



Distribution of Money within the Household and Current Social Security Issues for Couples in the UK



Research briefing by Marilyn Howard and
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1. Summary and Introduction

This research briefing examines how money is distributed and dealt with in couple households, especially those on low incomes and/or social security benefits, and how payment of benefits has been dealt with in the past, as a background to discussion about the current arrangements for the payment of Universal Credit to couples.

Universal Credit (UC) integrates six means-tested benefits and tax credits into one benefit, for those below pension age in and out of paid work, both single people and partners living together.

UC was developed in 2010, becoming law in the Welfare Reform Act 2012. It has been introduced from 2013 onwards. The latest estimate is that it will be fully implemented by autumn 2024, although that may slip again now due to the pandemic.

As UC is a means-tested benefit, resources and needs are taken into account jointly for couples. This does not apply to non-means-tested benefits, such as contributory Jobseeker's Allowance or Child Benefit.

Payment of UC is also made by default into one bank account for couples. This has been criticised for making financial abuse easier; for facilitating the unequal distribution of income and responsibilities within couples; and for being unsuited to the different circumstances of couples living together in the UK today.

In the pandemic, thousands of couples new to means-tested benefits have claimed UC. Many were taken aback when they found out this was a joint claim and their partner's income and any savings were taken into account. The government made some temporary changes to UC, but these have mostly now ended. There is not yet reliable information on which bank account these new couple recipients decided on for their UC award to be paid into.

Key points

- Means-tested benefits such as Universal Credit treat a couple as one unit, implying that all their income is shared (or that this is not a government concern). But this 'unitary household' assumption is not always borne out, and may run the risk of hiding unequal sharing, poverty for some even within a non-poor household, and sometimes even financial abuse.
- Research on how couples deal with money shows that many say they manage it jointly, but in other cases one partner may manage it, and a small number of women get a housekeeping allowance.
- One EU study in 2010 suggested some 30% of couples did not pool their income fully. Couples often use different arrangements to cope with the complexities of modern family life.

- Theories about factors determining power in relationships in relation to money include the amount and source of resources individuals contribute; what access to resources they have in the household; and what alternatives they are likely to have outside it (so gender inequalities outside the household, such as in the labour market, influence equality *within* the household).
- How couples organise, manage and control their money matters for the individuals within those households. Control in low-income households may mean taking responsibility for ensuring the household does not live beyond its means. This more often falls to women than to men.
- But in addition, deciding whether to pool income and how to organise it is different from who gets what income in the first place, which is important in its own right.
- Financial abuse is one aspect of violence against women and girls. It is hard to establish its extent; but it is widespread, and some groups of women, such as pregnant or disabled women, are more at risk. Any arrangement for payment of benefits which makes it easier for one partner to control the family income could make financial abuse more likely.
- In couples on low/moderate incomes and/or on benefits, especially those with children, women often manage the household budget, when this responsibility can be a source of stress.
- In Universal Credit:
 - Couples must make a joint claim, but payment can only be made to one bank³ account (apart from exceptional circumstances). The choice of the account is more momentous in an integrated benefit such as Universal Credit, because (almost) 'all your eggs are in one basket', compared with previous benefits which were paid separately. This single payment does not fit the way many couples live their lives today, may suggest that the individual receiving it should take responsibility for the whole household budget, and can potentially create an environment in which one partner can exert more control over the other.
 - For couples with children, the online claim form now includes a suggestion that the payee should be the main carer, but this may still leave one partner with almost all the income.
 - Paying Universal Credit into a joint account does not necessarily mean both partners have equal access to it; recent qualitative research with couples on Universal Credit found that often women did not favour joint accounts unless they also had their own.
 - The different purposes of previous benefits and tax credits have in effect been 'de-labelled' within Universal Credit, as a single integrated benefit, running the risk that the child element may not be spent on children.
- Recent developments in research into distribution and organisation of money within the household have extended its scope. We recommend that there should be more exploration of broad categories of money management, such as partial pooling and joint management. And in response to the Government's declaration that it was ignoring within-household distribution in relation to the performance of Universal Credit, what happens to incomes within the household should instead be a focus of any assessment of social security reforms.

³ Payment can also be into e.g. a building society or credit union account.

Structure of the briefing

This briefing:

- sets out what is known about **how couples share incomes and decision-making about money** in the household; with what **outcomes**; and the **impact of different factors** on this;
- outlines the evidence on financial control and abuse and how this relates to payment of benefits;
- examines the situation of **couples on low/moderate incomes and/or social security benefits** in particular, given that they are central to current debates on 'welfare reform';
- focuses on the specific issue of **payment of benefits, in relation to Universal Credit and then benefits for children**; and
- describes the most **recent developments** in this area of inquiry.

2. Couples, income sharing and decision-making about money

Official statistics in the UK, including those on low income/poverty,⁴ usually measure income at a household level, implicitly assuming that this income will be shared equally, or at least in proportion to the needs of all the members of the household. This household can be wider than just a single adult or couple living together and any dependent children. But for means-tested benefits, assessment is based on aggregating the income and savings (and needs) of both partners in a couple, implying that whoever is paid the benefit will share it.

Indeed, when it comes to dealing with money in the household, families have frequently been treated as a 'black box',⁵ and a unit that acts as one (known as the 'unitary household' perspective).⁶ So the argument is that it does not matter what the sources of household income are, or who receives them, as money is put together 'all in one pot',⁷ and then shared to the equal benefit of all family members. Many of our economic models and social policies are based on these assumptions.

But this 'unitary household' assumption underlying household income statistics and means-tested benefit mechanisms is problematic. This is because it ignores the importance of receipt of income in one's own right, which is more likely to lead to control over that income⁸ - as well as the potentially unequal sharing of resources,⁹ with the risk of causing poverty at an individual level.¹⁰ One study of EU

⁴ For example, *Households Below Average Income*, published annually

⁵ Pahl, J. (1989) *Money and Marriage*, Houndmills: Macmillan Education Ltd.

⁶ Becker, G.S. (1981) *A Treatise on the Family*, Cambridge, MA: Harvard University Press

⁷ Sung, S. and Bennett, F. (2007) 'Dealing with money in low-moderate income couples: insights from individual interviews', in K. Clarke, T. Maltby and P. Kennett (eds.), *Social Policy Review 19: Analysis and debate in social policy 2007*, Bristol: Policy Press and Social Policy Association: 151-173; this research unpacks this frequent description to find out what is behind it

⁸ National Equality Panel (2010) *An Anatomy of Economic Inequality in the UK: Report of the National Equality Panel*, CaseReport 60, London: Government Equality Office and Centre for Analysis of Social Exclusion, LSE: <http://bit.ly/2mAPG6b>

⁹ For a review of research into distribution within households, see Bennett, F. (2013) 'Researching within-household distribution: overview, developments, debates, and methodological challenges', *Journal of Marriage and Family* 75(3): 582-597

¹⁰ Reis, S. (2018) *The Female Face of Poverty Examining the cause and consequences of economic deprivation for women*, Women's Budget Group: <http://bit.ly/2KrpFjY>

countries showed a higher gender imbalance in poverty when using individual rather than household measures.¹¹

Whilst acknowledging that people can derive various benefits from living together,¹² including economies of scale, it is argued that, because of the unequal positions of individuals in households, some sharing of resources is often necessary, for women in particular — but may not itself be equal. In addition, ‘one pot’ when used in relation to household resources may often be more of a metaphor than a reflection of reality, and can in practice include degrees of financial separateness.¹³

Research into money management and control

Investigations of money in the household from the 1980s onwards show a complex picture, challenging key assumptions about how families work, or should work; exploring the extent of sharing; examining how resources are controlled and allocated; and revealing the personalised nature of different kinds of money.¹⁴ This is a central issue for women, traditionally more likely to be subsumed within the family.¹⁵

This body of research consists of both quantitative survey data and qualitative interviews; each is important and makes a contribution to building up a picture of money management and control. But interviewing just one partner can mean one is assumed to be speaking on behalf of the other, and misses key aspects of intra-household dynamics; in a recent qualitative study of couples, the aim was to interview each partner separately and then the couple jointly.¹⁶ Research can also be sociological or economic.¹⁷ Some data (particularly relating to benefit claimants) concerns people of working age, other sources include information on pensioners as well. Some of the data is two decades old, and so it cannot be assumed that results would be the same if repeated today. However, previous literature can highlight practices of management and control at particular points in time, when norms and contexts may be different.¹⁸ Fundamentally this research makes the compelling point that a focus on the individual and not just the household is vital – and that remains as relevant in the 2020s as the 1990s.

