (<http://bit.ly/2GR7jbs>)

92 Social Security Advisory Committee (2018) SSAC Occasional Paper 20: Young people living independently (<http://bit.ly/2l3iZKQ>)

93 ONS (2018) Healthy state life expectancies by Index of Multiple Deprivation (IMD): England, all ages (<http://bit.ly/2L3qsof>)

94 The Independent (1 March 2018) 'Life expectancy of poorest girls in England falls for first time on record since 1920s, figures show' (<https://ind.pn/2qoTztB>)

95 K Cooper and K Stewart (2017) Does Money Affect Children's Outcomes? An update (<http://bit.ly/2rRWaxR>)

96 WBG (2006) Women's and children's poverty: making the links

97 Comic Relief (2017) How can work help women make sustainable transitions out of poverty? (Briefing paper for roundtable event.)

98 Social Mobility Commission (2016) Ethnicity, Gender and Social Mobility (<http://bit.ly/2GRijBf>) p.32

99 Ibid. p.33

100 Higher Education Policy Institute (2016) Boys to Men: The underachievement of young men in higher education – and how to start tackling it (<http://bit.ly/2qoeH45>)

101 IFS (2018) The gender pay gap in the UK: children and experience in work (<http://bit.ly/2EDSGCo>)

102 Social Mobility Commission (2016) Ethnicity, Gender and Social Mobility (<http://bit.ly/2GRijBf>)

103 Ibid.

Young women and higher education

For women in general, there is in practice a greater gain from going to university than there is for men. This is because female graduates earn three times as much as women without a degree, while male graduates earn roughly twice as much as other men.¹⁰⁴ This is not because female graduates earn more, but rather because the sectors with the largest concentration of non-graduated women (e.g. cleaning, care and catering) pay less than non-qualified male-dominated sectors (e.g. construction, manufacturing). Apprenticeships are highly gender-segregated, with women mostly undertaking apprenticeships that lead to low-paid professions (86% of students in health and care-related apprenticeships). On the other hand, 97% of construction apprenticeships, which lead to jobs in a higher-paid sector, are taken by boys.¹⁰⁵

The experience of university for young women from low-income families can be very different from that of their peers from higher-income backgrounds. In interviews conducted for WBG and Runnymede's previous research, young women from low-income backgrounds spoke about their struggle to combine paid work and higher education. These young women are likely to graduate not only with higher levels of debt,

but also without the more useful work experience gained through internship opportunities obtained by students from richer backgrounds, who did not need to combine their time at university with paid work.

Young women not in employment, education or training (NEET)

Even though girls outperform boys in school, and are substantially more likely to go to university, there are still some young women who are neither in employment nor in education or training (NEET). A higher percentage of NEETs are women, mostly due to care responsibilities towards young children or vulnerable adults¹⁰⁶ (see section 6.2 for more details). This is relevant because young women who are NEET are more likely to earn little several years after they take up employment.¹⁰⁷

More deprived areas tend to have higher levels of young people who are NEET, but intervention by local authorities with targeted policies has been found to reduce these numbers.¹⁰⁸ People from poorer backgrounds are also more likely to be NEET, with 75% of NEETs coming from the lowest socio-economic groups.¹⁰⁹

104 The Guardian (12 May 2016) 'UK's university gender gap is a national scandal, says thinktank' (<http://bit.ly/2JC6cKF>)

105 WBG (2017) Education: background briefing (<http://bit.ly/2Ap2gJ6>)

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

107 Young Women's Trust (2015) Factsheet: Young People Not in Education Employment or Training (NEET) (<http://bit.ly/2x2d4P3>)

108 Public Health England (2014) Local action on health inequalities: Reducing the number of young people not in employment, education or training (NEET) (<http://bit.ly/2LnfwTt>)

109 Young Women's Trust (2015) Factsheet: Young People Not in Education Employment or Training (NEET) (<http://bit.ly/2x2d4P3>)

6. Working Age Women

This chapter explores the employment patterns of women and the impact of caring responsibilities in shaping them. It then goes on to explore role of social security in preventing and alleviating the causes and consequences of poverty for women in this life stage.

6.1. Employment

Employment patterns

Women's employment rate is at an all-time high but their employment patterns are different from those of men. A large majority of people working part time are women (73%) and a majority of those in involuntary part-time work are also women (56.8%).¹¹⁰ Women also make up the majority of people in temporary work (53.9%) and on zero-hour contracts (54.7%).¹¹¹

There are also considerable differences in the employment rates of women when we consider ethnicity. Bangladeshi and Pakistani women have the lowest rates of employment (aged 16-64), both under 40%, while 67% of Indian women and 72% of White women are in employment.¹¹²

Self-employment may be a good option for some women, allowing them to work flexibly. Yet self-employment can also effectively be a strategy by employers to avoid employment regulations and can mean lower incomes and more limited access to social protection. Although women make up just a third of workers who are self-employed, they are the majority of self-employed workers in part-time work (58.2%).¹¹³ Median annual earnings of self-employed women were about a third lower than median earnings of women employees in 2014.¹¹⁴ For many women, self-employment may not be a choice, but a necessity driven by care responsibilities, loss of public sector jobs and the increase in the female pension age.¹¹⁵

Discrimination at work based on ethnicity disproportionately affects women (particularly women displaying religious symbols). Cultural norms and expectations hinder the progression in the labour market of women and members of certain ethnic groups by reinforcing choices of stereotypical jobs based on gender roles.¹¹⁶

Low earnings

Even though household groups with someone employed have a lower risk of poverty, this varies drastically depending on the number of hours in paid work and the number of adults employed.¹¹⁷ While only 7% of households in which both members of the couple are in full-time employment are in poverty, this percentage rises to 33% in the case of

Preventing & alleviating causes & consequences of poverty

couples in which both partners are in part time employment.¹¹⁸ For women, this is especially relevant. Women's employment rate (age 16-64) is at an all-time high in the UK, at 71.2%.¹¹⁹ However, women receive less from paid work than men. As a result of caring responsibilities, women tend to be employed for fewer hours than men.

The differences between the pattern of women's and men's employment and the rewards they receive for it are at least in part a reflection of the unequal distribution of care within families on the one hand, and between families and society on the other, that leaves women to shoulder most of the unpaid care work.

Low pay

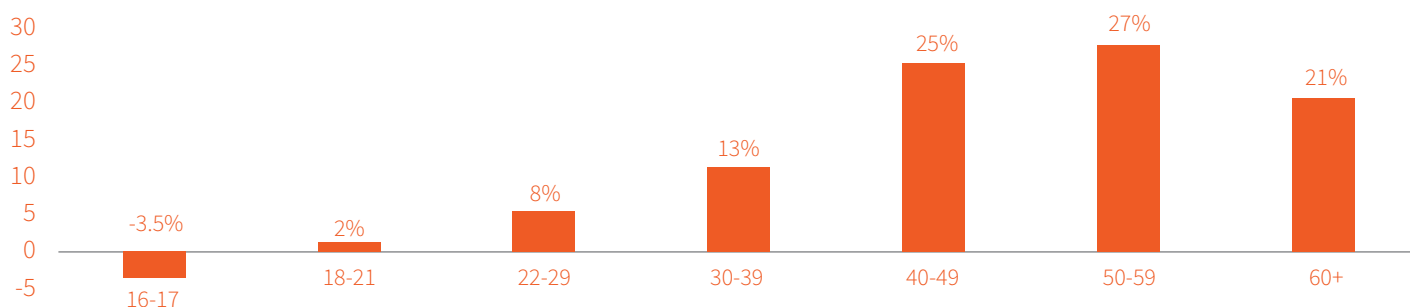
In addition to working fewer paid hours than men, women tend to gain less per hour worked. This is for three main reasons: sectors with a higher concentration of female employees, such as cleaning and catering, tend to be lower paid; part-time jobs very often pay less per hour than full-time jobs; and women are under-represented in higher-level positions that pay more. The gender pay gap reflects to a large extent the combination of these dimensions. Moreover, self-employed women also tend to have lower profits than their male counterparts: in 2015/16 full-time self-employed women had median weekly earnings of £243 compared with £363 for full-time self-employed men.¹²⁰

The median gender pay gap for all types of employment was 18.4% in 2017 and there are considerable differences across age groups. The gender pay gap tends to worsen as people progress in their working-age years, starting at 2% for 18- to 21-year-olds and reaching a peak of 26.6% in the 50-59 age group.¹²¹ The median gender pay gap for 16-17 year-olds is in favour of women, at -3.5%.

Low hourly pay and low earnings undermine the potential of paid work as a safeguard against poverty. This is particularly true for women because of their employment patterns. This can be mitigated by tackling barriers to women's employment and through the adequate provision of social security support.

Figure 4: Gender pay gap (median) for all employees across age groups, UK 2017

Data source: ONS (2018) Gender pay gap (%) for all employee jobs, 2017



110 WBG (2017) Women, employment and earnings (<http://bit.ly/2EOwyXZ>)

111 ONS (2018) Contracts that do not guarantee a minimum number of hours: April 2018 (<http://bit.ly/2Hl53cL>)

112 WBG (2017) Women, employment and earnings (<http://bit.ly/2EOwyXZ>)

113 Ibid.

114 WBG calculations using the Family Resources Survey, cited in WBG (2017) Women, employment and earnings (<http://bit.ly/2EOwyXZ>)

115 WBG (2017) Women, employment and earnings (<http://bit.ly/2EOwyXZ>)

116 Social Mobility Commission (2016) Ethnicity, Gender and Social Mobility (<http://bit.ly/2GRlJbF>) p.48

117 This refers to people in paid employment; we recognise that unpaid caring responsibilities and volunteering are also forms of work.

