

About this report

This report is the second from Gingerbread's *Paying the Price* project, which runs until June 2015. The project examines single parents' lives in an 'age of austerity' – the combined impact of a weak economy, public spending cuts and welfare reform on their families. This report focuses on employment, looking at single parents' experiences of work and finding work in a recovering economy.

**Stay up to date with the project:
www.gingerbread.org.uk/payingtheprice**

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Most importantly, Gingerbread would like to thank single parents for their continued participation in the research for the *Paying the Price* project. Without their generous input, it would not be possible to conduct this work.

About Gingerbread

Gingerbread is the national charity for single parent families.

Since 1918 we've been providing families with expert advice, practical support and tailored services, as well as campaigning to make sure single parents' voices are heard.

We won't stop working until we achieve our vision – a society in which single parent families are treated equally and fairly.

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Executive summary

After more than four years of economic recession and stagnation in the UK, the return to a sustained period of growth is clearly good news. At the same time, however, many single parent families are struggling to maintain an adequate household income. This research shows that the labour market is hindering, rather than helping, single parents to earn their way out of poverty. To put any nascent recovery into perspective, it is vital that we understand the financial reality facing single parents and the changes needed to ensure work genuinely pays in a growing economy.

Introduction

The UK's return to economic growth has yet to translate into improved household incomes. Instead, living standards have sharply fallen in recent years, with real disposable income falling more than in previous recessions.¹ From our first *Paying the Price* report, we know that single parents are particularly affected by the squeeze on incomes (Rabindrakumar, 2013). We also found that many single parents are caught in an income trap, where they are struggling both to earn more and to reduce living costs, in order to compensate for losses in income through cuts to wages, tax credits and benefits.

This report focuses on the struggle for single parents to earn an adequate income through work. The report uses a mixed method approach, drawing on:

- Analysis of secondary national data, with a particular focus on the Labour Force Survey and Annual Population Survey
- An online survey, held from 14 February to 14 March 2014, with 2,486 single parent respondents²
- In-depth qualitative interviews with 23 *Paying the Price* panel members.

No pay, no gain

Over the last 20 years, overall single parent employment has significantly increased. However, this long-term trend masks more complex patterns – in particular, single parent employment growth has slowed in recent years. Gains in single parent employment were steepest in the late 1990s and early 2000s, whereas the increase in the single parent employment rate was much less marked between 2007 and 2011.

Worse still, there are signs that the job market is not only stagnating, but also not providing a route out of poverty for single parent families. Relative child poverty in working single parent families has increased in the past couple of years: over one in five (22 per cent) children in families where single parents

¹ Plunkett, J., Hurrell, A. and Whittaker, M. (2014) *The state of living standards*. [Online]. Available: <http://www.resolutionfoundation.org/events/state-living-standards-2014/>.

² Missing data is excluded from the survey findings quoted in this report, so base numbers vary between questions. Base numbers for all survey data quoted can be found in the full report. All references to single parents surveyed refer to this poll, unless otherwise stated.

work full-time is now in poverty, and this rises to nearly one in three (30 per cent) where single parents work part-time.³ 67 per cent of working single parents surveyed found it difficult, at best, to make ends meet.

One reason why many working single parents are still facing poverty is that they are too frequently stuck in low paid jobs. Median employment income for single parent households was £110 in 2011/12, compared with £390 for all UK households.⁴ Almost four in ten (39 per cent) working single parents surveyed had a low paid job, according to the standard EU definition of low pay, compared with 21 per cent of workers nationally.⁵

Moreover, many single parents are also facing falling wages. 25 per cent of working single parents surveyed had experienced a reduction in wages by their employer in the last six months. For single parents already on low wages in particular, pressure on real earnings makes it even less likely that rising living costs can be met.

“I am earning less per hour now than I was four years ago.”

Making up lost income

Single parents have tried to increase their working hours to make up for the losses incurred through stagnant wages and increasing pressure on their finances. 26 per cent of working single parents surveyed had increased their working hours in the last two years due to financial necessity; 12 per cent worked overtime in order to increase their income. Many are also working multiple jobs and long hours. Around one in six working single parents surveyed have more than one job, and a third of single parents surveyed worked 35 hours or more per week.

“I have to work two jobs, day/night shift patterns [and] find appropriate childcare.”

Yet even with these efforts, there are marked signs of ongoing under-employment among single parents. 23 per cent of working single parents surveyed would still like to work more hours. Nationally, the proportion of single parents who would like to work longer hours rose from 13.5 per cent in 2007 to 18.5 per cent in 2012.⁶ However, this option is increasingly not available for many single parents. The proportion of single parents who are involuntarily working part-time (ie they would like a full-time job) has doubled in just five years, going from 7.6 per cent in 2007 to 15.2 per cent in 2012.⁷ Thus, single parents are struggling to find the working hours they want and need to make ends meet.

³ DWP (2014) Households below average income (HBAI): 1994/95 to 2012/13. [Online]. Available: <https://www.gov.uk/government/publications/households-below-average-income-hbai-199495-to-201213>.
⁴ DWP (2013) Households Below Average Income, 1994/95-2011/12. 7th edition. Colchester, Essex: UK Data Archive. Available: <http://dx.doi.org/10.5255/UKDA-SN-5828-4>. Household income was estimated from total employment and self-employment income and equalised using the household level OECD equivalence scale (before housing costs).
⁵ Whittaker, M. and Hurrell, A. (2013) Low pay Britain 2013. [Online]. Available: http://www.resolutionfoundation.org/media/media/downloads/Low_Pay_Britain_2013.pdf.
⁶ ONS (2014c) *Male and female lone parent with dependent children compared to all family type analysis cross referencing various variables from LFS/APS datasets 2007 to 2012*. [Online]. Available: <http://www.ons.gov.uk/ons/about-ons/business-transparency/freedom-of-information/what-can-i-request/published-ad-hoc-data/labour/may-2014/male-and-female-lone-parent-with-dependent-children.zip>
⁷ Ibid.

Into work...but for how long?

Many single parents now also face increased job insecurity. 56 per cent of working single parents surveyed have become more concerned about job security in the past two years. This reflects the increasing lack of income reliability; 19 per cent of working single parents surveyed said they had lost income due to employers' cuts in wages or hours or through redundancy in the last six months. 30 per cent of working single parents surveyed had also experienced unpaid overtime in the past two years, for the first time – effectively losing out on pay for additional hours worked.

There has been an increase in the proportion of single parents whose job is not permanent (for example, due to temporary contracts or seasonal work) from 4.5 per cent to 5.3 per cent. While this change may seem small, it equates to a 27 per cent increase in the numbers of single parents in temporary work – over 11,200 single parents.⁸

“They didn’t keep any of the staff on at all that they took on for Christmas, so they let us all go on 11 January.”

Our survey also suggests that many single parents are experiencing these less secure contracts for the first time: in the past two years, 12 per cent of working single parents surveyed said they had experienced a temporary or fixed term contract; 6 per cent said they had experienced a ‘zero hours’ contract for the first time in the same period.⁹

As a result, around a fifth of working single parents surveyed are not sure, or think it unlikely, that they will be able to stay in work for the next 12 months. These concerns were borne out by responses from non-working single parents surveyed – 26 per cent had left their last paid job due to job insecurity, either from redundancy, temporary jobs ending, or wage cuts (either through reduced wages or hours).

Self-employment – problem or solution?

Around a fifth of working single parents surveyed were self-employed, compared with 15 per cent of employees nationally (ONS, 2014b). A substantial proportion has made this move recently; about a third (32 per cent) of self-employed single parents surveyed said they had moved into self-employment for the first time in the past two years.

The high rates of self-employment signal a strong motivation to generate income, but this has come at a personal cost for many who are newly self-employed. Our survey indicates that self-employed single parents face a higher risk of being low paid than employee-only single parents surveyed (the rate of low pay was 53 per cent compared with 35 per cent, respectively). Worryingly, self-employed single parents made up over half of those who reported being paid below the minimum wage. Single parents interviewed echoed these findings and described the difficulties faced in setting up a new business in recent years.

⁸ Ibid.

⁹ With a lack of a consistent definition of ‘zero hours’ contracts, this was defined as a contract without specified minimum hours with no standby time paid.

Finding a way back to work

We found the motivation to work was strong among those single parents who are out of work – whether to set an example for their children, to follow in their parents’ footsteps, to provide for their family or to fulfil their own ambition. However, there is a strong feeling of frustration among single parents trying to find their way back to employment.

While there may be job growth nationally, our evidence suggests this growth hasn’t necessarily been in jobs that work for single parents. Of non-working single parents surveyed, 56 per cent said that inflexible working hours stopped them from applying for jobs most or all of the time.

Many also expressed frustration at the lack of responsiveness from employers after submitting applications; around a third (34 per cent) of unemployed single parents said they had never been asked for an interview after making a job application. Most felt this was linked to competition in the current job market. Concern over job competition reflects the perception that there is an inherent labour market disadvantage to being a single parent. A number of single parents out of work thought they would readily be passed over for jobs by employers if competing with people without childcare responsibilities or with another partner to share childcare. This was particularly true of single parents who had been out of the workforce for a longer period of time – often those who had taken time out of the workplace while still partnered to raise children.

“I know damn well they’d rather employ a 24 year-old who has an administrative background but isn’t a single parent.”

Any job will do?

Compounding this frustration is pressure from the welfare system to find jobs that are too often not available or out of reach – a repeated theme from interviews was single parents feeling ‘stuck’. ‘Claimant commitments’ with Jobcentre Plus to apply for a particular number of jobs per week or per month have created perverse incentives for some single parents to apply for any job even if there is no realistic chance of actually being able to undertake the job (eg due to a lack of flexibility, or distance from home). The Universal Jobmatch system was also particularly criticised by some for impairing single parents’ job search – either due to failings in its functionality, or because the system overstated the actual number of jobs available due to jobs being posted multiple times.

“I found myself just applying for jobs in Tesco, jobs that I’d already been rejected for, just to meet the quota that they had set me.”

Where next – our recommendations

Reliant on only one income, single parents are already at a disadvantage in terms of their ability to secure a decent household income for their families. Single parents also face particular challenges around securing and sustaining jobs that fit around school hours and childcare, on top of difficulties in finding and paying for childcare itself. In an increasingly precarious and competitive labour market, this report has identified the additional challenges currently facing single parents who are trying their utmost to earn their way out of poverty: endemic low pay; under-employment; job insecurity; and a relentless pressure to find and apply for any job, however unsuitable or unsustainable.

Against a prevailing policy narrative that work is the best route out of poverty, these findings show that this is just not the case for many single parents. This poses a difficult question for welfare reform affecting single parents, which has for some time been predicated on this narrative. 75 per cent of single parents surveyed had been affected by at least one welfare reform; conversely, a job in itself is often not for single parents to earn their way out of poverty and beyond precarious household finances.

Single parents face a long road to recovery. Without action, there is a risk that the labour market which has emerged in the UK will exacerbate the poor employment prospects facing many single parents, further increasing inequality between single parents and other household types. As the economy improves, now is the time for a re-balancing of the UK labour market to ensure that, as more jobs are created, single parents can play a full part in the return to economic growth. Our priorities for action are:

An overhaul of support into work:

- The ‘work-first’ approach taken by Jobcentre Plus does not promote sustainable employment outcomes; we want to see a move away from the undue focus on inappropriate job search targets and sanctions which, in many cases, actively hamper single parents’ ability to find suitable work.
- We would like to see investment in skills and training for single parents out of work, which would yield returns both for single parents and for the state, as well as the re-introduction of specialist lone parent advisers in Jobcentres who can better understand and support single parents’ specific needs.

Delivering a level playing field:

- We welcome the commitment to increase support for childcare costs to 85 per cent under universal credit. However, single parents need this help now. We recommend the urgent introduction of 85 per cent childcare support under tax credits in the interim until universal credit is fully rolled out.
- Far more needs to be done with employers to create a job market that works for single parents juggling work and childcare responsibilities. We would like to see the government play a much more active role in the development of flexible working opportunities across a greater range and level of jobs, starting with jobs across the public sector and contracted-out spheres.

Tackling insecurity and low pay:

- In addition to the investment in skills and training recommended above, it is imperative that the government plays a more active role in working with employers to incentivise job security – rather than a growing reliance on temporary and zero-hours contracts – and to develop clear pathways to progression for those entering work on low hours and/or wages.