The assumption of equal sharing is not always borne out in practice, and one partner may be more likely to take control over financial decision-making.¹⁹ A study of 12 countries (examining consumption) found that equal sharing rarely happens, creating gender inequality in consumption and poverty, with men getting a larger share of resources.²⁰ The research on opposite sex married couples, starting in

¹¹ Marcella, C., Fabrizio, B. and D'Ippoliti, C. (2016) ‘The gendered nature of poverty in the EU: individualized versus collective poverty measures’, *Feminist Economics* 22(4): 82-100

¹² Himmelweit, S. and Santos, C. (2009) ‘Well-being, power and inequality within households’, in R. Simonetti *et al.* (eds.), *Doing Economics: People, markets and policy* (Book 1, Part 1), Milton Keynes, UK: Open University Press: 143-183

¹³ Sonnenberg, S. (2008) ‘Household financial organisation and discursive practice: managing money and identity’, *Journal of Socio-Economics* 37: 533–551

¹⁴ Bennett, F. (2013) ‘Researching within-household distribution: overview, developments, debates and methodological challenges’, *Journal of Marriage and Family* 75(3): 582-597

¹⁵ Nussbaum, M. (2000) ‘Women’s capabilities and social justice’, *Journal of Human Development* 1: 219 – 247

¹⁶ Griffiths, R., Wood, M., Bennett, F. and Millar, J. (2020) *Uncharted Territory: Universal Credit, couples and money*, Bath: Institute for Policy Research, University of Bath: <https://bit.ly/2GQptLK>

¹⁷ Bennett, F. (2013) ‘Researching within-household distribution: overview, developments, debates and methodological challenges’, *Journal of Marriage and Family* 75(3): 582-597

¹⁸ For example, trends in recent years include increasing numbers of couples cohabiting, more blended families and same-sex couples: <http://bit.ly/3ny0lts>

¹⁹ A qualitative study of household decision-making focusing mainly on pension savings suggested that there may often be an ‘alpha’ and a ‘beta’ partner (with women more likely to be the alpha partner, more engaged with financial decision-making, and with some talking about the need to rein in the other partner’s actions to protect household finances) - Wood, A., Downer, K., Lees, B. and Toberman, A. (2012) *Household Financial Decision Making: Qualitative research with couples*, DWP Research Report 805: <https://bit.ly/38wQ8bQ>

²⁰ Lechene, V., Pendakur, K. and Wolf, A. (2019) *OLS Estimation of the Intra-Household Distribution of Consumption*, Institute for Fiscal Studies Working Paper W19/19, London: IFS: <https://bit.ly/2Uk6k81>. There has also been some research specific to Scotland: see McKay, A. and Scott, G. (1999) *What can we Afford? A woman’s role: money management in low-income households*, Glasgow: Scottish Poverty

the 1980s, developed typologies of different types of money management. These types, grouped in different ways by different researchers, included male controlled, female controlled, pooled, housekeeping allowance given to the woman, or independent management.²¹ In the male-controlled and housekeeping allowance types, men were found to have more power over money in the household.

The first Poverty and Social Exclusion (PSE) survey took place in 1999; the more recent one was carried out in 2012.²² Using the mode of organisation of resources in the household as an important indicator,²³ one analysis of the 1999 data²⁴ found that:

- 54% of couples managed finances jointly;
- in 24% of couples, the finances were managed by the woman (except for her partner's personal spending);
- in 12%, they were managed by the male partner; and
- in 6%, the woman was given an allowance for housekeeping.

Over a decade later, the 2012 data shows that:

- 49% pooled and managed finances jointly, with a further 15% pooling some of the money and keeping the rest;
- 23% stated that one member of the couple 'looks after' all the household money except for the other partner's personal spending money;
- 6% said they kept their finances completely separate;
- 4% said they were given an allowance for household expenses by their partner, and that the partner looked after the rest of the money; and
- 3% reported some other arrangement.²⁵

One analysis of the 2012 data also suggests some pooling of resources, but with significant gender differences when children are present, when women are more likely to go without personal spending money.²⁶ Another study looking at poverty and domestic abuse which analysed the 2012 data also stated that there was some suggestion that dissatisfaction with household financial arrangements

Information Unit, Glasgow Caledonian University, cited in Scottish Government (2012) *Potential Impacts of a Move to Household Benefit Payments*, Welfare Analysis, October 2012, Edinburgh: Scottish Government

²¹ Research from the 1980s/90s, originally with opposite sex married couples, e.g.: Pahl, J. (1989) *Money and Marriage*, London: Macmillan; Vogler, C. (1994) 'Money in the household', in A. Anderson, F. Bechhofer and J. Gershuny (eds.), *The Social and Political Economy of the Household*, Oxford: Oxford University Press; Vogler, C. and Pahl, J. (1993) 'Social and economic change and the organisation of money within marriage', *Work, Employment and Society* 7(1): 71-95

²² See <https://www.poverty.ac.uk/about-us>. This was the largest ever survey undertaken into poverty and social exclusion in the UK and was a collaboration between different universities (including Glasgow University) led by the University of Bristol.

²³ Daly, M., Kelly, G., Dermott, E. and Pantazis, C. (2012) *Intra-household Poverty: Conceptual note no 5*, Poverty and Social Exclusion UK: <https://bit.ly/38y2Xmd>

²⁴ Pantazis, C. and Ruspini, E. (2006) 'Gender, poverty and social exclusion', in C. Pantazis, D. Gordon and R. Levitas (eds.) *Poverty and Social Exclusion in Britain: The millennium survey*, Bristol: Policy Press

²⁵ Questionnaire and top-level PSE 2012 findings, p63: <https://bit.ly/2WoVsXC>

²⁶ Dermott, E. and Pantazis, C. (2018) 'Which men and women are poor? Gender, poverty and social exclusion', in E. Dermott and G. Main (eds.) *Poverty and Social Exclusion in the UK: Volume 1: The nature and extent of the problem*, Bristol: Policy Press

appeared to be associated with recent physical partner abuse, though also noting that more research on intra-household distribution is needed.²⁷

This summary does not analyse how *management of money* relates to *control*, which can be complex. Female money management tends to be associated with low income, which may mean control is essential to make the money stretch (see below for more about this).²⁸ On the other hand, there may be an association between male-controlled systems (such as the man giving a, possibly fixed, small, housekeeping allowance to the woman) and economic abuse, though more research is needed.²⁹

A more recent Scottish Social Attitudes Survey³⁰ found that in 2019/20 two-fifths of those living with a partner in Scotland put all their income into a joint pool, whilst a fifth kept all or almost all their own income themselves; married couples were twice as likely to pool their income. Women were more likely than men to keep all their own income, whereas men are more likely to put all of theirs into a joint pool with their partner. There was no investigation of types of money management systems in this survey. But women (49%) were more likely than men (12%) to say they usually made the decisions about how much to spend on regular grocery shopping. A majority of couples said money for large household items or an unexpected repair bill was most likely to come from a joint bank account or pooled income; but men were more likely than women to say that they would use their own money for these.

In a European study of data from 2010, assumptions of income pooling were thought to be unfounded in 30% of cases.³¹ In 2011, the Westminster government acknowledged that:

'Research has suggested that, particularly in low-income households, the ... assumption with regard to income sharing within couples is not always valid as men sometimes benefit at the expense of women from shared household income'.³²

The government has also suggested, however, that only 7% of cohabiting and 2% of married couples have completely separate finances. This finding is from the 2008 Families and Children Study,³³ and so applies only to couples with children, who are more likely to have joint finances. In addition, the House of Commons Work and Pensions Select Committee has noted that the same study showed only about half of married/cohabiting couples with children sharing and managing their finances completely jointly.³⁴ This study found that the mother looked after all the household's money in 29% of married couples with children and 34% of cohabiting couples with children, whilst their partner looked after all the money in 15% and 13% of cases respectively. Half of married and 45% of cohabiting couples with children said that they shared and managed their finances jointly. In a small proportion of cases, the mother was given a housekeeping allowance and her partner looked after the rest, and a small

²⁷ Fahmy, E. and Williamson, E. (2018) 'Poverty and domestic violence and abuse (DVA) in the UK', *Journal of Gender-Based Violence* 2(3): 481-501

²⁸ Snape, D. and Molloy, D. with Kumar, M. (1999) *Relying on the State, Relying on Each Other*, DWP Research Report 103, Leeds: Corporate Document Services

²⁹ 'Controlling the family income' is an example of economic abuse, now included in the statutory definition of domestic abuse - <https://bit.ly/3aq550q>; see also citations on page 14 in: <http://bit.ly/2OITWnH>.

³⁰ Scottish Government (2020) *Scottish Social Attitudes Survey 2019: Intra-household distribution of resources*, Edinburgh: Scottish Government: <http://bit.ly/3mgehnW>. Respondents in same-sex relationships were included in the analysis; but the sample of those not identifying as heterosexual cases was too small to analyse outcomes by sexuality.

³¹ Ponthieux, S. (2013) *Income Pooling and Equal Sharing within the Household – What can we learn from the 2010 EU-SILC module?*, Eurostat, Luxembourg: Publications Office of the European Union: <http://bit.ly/2J5AT9S>: 24

³² Chris Grayling MP (as a DWP Minister), House of Commons *Hansard*, Written Answers 14.3.11, col. 126W

³³ Maplethorpe, N. *et al.* (2010) *Families with Children in Britain: Findings from the 2008 Families and Children Study*, DWP Research Report 656, London: Department for Work and Pensions: <https://bit.ly/2GS8n0b>, p 221

³⁴ Para 54 <http://bit.ly/3ms0WeF>

percentage also said that they kept their finances completely separate. In couples without children, the percentages with separate finances would be likely to be higher.