118 DWP (2018) HBAI – Percentage of individuals in low-income groups by various family and household characteristics, 1994/95-2016/17

119 ONS (2018) Statistical bulletin: UK labour market: May 2018 (<http://bit.ly/2M1so29>)

120 ONS (7 February 2018) Trends in self-employment in the UK (<http://bit.ly/2Lw71Vg>)

121 ONS (2018) Gender pay gap (%) for all employee jobs, 2017

Disabled women and employment

There are no significant differences between the employment rates of disabled women and men (in contrast to able-bodied women and men, where gender differences do exist),¹²² although the employment rate for this group in general is only 48%. As the JRF and others have made explicit, being in paid employment in itself is not a safeguard against poverty; the number of hours in paid work and hourly pay are better indicators of poverty risk. Statistics show a grim picture of the risk of poverty for disabled people; 50% of the work they perform is in low-paid, short-term and part-time roles.¹²³ Disabled men earned 13% less than non-disabled men, and the pay gap between disabled women and non-disabled women is 7% (1997-2014).¹²⁴ This is especially problematic when we consider the additional costs of living with a disability (see 'Disabled Women' in section 3).

6.2. Caring responsibilities

Unpaid care work has a disproportionate impact on women's ability to be financially independent.

Within many families, the division of labour is largely still based on traditional gender roles and expectations. Women carry out an average of 60% more unpaid work (cooking, cleaning and childcare) than men, with women doing on average 26 hours of unpaid work per week and men doing 16.¹²⁶ On the other hand, men spend roughly a third more time on paid employment than women (24h54' against 17h39').¹²⁷

Time is limited, so if women have to spend more time on care work they will not be able to work full-time hours to earn a wage. The mirror image is also true: men can earn a better wage, based on working longer hours, because, by and large, they do not have to spend so much time on care duties. The higher wages that men tend to attract weights the decision about who should be the main carer and the main earner in one direction – though this is now beginning to change, with the deterioration in men's wages over time and the increasing proportion of men in part-time work.

The household division of labour has long-term effects due to the cumulative nature of poverty risk. Gender roles and the household division of paid and unpaid work affect employment trajectories, which in turn determine earnings and future pensions (see chapter 8).¹²⁸ Financial dependence – a situation in which women are more likely to find themselves – increases the risk of future poverty, even if the household is not living in poverty at the time. This is because women in this situation are just a partner away from poverty, either through separation or if their partner loses his job.¹²⁹

The motherhood penalty

Motherhood has a crucial – and negative – impact on average on a woman's earnings and work progression (the 'motherhood penalty'). One reason for this is that the majority of mothers in employment work part time.¹³⁰ However, the TUC calculated that there is also a pay gap of 7% between mothers and non-mothers working full time and with similar characteristics.¹³¹ When it comes to career progression, mothers face

Mobility and employment

Women from some minority groups are less likely to move for employment, tending to live with parents before marriage – this affects their job prospects.¹²⁵

BOX 2. Mobility and job prospects

Expectations about single women's behaviour can have a significant impact on the mobility of young women in some minority ethnic communities. A woman from an Asian background living in Coventry explains:

"I never lived away, that's a cultural issue with ethnicity and everything. I did it when I was at university. I've worked in different places, had different relationships, but never lived with that person."

Mobility, or lack thereof, can affect a woman's ability to search for better employment opportunities and take them up.

obstacles. A poll in 2012 found that nearly half (48%) of mothers on low to middle incomes take a lower-skilled part-time job when they return to work after having their child.¹³²

But the motherhood penalty is not universal and varies drastically depending on the woman's age at the birth of her first child. Younger mothers experience a 26% pay penalty in comparison to older mothers (aged 33 or over at first birth) with similar characteristics. Indeed, women who were mothers after the age of 33 earn 12% more than similar childless women.¹³³

Paternity, overall, has a positive impact on men's wages (the 'fatherhood bonus'). Fathers working full time at age 42 earn 21% more than non-fathers with similar characteristics.¹³⁴ For fathers, their age at the birth of their first child is not statistically significant.

Single parents and caring responsibilities

Nearly half (48%) of single parents – the vast majority of whom (86%) are women – are living in poverty. Single parents have a higher risk of poverty than any household type, including couples with children (24%), single female pensioners (23%) and single women without children (25%).¹³⁵ However, the risk of living in poverty as a single parent changes drastically according to employment status (see section 5.1 for more details).

Children are much more likely to be poor if the single parent is not employed (75%) than if they are working part time (32%) or full time (22%).¹³⁶ Employment rates are low in this group and lone parenthood is known to reduce mothers' employment rate by 15%. Moreover, single mothers were more likely to be in low-skilled occupations in 2014 (14%) than mothers in a couple relationship (8%).¹³⁷ Disability has a major impact on the likelihood of employment in motherhood: disabled single mothers are 50% less likely to be employed than non-disabled single-mothers.¹³⁸

Care responsibilities are a crucial factor in explaining the low level of employment for women who are single mothers: the lone mothers who

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

123 Comic Relief (2017) How can work help women make sustainable transitions out of poverty? (Briefing paper for roundtable event)

124 EHRC (2017) Being disabled in Britain: A journey less equal (<http://bit.ly/2lI9Hay>)

125 Social Mobility Commission (2016) Ethnicity, Gender and Social Mobility (<http://bit.ly/2GRlJBf>) p.47

126 ONS (2016) 'Women shoulder the responsibility for unpaid work' (<http://bit.ly/2HewKMe>)

127 WBG's own calculations based on ONS (2016) Mean total daily leisure, unpaid work and paid work time by day of week and sex (whole population aged eight and over), UK, 2015 (<http://bit.ly/2LGSE0A>)

128 WBG (2017) Women, employment and earnings (<http://bit.ly/2EOwyXZ>)

129 F Bennett and M Daly (2014) Poverty through a Gender Lens: Evidence and Policy Review on Gender and Poverty (<http://bit.ly/2qu24Ur>) p.39

130 ONS (2017) Families and the Labour Market (<http://bit.ly/2JWalbu>)

131 TUC (2016) Pay and Parenthood: an analysis of wage inequality between mums and dads (<http://bit.ly/2jEdced>) p.18

132 Cited in: TUC (2016) Pay and Parenthood: an analysis of wage inequality between mums and dads (<http://bit.ly/2jEdced>) p.18

133 TUC (2016) Pay and Parenthood: an analysis of wage inequality between mums and dads (<http://bit.ly/2jEdced>) p.20

134 Ibid. p.21

135 DWP (2018) HBAI – Percentage of individuals in low-income groups by various family and household characteristics, 2016/17

136 J Millar (2009) 'The United Kingdom: The Feminization of Poverty?' in G. Schaffner Goldberg (ed.) Poor Women in Rich Countries: The Feminization of Poverty Over the Life Course. Oxford: Oxford University Press. (pp. 121-150), based on DWP 2009 figures

137 The Modern Families Index 2018 (Working Families)', from ONS, Families in the labour market 2014

138 Sisters of Frida (2017) Disabled Women: Facts and Stats (<http://bit.ly/2MkvEWh>)

are least likely to be employed are young women with pre-school-aged children, or those with children in poor health or with disabilities.¹³⁹ This is exacerbated by a significant increase in childcare costs over the last decade, at double the rate of inflation (see section 6.3 for more details).¹⁴⁰

Child maintenance

Child maintenance is a relevant source of income for many single parents. However, only a third of non-cohabiting parents pay child maintenance to their children.¹⁴¹ Many women living in abusive relationships, or simply unsatisfactory ones, are reluctant to leave due to worries about whether their partner would continue to support their children through child maintenance. These worries are exacerbated by recent cuts to benefits and legal aid, which mean that mothers are at considerable risk financially if they do decide to separate and child maintenance is not paid.

Childcare costs

Childcare in England is increasingly expensive: childcare costs have increased twice as fast as the inflation rate in the last decade.¹⁴² The TUC found that for parents with a one-year old child, the cost of their child's nursery provision has grown four times faster in England than their wages between 2008 and 2016 (and more than seven times faster in London).¹⁴³ Childcare costs make up 30% of the income of dual-earner couples on median incomes and around 20% for 1.5 earner couples.¹⁴⁴ Support in the form of free entitlement and tax does not cover all costs nor reach all families who need it (see 'Childcare Financial Support' on section 6.3.).

6.3. Housing

The cost of housing has a considerable impact on families' budgets. This is reflected in poverty statistics: when housing costs are taken into account, the percentage of working-age adults with children in poverty increases from 15% to 22%.¹⁵⁰ In the case of lone parents, housing takes a heavier toll on finances: 46% of single parents are in poverty after housing costs (compared to 26% before housing costs).¹⁵¹

Housing costs have increased the fastest for low-income households: mean housing costs rose by 47% between 2002/03 and 2016/17 for families with children in the bottom 20% of the income distribution. For families with children in middle-income households, there was a 11% increase in housing costs in the same period.¹⁵²

Home ownership is an important source of financial security.¹⁵³ Some minority ethnic groups are much less likely to own their homes than the White ethnic group (68%): Caribbean (45%), Chinese (43%), Bangladeshi (33%) and African (24%) have lower ownership rates. This means that BME households¹⁵⁴ are more likely to rent and be harder hit by changes to Housing Benefit and Local Housing Allowance, and by the shortage of social housing.¹⁵⁵

Cuts in local government funding available to local councils for housing have been severe since 2010. Central government spending on the categories of 'local government' and 'communities', which

Availability is another problem: half of local authorities in England and Wales have insufficient childcare provision for parents who work full time¹⁴⁵ and in 2016 only 18% had enough childcare for children with special educational needs or disabilities.¹⁴⁶ Lack of affordable childcare has negative consequences on women's access to employment, with more than half of non-employed mothers in England preferring to have a job if they could arrange and afford the right childcare.¹⁴⁷

For lone parents, the situation is particularly severe: welfare conditionality dictates that they seek paid work (albeit with discretionary easements, depending on the age of their youngest child, as in two-parent families) but childcare costs and severe cuts in investment in public transport¹⁴⁸ make it very hard for earnings to be enough to cover all expenses. With these costs weighing so heavily on families' budgets, they may contribute to poverty for some low-income families, particularly single-mother households.