Providing genuine incentives to work through the benefits system:

- Analysis to date of universal credit shows that it will not deliver incentives to work for many single parents as they progress up the hours and earnings scale. With a phased and gradual implementation plan for universal credit now in place, there is still time to pilot further adaptations of its current formula to maximise work incentives for single parents; these should include trialling a lower taper rate and a higher income disregard for single parents.

Ensuring that self-employment is part of the labour market solution:

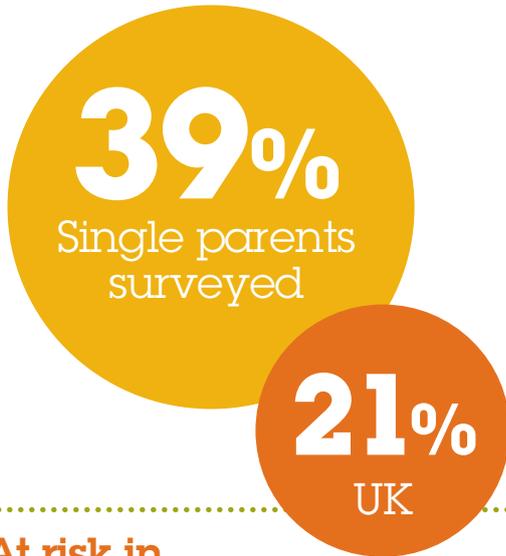
- It appears that some single parents are being inappropriately advised or encouraged into self-employment, and are risking very low incomes as a result. Looking ahead, there is a very real concern that the ‘minimum income floor’ assumed in order to calculate universal credit payments will make it harder, not easier, for those on low incomes to sustain a new business after 12 months. We recommend that the government undertakes a rapid review into self-employment for those on low incomes.
- We would also like the government to review Jobcentre Plus self-employment support – including the consistency of New Enterprise Allowance provision – and implement a clear and focused action plan to provide adequate and expert support through Jobcentre Plus for those wishing to follow this route.

Against the backdrop of economic recovery, it is worth emphasising that the gains from single parents entering employment are not just for the individual. With the prospect of a welfare cap on annual managed expenditure, there is a pressing need to ensure single parent employment is secure and provides adequate incomes. In fact, previous Gingerbread research suggests that if just 5 per cent more single parents moved into work, the government would generate £436 million savings (Brewer and DeAgostini, 2013). The imperative to meet the single parent employment challenge is therefore not just about single parents’ incomes, but also about delivering government value for money and benefits to the wider economy.

The single parent labour market in figures

Stuck in low pay...

Proportion who are in low paid jobs



At risk in self-employment...

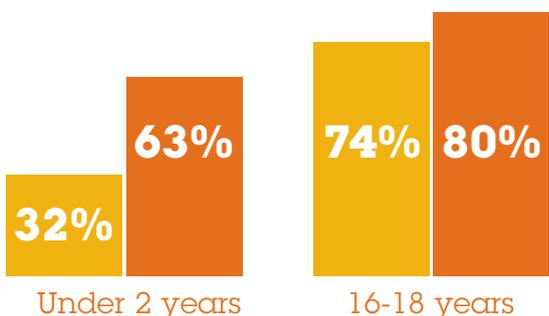


% of those with a self-employed job % of those who are employee-only

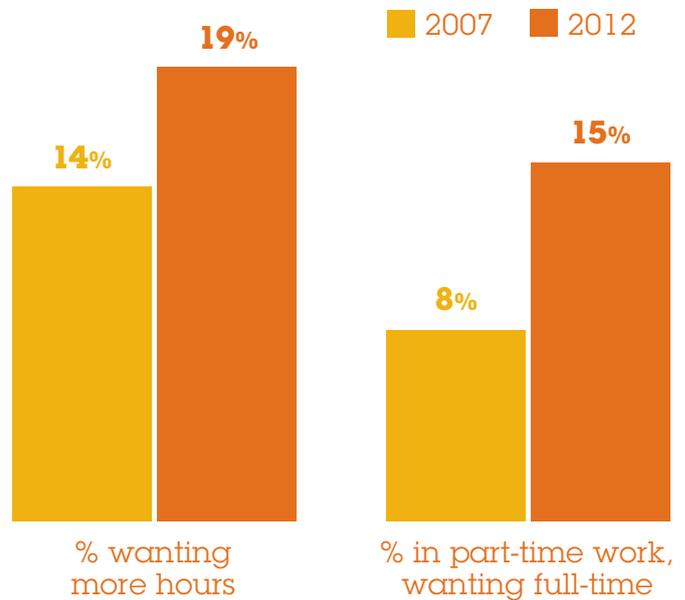
Fighting the childcare trap...

Employment rate by age of youngest child, 2012

Single mothers Non-single mothers

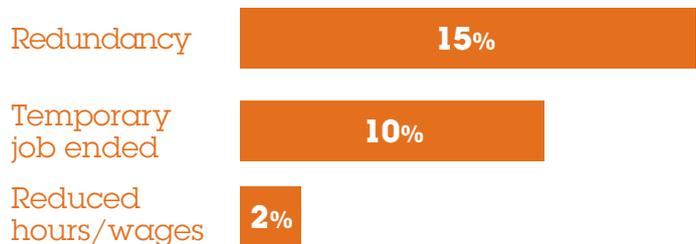


...and increasingly under-employed



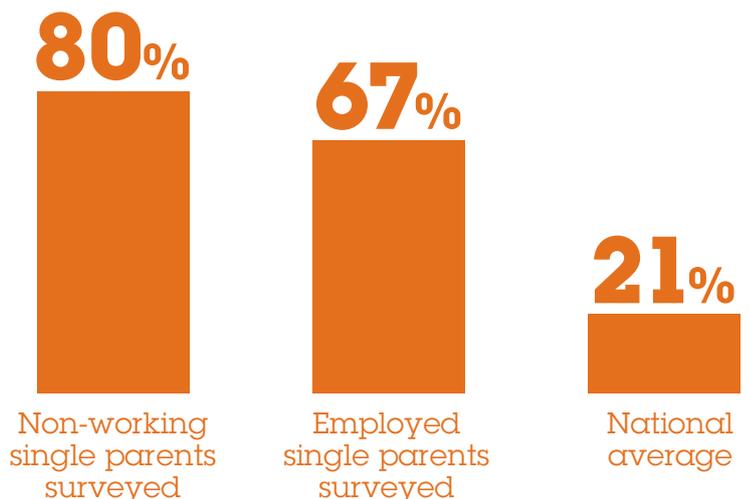
...and insecure jobs

% of non-working single parents who left last job due to...



...and struggling to make ends meet

Proportion who say managing finances is always difficult at best



1 Introduction

After more than four years of economic recession and stagnation in the UK, the return to a sustained period of growth is clearly good news. However, rising gross domestic product (GDP) does not equate to rising living standards. Single parents have been hit particularly hard by austerity measures to date (Rabindrakumar, 2013).¹⁰ Many single parent families are now struggling to maintain an adequate household income through employment. It is vital that we understand the financial reality for those single parents struggling to find work and make work pay to put any nascent recovery into perspective.

From recession to recovery?

The UK economy has returned to growth: following the 2007-08 recession and a largely stagnant economy until 2013, we have seen five successive quarters of economic growth (Figure 1). Alongside this, employment has been increasing – the employment rate is up from a post-recession low of 70.3 per cent to 72.9 per cent of 16-64 year-olds. Likewise, unemployment is falling – the unemployment rate is now down from a post-recession high of 8.3 per cent to 6.6 per cent of economically active 16+ year-olds (Figure 2).

Figure 1 GDP growth, 2004-2014

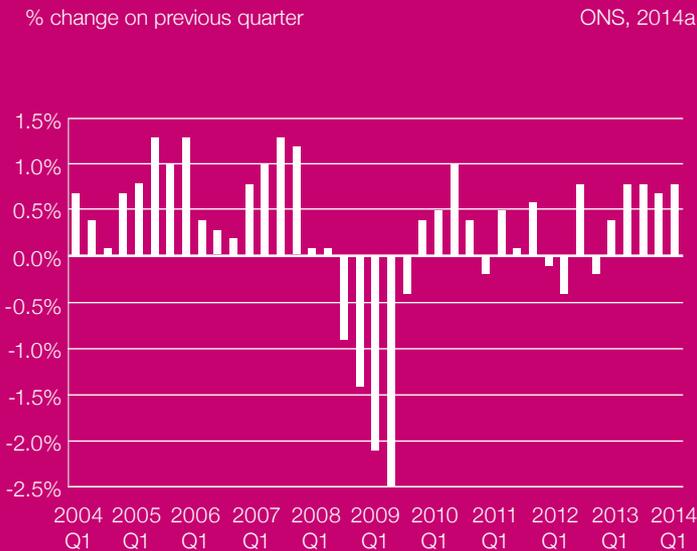
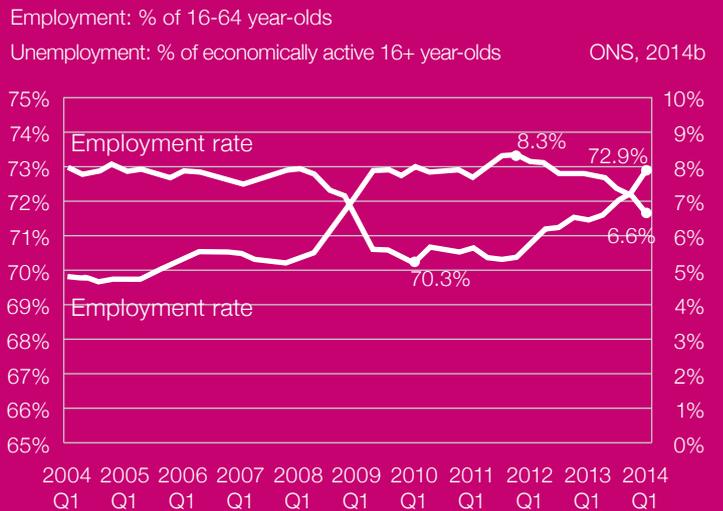


Figure 2 Labour market improvements, 2004-2014



Note: Quarterly LFS data (Q1 is February-April), seasonally adjusted. The left hand y-axis does not start from zero to highlight annual changes; in this approach, we follow ONS presentation of historical employment rate data.

¹⁰ Throughout this report, 'single parents' refers to single parents with dependent children – ie children under 16

On this basis, the economic outlook now seems positive. However, there is still ground to make up – real GDP and the employment rate have yet to match their pre-recession peaks in the UK; the unemployment rate is still above its pre-recession low. More importantly, economic growth has not immediately translated into improved living standards. Living standards have fallen sharply in recent years, with real disposable income falling more than in previous recessions (Plunkett, Hurrell and Whittaker, 2014).

We know that single parents are particularly affected by the squeeze on household incomes (Rabindrakumar, 2013). Along with other groups at risk of being on low incomes, single parents tend to spend a larger share of their household budget on essential living costs, exposing them to the rising costs of food and utilities. At the same time, single parents are being hit hard by cuts in tax credits, benefits and public services as part of the government's austerity package; one estimate predicts single mothers will lose 15.6 per cent of net income by 2015/16 (Women's Budget Group, 2013).

We also found that many single parents are caught in an income trap, where they are struggling both to earn more and to reduce living costs, in order to compensate for these losses in real income. In our first *Paying the Price* report, single parents vividly described difficulties in finding work – and work that pays – to cover their outgoings. Similarly, almost all single parents surveyed for the report had already cut back on household spending in some way last year; from interviews, single parents reported that there was little room left for finding (even) cheaper substitutes or going without. This year, we find that single parents still seem to be in much the same position – last year, 77 per cent of single parents surveyed described managing finances as always difficult at best (Figure 12); this year, 71 per cent of single parents surveyed were in the same position.¹¹

Thus, it seems, most single parent households are yet to reap the benefits of the emerging recovery. Moreover, this income trap poses a difficult question for policymakers. The logic of the current – and previous – waves of welfare reforms affecting single parent families has been predicated on the idea that the route out of poverty is through work. Yet the difficulties of maintaining an adequate income in today's labour market suggest work alone is not enough.

“We are reforming the welfare system to help more people to move into and progress in work.”