In any case, deciding whether to pool resources and how to deal with them is a different issue from who receives them initially, which is a key issue in general and more specifically in relation to UC.³⁵ In its equality impact assessment for UC, the government stated that it would consider the potential impacts of paying UC to one partner; it is not clear that it has done so.³⁶

More 'independent' methods of organising finances do appear to be more common in couples who are younger, and in those who are cohabiting (rather than married) or in same-sex relationships.³⁷ For example, in the Scottish survey cited above, respondents aged 16-34 were more likely to keep some (in many cases more than half) of their income and pool the rest, whereas older respondents were more likely to pool their income and keep little or none of it themselves.³⁸ In addition, some partners who have previously found household financial arrangements unsatisfactory are determined to be more independent in new relationships³⁹ (especially when there are complications of commitments to the previous family). Recent research into couples on UC⁴⁰ found that in 'blended' families, it was thought important that the benefit payment went to the child(ren)'s mother when the male partner was not the father of the child(ren). Couples often use a mix of income streams, and joint and individual accounts, to cope with the complexities of modern family life.⁴¹

Moreover, joint savings, investments and debts are decreasing in couples in the UK, according to a recent study;⁴² and pensions tend now to be perceived as individual rather than joint within couples.⁴³ A recent survey, by the Money and Pensions Service⁴⁴ (which works to ensure people have more control over their finances) found many people keeping information about their credit cards, personal loans and savings secret, rising from two in five overall to three in five of 25-34-year olds. People were most likely to keep money secrets from their partner, but this was generally under-estimated by people in couples. Almost a third (30%) said their partner does not know how much their annual income is approximately.

Other results from research include the finding that money from a partner can carry with it expectations of future behaviour.⁴⁵ In other words, money is not a neutral or totally fungible commodity, but carries

³⁵ Howard, M. and Bennett, F. (2020) 'Payment of Universal Credit for couples in the UK: challenges for reform from a gender perspective', *International Social Security Review* 73(4): 75-96

³⁶ Department for Work and Pensions (DWP) (2010) *Equality Impact Assessment: Universal Credit: Welfare that works*, Cm7957: <https://bit.ly/35m2gdL>

³⁷ See literature cited in Bennett, F. and Sung, S. (2013) 'Dimensions of financial autonomy in low-/moderate-income couples from a gender perspective and implications for welfare reform', *Journal of Social Policy* 42(4): 701-719

³⁸ Scottish Government (2020) *Scottish Social Attitudes Survey 2019: Intra-household distribution of resources*, Edinburgh: Scottish Government: <http://bit.ly/2WqEUhM>

³⁹ Burgoyne, C. B. and Morison, V. (1997) 'Money in remarriage: keeping things simple — and separate', *The Sociological Review* 45: 363-395

⁴⁰ Griffiths, R., Wood, M., Bennett, F. and Millar, J. (2020) *Uncharted Territory: Universal Credit, couples and money*, Bath: Institute for Policy Research, University of Bath: <https://bit.ly/2GQptLK>

⁴¹ Singh, S. and Morley, C. (2011) 'Gender and financial accounts in marriage', *Journal of Sociology* 47: 3-16

⁴² Kan, M.Y. and Laurie, H. (2014) 'Changing patterns in the allocation of savings, investments and debts within couple relationships', *The Sociological Review* 62(2): 335-358

⁴³ Wood, A. et al. (2012) *Household Financial Decision-making: Qualitative research with couples*, DWP Research Report 805, London: Department for Work and Pensions: <https://bit.ly/3niR487>

⁴⁴ Money and Pensions Service (2020), '21 million money SECRETS kept from loved ones across the UK', press release, 9 November: <http://bit.ly/3aw76bg>. The nationally representative survey of 5,225 adults aged 18+ in the UK was carried out by Opinium from 9-19 Oct 2020

⁴⁵ Goode, J. (2010) 'The role of gender dynamics in decisions on credit and debt in low income households', *Critical Social Policy* 30: 99-119

social meanings reflecting real world roles and relationships.⁴⁶ And an imbalance in control over finances within the household can lead to relationship difficulties.⁴⁷

Outcomes associated with income receipt and household money management

In terms of outcomes, inequalities between men and women in opposite-sex couples have been found, usually to the detriment of women, in particular in financial deprivation and lack of access to personal spending money.⁴⁸ Eighteen per cent of women in households with *housekeeping allowance or male-controlled* systems in the first PSE study in the UK (1999) thought they were going without more than their partners (and no male respondents in this category reported that either they or their partner went without items). Even under pooled money management systems, the PSE survey found that more women than men (23% and 17% respectively) felt they went without items to a greater extent than their partner.⁴⁹ The European Union (EU) has developed individual deprivation indicators to measure differences in deprivation within households in countries across the EU – though clearly this does not measure inequalities overall, but only for those individuals suffering deprivation,⁵⁰ and it may also be that joint household items (such as a car) are also unequally shared.

Factors affecting whether household resources are shared

Research into the range of factors underlying how and to what extent resources are shared within couples has gone beyond methods of managing money, however, to try to discover what else may affect this. For example, results from the 2010 Irish Survey on Income and Living Conditions, which had an extra module on intra-household income pooling and decision-making, show that not only sharing responsibility for decision-making on household finances but also having an income from paid work improved an individual's standard of living as well as the household's income overall.⁵¹ Theories about what may determine the balance of power include what resources individuals contribute; what access to resources they have inside the household; and what alternatives they have outside it.⁵² Some factors are known as 'gender specific parameters',⁵³ in that gender inequalities outside the household may affect someone's gendered position within it. This may be the case for wages and other sources of income, as well as gender role attitudes and societal policies and cultures. How money is dealt with in the household (see above) may have an independent influence - though there is not always a link between control and management, and money may be valued differently depending on its source and who brings it into the household.⁵⁴

⁴⁶ Zelizer, V.A. (1994) *The Social Meaning of Money: Pin money, paychecks, poor relief, and other currencies*, New York: Basic Books

⁴⁷ Ramm, J., Coleman, L., Glenn, F. and Mansfield, P. (2010) *Relationship Difficulties and Help-seeking Behaviour: Secondary analysis of data sets*, Research Report RR018, London: Department for Education: <https://bit.ly/3eNEqL8>

⁴⁸ Cantillon, S. (2013) 'Measuring differences in living standards within households', *Journal of Marriage and Family* 75(3): 598-610

⁴⁹ Adelman, L. et al. (2000) 'Intra-Household distribution of poverty and social exclusion: Evidence from the 1999 PSE Survey of Britain', 1999 PSE Survey Working Paper 23: <https://bit.ly/34phxtC>; Pantazis, C. and Ruspini, E. (2006) 'Gender, poverty and social exclusion', in C. Pantazis, D. Gordon and R. Levitas (eds.) *Poverty and Social Exclusion in Britain: The Millennium Survey*, Bristol: Policy Press. This was also found in a small qualitative study based on interviews with ethnic minority mothers: Warburton Brown, C. (2011) *Exploring BME Maternal Poverty: The financial lives of ethnic minority mothers in Tyne and Wear*, Oxford: Oxfam GB: <https://bit.ly/37wfHsF>

⁵⁰ Guio, A.-C. and Van den Bosch, K. (2019) 'Deprivation of women and men living in a couple: sharing or unequal division?', *Review of Income and Wealth*: doi.org/10.1111/roiw.12449

⁵¹ Cantillon, S., Maitre, B. and Watson, D. (2016) 'Family financial management and individual deprivation', *Journal of Family and Economic Issues* 37: 461-473 (data were weighted and a range of factors was controlled for in the analysis)

⁵² See overview by Bennett, F. (2013) 'Researching within-household distribution: overview, developments, debates, and methodological challenges', *Journal of Marriage and Family* 75(3): 582 – 597

⁵³ Folbre, N. (1997) 'Gender coalitions: extrafamily influences on intrafamily inequality', in L. Haddad, J. Hoddinott and H. Alderman (eds.) *Intrahousehold Resource Allocation in Developing Countries: Models, methods and policy*, Baltimore: Johns Hopkins University Press: 263-274

⁵⁴ Vogler, C. (1998) 'Money in the household: some underlying issues of power', *Sociological Review* 46: 687–713

3. Financial abuse and its relevance to benefit payments

This briefing is about how income enters the household, how couples make decisions about it and to what extent it is shared, in particular in relation to benefit payments. There is a debate about the implications of concentrating financial resources and power in one partner's hands more generally. One example of what can happen in relation to this is financial abuse. Financial abuse (specifically concerning money) is one aspect of economic abuse (a wider concept, involving other economic resources such as food, utilities, transport etc., with abuse involving acquiring, using and maintaining such economic resources).⁵⁵ Economic abuse can involve a range of behaviours, such as: economic control (monitoring spending and resources); employment sabotage (stopping the partner from working); and economic exploitation (using the partner's money, generating debts in the partner's name etc.).⁵⁶ Financial abuse is used to increase the perpetrator's control and reduce the survivor's means of independence.⁵⁷ The wider concept of economic abuse is now included in the Domestic Abuse Bill in a statutory definition of domestic abuse.⁵⁸

Financial abuse is important not just as one feature of coercive control and violence against women and girls (VAWG) but also because it is a barrier to survivors leaving the partner who is carrying out (any kind of) abuse, which therefore increases the risk of further abuse and hinders independent life after separation.⁵⁹ Financial abuse seldom happens in isolation, in fact, and is often accompanied by other forms of controlling behaviour, including physical and sexual abuse – those experiencing financial abuse are more likely to also face physical abuse.⁶⁰