Multiple caring responsibilities in later working-age years

Women just before pension age can face multiple caring responsibilities; a quarter of women in the 50-64 age group have caring responsibilities. These commitments make women four times as likely as men in this age group to give up work, with many older women in later working-age years reducing their working hours due to caring commitments.¹⁴⁹ This will then have an impact on the amount of pension they will be entitled to receive in retirement.

include housing, was cut by at least 41% in real terms between 2009/10 and 2014/15.¹⁵⁶ This resulted in less money to spend on housing: local authority spending on housing in England fell by 45% between 2010/11 and 2014/15 and cuts were higher in more deprived areas.¹⁵⁷ These cuts have had an impact on the availability of social housing and changes in housing policy have weakened the housing safety net. This disproportionately affects women, as women are over-represented among social renters. This is because women are also over-represented amongst those in housing need and in homeless families.¹⁵⁸

BOX 3. Rent arrears and debts

Rising private rents, lack of social housing and cuts to housing benefit are leaving many families struggling to pay their housing costs. This can be particularly acute for single mothers who recently separated from their partners and can lead people into debt.

A single mother in Coventry saw her jobseeker's allowance cut several months ago and she had a problem with rent arrears. She has been employed for seven months now but her rent arrears mean that she is still struggling with housing debt and threatened with eviction even though she has a job.

139 J Millar (2009) 'The United Kingdom: The Feminization of Poverty?' in G. Schaffner Goldberg (ed.) *Poor Women in Rich Countries: The Feminization of Poverty Over the Life Course*. Oxford: Oxford University Press. (pp. 121-150)

140 Family and Childcare Trust (2018) 'Childcare prices surge at double rate of inflation, undermining Government's new investments' (<http://bit.ly/2HqC7zI>)

141 Gingerbread (2018) *One in four: A profile of single parents in the UK* (<http://bit.ly/2l0xYVW>) p.11

142 Family and Childcare Trust (2018) *Childcare Survey 2018* (<http://bit.ly/2Ht3o47>)

143 TUC (2017) Press release: 'Cost of childcare has risen four times faster than wages since 2008, says TUC' (<http://bit.ly/2iolyrS>)

144 IPPR (2014) *Childmind the gap: Reforming childcare to support mothers into work* (<http://bit.ly/2numfIQ>)

145 Family and Childcare Trust (2018) *Childcare Survey 2018* (<http://bit.ly/2Ht3o47>)

146 Family and Childcare Trust (2018) *Childcare Survey 2017* (<http://bit.ly/2mccWWG>)

147 Department for Education (2016) *Childcare and early years survey of parents 2014 to 2015* (<http://bit.ly/2eWgkhn>)

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

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

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

151 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

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

153 WBG and Runnymede Trust (2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

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

155 Ibid. p.

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

157 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/2rPXF MQ>)

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

6.4. The role of benefits

Paid employment is often not enough to keep people from poverty – the welfare state has an important role in preventing and relieving poverty. It can provide access to an individual income, and in some forms it can provide an independent income.

BOX 4. Entitlement to benefits

Organisations that support women in Coventry have noted that many women living in economically difficult situations are unaware of the benefits to which they are entitled. This is often because they have a migrant background and difficulty with the English language and/or because their partner is the one that handles all the administrative matters.

Single mothers are often more knowledgeable about benefits and how to navigate the social security system. This is a reflection of the importance that benefits play in the incomes of single mothers.

Educating women on their rights to benefits and helping them to navigate the system are important roles for the organisations in the Coventry Women's Partnership.

For women, it can be harder to qualify for employment-derived – or national insurance – benefits because their presence in the labour market is less consistent and often part time.¹⁵⁹ This means that women rely more on means-tested benefits, that are dependent on the presence, actions and resources of a partner, rather than having benefits in their own right. Means-tested benefits are also withdrawn in relation to other incomes, and can usually only relieve poverty after the event rather than prevent poverty from affecting someone in the first place.

BOX 5. The role of benefits in protecting women at risk

An adequate income is crucial in helping women who have been trapped in situations of deprivation and abuse to stabilise their lives. Recent changes in the social security system, including benefit cuts and the increasing number and severity of sanctions, have taken a toll on some women's capacity to do this. A staff member from Kairos explains:

"We have had some women who have exited [sex work] but because of recent benefit cuts have returned and it's a snowball situation, it's the only way they know how to make money so they've come back to it. But to cope they have to use [drugs], so we've had women who were clean, they'd been on benefits but decided they can't survive on those benefits – you know, because people have been sanctioned so easily – that the only way to return to have cash is to come and do this, but then to do this they need to use the drugs to deal with what they're doing because it will bring back all these triggers."

Benefit sanctions may also result in negative outcomes for many people, including increased poverty, exacerbated ill-health and disengagement from the welfare system.¹⁶⁰

Below are some of the benefits that many working-age women rely on, the level of support they provide and the recent changes to them.

Universal Credit and employment incentives

Universal Credit (UC) is being rolled out across the UK and this is bringing about important changes for low-income families. Cuts to work allowances in UC and the increased taper rate compared to tax credits reduce the gains to employment incentives for many 'second earners' and therefore the capacity of many women to earn a decent living on their own.¹⁶¹

The fact that UC is paid in a single monthly payment to a single bank account raises concerns about household budgeting, unequal access to income within households and, in particular, the risk of women facing deprivation.¹⁶²

There is strong evidence that Child Benefit gives valuable access to income within the family to mothers,¹⁶³ and therefore can be a lifeline for many women and children. The fact that Child Benefit is not being amalgamated with other benefits within the UC system is therefore very welcome. However, Child Tax Credit is being absorbed within UC, and the introduction of the two-child limit is posing a threat to many women's incomes. The abolition of any Child Tax Credit or UC for third and subsequent children born after April 2017 (with limited exceptions) is likely to disproportionately affect BME women. BME children are currently more likely to live in large families and a considerable proportion of children from these communities live in lone-parent families with three or more children (see section 3.4 for more details).

Conditionality rules for lone parents to receive financial support through the means-tested benefit system were introduced in 2008 in the UK and successively tightened in recent years. The new conditionality rules combined with rising childcare costs mean that many women – and single mothers in particular – will end up taking jobs that do not enable them to earn a decent income for themselves and their children. Lone parents are now expected to be searching for work after their youngest child turns three and their specific circumstances are no longer mandatorily considered with respect to their ability to work.¹⁶⁴ The same is true for individuals in couples with children who are designated as the 'main carer'; the other parent has no allowance made for the fact that they have children in their benefit conditions.

Two in five decisions to sanction lone parents are overturned, suggesting that these women are often unreasonably sanctioned.¹⁶⁵

159 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

160 Welfare Conditionality Project (2018) Final findings: Overview (<http://bit.ly/2skWjsY>)

161 WBG (2017) 'Austerity is reducing social security for women' (<http://bit.ly/2kd8JTI>)

162 WBG (2018) Universal Credit and Financial Abuse: making the links (<http://bit.ly/2ti4W2>)

163 E.g. cited in F Bennett and M Daly (2014) *Poverty through a Gender Lens: Evidence and Policy Review on Gender and Poverty* (<http://bit.ly/2qu24Ur>) p.10

164 WBG (2017) 'Austerity is reducing social security for women' (<http://bit.ly/2kd8JTI>)

165 Gingerbread (April 2017) 'On the rise: Single parent sanctions in numbers' (<http://bit.ly/2zwXuel>)

Pay and leave provisions for employed parents

Statutory Maternity Pay is related to the level of a woman's earnings. It is paid at 90% of average weekly earnings for the first six weeks and drops to £145.18 per week in the next 33 weeks (if 90% of average weekly earnings is above that amount). Low-income women are at a disadvantage as they may not be able to afford to be out of work and earning below their normal salary for an extended period and so may be forced to return to work sooner than women who live in higher-income households. Low-income women may get State Maternity Allowance instead, which because of a change under the previous Labour government is now easier to access for women on low weekly earnings.

Paternity pay and the shared parental leave introduced in 2015 are policies designed to facilitate the sharing of care responsibilities between mothers and fathers. However, the same issues of low pay and entitlement apply: paternity pay is paid at £145.18 per week or 90% of average weekly earnings, whichever is lower (and for two weeks only). Take up of paternity leave and shared parental leave is very low, with just 1% of eligible people taking them,¹⁶⁶ with one of the reasons being the low level of payment on offer.¹⁶⁷ Furthermore, due to eligibility requirements of continuous employment, mothers and fathers with precarious (i.e. zero-hour contracts or recently employed) and low-paid positions may not be entitled to shared parental leave.

Childcare financial support

Childcare support is available through free entitlement (now of 30 hours per week during term time, for some families with three- and four-year-olds), tax-free child care and Universal Credit. However, the support does not cover all costs, nor all families who need it. Free entitlement was extended from 15 to 30 hours per week during term time for three- and four-year-olds - but only to families in which all adults are in work for more than about the equivalent of 16 hours per week at the national minimum / national living wage. This leaves out many low-income families, particularly those in which individuals work on zero-hour contracts.¹⁶⁸ The replacement of the childcare element in working tax credits with provision through Universal Credit is at first glance more generous than the current tax credits system (85% of costs covered up to certain ceilings, compared to 70% now, with provision also for those working under 16 hours per week). However, UC will as a whole be less generous for many of the poorest working families.¹⁶⁹

Housing Benefit and LHA

Changes to Housing Benefit, including reductions in the maximum rent covered, affect low-income households significantly. Recent reforms changed the link between rent and benefit levels, creating a large group of people facing shortfalls.¹⁷⁰ In 2013-15, 90% of low-income private renters had a shortfall.¹⁷¹ Additionally, this increases the difficulty of finding suitable accommodation near good schools and jobs.