Department for Work and Pensions (DWP)

71%
of single parents
found managing
finances always
difficult at best

¹¹ Neither survey used random samples, therefore changes in results do not necessarily indicate changes in the population; instead, we focus on the magnitude of financial difficulties in each year.

This report: The state of single parent employment

This report, the second in our *Paying the Price* series, focuses on the **state of single parent employment** in a changing economic climate. We look at single parents' recent labour market experiences, both for those in work and those looking for work. The report uses a mixed method approach, drawing on:

- Analysis of secondary national data, with a particular focus on the Labour Force Survey (LFS) and Annual Population Survey (APS)
- An online survey, held from 14 February to 14 March 2014, with 2,486 single parent respondents¹²
- In-depth qualitative interviews with 23 *Paying the Price* panel members.

We should note that we used an online survey approach to elicit more in-depth data about the most recent changes to single parents' lives than is currently available from national data. We recognise that sample bias can be introduced by conducting our survey online. Nevertheless, background data provided by respondents suggests our sample broadly reflects the single parent population; most importantly, income data suggests those on low incomes – ie those who are most likely to be affected by welfare reforms and precarious employment conditions – are not over-represented (see Appendix 1). As with our first report, we use national household survey data where possible to provide context to our findings, and compare the 'direction of travel' between the data sources. While not perfect, we feel that this approach presents the best available snapshot of single parents' current lives. Appendix 1 provides more detailed information on our survey and panel research methodology.

This research was undertaken at a critical turning point for the UK economy; the report sheds light on the gap between the economic forecast as determined by official macroeconomic indicators and single parents' real-life experiences of the labour market in the current economy. By doing so, we hope it helps to improve our understanding of the distance we have to travel to reach a sustainable recovery shared by all.

¹² Missing data is excluded from the survey findings quoted in this report, so base numbers vary between questions. Base numbers for all survey data quoted can be found in Appendix 1 **Error! Reference source not found**. All references to single parents surveyed refers to this poll, unless otherwise stated.

2 Back to work

Over the last 20 years, overall single parent employment has significantly increased. However, this growth slowed in recent years – partly explained by the difficult jobs market for single parents and the effect of welfare reforms on single parents' economic activity status. And while their employment rate appears now to be picking up again, there are concerns that work is too often not providing a route out of poverty for single parent families.

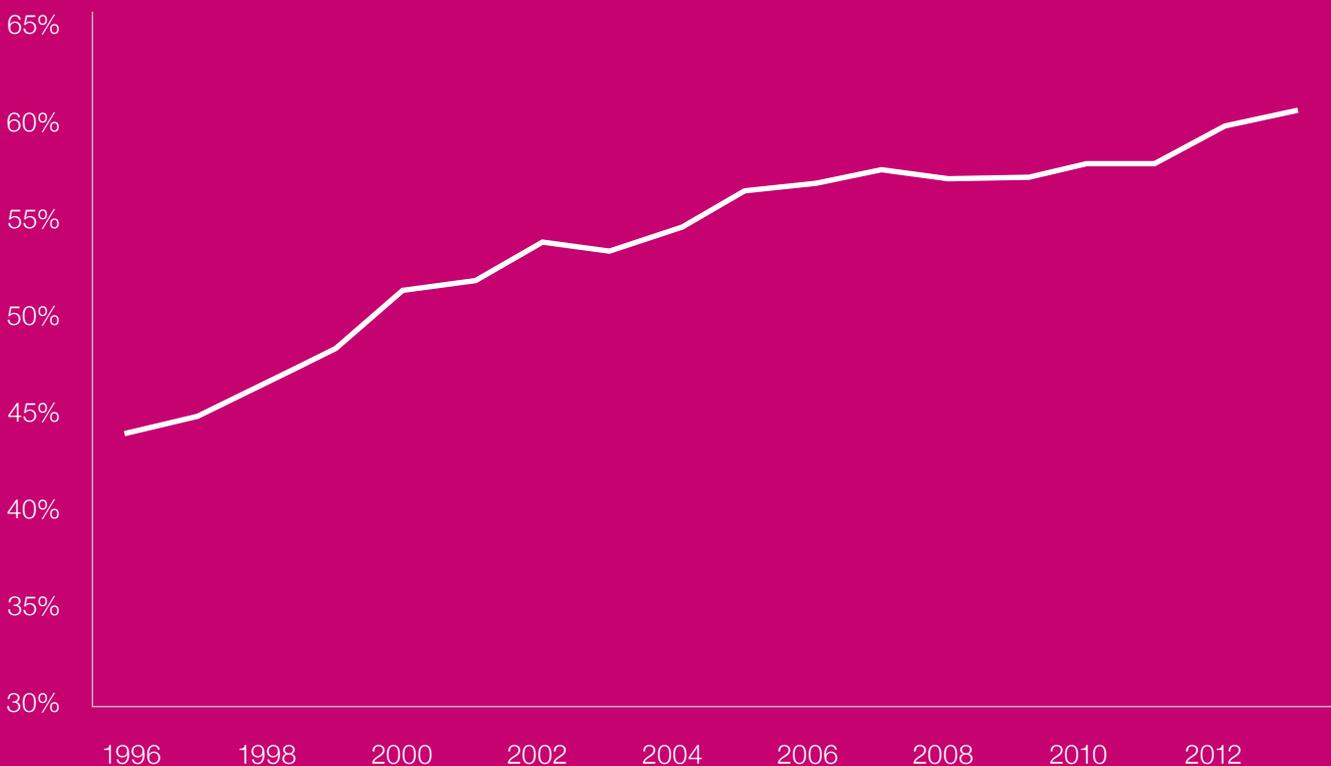
Single parent employment – a success story?

Single parent employment fell sharply during the early 1980s and failed to pick up by the early 1990s; at one point, the employment rate for female single parents was just below 40 per cent, a lower rate than in the late 1970s (Gregg and Harkness, 2004). Since then, however, there has been substantial progress in single parents moving into work over the past two decades. There are over 400,000 more single parents in the workforce than in 1996 – an increase of nearly 60 per cent. Similarly, the single parent employment rate has jumped from 43.8 per cent in 1996 to 60.2 per cent in 2013 (Figure 3).

Figure 3 Increase in single parent employment rate, 1996-2013

% of 16-64 year olds in employment, April-June

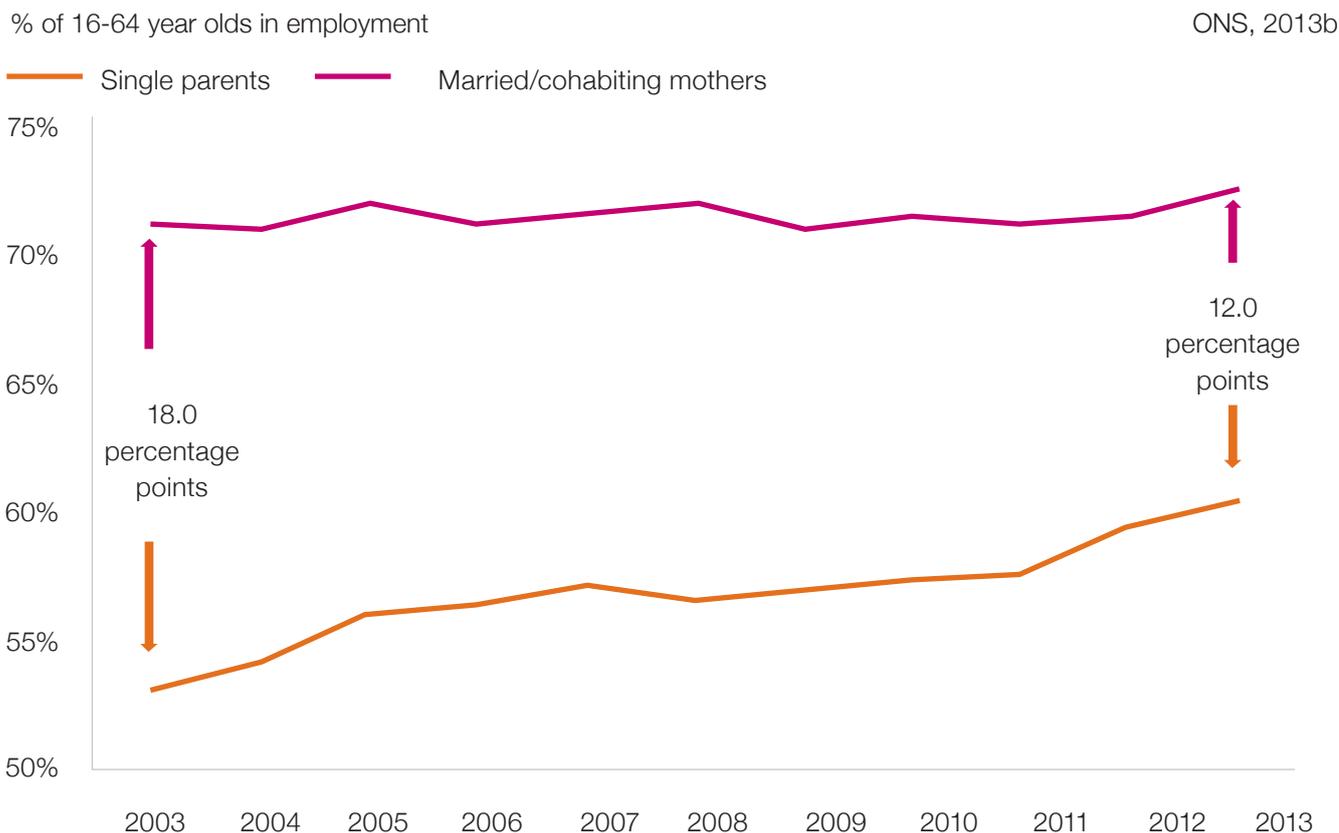
ONS, 2013b



Note: Quarterly LFS data (April-June), not seasonally adjusted. The y-axis does not start from zero, to highlight the annual changes in employment rate data; in this approach, we follow ONS presentation of historical employment rate data.

Not only has single parent employment been increasing during this period, the employment gap between single parents and married or cohabiting women with children ('couple mothers') has also gradually fallen.¹³ Ten years ago, the employment rate for single parents was over 18 percentage points lower than that for couple mothers. By 2013, this employment rate gap was less than 12 percentage points (Figure 4).

Figure 4 Closing the employment gap with couple mothers



Note: Quarterly LFS data (April-June), not seasonally adjusted.

However, this long-term trend masks more complex patterns. Single parent employment varies significantly by a number of demographic factors. In particular, age, gender and the age of single parents' youngest child have a significant effect on single parent employment.

Box 1 Understanding employment data

There are three main employment statuses we refer to in this report: employed, unemployed and economically inactive.

Simple definitions of these statuses are:

- Employed: In work
- Unemployed: Out of work and looking for work
- Economically inactive: Out of work but not looking for work.

The three rates are calculated as:

- Employment: Employed people as a proportion of all people of working age (employed, unemployed and inactive)
- Unemployment: Unemployed people as a proportion of all economically active people (employed plus unemployed)
- Inactivity: Inactive people of working age as a proportion of all people of working age.

Note: For more information, see <http://www.ons.gov.uk/ons/rel/lms/labour-market-guidance/interpreting-labour-market-statistics/explaining-employment--unemployment-and-inactivity.html>

¹³ This is an important comparison, as second earners in couples – primarily mothers – face a similar trade-off between childcare and employment as single parents.