The extent of financial/economic abuse is difficult to establish precisely; criminal justice statistics in England and Wales⁶¹ subsume financial abuse under 'non-physical' abuse, so it is hard to establish its prevalence.⁶² The Scottish Crime and Justice Survey identifies partner abuse, but economic abuse is subsumed as one aspect of psychological abuse ('... stopped you having your fair share of the household money or taken money from you').⁶³ Such categories often miss aspects of coercive and controlling behaviour such as financial abuse.⁶⁴

Even so, such abuse appears widespread; across Europe, 43% of women had experienced psychological violence from a current or former partner;⁶⁵ and a British survey of 4,000 adults found that one in five had experienced financial abuse (and that women were more likely to experience this

⁵⁵ Adams, A.E., Sullivan, C.M., Bybee, D. and Greeson, M.R. (2008) 'Development of the scale of economic abuse', *Violence Against Women* 14(5): 563-588; Sharp, N. (2008) *What's Yours is Mine: The different forms of economic abuse and its impact on women and children experiencing domestic violence*, London: Refuge; Sharp-Jeffs, N. (2015) *A Review of Research and Policy on Financial Abuse within Intimate Partner Relationships*, London: Child and Woman Abuse Studies Unit (CWASU)

⁵⁶ Sharp-Jeffs, N. (2015) *A Review of Research and Policy on Financial Abuse within Intimate Partner Relationships*, London: CWASU; Surviving Economic Abuse (2020) *What is Economic Abuse? Identifying risk*, London: SEA: <https://bit.ly/38yPwmg>

⁵⁷ Women's Aid (2017) *Meeting the Needs of Women and Children: Findings of the Women's Aid Annual Survey 2016*, Bristol: Women's Aid: <https://bit.ly/38xIAFT>

⁵⁸ Houses of Parliament (2020) *Domestic Abuse Bill – Explanatory Notes* (<https://bit.ly/2UjNXA4>)

⁵⁹ Howard, M. (2019) *Benefits or Barriers? Making the social security system work for women in the four nations of the UK*, London: Women's Budget Group: <https://bit.ly/39Chevj>

⁶⁰ Women's Aid, *What is Financial Abuse?*, Bristol: Women's Aid (<https://bit.ly/36vxCOs>); a study of reports from 35 homicide reviews from 2015 – 2017, when survivors had been killed by their abusive partner, highlighted that 60% of those had experienced financial abuse: Sharp-Jeffs, N. with Learnmouth, S. (2017) *Into Plain Sight: How economic abuse is reflected in successful prosecutions of controlling or coercive behaviour*, London: Surviving Economic Abuse: <https://bit.ly/38yvrzs>; Howard, M. and Skipp, A. (2015) *Unequal, Trapped and Controlled: Women's experience of financial abuse and potential implications for Universal Credit*, London: Women's Aid/TUC

⁶¹ ONS (2020) *Domestic Abuse in England and Wales Overview: November 2020*: <http://bit.ly/38eKBF7>

⁶² Sharp-Jeffs, N. (2015) *A Review of Research and Policy on Financial Abuse within Intimate Partner Relationships*. London: CWASU

⁶³ Scottish Government (2019) *Scottish Crime and Justice Survey 2017/18: Main findings* (<https://bit.ly/2JTpP5n>)

⁶⁴ Myhill, A. (2017) 'Measuring domestic violence: context is everything', *Journal of Gender-Based Violence* 1(1): 33-44

⁶⁵ EIGE data for the EU 28; source is Fundamental Rights Agency (FRA), *Violence Against Women: An EU-wide survey*, 2012: <http://bit.ly/3nzkz5X>

than men).⁶⁶ Survivors of domestic abuse are even more likely to report financial or economic abuse than population-wide surveys; one project found that 95% of survivors experience financial abuse.⁶⁷ Currently, abusers may use the COVID-19 pandemic to exert further financial control.⁶⁸

Some groups of women may be more at risk of economic abuse, such as those who are pregnant, disabled women, older women and women from some black and minority ethnic (BAME) groups.⁶⁹ There are also links between poverty and domestic abuse, though the mechanisms here are unclear.⁷⁰

Gender inequality, including wider economic inequality, is internationally recognised as both a cause and a consequence of domestic abuse.⁷¹ This means that the gendered dimensions of the intra-household distribution of resources are amplified when financial abuse is present.

Financial abuse is relevant to current discussions about benefits in particular because concerns about the UC single payment stem from fears that it could legitimate or facilitate financial abuse by placing the whole award into the hands of one partner. When financial abuse is present, this can in effect mean that the distribution of resources between partners is hugely unbalanced, with one partner taking most if not all of the income entering the household. One example of financial abuse is being given a fixed allowance for household spending, often having to account for such spending, and having to ask for more when the amount is not enough.⁷²

In addition, with regard to debt, the extent of ‘coerced debt’ – when one partner has put debts in the other’s partner’s name, which is a feature of financial abuse - is significant.⁷³ The national study noted above found that one in ten women respondents had debts put in her name, and was afraid to say no.⁷⁴ This was even more common among survivors of domestic abuse; in one study, 50% were made to take out a loan or buy on credit, and 43% said that a partner had built up debt in their name.⁷⁵ Another study showed that 61% of survivors were in debt because of financial abuse and 37% had a bad credit record as a result.⁷⁶ Moreover, for UC claimants, debt to the government, because of the joint nature of the UC claim for a couple, can include the repayment of overpayments incurred in a benefit claim in a previous relationship of one of the partners, not just the current partnership.⁷⁷

⁶⁶ Sharp-Jeffs, N. (2015) *Money Matters: Research into the extent and nature of financial abuse within intimate relationships in the UK*, London: The Co-operative Bank and Refuge: <https://bit.ly/35jYfqg>

⁶⁷ Georgia Powell, blog for Surviving Economic Abuse (27 April 2020): <http://bit.ly/3r5h0qx>; a Women’s Aid survey found that almost 50% of those using refuge services and a third of community service users reported financial abuse: Women’s Aid (2020) *The Domestic Abuse Report 2020: The annual audit*, Bristol: Women’s Aid: <https://bit.ly/32AbVfg>; Women’s Aid (2019) *The Domestic Abuse Report 2019: The economics of abuse*, Bristol: Women’s Aid: <https://bit.ly/38A1nQL>

⁶⁸ Surviving Economic Abuse (2020) *Economic Abuse and the Coronavirus (Covid-19) Outbreak: Building safety*, London: SEA: <https://bit.ly/2IsLNM4>

⁶⁹ Sharp-Jeffs, N. (2015) *A Review of Research and Policy on Financial Abuse within Intimate Partner Relationships*, London: CWASU

⁷⁰ Fahmy, E., Williamson, E. and Pantazis, C. (2016) *Evidence and Policy Review: Domestic violence and poverty*, University of Bristol for Joseph Rowntree Foundation; Hetling, A. and Postmus, J. (2014) ‘Financial literacy and economic empowerment of survivors of intimate partner violence: examining the differences between public assistance recipients and nonrecipients’, *Journal of Poverty* 18(2): 130-149; Wilcox, P. (2006) *Surviving Domestic Violence: Gender, poverty and agency*, London: Palgrave Macmillan

⁷¹ UN Women (2010) *End VAW Now – Causes, protective and risk factors*, New York: UN Women (<https://bit.ly/2Uhb7lZ>)

⁷² Sharp-Jeffs, N. (2015) *A Review of Research and Policy on Financial Abuse within Intimate Partner Relationships*, London: CWASU; Howard, M. and Skipp, A. (2015) *Unequal, Trapped and Controlled: Women’s experience of financial abuse and potential implications for Universal Credit*, London: Women’s Aid/TUC

⁷³ Surviving Economic Abuse (2017) *Responding to Coerced Debt: Consumer advocacy for survivors of economic abuse*, London: SEA: <https://bit.ly/32AiyCp>

⁷⁴ Sharp-Jeffs, N. (2015) *Money Matters: Research into the extent and nature of financial abuse within intimate relationships in the UK*, London: The Co-operative Bank and Refuge: <https://bit.ly/35jYfqg>

⁷⁵ <http://bit.ly/38iP4gm>; Surviving Economic Abuse (2019) *What is Coerced Debt? Building safety*, London: SEA: <https://bit.ly/36rWPt3>

⁷⁶ Howard, M. and Skipp, A. (2015) *Unequal, Trapped and Controlled: Women’s experience of financial abuse and potential implications for Universal Credit*, London: Women’s Aid/TUC

⁷⁷ Griffiths, R., Wood, M., Bennett, F. and Millar, J. (2020) *Uncharted Territory: Universal Credit, couples and money*, Bath: Institute for Policy Research, University of Bath: <https://bit.ly/2GQptLK>

4. Couples on low/moderate incomes and/or on benefits

Women in low-income families, especially those with children, have been seen as the 'shock-absorbers' of poverty.⁷⁸ When the low level of resources makes it hard to make them stretch from one benefit payday to the next, women have tended to be the main managers of the household budget.⁷⁹ This can be a source of pride for some,⁸⁰ and may give some (albeit limited) agency.⁸¹ But it has also been seen as delegated or day-to-day rather than strategic management⁸² - though it can be a shared responsibility (and source of stress).⁸³ In low-income families, however, even control may be about trying to attain peace of mind rather than power.⁸⁴