The changes to Housing Benefit disproportionately affect women, as 62% of adults in households claiming housing benefit are women¹⁷² (assuming that couple household claimants include an equal number of men and women).

Disabled women and access to benefits

Benefits are hard to access for people with disabilities, with studies reporting barriers in the application process, medical assessments that are stressful, and complaints of ill health not taken seriously.¹⁷³ Disabled women also face uncertainty and financial insecurity due to recent changes in the social security system.

These include changes to uprating (from RPI to CPI) and to eligibility conditions, as well as cuts to amounts. This affects women as both claimants and carers. 57% of individuals claiming Personal Independence Payment are women.¹⁷⁴ Changes to disability-related benefits are restricting people's ability to earn a decent income.¹⁷⁵

Cuts to specialist support are affecting the capacity of statutory services to cater for the needs of disabled women (see Box 6).

BOX 6. Cuts in specialist disability support

Cuts in funding for public services and support for voluntary organisations means that specialist support is often reduced. A disabled woman who attends Foleshill Women's Training workshops mentions how that was the case in job centres:

"There was a disability employment advisor and that was someone who was aware of my condition. ... You know, that role of disability employment advisor has completely disappeared from all job centres, which is something I don't agree with. I think that's quite silly, to choose a word, it's just like generic, everyone's the same, (...) everyone needs a different, specialist support. A role such as disability employment advisor is needed, I'm thinking about different clients, different people, just referring them to the job centre, they'll want a one-on-one conversation specifically with someone who will know about their condition, disability, to get that appropriate support."

166 EMW (12 February 2018) 'Just 8,700 new parents claimed shared parental leave in the last year' (<http://bit.ly/2HEVelq>)

167 Modern Families (2018) The Modern Families Index 2018 (<http://bit.ly/2HGmMqz>)

168 The Guardian (12 February 2017) 'Parents on zero-hour contracts "could miss out on free childcare"' (<http://bit.ly/2lbdPhc>) (There is also an upper earnings limit per individual.)

169 WBG (2017) Childcare: Key policy issues (<http://bit.ly/2AluFBT>). (Before being reduced by the 2010-15 government, up to 80% of childcare costs up to certain ceilings was covered under working tax credit.)

170 WBG (2017) Housing and gender (<http://bit.ly/2zOqSOf>)

171 Institute for Fiscal Studies (2017) The cost of housing for low-income renters (<http://bit.ly/2zQZZGa>)

172 Department for Work and Pensions (2017) Housing Benefit Caseload Statistics, November 2017 (<http://bit.ly/2A7p6HK>)

173 A Kaye, H Jordan and M Baker (2012) The Tipping Point: The Human and Economic Costs of Cutting Disabled People's Support, Hardest Hit coalition (<http://bit.ly/2MIotZk>)

174 WBG's own calculations based on: DWP (2018) Personal Independence Payments Claims in Payment: Gender and Age (bands and single year) by Month and Daily Living Award Status

175 WBG (2017) 'Austerity is reducing social security for women' (<http://bit.ly/2kd8JtI>)

6.5. Consequences of poverty for working-age women

Housing

Housing costs and the strains they cause to families' finances often lead people into poverty. But a consequence of poverty is also restricted access to good quality housing. This has a knock-on effect on individuals' health and socio-economic opportunities. Financial disadvantage limits the choice of living location and therefore the availability of good jobs and other services for low-income women.

Homelessness is an extreme but increasingly common consequence of poverty. Recent figures show that single parents are the group most at risk of homelessness: three-quarters of all homeless households accepted as homeless by local authorities are single-parent households. 30,000 such households were made homeless in 2017, up 8% from five years before.¹⁷⁶

Temporary accommodation is often cramped, unsuitable and sometimes dangerous and it can have a negative impact on mental and physical health.¹⁷⁷

BOX 7. Housing: fleeing domestic & sexual violence

Housing is a crucial element when considering the links between poverty and domestic and/or sexual violence. Lack of alternative appropriate housing or threats of eviction often result in continued victimisation, as the prospect of homelessness can trap women in violent relationships. Migrant or undocumented women, fearing deportation if they report abuse to the authorities, may feel particularly trapped.

CRASAC described a situation faced by one of the women they supported: because she had no money or housing, the woman was living with her friends who forced her to work as their servant. As she had no option, she was thankful to have a roof over her head and obliged. In addition to the forced labour situation, there was also sexual abuse, with threats to report her to the authorities and facing potential deportation if she did not oblige.

Childless women are particularly at risk of destitution when trying to flee a violent relationship, because it is usually easier for a woman with children to get a place in a refuge. For migrant and undocumented women this distinction may be particularly acute, as women on their own in this situation may not have recourse to public funds, whereas mothers may be able get some benefit support on behalf of their children.

Mobility

Financial deprivation limits people's ability to drive and to use public transport. Running errands, accessing services such as legal aid, and seeking benefit support are difficult due to the cost of local transport to attend appointments, especially for those with young children or large families. Similarly, the cost of transport to attend job centre appointments and job interviews can be very hard to cover on a severely limited budget, making looking for a job difficult.¹⁷⁸ Meeting health needs may be put on hold for the same reason.

Health

Poverty takes a toll on an individual's health because it reduces their ability to access food, health care, good quality housing and social activities. But the experience of poverty, in particular the stress of managing on a very tight budget, also has a direct effect on people's mental health.¹⁷⁹ In 2010, people living in the poorest 20% of households were two to three times more likely to develop mental health problems than those living in the richest.¹⁸⁰ It affects people's morale and their confidence and ability to seek employment, apply for support in the form of benefits or challenge benefit sanctions.¹⁸¹

The model in which the woman has sole or main responsibility for income management is particularly widespread in the lowest-income families.¹⁸² This means that women are very often responsible for budgeting when resources are scarce, with the associated negative impacts on women's mental health.¹⁸³

Although many low-income fathers also go without for the sake of their children, mothers will often work as poverty 'shock absorbers' for others, shielding children and partners from the worst effects of poverty.¹⁸⁴ Women often go without food, clothing or warmth to protect their family from the negative consequences of a low income.

BOX 8. Managing the burden of poverty

Poverty has a knock-on effect on most areas of people's lives. Trying to resolve and manage all the issues related to not having enough money to live on takes a toll on people's self-esteem, confidence, energy and mental health. The ability of people to extricate themselves from poverty, to take advantage of opportunities as they arise, is thus diminished. As mentioned previously in this report, women disproportionately shoulder the burden of managing poverty and its consequences, so they are more likely to be affected by the stress and anxiety this brings. A staff member from the Law Centre explains:

"They've got all these things they're trying to navigate, so they've been told from one side they've got to be better at parenting, whilst they may have an eviction hanging over their head, or they may have their immigration status under threat, or they may have a domestic violence incident that they're getting over and they need some legal help getting around that, worried about their ex-partner coming back or someone challenging to take their children away, be it an ex-partner or things like that. They've got all these massive complex issues going on in their life at one time. So sometimes, even if they might need the money to live [from benefits], that's put in the back of their mind because they are broken, sometimes, with everything going on."

176 Ministry of Housing, Communities & Local Government (2018) Live tables on homelessness (<http://bit.ly/2rPXFQM>)

177 BBC (24 March 2018) 'Almost 30,000 lone parent families made homeless in England in 2017' (<https://bbc.in/2kvDL5A>)

178 Campaign for Better Transport (n/a) Transport, accessibility and social exclusion (<http://bit.ly/2JxGMxq>)

179 WBG (2006) Women's and children's poverty: making the links

180 Mental Health Foundation (2018) Mental health statistics: poverty (<http://bit.ly/2LHwZWP>)

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

182 WBG (2018) Universal credit and financial abuse (<http://bit.ly/2ITjq4F>)

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

184 R Lister in WBG (2006) Women's and children's poverty: making the links

Debt

Debt is a significant consequence of poverty. People will often borrow money to avoid rent arrears or to put food on the table. Often this exacerbates their financial disadvantage, and may make it harder for people to get out of poverty.

Debt is a gendered problem. Women are often the debt managers in couples and families and they represent roughly two-thirds of those with severe debt problems in the UK, according to the Money Advice Service.¹⁸⁵

BOX 9. Debt in Coventry

Debt is a widespread problem for financially disadvantaged people in Coventry. FWT, working with women from BME communities, runs a programme on increasing financial capabilities and avoiding exploitation from doorstep lenders. BME women are particularly vulnerable to this type of exploitation due to language barriers and difficulties in understanding the small print included in these lending contracts.

Debt is a common problem among women supported by the partnership organisations in Coventry. These are often working women whose earnings are not enough to cover all their daily expenses as well as repayment of debt.

“I’ve worked with women who even though they are working have needed to access foodbanks. They don’t have any further income or they’re in debt. Sometimes they are working part time and have children but since they don’t fit the requirements for social housing and are on private rentals they’re being squeezed with high rents.”

Foodbank use

Living on a low income sometimes means that families cannot afford food and have to skip meals. Resorting to foodbanks is often the only option for these families in order to avoid hunger. The Trussell Trust, an organisation that provides two-thirds of emergency food aid in the UK, has reported an increase of 13% in foodbank use in 2017-18 compared to the previous year¹⁸⁶ and a 46% increase compared to 2013-14.¹⁸⁷

Changes to the benefit system and problems with Universal Credit are driving families to seek help from foodbanks to put food on the table: the Trussell Trust found that in areas in which Universal Credit had been fully rolled out for a year or more, there was a 52% increase in foodbank use compared to the previous 12 months, compared to a 13% increase in areas with no UC roll-out.¹⁸⁸

These numbers are likely to be an under-estimation of total emergency food aid use, as Trussell Trust foodbanks only provide two-thirds of emergency food aid in the UK.