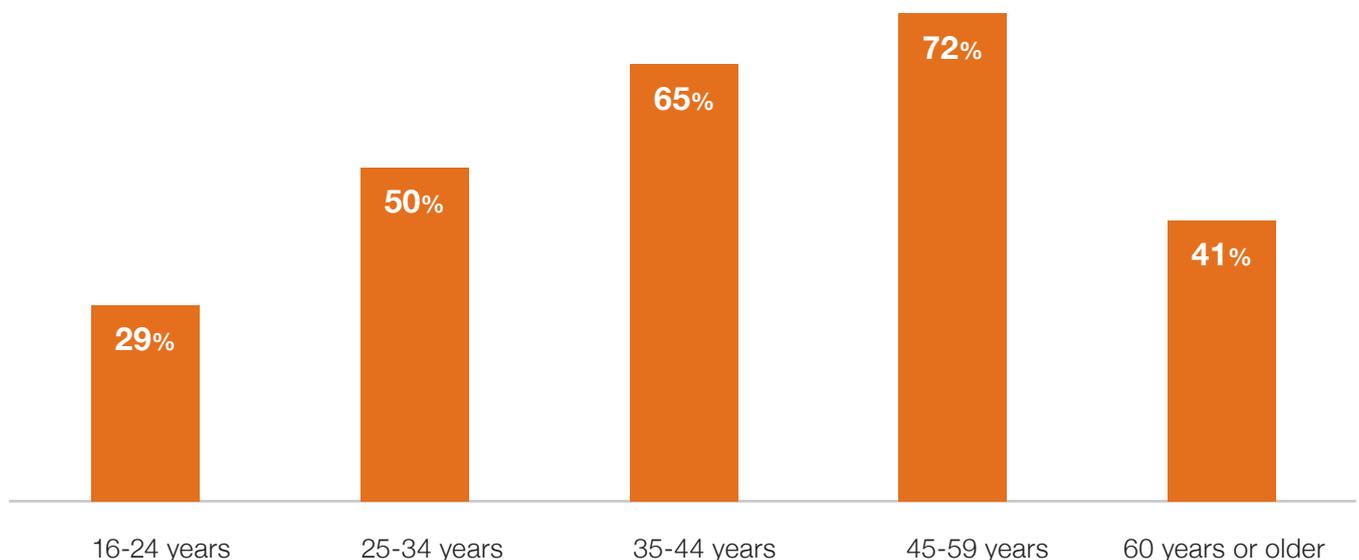
Behind the headlines

The employment rate for young single parents is relatively low compared to older single parents (Figure 5). Of course, some young single parents may be in education and not looking for work. However, the 16-24 year old single parent unemployment rate – which is a proportion of the economically active – was nearly twice the single parent average at 34.1 per cent in 2012. The relatively low employment rate for young single parents is perhaps unsurprising (Figure 5), given that the rate of all 16-24 year-olds not in employment, education or training (NEET) was persistent at around 15 per cent even in the years before the recession. Young people were then hit hard by the recession and economic stagnation, with the NEET rate peaking at over 20 per cent in 2011 (DWP, 2014c). Given the additional barriers to work facing single parents, the low employment rate for 16-24 year-old single parents makes sense. Evidence also suggests that current employment support for young single parents is currently lacking. For example, at December 2013, the cumulative Work Programme job outcome rate was just 7 per cent for 18-24 year-old single parents, compared with 23 per cent for other 18-24 year-olds (DWP, 2014b).

Figure 5 Single parent employment rate by age, 2012

% of 16-64 year olds in employment

ONS, 2014c



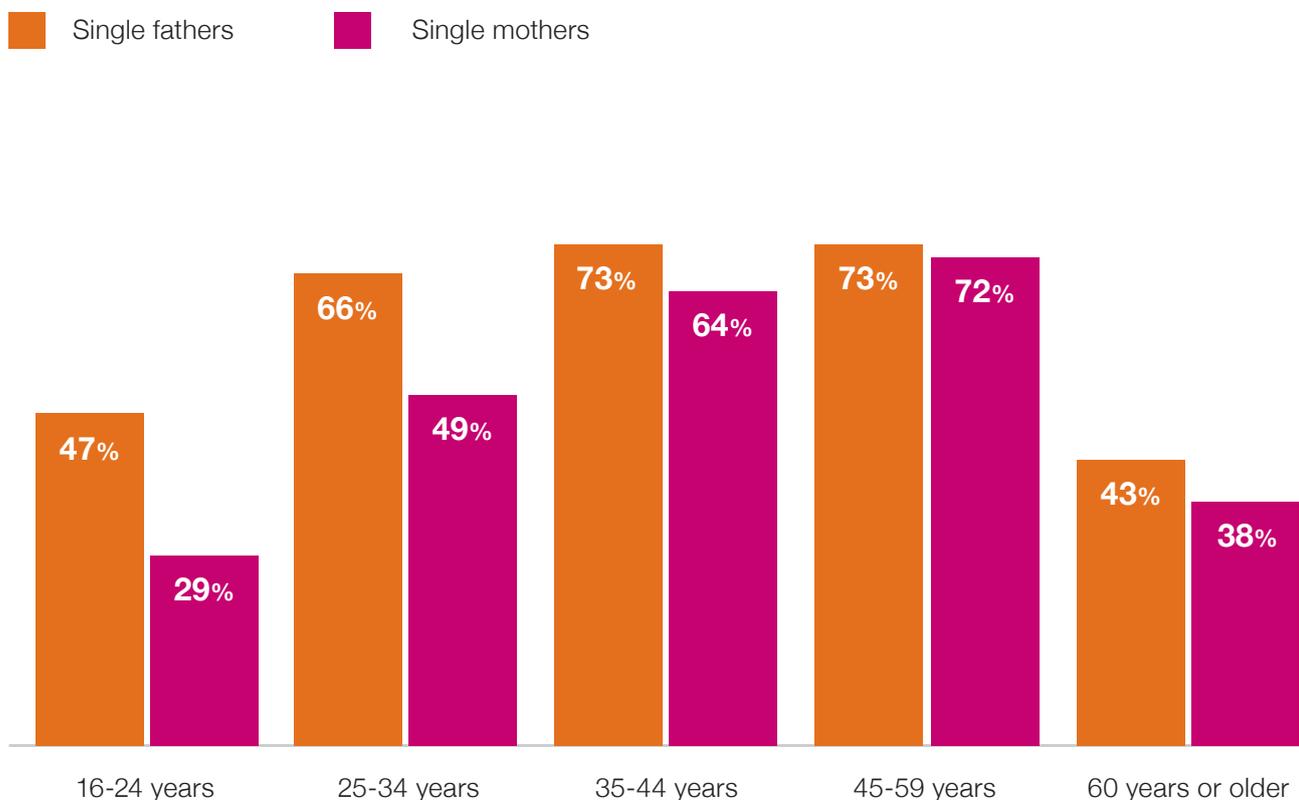
Note: Annual APS data.

The gender of single parents also affects employment rates. According to APS data, the employment rate for single fathers was 69.2 per cent, whereas it was 57.0 per cent for single mothers. While both male and female single parents obviously take on childcare responsibilities which are so often a barrier to employment, there are other differences that affect employment. Age is one factor, with male single parents tending to be older than female single parents; however, as Figure 6 shows, age does not explain all of the difference. Male single parents are less likely to have never married and twice as likely to have been widowed (ONS, 2012); as a result of being in a couple, single fathers are therefore more likely to have been able to work full-time and develop an employment history.

Figure 6 Single parent employment rate by age and gender, 2012

% of 16-64 year olds in employment

ONS, 2014c



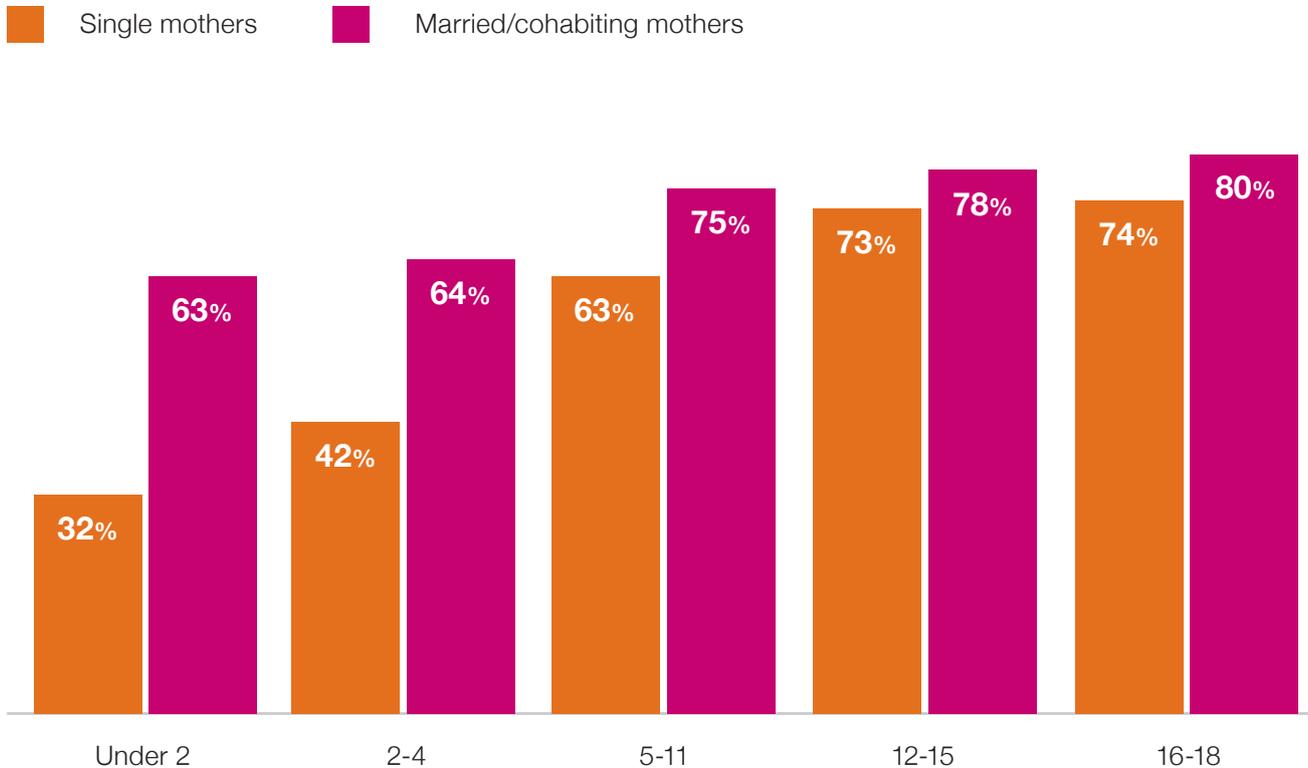
Note: Annual APS data .

As has already been mentioned, childcare responsibilities also have an effect on employment – this effect is most pronounced when children are younger. Given the differences in employment rates by gender, comparing maternal employment rates by the age of a mother’s youngest child is particularly illustrative here (to reflect the comparable fertility and childcare implications for employment facing single parents, Figure 7).

Figure 7 Maternal employment rates by age of youngest child, 2012

% of 16-64 year olds in employment

ONS, 2014c



Note: Annual APS data.

These demographic differences in employment have persisted over many years, and serve to tell a more nuanced story of the overall improvement in the single parent employment rate. What is most interesting in the context of the UK's emerging economic recovery, however, is that the positive historic trends overshadow more worrying recent employment patterns. As Figure 3 shows, the gains in single parent employment were steepest in the late 1990s and early 2000s, whereas the increase in the single parent employment rate was much less marked in the years between 2007 and 2011.

This recent relative stagnation in single parent employment points towards a changing labour market for single parents in recent years and warrants closer analysis. Possible reasons for this pattern – particularly the struggling economy and single parent policy reform – are explored in more detail in chapter 4. Here, we turn to other significant changes in the labour market for working single parents that have accompanied this period of slow single parent employment growth.

Single parent employment rate growth



3 A changing jobs market

Employment levels are not the only indicator of a healthy labour market. Earnings, hours and job security are equally important markers of the state of single parent employment. And while policymakers emphasise the importance of work and getting people back to work, it is now clear that having a job is not enough. Single parent families are already at a disadvantage as single-earner households. Now, many single parents are dealing with cuts to real wages and less secure working environments. While working single parents are doing all they can to keep their head above water, for many, this is not enough to make ends meet.

No pay, no gain

Single parents face a difficult labour market – as sole carers, they need work that fits alongside caring responsibilities; as sole earners, they need a job that pays enough to support their family. In reality, this balance has often proved difficult to achieve. Single parents tend to enter lower wage jobs than average. Median employment income for single parent households was around £110 in 2011/12, compared with around £390 for all UK households (DWP, 2013).¹⁴ This is in part because single parents tend to be less employed than the average worker (Newis, 2012). We also know that some single parents ‘bump down’ in the labour market, sacrificing higher pay in order to accept jobs which are lower paid but offer more flexibility (Gingerbread, 2012).

Our research illustrates just how inadequate wage levels can be for single parents. Almost four in ten (39 per cent) working single parents surveyed had a low paid job, according to the standard EU definition of low pay.¹⁵ Nationally, 21 per cent of UK workers were low paid in 2012 (Whittaker and Hurrell, 2013). Despite the long-term increase in single parent employment, single parent families still face a relatively high risk of in-work poverty.