One qualitative study of low-/moderate-income families found that the man's earnings might be treated as joint income (a 'family wage'), whereas any earnings the woman had might be seen as extras, or 'pin money', not essential to day to day existence - even if in practice they were.⁸⁵ This research also indicated that some women on low/moderate incomes who were interviewed valued access to an independent income, from benefits as well as wages, as they would have more of a say in finances and did not have to regularly ask for money from their partner or justify their personal spending.⁸⁶

Assumptions about income-sharing and joint bank accounts

It is sometimes assumed that having a joint bank account means that income within it is shared. In relation to UC, the Government argued that 'directing payments to a joint bank account might allow both partners to have access to the money'.⁸⁷

But couples' financial practices can be more or less joint or equal with individual or joint accounts.⁸⁸ Having an individual account does seem more important to women, especially in terms of independence.⁸⁹ In recent qualitative research on couples on UC, just having a joint account was not popular amongst women in particular unless they also had their own.⁹⁰ And one qualitative research study cited above found that having a joint bank account did not guarantee access for both partners to the money, or the sharing of power in relation to management or control of household finances.⁹¹ A common pattern in this study was for the couple to have a joint bank account and the woman also to have an individual account; more women than men had individual accounts, and benefits were often

⁷⁸ Lister, R. in Women's Budget Group (2006) *Women's and Children's Poverty: Making the links*, London: WBG

⁷⁹ E.g. see Vogler, C. (1998) 'Money in the household: some underlying issues of power', *Sociological Review* 46: 687-713

⁸⁰ Goode, J., Callender, C. and Lister, R. (1998) *Purse or Wallet? Income distribution within families on benefits*, London: Policy Studies Institute; and see note below this

⁸¹ Bennett, F. and Sung, S. (2013) 'Dimensions of financial autonomy in low-/moderate-income couples from a gender perspective and implications for welfare reform'. *Journal of Social Policy* 42(4): 701-719

⁸² Rake, K. and Jayatilaka, G. (2002) *Home Truths: An analysis of financial decision making within the home*, London: Fawcett Society

⁸³ Daly, M. and Kelly, G. (2015) *Families and Poverty: Everyday life on a low income*, Bristol: Policy Press

⁸⁴ Bennett, F., De Henau, J. and Sung, S. (2010) 'Within-household inequalities across classes? Management and control of money', in J. Scott, R. Crompton and C. Lyonette (eds.) *Gender Inequalities in the 21st Century: New barriers and continuing constraints*, Cheltenham: Edward Elgar: 215-241

⁸⁵ Sung, S. and Bennett, F. (2007) 'Dealing with money in low- to moderate-income couples: insights from individual interviews', in K. Clarke, T. Maltby and P. Kennett. (eds.) *Analysis and Debates in Social Policy 2007: Social Policy Review 19*, Bristol: Policy Press in association with Social Policy Association: 151-173

⁸⁶ Bennett, F. and Sung, S. (2014) 'Money matters: using qualitative research for policy influencing on gender and welfare reform', *Innovation: The European Journal of Social Science Research* 27(1): 5-19

⁸⁷ Department for Work and Pensions (2011) *Universal Credit Policy Briefing Note No. 2: The Payment Proposal*, para. 3a), cited by Baroness Meacher in House of Lords debate on the Welfare Reform Bill, 23.1.12, col. 903

⁸⁸ Lewis, J. (2001) *The End of Marriage? Individualism and intimate relations*, Cheltenham: Edward Elgar Publishing: 165

⁸⁹ Rake, K. and Jayatilaka, G. (2002) *Home Truths: An analysis of financial decision making within the home*, London: Fawcett Society

⁹⁰ Griffiths, R., Wood, M., Bennett, F. and Millar, J. (2020) *Uncharted Territory: Universal Credit, couples and money*, Bath: Institute for Policy Research, University of Bath: <https://bit.ly/2GQptLK>

⁹¹ Bennett, F. and Sung, S. (2014) 'Money matters: using qualitative research for policy influencing on gender and welfare reform', *Innovation: The European Journal of Social Science Research* 27(1): 5-19

paid into these, especially if the man was earning the main wage (which tended to be paid into the joint account).

In any case, it cannot be assumed that all couples have joint accounts. Secondary analysis of the Financial Services Authority baseline survey of financial capability in 2005 found that under half of couples in fact had a joint account – often also with an account in one partner’s name only, as suggested above; in about a third, both partners had an account in their own names only.⁹² A survey in 2011 by FirstDirect found that nearly 60% of cohabiting couples did not set up a joint account when moving in together.⁹³

Couples on benefit

DWP research in the late 1990s on couples had indicated that earnings may be perceived as belonging to the person who worked for them, whilst the named Jobseeker’s Allowance claimant (often the man in male/female couples) was also thought to have an individual entitlement to benefit, in return for job seeking.⁹⁴ Men’s income may be regarded as their personal entitlement, whereas women’s spending on home and children can be seen (by both men and women) as their personal spending.⁹⁵

In a working paper for the DWP on helping partnered women into work, the author stated that for partners without a job access to their own income is likely to both encourage relationship stability and provide a buffer against poverty in the case of job loss.⁹⁶ Conversely, a qualitative study of partnering decisions suggested that paying UC as a monthly, undifferentiated award into a single bank account, with the extension of work conditionality to partners, could create added risks for relationship stability, especially for those in inegalitarian, controlling or abusive relationships.⁹⁷ The assumption that partners entering couple relationships should automatically lose their right to claim as individuals was contested by the lone parents in this study, some being concerned that this alters power relations in couples. This qualitative research also found that restricted access to household income when claiming benefits / tax credits, and a partner’s tendency to withhold some of the family’s benefit income, were considered to be factors in relationship instability.⁹⁸

5. Payment of social security benefits: Universal Credit

UC was developed in 2010 and became law under the Welfare Reform Act 2012. It has been introduced from 2013 onwards. The latest estimate is that it will be fully implemented by autumn 2024, although that may slip again now due to the pandemic. UC integrates six means-tested benefits and tax credits into one benefit, for those below Pension Credit age⁹⁹ in and out of paid work, both single people and partners living together. Resources and needs are taken into account jointly for couples as

⁹² Atkinson, A., McKay, S., Kempson, E. and Collard, S. (2006) *Levels of Financial Capability in the UK: Results of a baseline survey*, London: Financial Services Authority

⁹³ Report in *The Daily Telegraph*, 9 May 2011

⁹⁴ Snape, D. and Molloy, D with Kumar, M. (1999) *Relying on the State, Relying on Each Other*, DWP Research Report 103, Leeds: Corporate Document Services

⁹⁵ Goode, J., Callender, C. and Lister, R. (1998) *Purse or Wallet? Income distribution within families on benefits*, London: Policy Studies Institute

⁹⁶ Ingold, J. (2011) ‘An international comparison of approaches to assisting partnered women into work’, *Working Paper no. 101*, London: Department for Work and Pensions: <https://bit.ly/35iSdWj>

⁹⁷ Griffiths, R. (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): 543-561

⁹⁸ Griffiths, R. (2020) ‘For better or worse: does the UK means-tested social security system encourage partnership dissolution?’, *Journal of Poverty and Social Justice* 28(1): 79-98

⁹⁹ Where one partner is above Pension Credit age and the other is below (so-called ‘mixed-age couples’), the couple must claim UC.

it is a means-tested benefit. Conditionality has been extended more widely in UC, including to partners of those in paid employment, with or without children, although these requirements are modified for a 'main' or 'lead' carer according to the age of the youngest child. Carers of disabled or elderly people and some others may also have modified conditionality requirements.

UC and the couple means test

In the early stages of UC rollout, more claims were from men than women, as UC was then restricted to jobseekers without children. More recently the numbers of women claimants have increased as UC was widened to include families with children. Currently more women are claiming UC than men (51% in November 2020),¹⁰⁰ though since the pandemic took hold, the proportion of men (and younger people without children) has risen. UC statistics by gender reflect claims by women who are living alone (either as lone parents or without children); data for couples is harder to come by. Data apparently shows that more women than men are UC payees. In an *ad hoc* study of UC payee details in those couples in which the gender of the nominee could be identified (60%), the DWP found that 59% of these UC claims had the woman as the nominated payee, though these statistics could relate to either an individual or a joint account (with two account holders, but only one name entered on the form).¹⁰¹ It is possible that the greater likelihood of nominees in couples being women is related to the fact that nomination is likely to be made by the partner first filling in the form, who may be more likely to be the woman, claiming on behalf of the couple; and/or that in couples on this level of income it is more likely to be seen as the woman's role to manage the income, as noted above. (The single payment issue is discussed below).