Families with children are more likely to use foodbanks than childless families. Single-parent households are twice as prevalent amongst foodbank users than in the general population. Single parents who resort to foodbanks reported the rising costs of food and housing as the main issues that drove them to foodbanks, while for couple parents the double problem of childcare costs and ill-health was the main issue.¹⁸⁹

BOX 10. Foodbank use in West Midlands

In the West Midlands, 52,537 three-day emergency food supplies were distributed by Trussell Trust foodbanks between April and September 2017. This equates to 9 food provisions per 1,000 people distributed in the West Midlands during that period, slightly above the national average of 8 emergency food provisions per 1,000 people.

Source: WBG calculation based on Trussell Trust figures for regional foodbank use (Apr-Sept 2017) and ONS population figures by region, 2016

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

186 Trussell Trust (24 April 2018) “Benefit levels must keep pace with rising cost of essentials” as record increase in foodbank figures is revealed’ (<http://bit.ly/2Hl4KyG>)

187 WBG calculations based on Trussell Trust figures, available in “Benefit levels must keep pace with rising cost of essentials” as record increase in foodbank figures is revealed’ (24 April 2018) (<http://bit.ly/2Hl4KyG>)

188 Trussell Trust (24 April 2018) “Benefit levels must keep pace with rising cost of essentials” as record increase in foodbank figures is revealed’ (<http://bit.ly/2Hl4KyG>)

189 Sheffield Political Economy Research Institute (2018) Family hunger in times of austerity: families using food banks across Britain (<http://bit.ly/2KantLI>)

7. Older women and Pensions

The risk of poverty for women in old age is dependent to a large extent on their circumstances in previous life stages: their employment patterns, their care responsibilities and their marital status. For instance, women who are out of employment for long periods, often due to childcare commitments, are less likely to receive a private pension, and will have a lower income after retirement.¹⁹⁰ State support in old age is therefore crucial for women whose employment patterns, family and health histories would otherwise have led to their incomes falling below the poverty line.¹⁹¹

Poverty for women in old age is dependent on their circumstances in previous life stages

7.1. Causes of poverty for older women

Poverty among pensioners declined in the last two decades, while the risk of poverty for younger people increased sharply. In the UK, as in the rest of the EU, pensions were much better protected than wages and other benefits against economic recession and the austerity cuts that followed from 2010.¹⁹² The triple lock, ensuring that pensions rise annually in line with the highest of increases in average earnings, the Consumer Price Index or 2.5%, means that the income of older individuals rises in line with or above living costs. This is one way to safeguard the incomes of pensioners on lower incomes, since they derive most of their income from the state pension.¹⁹³ However, in 2015/16 the percentage of pensioners in poverty rose to 16% (from 14% the previous year) and remained unchanged in the latest year (2016/17).¹⁹⁴

Female pensioners, and particularly women living alone, are at considerably higher risk of poverty: 23% of single women pensioners are living in poverty, compared to 18% of single men and 13% of those in pensioner couples¹⁹⁵ (see section 3.2 for more details).

Gender pension gap

There is a gender pension gap that is the result of different caring commitments and hence employment patterns of women and men across their working-age years. The median income of women aged 60–79 is just two-thirds the median income of men in the same age group.¹⁹⁶

State pensions in the UK are among the lowest in Europe and there has been a move from governments since the 1980s to retrench state pensions and to promote private pension schemes through tax-subsidisation. Private (non-state pensions) include occupational pensions – in which individuals are enrolled through their employer (increasingly now through auto enrolment) and personal pensions – pension schemes unrelated to employment and chosen by individuals.

The gender pension gap is significant in private pensions: women are less likely to have qualified to enrol in private pension schemes and their income from these is substantially lower.¹⁹⁷ The median current accumulated private pension wealth of men by 2012–2014 was more than twice that of women, £162,400 compared with £73,900.¹⁹⁸

This is because, even more than state pensions, private occupational pensions are built on the typically male model of full-time employment with no caring commitments to interrupt their career. Women are more

likely to work part time, in low-paid sectors, on zero-hour contracts or in multiple jobs than men, and they often take time away from paid employment due to care commitments (see section 6 for more details). This means that women accumulate less in occupational pensions than men (for which they are also less likely to qualify), and they are less likely to have savings to put in personal pension schemes. Women from minority ethnic backgrounds and disabled women, due to their higher likelihood of being in low-paid sectors and working part time, will have a lower pension income in old age.¹⁹⁹

State pensions are the only type that (partly) accounts for women's caring responsibilities as private pensions have no such provision.

An important safeguard against financial deprivation for many partnered women is the derived pension they get associated with their husband's pension entitlement or paid following his death. These are being slowly phased out and they are not necessarily built into private pension schemes.

Women who are just below pension age have been significantly affected by recent rises in pension age for women, as policy changes have been made to equalise men and women's pension ages. The notice given of the transition was insufficient and the pension age has increased faster than was initially planned. Many women had insufficient time to adjust their retirement plans, with negative consequences for their income in old age.^{200 201}

Housing

When housing costs are taken into account, children and working-age adults are at a higher risk of living in poverty. This is because housing costs are a significant proportion of families' budgets. However, the reverse is true for pensioners: the proportion of both women and men pensioners living in poverty is lower once we take into account housing costs (20% to 17% for women, 15% to 14% for men).²⁰² This reflects the fact that many pensioners own their homes outright and therefore the cost of housing does not take a toll on their income.

However, the opposite trend is observed when we look at pensioners living in rented accommodation. In this case, the percentage living in poverty jumps to 36% once housing costs are taken into account (from 18% before housing costs).

190 Evandrou and Glaser (2003) in D J Price, K F Glaser, J Ginn and M Nicholls (2016) How important are state transfers for reducing poverty rates in later life?, *Ageing and Society*, 23(9), pp 1794–1825

191 D J Price, K F Glaser, J Ginn and M Nicholls (2016) How important are state transfers for reducing poverty rates in later life?, *Ageing and Society*, 23(9), pp 1794–1825

192 IMF (2018) *Inequality and Poverty across Generations in the European Union* (<http://bit.ly/2GR7jbs>)

193 Age UK (2017) *Briefing on the triple lock* (<http://bit.ly/2l2mSun>)

194 Age UK (2018) *Poverty in later life* (<http://bit.ly/2r0v9rv>)

195 Ibid.

196 Centre for Analysis of Social Exclusion (2015) *The changing distribution of individual incomes in the UK before and after the recession* (<http://bit.ly/2HerrAo>)

197 WBG (2017) *The gender gap in pensions* (<http://bit.ly/2izT3Jk>)

198 ONS (2015) *Private pension wealth, Wealth in Great Britain, 2012 to 2014* (<http://bit.ly/2z6gy-AL>) cited in WBG (2017) *The gender gap in pensions* (<http://bit.ly/2izT3Jk>)

199 Pensions Policy Institute (2016) *The Under-pensioned 2016* (<http://bit.ly/2IMCagQ>)

200 See also the WASPI – Women Against State Pension Inequality – campaign (<http://www.waspi.co.uk/>)

201 WBG (2017) *The gender gap in pensions* (<http://bit.ly/2izT3Jk>)

202 DWP (2018) *Households Below Average Income – Percentage of pensioners in low-income groups by various family and household characteristics, 2016/17*

7.2. Consequences of poverty for older women

The consequences of financial insecurity in later life can be significant. Managing on a low income means that very often people go without certain items not considered to be essential, or they make do with broken and mended objects, or goods that are not operating properly. An example is not being able to replace a broken oven and making do with a micro-wave and a portable single hob plate.²⁰³

Fuel poverty

Fuel poverty is sometimes a consequence for older people living on low incomes. The overall proportion of elderly people in fuel poverty has declined since 2003; however, since 2013 the proportion has been increasing for those aged 75 and over, more of whom are women.²⁰⁴ Saving on heating costs in winter is often paramount and strategies used include putting on extra layers of clothes inside the house, using smaller and easier to warm rooms during winter, or going to bed early and staying in bed late to avoid putting the heating on.²⁰⁵

Limited travel and social isolation

Elderly women (and men) living in poverty are often forced to limit their travelling and leisure activities due to lack of money. Their ability to take holidays, participate in social activities and accept invitations from others is restricted; so social isolation can be a significant consequence of poverty.²⁰⁶

Cuts to public transport funding have limited the availability and regularity of buses in many local areas. Older women are particularly

dependent on public transport, since most of them do not have access to a car (60% of women aged over 75 and 75% of women aged over 80).²⁰⁷ Older women living in rural areas with inadequate public transport links are particularly at risk of isolation since the only option for shopping or participating in social activities might be to take a taxi – often a prohibitively expensive option for people living on a low income.