“A combination of low wages and high childcare costs means that single parents...frequently struggle to find jobs that lift them above the poverty line”

(Gingerbread, 2012)

Worryingly, child poverty in families where parents work has in fact *increased* recently. The proportion of children in single parent families where the parent worked part-time increased from 23 to 31 per cent between 2010/11 and 2011/12, and has remained at this level (DWP, 2014a). And even full-time work is no guaranteed route out of poverty for single parent families; the relative poverty rate for children whose single parent works full-time is now 22 per cent, up from 17 per cent in 2011/12 (DWP, 2014a).

Median employment income



¹⁴ Household income was estimated from total employment and self-employment income and equivalised using the household level OECD equivalence scale (before housing costs).

¹⁵ The EU definition of low pay is two-thirds of the national median gross hourly wage. At the time of the survey, the median gross hourly pay was £11.62 (ONS, 2013a); the threshold for low pay was therefore taken as £7.75. Figures quoted exclude those stating ‘Not sure’ in relation to wage levels.

These figures point to one of the most concerning changes that has arisen in the UK labour market in recent years – the fall in real wages. In January 2014, ONS figures showed real wages had been consistently falling since 2010 – the longest drop in wages in 50 years (ONS, 2014a). Our research suggests this shift is still affecting many single parents, with 25 per cent of working single parents surveyed experiencing a reduction in wages by their employer in the last six months.

“The single most striking feature of today’s UK jobs market is an unparalleled collapse in real wages.”

(Plunkett, Hurrell and Whittaker, 2014)

A common theme from working single parents’ interviews and survey responses is the lack of any pay rises in recent years. For single parents already on low wages in particular, pressure on real earnings makes it even less likely that rising living costs can be met. Worryingly, weak wage growth has been sustained for an unexpectedly long time and looks set to continue for the time being: this year, the Office for Budget Responsibility forecasts real earnings will not reach pre-recession levels until the end of 2016 (Office for Budget Responsibility, 2014).

“Times are more difficult as I am earning £100 less a month than two years ago due to work cutting my wages.”

“I am earning less per hour now than I was four years ago.”

Paying the Price survey respondents

Making up lost income

One consequence of this wage crisis is that many working single parents have tried to increase their working hours to make up for the losses incurred through stagnant wages and increasing pressure on their finances. Indeed, 26 per cent of working single parents surveyed had increased their working hours in the last two years due to financial necessity, and 12 per cent worked overtime in order to increase their income.

“I have to work two jobs, day/night shift patterns [and] find appropriate childcare.”

“It’s been so hard to work enough hours in two jobs just to pay the bills and look after the...kids – always exhausted and the boys left on their own far more than is good for them.”

Paying the Price survey respondents

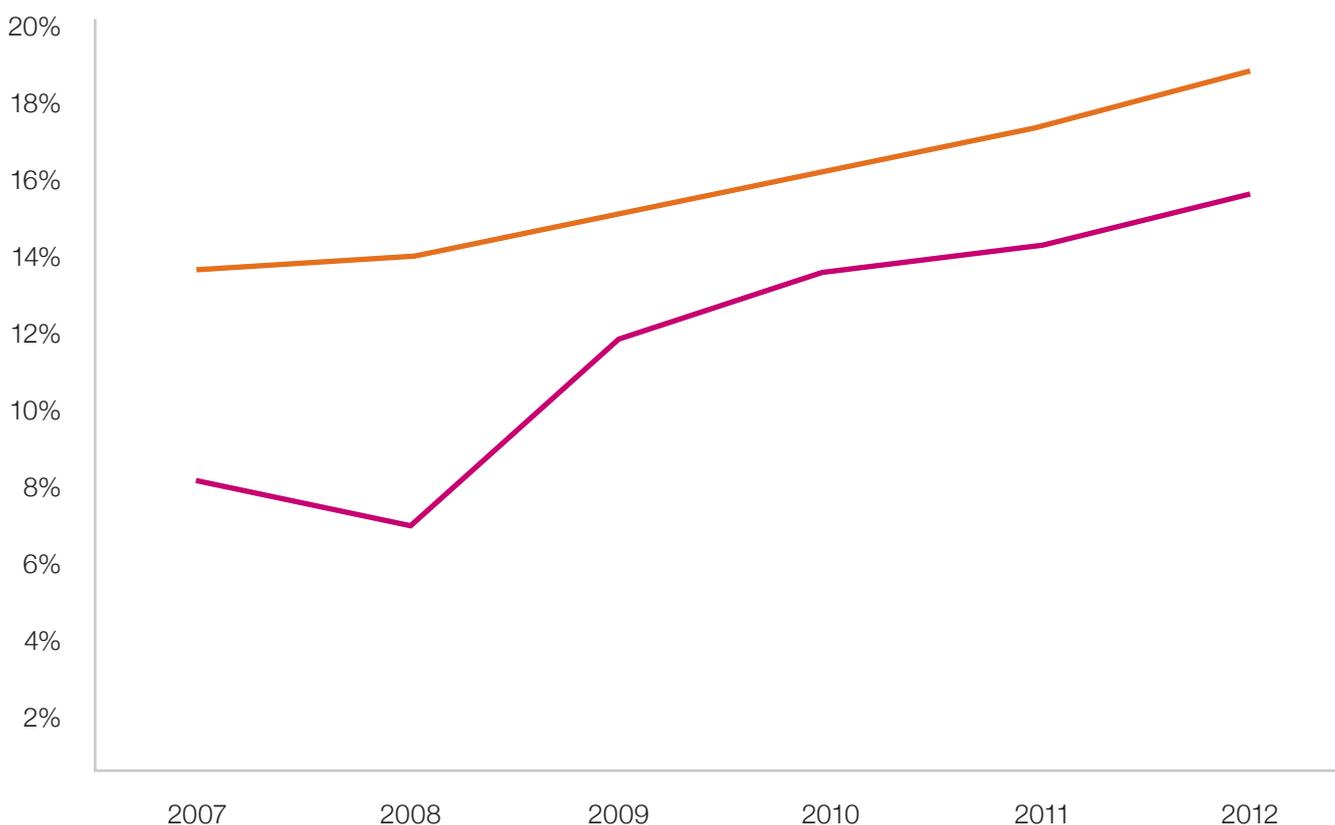
Even with these increases, there are marked signs of ongoing under-employment among single parents. 23 per cent of working single parents surveyed would still like to work more hours. This reflects national trends (Figure 8), where the proportion of single parents who would like to work longer hours at their current basic pay rose from 13.5 per cent in 2007 to 18.5 per cent in 2012 (ONS, 2014c). However, this option is increasingly not available for many single parents. The proportion of single parents who are involuntarily working part-time (ie they would like a full-time job) has doubled in just five years, going from 7.6 per cent in 2007 to 15.2 per cent in 2012 (ONS, 2014c).

Figure 8 Rising under-employment, 2007-2012

% of single parents aged 16 or over

ONS, 2014c

- Single parents wanting to work longer hours
- Single parents in part-time work, wanting full-time job



Note: Annual APS data.

Into work – but for how long?

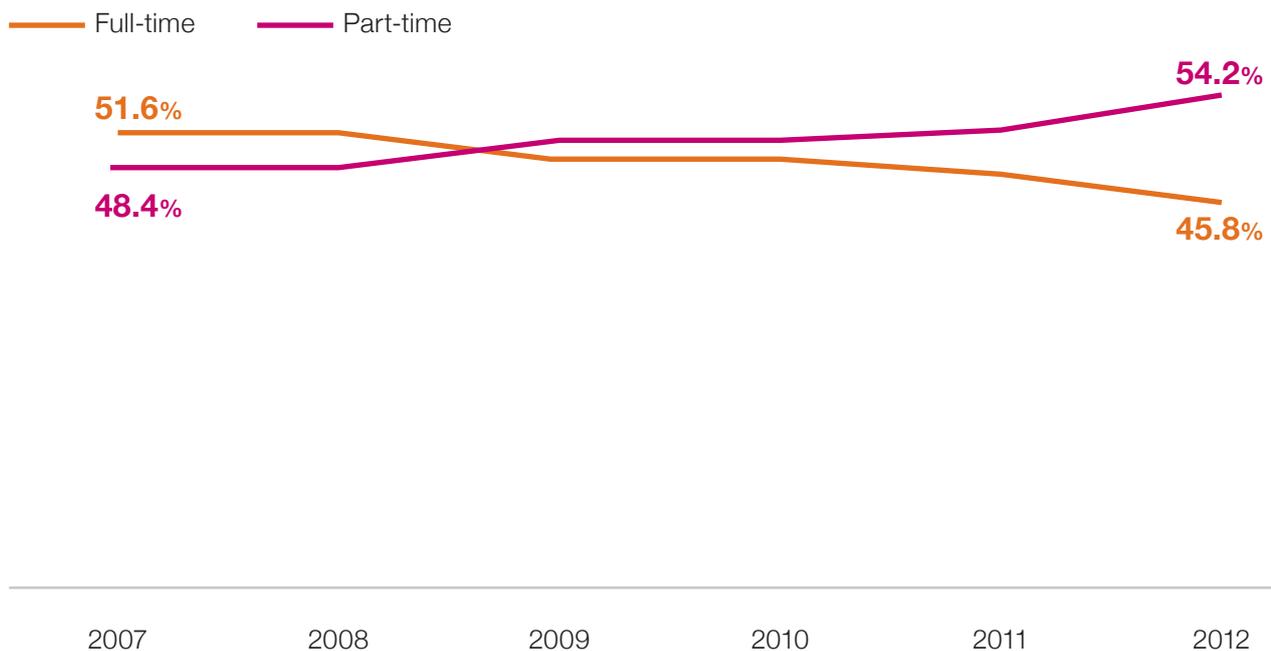
Under-employment among single parents has also been accompanied by decreased stability while in employment. 56 per cent of working single parents surveyed have become more concerned about their job security in the past two years. This reflects the increasing lack of income reliability; in our first *Paying the Price* report, we found that nearly a fifth (19 per cent) of working single parents surveyed had experienced falling income due to cuts in wages or hours worked, or through redundancy. This trend has continued, with the same proportion of working single parents reporting lost income due to employers' cuts in wages or hours and through redundancy. 30 per cent of working single parents surveyed had also experienced unpaid overtime in the past two years, for the first time – effectively losing out on pay for additional hours worked.

This income insecurity might in part be explained by changes in employment terms offered by employers in recent years. The full-time employment rate has fallen among single parents, dropping from 51.6 per cent in 2007 to 45.8 per cent in 2012 (Figure 9).

Figure 9 Fall in single parents employed full-time, 2007-2012

% of single parents aged 16 or over

ONS, 2014c



Note: Annual APS data.

There has also been an increase in the proportion of single parents whose job is not permanent (for example, due to temporary contracts or seasonal work) from 4.5 per cent to 5.3 per cent. While this change may seem small, it equates to a 27 per cent increase in the numbers of single parents in temporary work – over 11,200 single parents (ONS, 2014c). Our survey also suggests that many single parents are experiencing these less secure contracts for the first time: 12 per cent of working single parents said they had experienced a temporary or fixed term contract for the first time in the past two years; 6 per cent said they had experienced a 'zero-hours' contract for the first time in the same period.¹⁶

¹⁶ With a lack of a consistent definition of 'zero hours' contracts, this was defined as a contract without specified minimum hours with no standby time paid.

“They didn’t keep any of the staff on at all that they took on for Christmas, so they let us all go on 11 January.”

“Christmastime there seems to be a lot more [jobs]...And that’s the thing, with having a child...I do need something which I can rely on.”