The claiming of UC by couples has been brought to public attention by the COVID-19 pandemic, in which the overwhelming attention of government has been on UC. Covid-19, and the first lockdown brought about by it, prompted the DWP to make some temporary changes to UC, thus making it into a somewhat different benefit.¹⁰² Initially, UC claims surged, with 3.7 million 'starts'¹⁰³ to UC between 12 March and 8 October, after lockdown started.¹⁰⁴

As noted, the UC means test assesses the income, assets and needs of both partners in a couple, so that if the savings and/or earnings of one partner are above the relevant thresholds, or the total for both partners is above them, the couple has no entitlement to UC. Whilst this is a long-standing approach to means testing, the many people needing to claim UC for the first time during the pandemic may not have anticipated having their entitlement based on the needs and resources of their partner as well.¹⁰⁵ The Resolution Foundation suggested that those missing out on UC entitlement, and therefore not benefiting from the temporary uplift announced in March 2020, were likely to be those with savings or with a partner who had earnings.¹⁰⁶ In response, the DWP indicated that the proportion of couples claiming UC but ineligible due to partner earnings had increased slightly during the pandemic compared with previously.¹⁰⁷ Around 12% of those claiming UC in the early stages of lockdown were ineligible due to earnings, and 1% due to savings – information on whether these relate to the claimant or partner, or

¹⁰⁰ UK Government (2013) Universal Credit statistics: 29 April 2013 to 12 November 2020 (<http://bit.ly/3mybuJe>)

¹⁰¹ Department for Work and Pensions (2019) *Gender of Bank Account Holders on Universal Credit, August 2018*: <https://bit.ly/2UHSv4y>

¹⁰² See blog by Fran Bennett (Apr 2020) *Coronavirus - the making or the unmaking of Universal Credit?* (<https://bit.ly/3eRF8XC>)

¹⁰³ A person is deemed to have 'started' on UC if they have accepted their 'claimant commitment' for the first time: <http://bit.ly/3apUm5Z>

¹⁰⁴ <https://bit.ly/3eNLp6V>; UK Government (2013) Universal Credit statistics: 29 April 2013 to 12 November 2020 (<http://bit.ly/3mybuJe>)

¹⁰⁵ Fran Bennett (Apr 2020) *Coronavirus - the making or the unmaking of Universal Credit?* (<https://bit.ly/3eRF8XC>)

¹⁰⁶ Brewer, M. and Handscomb, K. (2020) *This Time is Different: Universal Credit's first recession*. Resolution Foundation (<https://bit.ly/3na9Cag>)

¹⁰⁷ Neil Couling, Senior Responsible Officer for UC, talking at the Resolution Foundation webinar, 27 May 2020 [see webinar video recording, especially minutes 39:48 – 40:44]: <https://bit.ly/3pkxiuM>

both, is not available.¹⁰⁸ However, other research has indicated that those found ineligible for UC were predominantly where the claimant's or partner's earnings were too high (45% of refusals, predominantly due to the partner's earnings), or their or their partner's savings were too high (22% - mainly the claimant's own savings).¹⁰⁹ The researchers add that being rejected tended to be unexpected, and perceived as unfair.

Whilst some campaigners and commentators have recommended raising the capital limit for UC from the current level of £16,000, the couple means test appears to be a more fundamental issue. Individually based non-means-tested Statutory Sick Pay was extended to include those who had to self-isolate. But government messaging did not emphasise other individually-based and non-means-tested benefits – so-called 'new style' Jobseeker's Allowance, for unemployed people, and Employment and Support Allowance, for those who are ill (or have a disability or health condition).¹¹⁰ Some members of couples may therefore not even have realised that they could claim these, whatever the situation of their partner. In our view, such benefits can support women's financial autonomy and economic independence in a way that means-tested benefits cannot achieve.¹¹¹

The UC single payment for couples

Importantly for this briefing, UC is paid as one single payment monthly, meaning that there are usually no elements paid separately for children's needs and/or housing costs etc. Moreover, in the case of couples, UC in the vast majority of cases is paid to one bank account nominated by them. This can be a joint or individual account. In the case of couples failing to agree, the DWP decides on the account for payment. Recently, couples claiming UC who have children have been 'nudged' on the online claim form to nominate the 'main carer' (or an account to which they have access) to get the UC payment.¹¹²

Decisions about which partner is to be paid UC are important as there is no right of appeal.

Payment of UC can be split between partners, but this is generally only in exceptional circumstances, where there is domestic abuse or financial mismanagement;¹¹³ in Northern Ireland, separate payments can in theory be made on request, and in Scotland there is a policy intention to make separate payments to each partner more routinely.¹¹⁴ During the passage of the legislation on UC, a minister confirmed (in the context of the provisions for exceptional split payments for couples) that 'if we find that we need to make more splits than anticipated the computer system will allow us to do that. We are designing that in'.¹¹⁵ Promises were also apparently made to Northern Ireland Ministers (who wanted to allow a choice of whether to nominate two bank accounts) that there would be IT capability, and this was apparently expected by April 2014.¹¹⁶ However, in evidence to the House of Commons Work and Pensions Select Committee, officials stated that split payments were in practice being undertaken

¹⁰⁸ House of Lords Written Answers 24.6.20 (<https://bit.ly/35kobSx>) and 22.9.20 (<https://bit.ly/35jnSrm>)

¹⁰⁹ Welfare – At a Social Distance (2020) *At the Edge of the Safety Net: Unsuccessful benefit claims at the start of the COVID-19 pandemic* (<https://bit.ly/3alwd0A>)

¹¹⁰ These are contributory benefits: see blog post by Rod Hick (May 2020) *COVID-19 and the bypassing of contributory social security benefits* (<https://bit.ly/3phr3HX>)

¹¹¹ Bennett, F. (2018) 'Gender and social security,' in J. Millar and R. Sainsbury (eds.) *Understanding Social Security*, Bristol: Policy Press: 99-117; and see 'conclusions' in Howard, M. (2019) *Benefits or Barriers? Making the social security system work for women in the four nations of the UK*, London: Women's Budget Group: <https://bit.ly/39Chevj>

¹¹² DWP (2019) 'Universal Credit: personal welfare' - A speech delivered by the Secretary of State for Work and Pensions at Kennington jobcentre about the future of Universal Credit (<http://bit.ly/37y6VdX>)

¹¹³ DWP (2020) *Guidance on Alternative Payment Arrangements*: <http://bit.ly/3aoC2KM>

¹¹⁴ See Howard, M. and Bennett, F. (2020), 'Payment of Universal Credit for couples in the UK: challenges for reform from a gender perspective', *International Social Security Review* 73(4): 75-96

¹¹⁵ Lord Freud, DWP Minister, House of Commons *Hansard*, 23.1.12, col. 909

¹¹⁶ *Ministerial Statement*, 22 October 2012, Northern Ireland Assembly: <https://bit.ly/3prWDMd>; Northern Ireland Assembly *Written Answers*, 13 May 2013, AQW 22544/11-15

manually - but that, as numbers are likely to be small, this was 'at the end of the queue' for automation.¹¹⁷ More recently, in the context of a surge in demand for UC due to the pandemic, the DWP's Senior Responsible Officer for UC intimated that in the short term at least, further changes to UC may only comprise those which can be easily automated within the current IT system.¹¹⁸

When the government carried out research prior to the introduction of UC with people likely to be affected, the researchers talked only with the main claimant of the benefit/tax credit that was then being claimed by the couple.¹¹⁹ There were virtually no questions about how couples manage their money, or which account would be chosen for UC if not a joint account. The question about views on a single UC payment was asked of single as well as partnered people, thus referring to the integrated nature of the payment only; and it is unclear how many were getting several benefits/tax credits. So it is hard to interpret the answers of 55% (this would make no difference).

There are concerns that the UC single payment is not suited to the range of different couple relationships today, and more specifically creates an environment in which one partner can exert more power and control over the other.¹²⁰

- In relation to the range of couple relationships, research about perceptions of welfare reform and UC¹²¹ showed that a joint payment was seen as acceptable by most respondents; but people thought which account UC was paid into would depend on the situation and preferences of the couple – which supports arguments for greater flexibility. Concern was also expressed about the risks in the '[almost] all your eggs in one basket' nature of UC, which payment to one account would not counter. Respondents were concerned about the implications of a single payment for those in less stable or more problematic relationships, including people in transient couple relationships, and households with issues such as drug/alcohol abuse, problem gambling or domestic violence (which might be a reason for an exceptional split payment of UC). There was a view that joint household payments could result in a 'purse to wallet' transfer of resources in some relationships in which this would matter. It could also be argued that this is a bigger risk to committed relationships than the 'couple penalty' (the benefit level for a couple being lower than that for two single people), about which there has been more publicity in recent years.
- In relation to financial abuse, this can happen within UC to a greater extent than under previous benefits/tax credits¹²² as, although previous means-tested benefits were usually paid to only one claimant, UC is different because it integrates most of these into one benefit, making the choice of payee more momentous.¹²³ In effect, the UC single payment 'sets the scene for abuse'.¹²⁴ Whilst abusers are responsible for their own actions, governments still have a role in supporting norms around equality and prevention of abuse,¹²⁵ and so should ensure that social security

¹¹⁷ Q581, oral evidence, 24 April 2018: <https://bit.ly/3eX3xve>

¹¹⁸ Speaking at a Resolution Foundation event, 27 May 2020: <https://bit.ly/3pkxiuM>

¹¹⁹ Tu, T. and Ginnis, M. (2012) *Work and the Welfare System: A survey of benefits and tax credits recipients*, Research Report 800, London: Department for Work and Pensions: <https://bit.ly/2GQKLca>