Stress of constant budgeting and monitoring of expenses

Like women in earlier life stages, older women living on low incomes have the need to budget carefully to make sure that their money is enough to cover daily expenses. This includes always being on top of their spending, visiting multiple shops to compare prices and prioritising essentials (such as food and utility bills) over other expenses (such as birthday or Christmas gifts for family). This constant monitoring of spending can be stressful and has been found to take a toll on many elderly people, particularly when it involves not being able to buy a birthday gift for their grandchildren, for instance.²⁰⁸

Poor health and unmet care needs

Older people are particularly reliant on public services such as social care and health. Women tend to live longer than men, are more likely to live on their own and have poorer health in these extra years.²⁰⁹ Due to this, older women are the majority of those in need of care and particularly affected by cutbacks in social care services (see section 7.3 below for more details).²¹⁰

7.3. The role of benefits and public services

Adult social care

Adult social care is the responsibility of local authorities (LAs). They fund the provision of care which includes residential care and nursing homes, the supply of meals and daycare services. In a context of severe cuts to national government funding of local authorities, many LAs are struggling to meet their statutory responsibilities when it comes to social care.²¹¹ Even though councils were allowed to raise council tax by a 2% precept in 2016 to fund adult social care, this does not solve the funding gap. This is because areas with a higher concentration of older people and unpaid carers will be bringing in the least amount of money through this mechanism.²¹²

Reductions in funding and services have been accompanied by a tightening of eligibility criteria. The criteria for establishing care needs have been restricted and fewer councils give funding to meet moderate care needs. This has resulted in a sharp reduction of people receiving meals (85%) and day care services (51%). 26% fewer older people were getting help in 2016 (compared to 2010/11)²¹³ and it is estimated that nearly two million people in England over the age of 50 are living with unmet care needs.

A lack of publicly-funded care may force many older people to turn to private care and, for those living on low incomes, their care needs may go unmet. The problem may be most acute for people just above the means test level, who are not entitled to public support for their care needs but may struggle to pay the fees for private care.

Housing benefit

Cuts to Housing Benefit and to Local Housing Allowance uprating mean that low-income pensioners in rented accommodation are facing shortfalls in their benefits.^{214 215}

BOX 11. The 'bedroom tax' and older women

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."

203 Age UK (2011) Living on a low income in later life (<http://bit.ly/2KFOaYx>) p.30

204 Department for Business, Energy & Industrial Strategy (2017) Annual Fuel Poverty Statistics Report (2015 Data) <http://bit.ly/2J2ANUJ> p.54

205 Age UK (2011) Living on a low income in later life (<http://bit.ly/2KFOaYx>) p.28
206 Ibid. p.30

207 Centre for Human Rights in Practice (2012) Getting off Lightly or Feeling the Pinch? A Human Rights and Equality Impact Assessment of the Public Spending Cuts on Older Women in Coventry p.4

208 Age UK (2011) Living on a low income in later life (<http://bit.ly/2KFOaYx>) p.7

209 Public Health England (2017) Health profile for England: Chapter 1: life expectancy and healthy life expectancy (<http://bit.ly/2L0vvpq>)

210 Centre for Human Rights in Practice (2012) Getting off Lightly or Feeling the Pinch? A Human Rights and Equality Impact Assessment of the Public Spending Cuts on Older Women in Coventry

211 WBG (2017) Social care: A system in crisis (<http://bit.ly/2AkJe8r>)

212 Centre for Later Life Funding (2015) The end of formal adult social care: A provocation by the ILC-UK (<http://bit.ly/1ozov7t>)

213 The King's Fund (2016) Social care for older people (<http://bit.ly/2JihruA>)

214 WBG (2017) Housing and gender (<http://bit.ly/2z0QsOf>)

215 Institute for Fiscal Studies (2017) The cost of housing for low-income renters (<http://bit.ly/2zQZZGa>)

8. Domestic Violence and Poverty

Existing research suggests that poverty and domestic violence (DV)²¹⁶ are associated in complex ways.^{217 218} Poverty can increase women's vulnerability to domestic violence and poverty can also be a consequence of fleeing from a violent relationship.²¹⁹

Poverty can
**increase women's
vulnerability to
domestic violence**

8.1. Poverty as a risk-marker for domestic violence

Poorer households show higher rates of domestic violence. One study found that women in households with income of less than £10,000 per year were 3.5 times more likely to have experienced domestic violence than women in better-off households (with household income over £20,000 per year).²²⁰ These statistics may mask some degree of under-reporting of domestic violence by middle-class women;²²¹ however, studies from other countries show similar links between poverty and violence. A longitudinal US study found that neighbourhood economic disadvantage, instability of male employment and subjective financial strain influence the likelihood of subsequent violence.²²²

Living in impoverished, resource-poor communities seems to be a risk-marker for DV. Causation is unclear, though. As Walby and Allen state: "it may be that poverty is associated with the onset of domestic violence, or it may be that in fleeing domestic violence women are reduced to poverty".²²³

Poverty may exacerbate the abuse by increasing or prolonging women's exposure to it and by reducing their ability to flee. Lack of financial independence can delay or prevent victims leaving their abusers (see Box 12).²²⁴ Financial abuse,²²⁵ in addition to being a form of abuse in itself, often prolongs the exposure of women to other forms of domestic violence. A study by Women's Aid found that for over half of survivors living with

their abuser, financial abuse had prevented them from leaving the relationship.²²⁶

Lone parents are disproportionately affected by abuse in previous relationships. Two separate studies found domestic violence as a cause for separation in 13-20%²²⁷ and 40%²²⁸ of cases.

BOX 12. Women's financial dependence and custody battles

Often women affected by domestic violence are afraid that their children will be taken away from them – either by social services when they disclose the domestic violence, or by their partner in a legal custody challenge after separation. CRASAC has noticed a pattern in their clients' experiences of children being used as bargaining chips:

"Threats by husbands on how they'll take their children from them because the woman doesn't work and so the court will listen to the husband as he's the one with earnings and the house in his name."

Financial dependence in these cases is being used to deter the woman from leaving.

8.2. The impact of domestic violence on women's risk of poverty

Women leaving abusive partners face considerable financial challenges in the immediate period after fleeing, with more than half of women identifying financial hardship as the biggest difficulty in the first six months after leaving.²²⁹ Sometimes women will flee from a violent relationship in desperate and urgent circumstances, with no time to pack or to grab any essentials. They may have been relying on their partner's income and benefits may have been in their partner's name. Often women in these circumstances have no savings to fall back on.²³⁰ This is compounded by the need to set up a new home, which in itself is a significant financial burden. Debt is a common consequence of domestic violence.²³¹

Both physical and sexual forms of violence have been linked to a greater risk of mental health problems among women, with depression being the most prevalent.²³² This is often associated with feelings of shame and blame.²³³ Post-traumatic stress disorders, sleeping or eating disorders and anxiety are also more frequent among women who have been victims of domestic violence.²³⁴ These health problems make it harder for women to seek and maintain a job that could contribute to their financial autonomy.²³⁵

216 The statutory definition of domestic violence (and abuse) is used here: "any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality. The abuse can encompass, but is not limited to: psychological, physical, sexual, financial, emotional". (See Home Office (2018) Guidance: Domestic violence and abuse (<http://bit.ly/2LGWV4P>))

217 P Wilcox (2006) *Surviving Domestic Violence: Gender, Poverty and Agency*. Palgrave Macmillan UK. p. 119

218 JRF (2015) *Evidence and policy review: Domestic violence and poverty* (<http://bit.ly/2EXdHbs>)

219 S Walby and J Allen (2004) *Domestic violence, sexual assault and stalking: Findings from the British Crime Survey*. Home Office.

220 Ibid.

221 P Wilcox (2006) *Surviving Domestic Violence: Gender, Poverty and Agency*. Palgrave Macmillan UK. p.116

222 Benson et al. (2003) 'Neighborhood Disadvantage, Individual Economic Distress and Violence Against Women in Intimate Relationships'. *Journal of Quantitative Criminology*, 19(3), pp 207-235

223 S Walby and J Allen (2004) *Domestic violence, sexual assault and stalking: Findings from the British Crime Survey*. Home Office. p.ix

224 Oxfam (2003) *Gender and Poverty* (<http://bit.ly/2qJEhQ6>)

225 We define financial abuse as a pattern of coercing and controlling behaviour that control a

partner or family member's ability to acquire, use and maintain financial resources (for more information about financial abuse see WBG (2018) *Universal Credit and Financial Abuse: making the links* (<http://bit.ly/2ti4W2>))

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

227 J I Millar and J Bradshaw (1991) 'Lone-parent families in the UK: Research findings and policy issues'. *Benefits*, 1, pp.1-7

228 Department of Social Security (1995) *Changes in Lone Parenthood 1989-1993*. London. HMSO.

229 Women's Aid (2002) *Routes to Safety: Protection issues facing women and children and the role of outreach services*.

230 P Wilcox (2006) *Surviving Domestic Violence: Gender, Poverty and Agency*. Palgrave Macmillan UK. p.118

231 Interview with the Coventry Law Centre

232 World Health Organisation (2012) *Understanding and addressing violence against women: Health consequences* (<http://bit.ly/2IMHfL5>) (p.5)

233 P Wilcox (2006) *Surviving Domestic Violence: Gender, Poverty and Agency*. Palgrave Macmillan UK. p.51

234 World Health Organisation (2012) *Understanding and addressing violence against women: Health consequences* (<http://bit.ly/2IMHfL5>) p.5

235 P Wilcox (2006) *Surviving Domestic Violence: Gender, Poverty and Agency*. Palgrave Macmillan UK. p.113

Domestic and sexual abuse in childhood

Sexual abuse and domestic violence also have an impact on the life chances of girls and young women. Violence affects girls' mental health, increasing their level of stress and anxiety, and decreasing their ability to concentrate in school. This has a knock-on effect on their educational

attainment and future earnings (see section 5 for more details). Violence and abuse in early years also increase the likelihood of high-risk behaviours, which also has a knock-on effect on young women's life chances and risk of poverty.

BOX 13. Mental health deterioration: a consequence of abuse and a cause of financial instability

Stress, anxiety and depression are common consequences for women who suffer domestic violence and they may remain long after the violent relationship has ended. These disorders can also affect children who witnessed the violence.