Paying the Price panel members

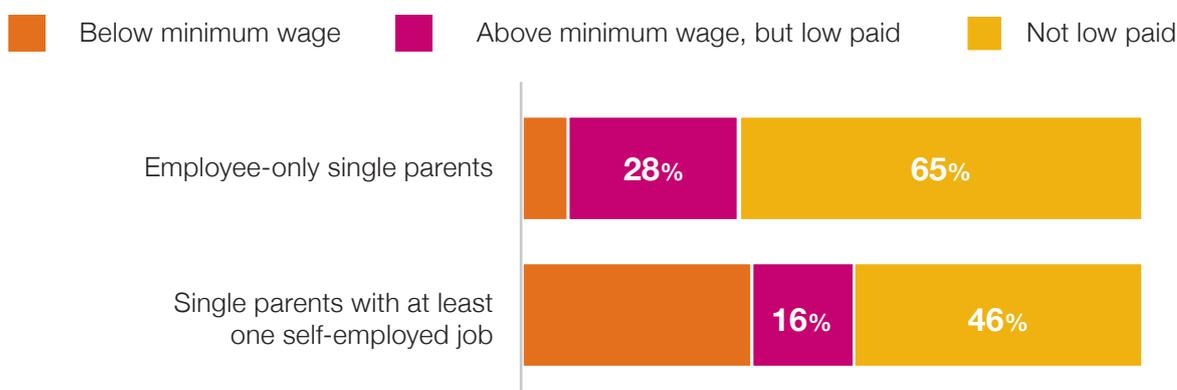
Self-employment – problem or solution?

The other significant phenomenon we have witnessed in the UK labour market in recent years is the increase in self-employment.¹⁷ Around a fifth of working single parents surveyed were self-employed (18 per cent), compared with 15 per cent of people in work nationally (ONS, 2014a). Moreover, a small but significant proportion of single parents surveyed (around 5 per cent) had more than one self-employed job. About a third (32 per cent) of single parents who are currently self-employed said they had moved into self-employment for the first time in the past two years.

While the high rates of self-employment can signal a strong motivation to generate income, this has come at a personal cost for many who are newly self-employed. Resolution Foundation analysis suggests median earnings of self-employed people fell by 20 per cent in real terms between 2007 and 2012. Our survey paints a similar picture – self-employed single parents face a higher risk of being low paid than employee-only single parents surveyed (Figure 10). Worryingly, self-employed single parents made up over half of those who reported being paid below the minimum wage. These findings are reflected in single parent experiences – particularly among those attempting to move into self-employment at the moment (Box 2).

Figure 10 Single parent pay in their main job, by employee status

% of employee single parents, n=1,328
% of self-employed single parents, n=295
Gingerbread survey, 2014



Note: Data excludes those not sure of their wage. It is difficult to judge how accurately single parents have recorded their pay; the question was expressed as categories (below/above stated amounts) rather than requesting precise pay, which may be harder to recall. We also included alternative monthly and annual estimates, for those who recall salaries over different time periods. For context, national estimates suggest 4.3 per cent of all employees were paid at or below the national minimum wage (Low Pay Commission, 2014).

¹⁷ <http://www.bbc.co.uk/news/business-26255865>

Box 2 “I probably paid to go work”: Karen’s story

Karen recently completed a master’s degree in psychotherapy. She has started to secure clients but it has proved a slow and difficult process. Part-time work as an employee has helped to make ends meet, but money is still tight and she feels she is currently running at a loss in her self-employment work.

Karen was seeking part-time employment that could fit around children of different ages. She developed an interest in psychotherapy through evening classes and recently completed a master’s degree to practise professionally. While studying, her partner left the household, meaning her new profession would be the sole income to support herself and her four children. This placed a lot of pressure on Karen to find work, but she is keen to try to persevere in a field for which she has a strong interest and the required skills.

“[Studying] blew the cobwebs off my brain...I really, really love my job, and loving my course made me want to do the job and work.”

A Jobcentre Plus adviser was aware that Karen had just finished a master’s and wanted to set up her own practice, and recommended she went on the New Enterprise Allowance (NEA) scheme for support. Karen made good use of information sheets provided, following up other online sources to develop a business plan that helped her plan and forecast cash flow. It should be noted, though, that the support received fell far short of the NEA’s advertised provision. DWP states NEA clients could get a mentor to develop a business idea and write a business plan, and ongoing mentor support in the early months of trading. Karen received one session that lasted two-three hours, after which there was only limited telephone contact.

“The training was very efficient, but after that you couldn’t really get hold of her...it felt more like a box-ticking thing...[I]n terms of actual one-to-one mentoring, that wasn’t hugely useful.”

Setting up a private practice has been difficult. She has two or three clients rather than her projected ten clients; colleagues have also found it difficult to get clients at the moment. Despite relatively few clients, Karen must still pay room hire fees for each client seen and monthly professional association and clinical supervision fees. These fees would be more manageable with a higher caseload – she has too few clients at the moment to hire rooms for blocks of time at potentially cheaper rates, and the minimum supervision she must pay would cover around eight clients. As clients tend to prefer evenings, she must also pay childcare costs.

“I saw one client for an hour [in the evening]...so I paid a babysitter. So I went out and earned £30, then had to pay the babysitter £8.50 an hour for two hours and I had to pay £7.50 to rent my room. So by the time you take petrol...I think I probably went to work for nothing or paid to go to work.”

Karen’s income difficulties have been compounded by problems with Jobcentre Plus processing benefits in line with her evolving employment situation. For example, she has taken on agency work with the Employment Assistance Programme to increase her income. However, this work is ad hoc, which has led to her benefits being stopped through misunderstandings over earnings. As a result, Karen is now very wary about increasing her workload and feels less confident about going further down the self-employment route.

“I was doing what, hopefully, everyone on jobseeker’s allowance (JSA) should be doing, which is trying to increase the amount of paid employment that I did...that’s what infuriated me most.”

“It feels like a minefield between here and the ultimate goal as being entirely financially self-supporting...my recent experiences with JSA haven’t filled me with confidence [about] people that perhaps should be there to support and encourage you as you gradually get more work.”

Making ends meet

Single parents are doing all they can to maintain an adequate income for their families. Many are working multiple jobs and long hours. Around one in six working single parents surveyed have more than one job, and a third of single parents surveyed worked 35 hours or more per week.

“I have to work two jobs just to keep us ticking over however the rate of pay on these two jobs is not enough to live on.”

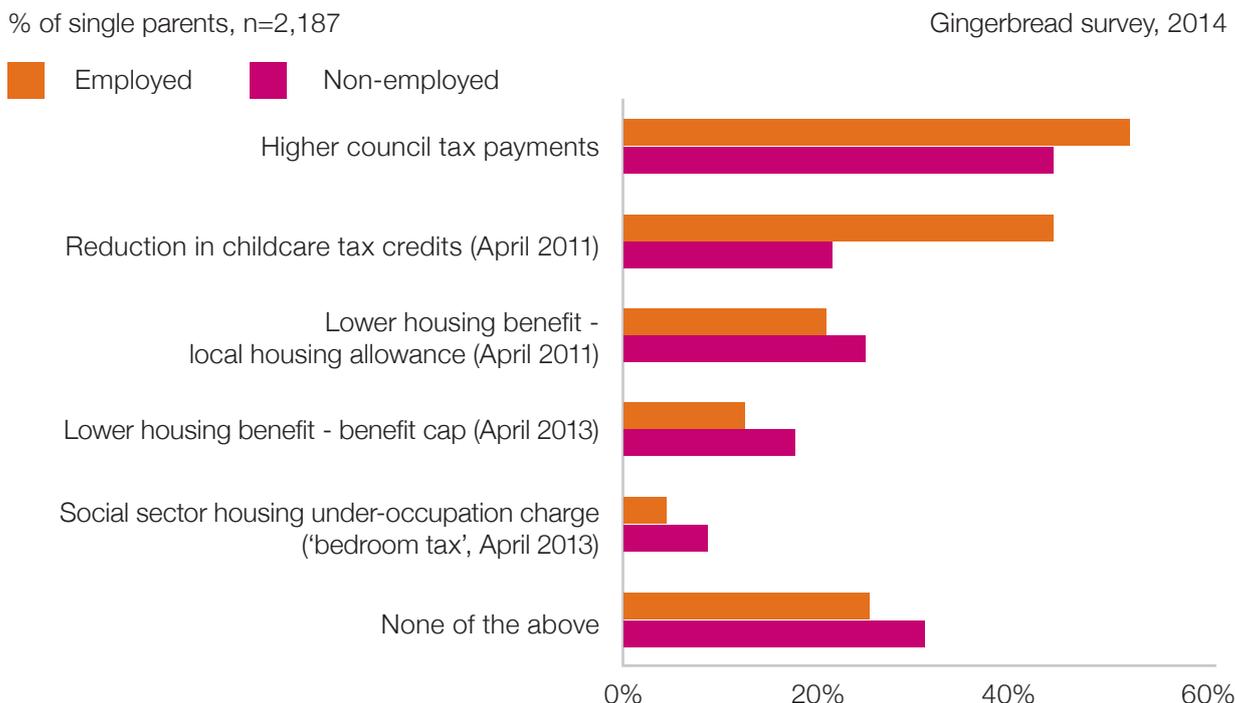
“I have to [work] long days, sometimes up to 14 hours a day just to earn enough to live.”

“I work twice the hours of a year ago on a decent wage but struggle to make ends meet.”

Paying the Price survey respondents

However, the combination of under-employment and income insecurity has emerged against a backdrop of high living costs and reduced levels of both in-work and out-of-work state financial support. In fact, according to our survey, employed single parents were as likely as unemployed single parents to have been affected by tax and benefit cuts since 2011. 75 per cent of employed single parents surveyed had been affected by at least one reform, compared with 69 per cent of unemployed single parents. The reforms affecting employed single parents were more likely, to be tax credit cuts and council tax localisation (Figure 11).

Figure 11 Single parents affected by welfare reforms, by employment status



Inevitably, these conditions have a significant effect on the household budgets of single parent families. 71 per cent of single parents surveyed described managing finances as always difficult at best¹⁸; worryingly, even for employed single parents, this figure still stood at 67 per cent (Figure 12). In light of these figures, it is clear that employment in the current labour market, cannot be the only answer to tackling poverty and driving up incomes. As the Social Mobility and Child Poverty Commission recently showed, under current conditions of low pay and income inequality, even full parental employment will not be enough to meet national poverty reduction targets (Reed and Portes, 2014).

Single parents are well aware of the increasingly precarious position they have faced within the workplace in recent years. There is still significant ground to make up to get single parent employment back on track. And for many, the future feels uncertain; around a fifth of working single parents surveyed are not sure, or thinks it unlikely, that they will be able to stay in work for the next 12 months.

Figure 12 How are working single parents managing their finances?

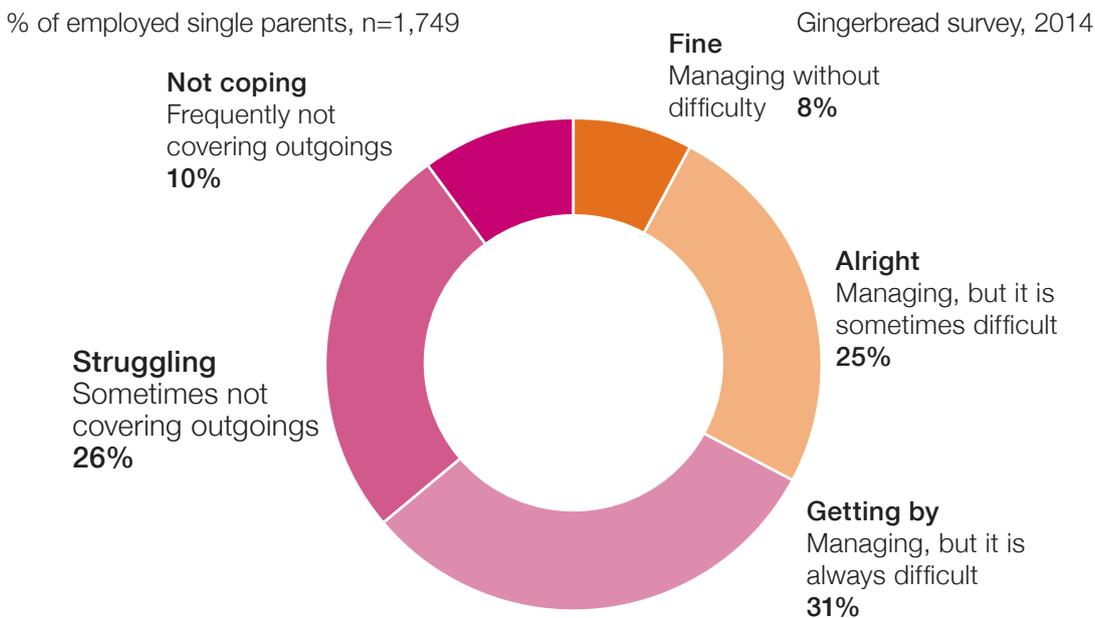
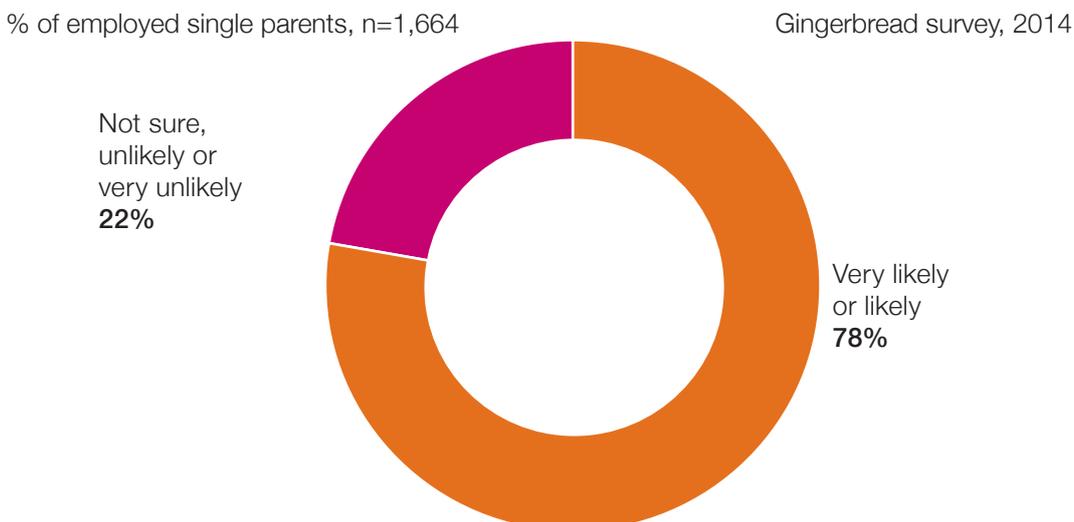