¹²⁰ As recognized by the Scottish Government in its domestic abuse strategy *Equally Safe*: <https://bit.ly/35m0vxq>

¹²¹ Rotik, M. and Perry, L. (2011) *Perceptions of Welfare Reform and Universal Credit*, Department for Work and Pensions Research Report 778, Leeds: Corporate Document Services

¹²² WBG (2018) *Universal Credit and Financial Abuse* (<http://bit.ly/2OITWnH>)

¹²³ See Howard, M. and Bennett, F. (2020) 'Payment of Universal Credit for couples in the UK: challenges for reform from a gender perspective', *International Social Security Review* 73(4): 75-96

¹²⁴ Sharp-Jeffs, N. (2018) Oral evidence to Work and Pensions Select Committee, 18 April, Q 517

¹²⁵ Consistent with the Equality Act 2010, and with the aims of the Istanbul Convention (not yet ratified by the UK), which requires countries to take steps to prevent abuse: <https://bit.ly/2UhBTzp>

promotes equality and narrows the space that abusers may be able to exploit. As the House of Commons Work and Pensions Select Committee stated in 2018, government has ‘a moral duty to ensure the benefit system does not in any way facilitate abuse’.¹²⁶ A recent inquiry into UC by the House of Lords Economic Affairs Committee also noted that the benefits system cannot resolve domestic abuse, but that the single payment can exacerbate the risk of financial coercion, and fails to reflect the reality for many families who are used to each partner having their own income.¹²⁷ Whilst a former government adviser told the Committee that the single payment was intended to be ‘neutral’ as to which partner claimed benefit, this ignores pre-existing power relationships and inequalities within a household.¹²⁸

In relation to the first point above, about the need for UC to work for the range of couple relationships, a research study for a previous government about couples on benefits concluded:¹²⁹

‘There is perhaps a need for greater flexibility in methods of administering benefits to reflect the differing needs, priorities and circumstances of couples on benefit.’

In other words, UC needs to be flexible enough to work for all kinds of families, not just long-term, stable married couples who may have more traditional gendered patterns of behaviour. Thus policy could ensure that UC payments are more suited to the different circumstances of couples living together in the UK today, and the aspiration of individuals for autonomy and agency, by widening the grounds for separate payments to partners within couples.

In addition, in order to extend rights to individual incomes, other policies beyond the scope of UC could be pursued as well, such as by:

- raising awareness of benefits that are largely based on individual conditions of entitlement and not subject to a joint means test, such as contributory Jobseeker’s Allowance and Employment and Support Allowance and non-contributory Carer’s Allowance;
- improving eligibility for such individual benefits;
- extending employer-based support such as paid leave for contingencies such as caring and becoming a parent.

In relation to VAWG, policy on UC as well as other benefits:

- can signal that VAWG and inequality in relation to gender are not acceptable; and
- can also design eligibility, structures and processes that make VAWG more difficult.

Impact of UC on individuals

Research by the Equality and Human Rights Commission (EHRC) exploring individual level impacts of welfare reforms included modelling the impact of UC on men and women depending on who received

¹²⁶ Work and Pensions Committee (2018) *Universal Credit and Domestic Abuse*, paras. 10 and 12: <https://bit.ly/2UhC5yD>

¹²⁷ House of Lords (2020) *Universal Credit Isn’t Working: Proposals for reform*, HL Paper 105: <https://bit.ly/3ndaR8O>

¹²⁸ House of Lords (2020) *Universal Credit Isn’t Working: Proposals for reform*, HL Paper 105, paras. 76-79: <https://bit.ly/3ndaR8O>

¹²⁹ Snape, D. and Molloy, D. with Kumar, M. (1999) *Relying on the State, Relying on Each Other*, DWP Research Report 103, Leeds: Corporate Document Services (p. 10)

the payment.¹³⁰ This built on analysis by the National Equality Panel, which was committed to examining receipt of individual as well as household level income.¹³¹

The Government argued in its impact assessment of UC conditionality that both members of the couple play an equal part in the claim; but this is clearly not the case if only one partner receives the UC payment. Payment of benefit to individuals was seen in a report by an advisor to a previous government as the *quid pro quo* for individualised conditionality in the context of 'rights and responsibilities';¹³² and there has been some more recent interest in this perspective.¹³³ In the initial equality impact assessment of UC, the government said that it was 'considering potential impacts' of paying UC to only one partner, 'alongside any evidence about how families share their income and how money intended for children is spent. We will consider what if any gender impact this may have ...'.¹³⁴ There is no publicly available evidence to date that this has happened.

The 2012 impact assessment of UC discussed its effects on *individual* welfare.¹³⁵ But it is arguably harder to achieve the goal of delivering welfare to all individuals in the household if UC is paid into only one account.

6. Payment of benefits for children

Receiving and/or having some control over income can be key for personal autonomy; but it is not necessarily the same as benefiting from it yourself. A good example of this is the receipt of benefits for children by mothers/'main carers' (also known as 'lead carers'). In such cases, these adults are meant to be acting as a 'conduit', channelling resources to the benefit of others.¹³⁶ In practice, this right is to nominate an account for payment, rather than to receive benefits for children; so the account into which such benefits are paid may be joint or individual. For example, in the recent Scottish Social Attitudes Survey, Child Benefit was found to be paid into a joint account in nearly half of couples; only 8% of men had it paid into their own account.¹³⁷

Previous research seems to indicate that labelling money as being for children, and paying this by default to the person mainly responsible for the child/ren (or, for Child Benefit, the mother), make it

¹³⁰ This research highlighted that instead of a 'default' assumption that UC is shared 50:50, if UC is paid to the primary earner in a couple women in the bottom decile lose an average of over £3,650 per year, whilst men gain slightly over £1,000. See Portes, J. and Reed, H. (2018) *The Cumulative Impact of Tax and Welfare Reforms*, EHR Research Report 112: <https://bit.ly/37srGHQ>; and Hudson-Sharp, N., Munro-Lott, N., Rolfe, H. and Runge, J. (2018) *The Impact of Welfare Reform and Welfare to Work Programmes: An evidence review*, EHR Research report 111: <https://bit.ly/3kk4VZF>

¹³¹ Hills, J. (2010) *An Anatomy of Economic Inequality in the UK: Report of the National Equality Panel*, CASEReport 60, London: London School of Economics: <http://bit.ly/2mAPG6b>

¹³² E.g. see HM Treasury (1999) *Work Incentives: A report by Martin Taylor – The modernisation of Britain's tax and benefit system no. 2*, London: HMT

¹³³ Ingold, J. (2011) 'An international comparison of approaches to assisting partnered women into work', *Working Paper no. 101*, London: Department for Work and Pensions; McLaughlin, E., Yeates, N. and Kelly, G. (2001) *Social Security Units of Assessment: An international survey of the UK, Netherlands, Republic of Ireland and Australia and its implications for UK policy reform*, London: TUC. For earlier modelling, see also Lister, R. (1992) *Women's Economic Dependency and Social Security*, Research discussion series no 2, Manchester: Equal Opportunities Commission; Duncan, A., Giles, C. and Webb, S. (1994) *Social Security Reform and Women's Independent Incomes*, Manchester: Equal Opportunities Commission

¹³⁴ Department for Work and Pensions (DWP) (2010) *Equality Impact Assessment: Universal Credit: Welfare that works*, Cm7957: <https://bit.ly/35m2qdl>

¹³⁵ Department for Work and Pensions (2012) *Impact Assessment: Universal Credit*, London: DWP: <https://bit.ly/3r5j41L>

¹³⁶ Daly, M. and Rake, K. (2003) *Gender and the Welfare State: Care, work and welfare in Europe and the USA*, Bristol: Policy Press in association with Blackwell Publishing Ltd.

¹³⁷ Scottish Government (2020) *Scottish Social Attitudes Survey 2019: Intra-household distribution of resources*, Edinburgh: Scottish Government: <http://bit.ly/3mqehNV>

more likely that this will be spent on children.¹³⁸ Modelling also demonstrated that a ‘wallet to purse’ transfer brought about by one UK policy change improved the bargaining position of women and led to more spending on child-related items and less on adult items.¹³⁹

Some of this work relates to Child Benefit (CB) (which remains separate from UC),¹⁴⁰ and also to the reform in 2003 which separated tax credits for children and adults. Both Family Credit and Working Families Tax Credit, previous means-tested benefits for families with children and at least one adult in work, were initially going to be paid through the pay packet, but the relevant governments were persuaded to change their minds. Since 2003, Child Tax Credit (CTC) and the childcare costs element of Working Tax Credit (WTC) have been paid to the ‘main carer’ (mainly women) in couples, whereas WTC goes to the full-time earner (if there is only one), or to the partner chosen by the couple if both are in employment of 16 hours per week or more. Most recipients of CB, the WTC childcare element and CTC have been women: recent figures showed that 87% of CB recipients were women; 95% of those receiving the childcare element of WTC were women; and 87% of nominated main carers receiving CTC were women.¹⁴¹