A young woman living in Coventry Haven's refuge described how she was battling depression and constant panic attacks still, a few months after she had fled the danger in her home and was in a safe location. Her oldest son, who had witnessed his father's abuse and violent threats by people associated with him, would often wake up during the night in a fright and have panic attacks, seeking constant reassurance that they were in a safe place away from the violent father. In addition to obvious consequences for health and well-being, the mental health issues experienced by the woman were preventing her from being able to look for a job or maintain it.

BOX 14. Abuse in early years and education

Young women who are victims of abuse face severe challenges in performing well at school. Their education prospects are often very low: sometimes these young women will drop out of school, or leave their school because they are taken from their parents as a response to the abuse they suffered. Two organisations in Coventry report on their clients' experiences.

The Coventry Rape and Sexual Abuse Centre (CRASAC) supported a young woman who was cut off from her social network and education path due to abuse:

"A girl suffered abuse and her case reached court when she was 17, finished when she was 18. Problems with family, had to leave because they didn't believe her, but social care services wouldn't take her into care because she was an adult. Very easily she would go and be re-victimised. So we have all these scenarios where women become poor due to the abuse."

A member of staff at Kairos, a Coventry organisation supporting vulnerable women, explains:

"A lot of times the abuse would have got in the way of educational achievements. Things would not have been picked up at the time, people just thinking this was a problematic child, but really they were not turning up to school because of abuse going on."

BOX 15. Claiming benefits: women in vulnerable situations

Women who are disadvantaged can be particularly exposed to financial abuse. A bank account is a prerequisite in claiming benefits and some of the most disadvantaged women may struggle to set one up. This is a particular concern for homeless women. A staff member at Kairos explains the challenges faced by the women they support.

"Some of the women are now in emergency accommodation but they continue to be exploited financially. One woman was having her benefits paid into someone else's account: she gets a quarter of her benefit each month and they keep the remainder. She can't do anything about this because since 2011 she hasn't had a stable address. We've been trying to open a bank account for her and it's been problematic. And although the government started basic bank accounts when they made benefits paid only into bank accounts, these women's situation is unique because they've been rough sleeping and living in squats for so long that they've got no paperwork whatsoever. That makes it really hard. This woman in particular, at some point in the future she'll be offered accommodation and she'll need her own bank account, but it's not easy to get documentation (the bank requires a HMRC letter) because she never paid or worked. If she was doing this by herself, she'd have given up because life is doing a battle against her, she's not used to dealing with authorities, or meetings, or phone directions. This woman's health is really poor as well, so that's an added struggle."

8.3. Financial abuse

Quantitative data on financial abuse are hard to find. Official statistics do not measure different types of non-physical abuse and not all financial abuse may fall under the category of crime.²³⁶ However, we know that financial abuse is widespread and often happens alongside other forms of domestic violence: 97% of domestic violence victims reported also suffering coercive control in financial matters,

89% suffered sabotage and 87% were victims of financial exploitation by their partners.²³⁷

Disabled women are particularly vulnerable to financial abuse in the form of partners, carers of family members sometimes taking their income from benefits.²³⁸

8.4. The role of social security and the tax system

The welfare system plays an important role in preventing or facilitating situations of financial abuse. Means-tested benefits assess couples together and assume that costs and resources are shared between the members of the household and that the resources of one partner are available to support the other. Couples who live together lose their right to claim (benefits) as individuals, which can alter power relations.²³⁹

Universal Credit, currently being rolled out across the country, continues the assumption of shared costs and resources within the household. Some of the features of the new UC system – joint claims, single bank account and single payments, plus the de-labelling of the Universal Credit elements (previously paid for specific purposes) – may exacerbate power differentials and potentially the scope for financial abuse within families.²⁴⁰

236 But see: N Sharp-Jeffs (2015) Money Matters: Research into the extent and nature of financial abuse within intimate relationships in the UK (<http://bit.ly/2H9wypV>)

237 WBG (2018) Universal Credit and Financial Abuse: making the links (<http://bit.ly/2ti4W2>)

238 Women Enabled International and Sisters of Frida (2016) Joint Submission to the United Nations Universal Periodic Review: The United Kingdom of Great Britain and Northern Ireland (<http://bit.ly/2GP59Jq>)

239 R Griffiths (2017) No Love on the Dole: The Influence of the UK Means-tested Welfare System on Partnering and Family Structure. *Journal of Social Policy*, 46(3), pp. 543-561

240 WBG (2018) Universal Credit and Financial Abuse: making the links (<http://bit.ly/2ti4W2>)

9. The Role of Women's Organisations in Mitigating Poverty

Women's organisations provide crucial support systems for many of the most disadvantaged women and children in the country. They provide a safe place for women and children fleeing violence, legal counsel and advice on the social security system and on seeking judicial redress, psychological support, administrative help in life skills for the most disadvantaged women (e.g. setting up a bank account, applying for benefits, arranging utility bills), and training in the English language and in employment and parenting skills. They also provide a network of support in which women can safely share their experiences and encourage one another. Specialised local women's organisations are a lifeline for women in desperate circumstances and they do a crucial job of mitigating the worst impacts of violence and poverty.

But these organisations have been struggling with cuts in local funding and benefits since 2010, which have forced many organisations to cut down on the services and support they give to women.²⁴¹ This has left many women with nowhere to turn to when faced with severe financial deprivation and/or abuse.

Women's
organisations
are a lifeline
for women
in desperate
circumstances

9.1. How women's organisations mitigate poverty

Breaking the cycle of abuse and poverty

Due to the cumulative nature of poverty, growing up in disadvantaged circumstances increases the risk of poverty later in life. Due to the intricate links between poverty and domestic violence (see section 8) experiencing physical and/or sexual abuse in early years may lead to disadvantages later in life (see Box 16). The World Health Organisation has associated physical and sexual abuse in childhood with a number of subsequent risk behaviours, including alcohol, tobacco and drug abuse, lower rates of contraceptive and condom use and increased likelihood of future intimate abusive relationships.²⁴² A history of child sexual abuse is linked with a higher risk of experiencing sexual violence later in life.²⁴³

Adequate support in earlier years can break the cycle: CRASAC's work with several young women who had been victims of sexual abuse in childhood has been successful in contributing to improving their confidence so that they could progress in their studies and, for some, apply to university.

BOX 16. Kairos: breaking the cycle of deprivation

Kairos WWT works with vulnerable women in Coventry who have been sexually abused and are facing a situation of deprivation. The majority of the women supported have a history of sexual abuse in their past, sometimes as children, and/or very often in relationships in adulthood with violent and abusive partners. Many of them were raised in disadvantaged households or in care homes.

"Usually they're born into disadvantage. Placed in care, lack of support, [experienced some] level of abuse. And then they use drugs, to forget the pain, all of that abuse, then the sex-working is providing the finance for the drug addiction."

The poverty-abuse-drugs vicious cycle locks these women in destitution and physical danger. Their exceptional circumstances do not garner much sympathy, either from the authorities or from wider society, although very little choice and agency are involved in their decisions and each element of the cycle exacerbates the others:

"When you're under a certain age and you're sexually abused you are seen as a victim. But when you pass a certain age you are no longer seen as a victim and that's how our women are stigmatised, and you are seen as choosing a lifestyle and the sympathy is not so great. When you explain to someone that this woman has been abused by every person she has come into contact with in her life, she doesn't feel sexual towards anyone, man or woman, she's using drugs to deal with it, she's not making a calculated choice, it's just all she knows, this is now normalised, this is normal behaviour for her."

The role of Kairos is to support women in this situation to break out of the vicious cycle by minimising their exposure to risk and harm and by helping to address their needs in relation to housing, health care and financial support.

241 WBG and Runnymede Trust (2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

242 World Health Organisation (2012) *Understanding and addressing violence against women: Health consequences* (<http://bit.ly/2IMHfL5>) p.5

243 Ibid.

Services provided

Refuges and emergency support services for women who have suffered domestic violence and sexual abuse, such as those provided by CRASAC and Coventry Haven, are crucial in protecting these women from an escalation in violence. They often save their lives. They also save these women and their children from absolute destitution and rough sleeping. Organisations such as Kairos support women in high-risk circumstances (prostitution and drug abuse) and focus on getting them onto a safer path. Psychological support provided by women's organisations, and the

BOX 17. FWT: supporting one of the poorest areas in Coventry

Foleshill Women's Training (FWT) is a Coventry organisation providing women across different communities with education, employment, training and healthcare opportunities. It is based in Foleshill, one of the most disadvantaged wards in the city. Foleshill is a very ethnically diverse ward and it has the second largest percentage of children living in poverty (49% after housing costs). Many of the women who participate in FWT's activities and training workshops live in poor households and the organisation is thus a point of support and referral to mitigate some of the consequences of poverty.

Source: Coventry City Council (2018) Population and Demographics (<http://bit.ly/2l5s0mQ>)

help they provide in navigating the judicial system, are also important services that enable women to get back on their feet and rebuild their lives. Organisations such as Foleshill Women's Training (FWT) support women from minority ethnic backgrounds to improve their skills in the English language, technology, parenting and health, while at the same time combatting isolation.

Poverty and domestic abuse have a knock-on effect on each other and in several dimensions of women's lives. Very often the situation such women are in requires several problems to be dealt with simultaneously, as they are feeding into one another. A holistic approach, sometimes coordinated by more than one specialist organisation, is important in addressing the causes and consequences of poverty and in breaking the vicious cycle of poverty (see Box 18).

9.2. Services at risk from cuts in funding

Since 2010, there have been significant cuts to the voluntary sector, with smaller voluntary organisations (including specialist women's organisations and BME organisations) struggling the most.²⁴⁴ Because local authorities try to save costs by reducing the number of contracts they put out, larger, generic organisations often have an advantage in bidding processes. In 2016, around half of women's organisations and BME specialist organisations reported a fall in income in the previous year, while also experiencing an increase in the demand for their services.²⁴⁵ This means that an increasing number of people are not getting the support that they need.