Figure 13 Single parents' view of likelihood of being able to stay in paid work for the next 12 months



¹⁸ This refers to those who are 'getting by', 'struggling', and 'not coping'.

4 Getting a foot in the door

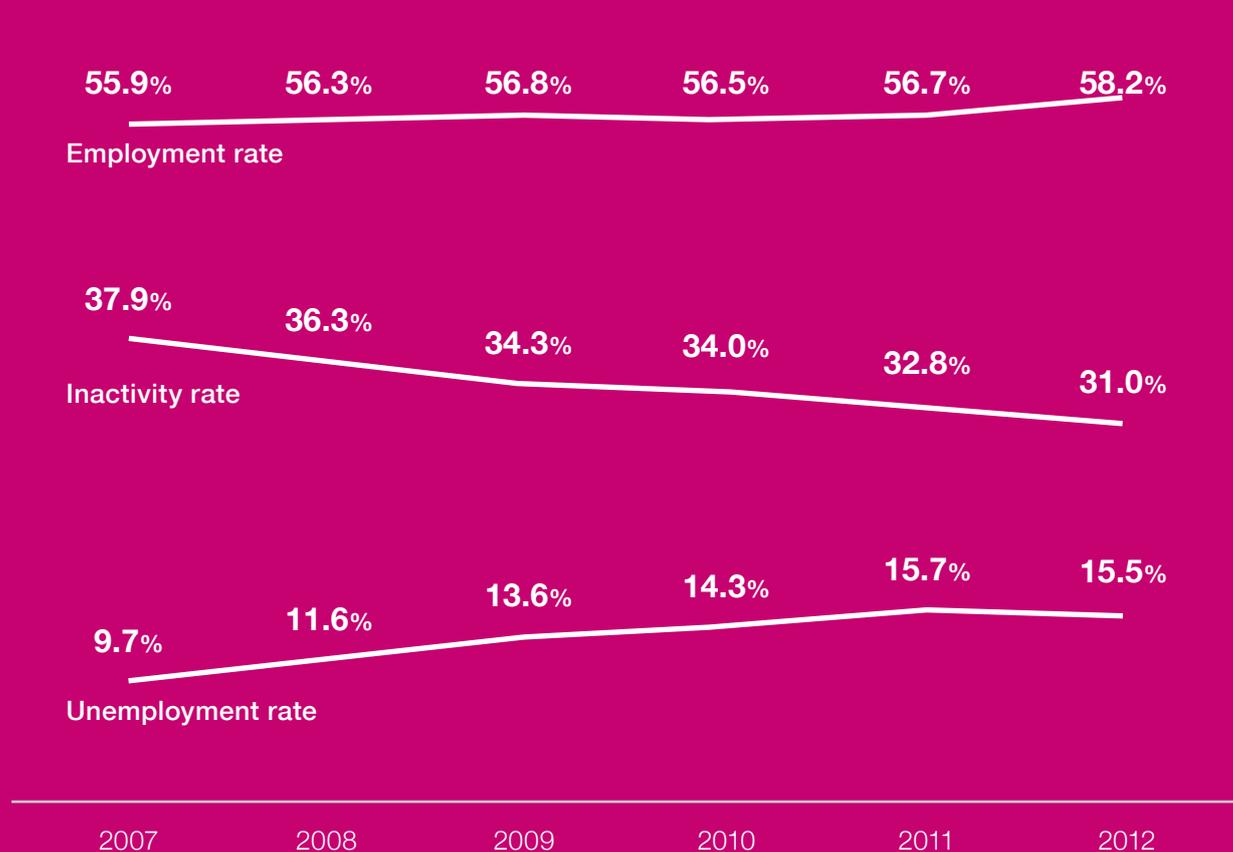
Our survey results suggest many single parents are concerned about job security. This is borne out by national labour market indicators, with the rate of single parent unemployment increasing over the past five years even as employment has gone up. Welfare reforms and the economic climate have played their part in exacerbating an already difficult labour market for single parents. These trends mean single parent employment is still a long way off matching that of couple mothers, and too many single parents are left feeling trapped and demoralised in their search for work.

Larger labour force, higher unemployment

Slow employment growth is not the only worrying single parent labour market story in recent years. While the rate of economic inactivity among single parents fell between 2007 and 2012, meaning the share of single parents active in the labour market has grown, there was also an increase in the unemployment rate between 2007 and 2012 (Figure 14).

Figure 14 Single parent employment stagnation, 2007-2012

ONS, 2014c



Note: Annual APS data. Employment and inactivity rates refer to 16-64 year olds; unemployment rate refers to those aged 16 or over.

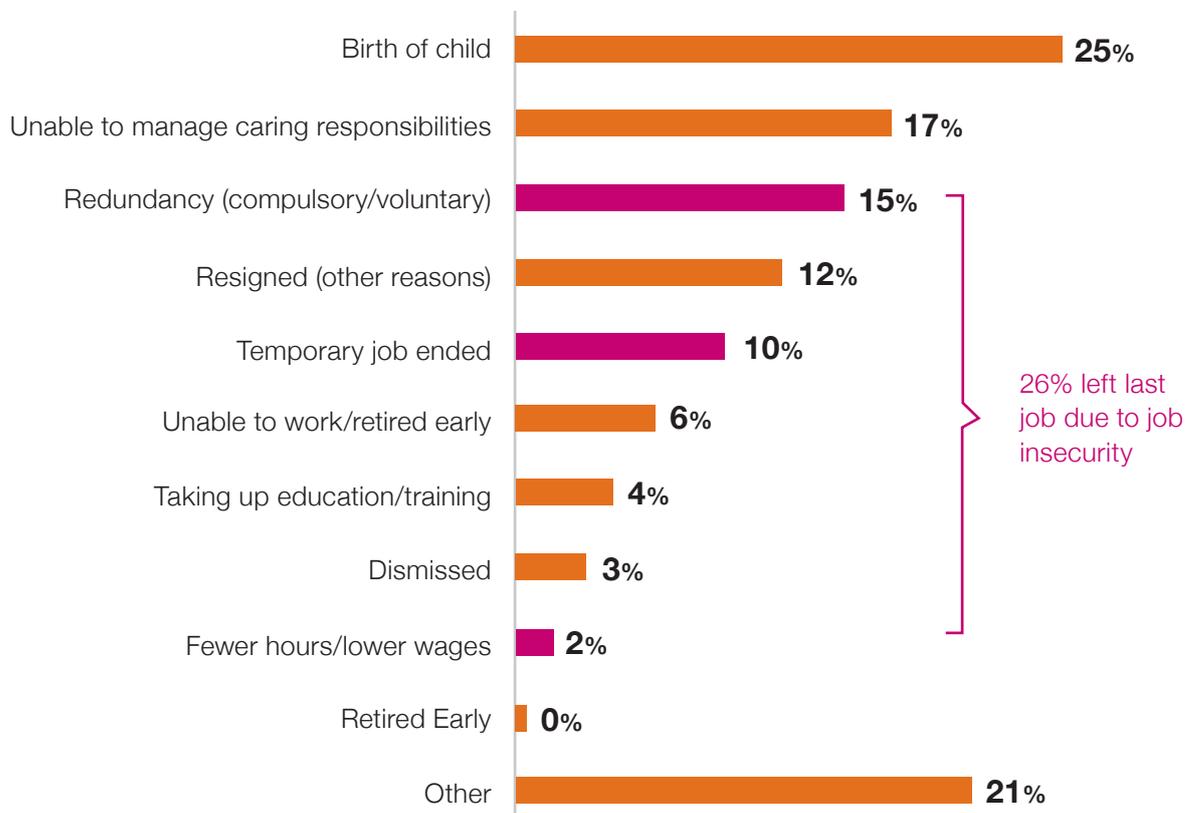
This period saw the implementation of lone parent obligation (LPO) reforms, which lowered the age of the youngest child for whom single parents can claim income support (IS) solely on the basis of being a single parent. The reforms were introduced in phases, reducing the age of the youngest child from 12 years in 2008 to five years by 2012, meaning many single parents of younger children were moved from IS to JSA. The increase in the number of single parents with younger children who are required to find work helps to explain part of the fall in the economic inactivity rate among single parents and some of the increase in unemployment (Avram, Brewer and Salvatori, 2013). Alongside this increase in the number of single parents needing to look for work, continued failings in the provision of adequate employment support have restricted single parents' ability to enter the labour market (Whitworth, 2013).

The recession and subsequent economic stagnation also help to explain the recent increase in single parent unemployment. As discussed above, the evidence suggests single parents have experienced an increase in insecure employment; our research suggests this has had a knock-on effect on unemployment levels. 15 per cent of non-working single parents surveyed are currently unemployed due to redundancy; 23 per cent of employed single parents said they had experienced redundancy in the past two years. 10 per cent of non-working single parents surveyed are currently out of work due to a temporary contract coming to an end. These findings suggest many single parents have been pushed out of work by the lack of stability in the labour market.

Figure 15 Reason for leaving last job

% of non-working single parents, n=712

Gingerbread survey, 2014



Note: Respondents could choose more than one reason if there were mixed reasons for leaving their last paid job. To avoid double-counting, the proportion that have left their last job due to job insecurity measures those whose reason(s) for leaving their last job included at least one related to job insecurity – ie redundancy, temporary job ending or fewer/lower wages.

Competing in today's job market

Most single parents do not lack motivation in getting back to work – far from it. 84 per cent of non-working single mothers would like to get a paid job, become self-employed or study (Barnes and Tomaszewski, 2010). Likewise, throughout our panel interviews with single parents, the motivation to work has been a strong theme – to set an example for their children, because they have always worked, to follow in their parents' footsteps, to provide for their family or to fulfil their own ambition.

“I want to get back [into work] and show [my daughter] that this is the way.”

“A single mum on benefits who has not worked, not doing anything, it's just not me. That's never what my life was going to be. I know I can do better than this.”

Paying the Price panel member

However, there is a strong feeling of frustration among single parents trying to find their way back to employment. Many expressed frustration at the lack of responsiveness from employers after submitting applications; around a third (34 per cent) of unemployed single parents said they had never been asked for an interview after making a job application. Most felt this was linked to competition in the current job market; 88 per cent of unemployed single parents surveyed said they felt job competition was quite or very high when they have made applications. This is an ongoing issue, echoing concerns about job competition in our previous Paying the Price report (Rabindrakumar, 2013).

