

Commission on a Gender-Equal Economy

This is Gingerbread's submission of evidence to the Commission on a Gender-Equal Economy.

It provides a summary of evidence from our own research on the implications of family structure in a gender equal economy.

1. What are the causes of gender inequality in the economy?

The narrative and policies of austerity have a disproportionately negative impact on households led by lone parents. As 90% of lone parents are women, and one quarter of households with dependent children are headed by a single parent, this creates significant gender inequality in the economy.

Gingerbread's research highlights four key areas which cause gender inequality in the economy: the benefits system, a lack of flexible work, a lack of affordable childcare and the child maintenance system. (Further detail and source material can be found at each of the links).

a. *A benefits system that disproportionately impacts single parents:*

<https://www.gingerbread.org.uk/policy-campaigns/welfare-reform/where-next-universal-credit/>

Over 90% of single parents will be eligible for **Universal Credit** by the time it's rolled out and there are increased expectations for single parents to move into work on Universal Credit.

Without support, single parents face particularly high barriers to (re-) enter and progress in work, and many struggle to make ends meet in low-paid work. A lack of affordable childcare and flexible work make the expectations on parents often impossible.

In our recent qualitative research with single parents transitioning to Universal Credit, we found the following concerns (see full report at link above):

- In-built payment delays and errors were common among the parents we spoke to. Many single parents still found themselves in debt.
- Significant delays were the norm for single parents waiting for their first payment in full
- Errors in calculating the right payment occurred frequently resulting in delays, tax credit overpayments and rent arrears: "*it is hit and miss what you get on Universal Credit.*" (Elaine)
- Single parents were not always told about entitlements to advance payments, suggesting the already significant high take-up (around half of new claims; **DWP, 2017**) understates the actual need
- Single parents reported having to 'explain' their financial need to sometimes hostile advisers over the phone (who are meant to support the advance payment process), despite UC delays placing them in this position

As single parents are disproportionately women, and 90% of them will be in receipt of Universal Credit, the problems in this system create gender inequality within the economy.

The **Benefit Cap** is a further cause of gender inequality...

The DWP states that the aim of the benefit cap for benefit claimants is to "incentivise work to reduce poverty and increase economic prosperity". At May 2018, nearly three-quarters (72 per cent) of those with their Housing Benefit capped were single parent households (DWP, 2018).

Most capped single parent households are women with very young children. Under legacy benefits, three-quarters (76 per cent) of these capped single parents' youngest children were of pre-school age (under five years) and therefore not subject to full job-seeking conditions under work-related benefit rules, despite the government's intentions with the benefit cap. A third (31 per cent) of capped single parents had a youngest child aged two or under.

For single parents, as both the main earner and main carer, there are practical difficulties to move into and sustain work. This is particularly the case for parents of young children, when childcare hours may be shorter or less regular than school hours. The benefit cap objective of incentivising work fails to recognise the reality facing single parents regarding the lack of flexible and/or part-time work and lack of suitable childcare.

Warnings and sanctions for single parents arise as a result of unrealistic and rigid job-seeking requirements under benefit rules, which fail to recognise single parents' barriers to work (eg a lack of childcare or flexible work). Single parents end up with debts and have to rely on foodbanks and other emergency support when sanctioned – even if these are later overturned. Single parents are left unable to afford to travel to the jobcentre or interviews after a sanction – leaving them further from work. Sanctions (and warnings) cause considerable distress for parents worried about having the means to look after and care for their children while sanctioned. Full research report here - <https://www.gingerbread.org.uk/policy-campaigns/publications-index/unhelpful-unfair-impact-single-parent-sanctions/>

b. A lack of Flexible Work:

68% of single parents are in work, yet over two-thirds of those enter the three lowest paid occupation groups. Compared to couple families, single parents are more likely to be, and get stuck in, low-paid work than other workers. Many single parents want to increase their working hours; research from the Department for Education shows that 36% of single mothers would work more hours with good quality and accessible childcare, but there are significant barriers for single parents. For example, single parents are less able to shift-parent, less likely to have informal networks nearby to rely on, and childcare costs are a higher proportion of single parents' disposable income. It means that single parents often get stuck in low paid part-time work in order to balance work and family life.

At the same time, the nature of work is changing. With many single parents working in more flexible and often low paid work like zero-hour contracts, the risk is that a requirement for benefit claimants to earn more, simply results in single parents (90% of whom will be in receipt of Universal Credit following its roll out) working more hours regardless of job quality.

c. The cost of childcare

Related to the availability of flexible work, the availability of suitable childcare is also a significant barrier to work for single parents. The benefit cap is imposed regardless of the suitability of childcare available for single parents affected – whether in terms of cost, hours, location or quality. Given the households affected – typically single parents with pre-school children, who will rely most on childcare to make work feasible – this is particularly important.

While the government will cite available subsidised childcare, this is not sufficient. There is no free childcare entitlement for children under two years. The provision of childcare for disadvantaged two year olds and three/four year olds is for 15 hours a week in term time (38 weeks), which would not be sufficient for year-round work and/or those with a commute. The extended entitlement of free childcare to 30 hours a week is only available to parents already working.

Moreover, some local areas simply do not have childcare provision for young children. The Family and Childcare Trust (2018) found only half of local authorities in England had sufficient childcare for children

under two. A third (33 per cent) of local authorities in England did not have enough places for '15 hours' universal entitlement for three and four year olds.

Finally, there is some correlation between the areas which are most likely to be affected by the benefit cap due to high housing costs – eg London and the South East – and the high cost of childcare. These regions still top costs for nursery and childcare minder costs for children under three years (Harding and Cottell, 2018).

2. How does gender inequality interrelate to other forms of inequality in the economy, such as race inequality, disability, and poverty?

Data all from: <https://www.gingerbread.org.uk/wp-content/uploads/2018/02/One-in-four-a-profile-of-single-parents-in-the-UK.compressed.pdf>

Single parents are more likely to experience these other factors than parents in couple families, and therefore gender inequality overlaps with other forms of inequality substantially..

There are 1.7 million single parents in the UK. Nearly 50% live in poverty. This is expected to rise to 63% by 2021.

Around one in ten working single parents surveyed had taken last resort steps to get by such as using payday lenders, 'doorstep' lenders and foodbanks.

Single parents are **more likely to come from a Black or minority ethnic (BME)** background than the average person in the UK. 19 per cent of single parents have a BME background, compared with 14 per cent of people in the UK.⁷ While single parents are broadly representative of the profile of most overarching ethnic groups nationally, a breakdown of data for England and Wales shows that Pakistani, Black African, Black Caribbean and White and Black Caribbean single parents are overrepresented compared with the national population.

Single parents are also **more likely to have a disability** than the typical person in the UK – around one in four (27 per cent) single parent households had a disabled adult, compared with around a fifth (21 per cent) of couple parent households in the UK in 2015/16.⁹ The difference is even more pronounced for children – 16 per cent of single parent households had at least one child with a disability, compared with 9 per cent of couple parent households.

3. What issues are important to research and make proposals on in order to create policies for a gender-equal economy?

The changing structures and status of families and the impact and the impact that has on women's financial situation (including, benefits, housing, childcare, access to flexible work) must be taken into account.

4. What resources or publications are important for the Commission on a Gender-Equal Economy to consider?

See links to full Gingerbread publications and evidence throughout this document