The picture is particularly gloomy when it comes to emergency services: since 2010, 17% of specialist refuges in England have closed. A third of all referrals to refuges are turned away (155 women and 103 children per day), usually due to lack of availability of places.²⁴⁶

Changes and cuts in benefits since 2010 have contributed to the increase in demand for voluntary sector services, as these exacerbate women's financial disadvantage. Cuts to public services have also contributed

BOX 18. The Law Centre: a holistic approach to combat poverty

The Coventry Law Centre helped a woman of African origin who had been in the UK for many years, and who had suffered domestic violence. Her partner had been arrested and issued with a non-molestation order, so that she and her children were protected. But she had no recourse to public funds on her own, so could not claim anything. The Law Centre negotiated with the social housing landlord to give them a few months to help the woman to obtain her status. But then children's services were concerned, and the former partner contested her claim of residence in relation to the children.

"Every side played a part in finding a solution: social housing didn't take the woman to court on her rent arrears, they held off, we explained to social care that going to a hostel would be really detrimental to the woman and her children after everything they'd had been through, and it would cost the state a lot of money. Fortunately, the person responsible for social care understood and they paid her rent for three months. Eventually it took six months to get her status, she was then able to claim money and we were helping her with foodbanks. But as she remained in her home the children remained in school, she had family and friends nearby, it was good for them. In the end, the landlord got their rent, social care saved a lot of money and a lot of upset and stress for the children and family and now the mum has been able to go into work, after getting her status settled."

The Coventry Law Centre provides legal support for people who find themselves in a difficult situation due to benefit sanctions, irregular migrant status, domestic violence, debt, etc. Very often their clients will face simultaneous issues, including potential eviction due to rent arrears, debt, the threat of children's services taking their children away and health issues in addition. A comprehensive approach from organisations that understand this complexity is thus necessary to get things right. A similar approach is taken by Kairos, whose clients face complex individual challenges including homelessness, substance misuse, health issues and material deprivation (see Box 16).

to a worsening of women's risk of poverty and revictimisation. The consequences of cuts to both public services and benefits are particularly severe for disabled women's ability to access support and to flee violent relationships. This is because disabled women are more likely to depend on benefits and support from a voluntary sector that is increasingly under-resourced.²⁴⁷

The services provided by women's organisations to women living in poverty and/or with other disadvantages are crucial for their present well-being and future prospects. They work as a complement to statutory services and many women feel more comfortable accessing specialist services from voluntary organisations, because they may distrust the police, they may fear that their children will be taken away if they disclose abuse, or they may fear deportation (see Box 7).

The Women's Budget Group is preparing a report on the situation of funding for the women's sector, to be released in October 2018.

244 NCVO (2017) What does the new Civil Society Almanac tell us? (<http://bit.ly/2q11CBO>)

245 Ibid.

246 Women's Aid England and Wales (2016) Save Refuges, Save Lives (<http://bit.ly/2sqskTE>)

247 Women Enabled International and Sisters of Frida (2016) Joint Submission to the United Nations Universal Periodic Review: The United Kingdom of Great Britain and Northern Ireland (<http://bit.ly/2GP59Jq>) p.7

10. Recommendations

Poverty tends to trap people in a cycle from which it is difficult to escape. Anti-poverty policies should aim to tackle poverty not only in the present but also to prevent poverty in the future.

Individual financial autonomy is the best guarantee of financial security both in the present and in the future. This is achieved for many people in two ways: through employment earnings and through adequate social security support.

Women tend to work fewer hours, in lower-paid positions and sectors, and take more career breaks due to caring responsibilities. This leads to lower earnings for women overall. To ensure that women can earn decent wages, barriers to women's employment should be tackled. There should be public investment in social care and childcare, public transport services and jobs that are adapted for women with disabilities.

Social security is also crucial in ensuring financial autonomy for women. Benefits should provide adequate financial support to each individual within a household. The social security system assumes that resources are fully shared within households²⁴⁸ – but this is not always the case. Many people are living in 'hidden poverty'; so benefits should insofar as is possible be targeted to individual circumstances instead of those of the household.

Despite the importance of individual financial autonomy, we recognise that interdependence and caring relationships are a fundamental part of people's lives. Individual autonomy is also a good basis for fair interdependence. Women shoulder a disproportionate amount of the unpaid care work. This has consequences for their ability to earn an adequate wage. Care work should be shared more equally, within households and in society. Fathers should be encouraged to take paternity leave, and maternity, paternity and parental leave should all be better paid. Public investment in childcare and adult social care should be prioritised; as well as meeting needs, this would ease women's care responsibilities and create numerous worthwhile jobs in sectors that are currently female-dominated.

Women's organisations provide crucial services that support women in emergency situations and in improving their employment and life skills. These services are important in mitigating some of the consequences of poverty and in breaking the links between abuse and deprivation. Specialist support services that are familiar with the specific and cumulative challenges facing diverse groups of women should be properly funded. They are a crucial element in supporting vulnerable and financially disadvantaged women.

Our recommendations are threefold:

Access to an independent and adequate income for all

- Barriers to employment should be tackled by investment in child and adult social care provision, 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 care should be consistent and adequate to ensure that they are affordable, available to all who need it and of high quality.

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.

²⁴⁸ Means-tested benefits are calculated in relation to the 'benefit unit', which is an individual or couple living together and any dependent children. These units may correspond to a household, although that is not always the case.

Appendix 1

Defining poverty

There are various measures of poverty commonly used and they tend to present different results depending on which are used. We take the ONS approach, of poverty measured in terms of disposable (household) income, examining individuals living in households with 60% of median equivalised disposable household income (contemporary income compared to others in the same society, when relative poverty is being measured). Unless stated otherwise, this report uses the percentages of 60% of median household income after housing costs, as we believe this gives a clearer picture of the disposable income that members of the household will effectively have.

Household income includes contributions from earnings, state support, pensions, and investment income among others, and is net of tax (but not indirect tax or excise duties).

We are aware that household income is not always shared equally among all members of the family (and the broader household as well). We discuss issues relating to data collection about income at household level in section 4.3.

Taken on its own, relative poverty rates can be misleading. This is because the relative low income threshold moves each year as average income changes. In cases of economic recession, households may move out of low income just because the average (median) income decreases. This is why absolute (or 'anchored') low income measures are also useful to monitor poverty: they assess how incomes are faring with reference to inflation over time. Combining different assessments of poverty gives a more comprehensive overview of living standards. In the longer term, most commentators would argue that low-income people should be able to keep in line with the living standards of the population as a whole in the society in which they live.

This report focuses on the material dimension of poverty – poverty as a synonym for financial deprivation – so as to disentangle its causes and consequences more effectively; we know that poverty in this specific sense has consequences for health, children's education and life chances, mobility and social isolation.

Other measures for poverty include anchored or absolute poverty (60% of median equivalised household disposable income anchored at a point in time – DWP uses 2010/11 – and uprated by price inflation, instead of real incomes as in the case of relative poverty).

There are also measures of material deprivation that are often used (and that are included in the composite measure of [risk of] poverty and social exclusion used by the EU). Material deprivation is related to the inability of an individual to buy goods considered essential in a society at a given point in time. Measures of financial hardship are sometimes used, and they relate to an individual's inability to fulfil their financial obligations due to an unexpected expense or change in financial situation (e.g. loss of job).

This report uses "financial deprivation" as a synonym for poverty throughout the report.

Appendix 2

Methodology

This report is part of a series published by the Women's Budget Group on challenges facing disadvantaged and at risk women in Coventry. This is being carried out for the Coventry Women's Partnership, a collaboration between five women's organisations funded by the Smallwood Trust, that aim to improve their cooperation in the support they provide to women, including on employability, health, legal rights and domestic and sexual violence.

The topic of this report was decided after consultation with the five women's organisations in Coventry. Poverty is a prominent issue that affects many of the women who use their support services and it was deemed to be a pertinent and wide-ranging subject for the first report of the project. The following research questions were originally formulated with the women's organisations:

- What are the main causes of poverty for women?
- What are the consequences of living in poverty for women's lives?

Due to the cumulative nature of poverty, this report adopts a life-course approach to the analysis. It examines three broad life stages – childhood and young adulthood, working-age years and motherhood, and older age – and explores the causes and consequences of poverty in these stages for women specifically. In each consecutive stage, attention is paid to how poverty in earlier life stages affects the likelihood of living in poverty in that stage.

Different groups of women will face different and often compounding challenges when it comes to financial deprivation; so an intersectional analysis was adopted for this report. For each life stage and each topic addressed, care was taken to analyse how disabled women and BME women were particularly affected.

Desk research was conducted based on the two research questions and on these two approaches. This included investigation of material from academic journal articles, books, reports and briefings from think tanks and research centres, and consultation of primary sources for statistical data, including the ONS and the DWP.

After the initial desk research, frontline staff from four of the organisations from Coventry Women's Partnership were interviewed. These interviews had two main goals: 1) they were intended to capture the issues facing service users who were living in precarious financial situations, in order to inform subsequent desk research, and 2) they were a way of collecting case studies that could give an illustration of the topics discussed in the report. The interviews were recorded and common themes were sought that would guide the structuring of the report. Case studies were collected based on their relevance for the issues discussed.

In a second phase of fieldwork, seven interviews were conducted in Coventry with women who had used the services of the Coventry Women's Partnership organisations. Interview guidelines were written and distributed to the frontline staff who interviewed the women in person. These guidelines included information about the research project, a set of questions to shape the interview, and consent forms. The aim of these interviews was to understand the lived experience of vulnerable women struggling with abuse and poverty. Their voices and experiences are used throughout the report to give a personal illustration of the challenges faced by women in relation to poverty.

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