Research on tax credits showed that the role of managing household money in couples claiming them was usually assumed by one partner, and for those in receipt of CTC this was typically the mother; it also reported that CTC claimants (and those who planned their finances more) were most likely to mention tangible things, such as clothes and toys for children, that tax credits allowed them to afford.¹⁴² An investigation of tax credits found that families whose CTC had increased significantly in real terms spent more on children’s clothing and footwear, fruit and vegetables and books.¹⁴³ A pilot also found that participants preferred having the childcare element of Working Tax Credit paid separately, so that they could manage childcare costs independently from the rest of their budget.¹⁴⁴ Research published in 1999 showed some couples nominating one partner to claim all the benefits; but others divided the claims between them, on traditional gendered lines or in other ways, so that they each received some.¹⁴⁵

As UC integrates benefits paid for different purposes, it *de-labels* such payments; so this could make it less likely that the child element will be spent on children.¹⁴⁶ As noted, the current DWP position is that, in couples with children, all of the UC should be paid to the main carer, via a prompt to couples to nominate the main carer when they claim online. A drawback of paying all the UC to the main carer is that they may then receive all the benefit and probably also have more flexible conditionality, whilst the main jobseeker/earner would have no allowance made for any caring they might do in terms of modifying their conditionality, and neither would they receive any payment themselves. This could lead

¹³⁸ Walsh, A. and Lister, R. (1985) *Mother's Life-line: A survey of how women use and value child benefit*, London: Child Poverty Action Group; Goode, J., Lister, R. and Callender, C. (1998) *Purse or Wallet? Gender inequalities and income distribution within families on benefits*, London: Policy Studies Institute; Farthing, R. (2012) *Save Child Benefit*, London: Child Poverty Action Group: <https://bit.ly/36ti7uy>

¹³⁹ Fisher, P. (2014) ‘British tax credit simplification, the intra-household distribution of income and family consumption’, *ISER Working Paper no. 2014-13*, Colchester: Institute of Social and Economic Research, University of Essex

¹⁴⁰ Lundberg, S.J., Pollak, R.A. and Wales, T.J. (1997) ‘Do husbands and wives pool their resources? Evidence from the United Kingdom child benefit’, *The Journal of Human Resources* 32(3): 463-480; and see Walsh and Lister (1985), above

¹⁴¹ Freedom of Information (FOI) data for 2018, from HMRC [FOI12018/02230] and Stat-Xplore; Howard, M. (2019) *Benefits or Barriers? Making the social security system work for women in the four nations of the UK*, London: Women’s Budget Group: <https://bit.ly/39Chevj>

¹⁴² Hall, S. and Pettigrew, N. (2008) *Exploring the Key Influences on the Tax Credits Claimant Population*, Research Report 49, London: HMRC: <https://bit.ly/2UhxSuL>

¹⁴³ Gregg, P., Waldfogel, J. and Washbrook, E. (2006) ‘Family expenditures post-welfare reform in the UK: Are low-income families starting to catch up?’, *Labour Economics* 6: 721-746

¹⁴⁴ Hall, S. et al. (2011) *Qualitative Research into Families’ Experiences and Behaviours in Childcare Affordability Pilots (CAP09): Actual costs pilot*, Research Report 105, London: Department for Education: para. 8.2.3

¹⁴⁵ Snape, D. and Molloy, D. (1999) *Relying on the State, Relying on Each Other*, DWP Research Report 103, Leeds: Corporate Document Services

¹⁴⁶ Veitch, J. with Bennett, F. (2010) *A Gender Perspective on 21st Century Welfare Reform*, Oxford: Oxfam GB: <https://bit.ly/2Ukvzat>

to some resentment – and perhaps also to the idea that the ‘main carer’ should be responsible for managing the whole household budget by themselves. Recent research on UC and couples found that there was some opposition to the imposition of rigid roles, and also that for many women there was no let-up, as they managed both the UC claim and the household budget.¹⁴⁷

A separate payment of UC to each partner, with a higher proportion going to the main carer in couples with children, would be a different proposition (though we would still urge that conditionality should be made more flexible between partners in couples with children). To some extent this is recognised in the government guidance for split payments of UC, which states that a higher proportion should be awarded to the main carer¹⁴⁸ (though with no indication as to how that might be done). Such an allocation might in theory present opportunities to re-label child components. The Parliamentary Human Rights Joint Committee report on the Welfare Reform Bill 2012 had suggested labelling payments for children and paying these to the main carer;¹⁴⁹ but the DWP maintains that UC has no elements, as it is a ‘unitary benefit’.¹⁵⁰ As noted above, the Scottish Government is considering with the DWP how to develop options to make separate payments to each partner in a couple.¹⁵¹

7. Recent research developments

Research in this area continues to develop. Research about married opposite-sex couples has been extended to same-sex couples, cohabitantes and other different family forms.¹⁵² There is more research in the global south, including in particular inquiries into cash transfers in complex households.¹⁵³ Some researchers are examining wealth in marriage,¹⁵⁴ rather than focusing only on income.

A recent article relates money management systems to gender differences in decision-making in 30 European countries, finding that time-consuming, frequent decisions are most often taken by women whatever the system, but the gender gap for infrequent but important decisions depends on the way in which money is managed.¹⁵⁵ But much of household money management may be routine, rather than particular instances of decision-making, and often reflects gendered patterns.¹⁵⁶ One project used micro-data from the European Union Statistics on Incomes and Living Conditions to examine the sensitivity of poverty, deprivation and inequality estimates across European countries to different assumptions about the intra-household sharing of resources beyond the couple in complex households, and to identify those groups of people for whom intra-household inequality in this sense may have the largest impact.¹⁵⁷

Many couples practise ‘partial pooling’, with some money shared and some kept for personal use; although this is increasingly common, there is a need for more exploration of different practices within

¹⁴⁷ Griffiths, R., Wood, M., Bennett, F. and Millar, J. (2020) *Uncharted Territory: Universal Credit, couples and money*, Bath: Institute for Policy Research, University of Bath: <https://bit.ly/2GQptLK>

¹⁴⁸ *Advice for Decision-makers*, B1024, B1025, B1026, Chapter B1: Payment of UC, PIP, ESA and JSA: <https://bit.ly/3nrTJfR>

¹⁴⁹ Human Rights Joint Committee (2011) *Legislative Scrutiny: Welfare Reform Bill*: <https://bit.ly/2K0fAfN>

¹⁵⁰ DWP (May 2018) Minister for Family Support, Housing and Child Maintenance, response to Rt Hon Frank Field MP (<https://bit.ly/3lqhwvK>)

¹⁵¹ Shirley-Anne Somerville MSP (2019) Letter to Bob Doris MSP about UC split payments (<https://bit.ly/3nxEbHl>)

¹⁵² Burgoyne, C.B. (2008) ‘Introduction: special issue on the household economy’, *Journal of Socio-Economics* 37, 455-457

¹⁵³ E.g. Moore, E. and Seekings, J. (2019) ‘Consequences of social protection on intergenerational relationships in South Africa: introduction’, *Critical Social Policy* 39(4): 513-524

¹⁵⁴ E.g. see Kapelle, N. and Lersch, P. (2020) ‘The accumulation of wealth in marriage: over-time change and within-couple inequalities’, *European Sociological Review* 36(4): 580-593

¹⁵⁵ Mazzotta, F., Papaccio, A. and Parisi, L. (2019) ‘Household management systems and women’s decision making within the family in Europe’, *Feminist Economics* 25(4): 126-158

¹⁵⁶ Goode, J. (2010) ‘The role of gender dynamics in decisions on credit and debt in low income families’, *Critical Social Policy* 30: 99-119

¹⁵⁷ LSE CASE Research (2020) ‘Intra-household allocation of resources’ (<https://bit.ly/3eOzyp7>); Karagiannaki, E. and Burchardt, T. (2020) *Intra-household Inequality and Adult Material Deprivation in Europe*, CASE218, London: London School of Economics: <https://bit.ly/3lhNb2x>

this. 'Joint management' of money also requires further forensic investigation, as in practice it may often refer to a gendered division of labour in terms of financial responsibilities. Concern is growing not just about outcomes in terms of wellbeing or deprivation, but also about autonomy/agency in the household, which women are often particularly concerned about.¹⁵⁸

In addition, given the fundamental nature of recent 'welfare reform' in the UK in particular, as we have demonstrated above, there needs to be more research into the ways in which low-income couples deal with money, including how they manage reliance on benefits, whether combined with wages or not. The government's summary business case for UC, however, declared that it was ignoring issues relating to the intra-household allocation of income.¹⁵⁹ There is clearly scope for further investigation in this area, therefore, building on the EHRC's modelling of distribution to individuals as well as households.¹⁶⁰

¹⁵⁸ Bennett, F., De Henau, J., Himmelweit, S. and Sung, S. (2012) 'Financial togetherness and autonomy within couples', in J. Scott, S. Dex and A.C. Plagnol (eds.) *Gendered Lives: Gender inequalities in production and reproduction*, Cheltenham: Edward Elgar: 97-122

¹⁵⁹ Department for Work and Pensions (2018) *Universal Credit Programme: Full business case – summary*, London: DWP, p. 17: <https://bit.ly/2UvqMDj>

¹⁶⁰ Portes, J. and Reed, H. (2018) *The Cumulative Impact of Tax and Welfare Reforms*, Research Report 112, London: Equalities and Human Rights Commission