“The jobs are very competitive with younger people and jobs [are] few and far between.”

“Apparently they had 148 applications for a ten-hour administrative job...I can't hide who I am and my circumstances, and I know damn well they'd rather employ a 24 year-old who has an administrative background but isn't a single parent.”

Paying the Price panel members

This level of concern over competition for jobs reflects the perception that there is an inherent labour market disadvantage to being a single parent. A number of single parents out of work thought they would readily be passed over for jobs by employers if competing with people without childcare responsibilities or with another partner to share this burden. This was particularly true of those who had been out of the workforce for a longer period of time – these parents were particularly worried about the gaps in their CVs due to taking time out of the workplace to raise children (often while still partnered).

“So when you are the only person responsible, the kids are sick, how do I explain that to an employer?”

“They are not going to choose you because there’s always going to be someone else that does say that they are [flexible].”

Paying the Price panel member

This might seem surprising from looking at the national picture – post-recession labour market growth has been relatively consistent, in terms of both employment and the number of jobs. However, our evidence suggests this growth hasn’t necessarily been in jobs that work for single parents – many single parents report difficulties in finding jobs that allow them to juggle childcare duties and school hours, particularly those that are local enough to meet these childcare responsibilities without incurring unmanageable extra cost (eg to drop and pick up children from school or nursery without having to pay for additional travel costs). Of non-working single parents surveyed, 56 per cent said that inflexible working hours stopped them from applying for jobs most or all of the time.

“I have noticed that a lot of jobs are full-time...it’s like every single one you have to be completely flexible to work all week.”

Paying the Price panel member

Any job will do?

Compounding this frustration is pressure from the welfare system to find jobs that are too often not available or out of reach – a repeated theme from interviews was single parents feeling ‘stuck’. ‘Claimant commitments’ with Jobcentre Plus to apply for a particular number of jobs per week or per month have created perverse incentives for some single parents to apply for any job – indeed, some single parents have been advised to do so explicitly – even if there is no realistic chance of actually being able to undertake the job (eg due to a lack of flexibility, or distance from home).

“I found myself just applying for jobs in Tesco, jobs that I’d already been rejected for, just to meet the quota that they had set me.”

Paying the Price panel member

The relatively new Universal Jobmatch system was also particularly criticised by some for impairing single parents’ job search – either due to failings in its functionality, or because the system overstated the actual number of jobs available due to jobs being posted multiple times.

“There might be, like, ten jobs in a row but six of them ... will take you to the exact same website.”

“It’s the most unhelpful jobsite ever... And you get the same answer [from the Jobcentre Plus adviser] – ‘oh yeah, it’s useless’.”

Paying the Price panel member

Box 3 “We won’t be needing you”: Steph’s story

Steph has recently moved from IS to JSA. She has been proactive in trying to update her skills and find job opportunities. However, finding work that is feasible with a young child has been a frustrating process. Furthermore, advice and support from Jobcentre Plus has often been unhelpful.

Steph has a five year-old child and has therefore recently moved onto JSA. She has a long employment history and has a strong motivation to work. She has worked hard to update older qualifications and regularly carries out job searches, often staying up late into the night to complete searches while her child is asleep. Despite these efforts, she feels under pressure that her benefits might be stopped for not meeting Jobcentre Plus criteria.

“You are panicking, thinking maybe today I get the wrong adviser and they think I haven’t done enough and they stop my money – how am I going to feed my child?”

Steph has been actively looking for opportunities to update her skills. However, she feels the job market has changed, with ad hoc opportunities more limited – particularly in the face of competition and increasing numbers of jobs offering only atypical hours. She has been frustrated by the conflict between the lack of available jobs and Jobcentre Plus pressure to make a certain number of applications regularly – she is directed to use a number of job websites, but these frequently advertise the same jobs. She has had mixed experiences of employment support – one employment adviser had helped her write a new CV, which was then found to be poorly written by another adviser.

“I asked around the schools, I went into the course, I renewed my CRB [Criminal Records Bureau check] to work with kids...And my son’s school said they could use some help. And then last week they phoned me and said, ‘Well, at the moment, we won’t be needing you because we are getting a student from the local college that’s doing a proper course’.”

“You go into the criteria, the perfect job, you tick all the boxes...then it says 7[am] til 7[pm] or 7[am] to 9 o’clock at night...The perfect job, but I can’t do them hours.”

She has managed to get interviews, but often comes up against long or atypical hours that would mean incurring high childcare costs. While she has checked local childcare provision, Jobcentre Plus advisers do not seem to understand the burden of costs. And when presented with these costs, one adviser suggested asking others to help – despite months of explaining that, since her mother passed away, she did not have any informal childcare to rely upon. Steph feels this lack of understanding has increased since moving off IS, when she used to have a lone parent adviser whom she felt was more considerate in taking her situation as a single parent into account.

“[The employer] said, ‘We like your CV and how you answered the questions...There’s no negotiation on the hours. You have to do all your weekend, Saturday and Sunday, and you do one day in the week’...My adviser said to me, ‘Oh, you shouldn’t have told them you had childcare problems; you should have waited until you got to the interview to see if you could negotiate’. It doesn’t make sense for me taking up somebody’s space and going to an interview when I can’t take the job.”

In spite of these setbacks, Steph is still determined to find a job in any area where she can fit the hours around childcare. In the meantime, though, she struggles to cover her bills and has had to rely on loans to make ends meet.

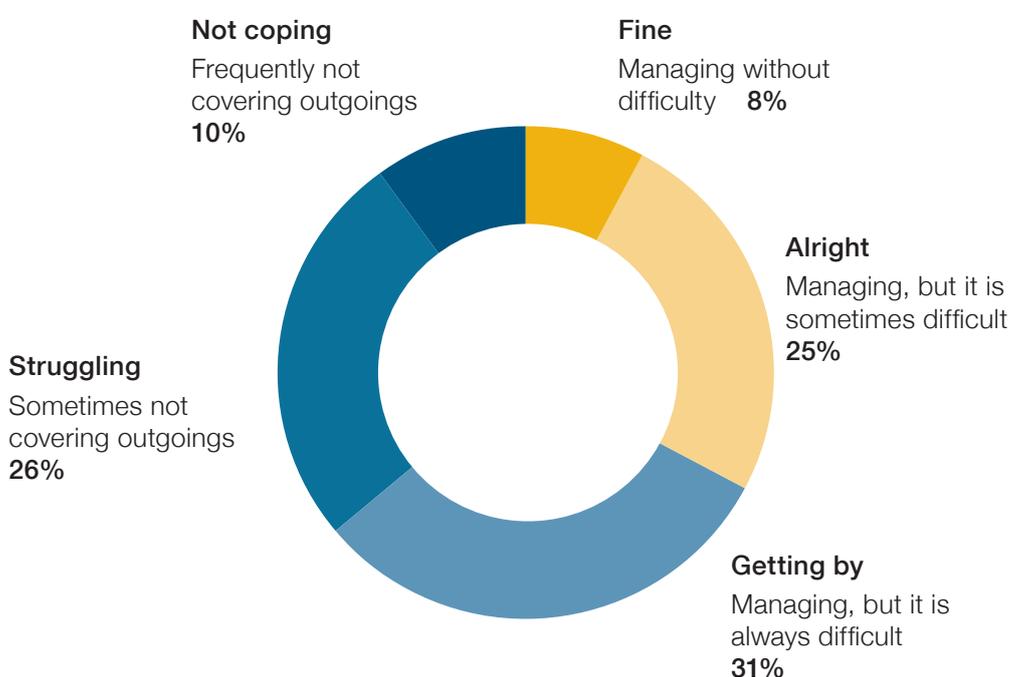
“I’ve always wanted to work...even [when] I wasn’t working full-time, I’ve always been doing something...I wasn’t one that just sat at home.”

Of course, it is not just the welfare system that compels many single parents to take any job. Managing financial outgoings is not easy when reliant on income from benefits, particularly with recent cuts. 80 per cent of non-working single parents surveyed found managing household bills as always difficult at best (compared with 67 per cent of employed single parents surveyed). Around one in six were frequently running into arrears. Consequently, there is a significant imperative to find work that might ease single parents' financial burden. Yet, as we have seen, to find work that covers these bills, moving into an insecure and low paid job isn't a good enough answer.

Figure 16 How are non-working single parents managing their finances?

% of non-working single parents, n=630

Gingerbread survey, 2014



Taking action

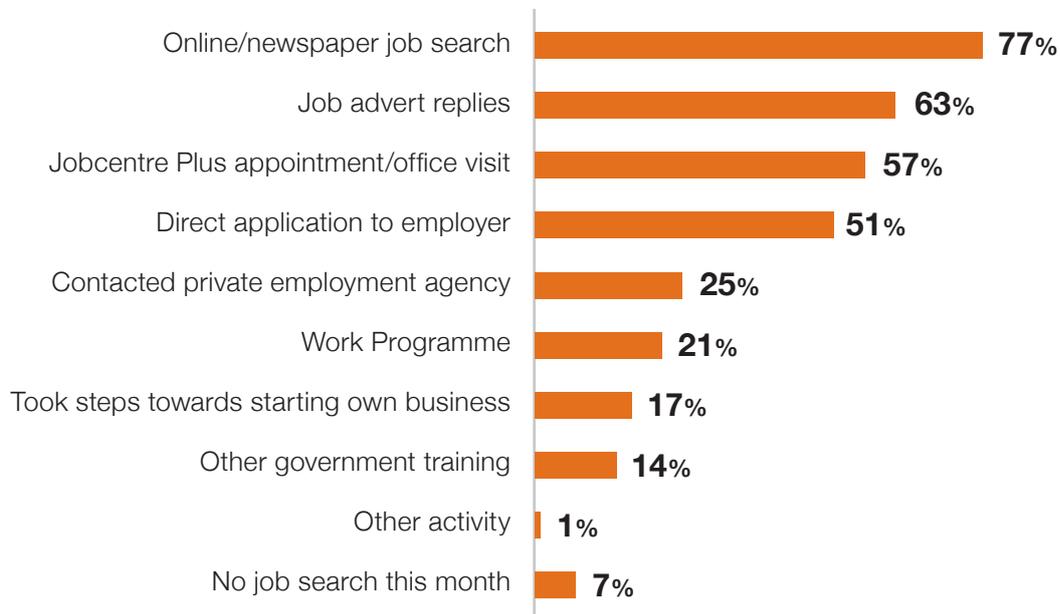
Single parents' strong motivation to work, in spite of the frustration and often limited prospects within today's job market, is reflected in single parents' job search efforts. 29 per cent of unemployed single parents had increased the time they spent on job search activities in the past month, signalling their persistence in job searches.

Our research shows single parents are both thorough and intensive in their search for work (Figure 17). Our interviews suggested single parents are structured in their job searches, with many single parents using a regular time of day for job search activities; this was often out of necessity due to childcare duties, with searching often carried out when their children were at school or in bed. In panel interviews, some single parents described detailed knowledge of particular sector advertising – for example, knowing what time new jobs are uploaded online in order to time job searches most effectively. From discussing employment histories, single parents both in and out of work have been proactive in looking for work – seeking out opportunities with local employers or friends, for example – rather than relying on Jobcentre Plus employment support.

Figure 17 Job search activity rate in the last month

% of non-working single parents, n=364

Gingerbread survey, 2014



Note: This data excludes those single parents who are no longer actively looking for paid work – principally due to caring responsibilities, health reasons and being otherwise occupied with studying.

Single parents are also realistic – they are well aware that they may be pushed into low paid and insecure jobs rather than sustainable employment and have sought to undertake training that would allow them to enter more secure professions. Some have sought advice from other services or done their own research to find a route back to work which is sustainable for them as single parents. However, as we found in our previous *Paying the Price* report, many single parents who are out of work feel frustrated that there are limited opportunities for training support via the welfare system which is relevant to their skill levels.

“I don’t want to look back in three or four years and just have a job, I want to get a career and I want to do something for the rest of my life...”

Paying the Price panel member

Many single parents felt that in spite of this evident wish to find work, there was a strong perception from others that single parents preferred to rely on out-of-work benefits. They were keen to dispel this myth and convey both the difficulties of managing on out-of-work benefits alone (as shown in Figure 16) and their strong desire to work.

“There’s all these things, the programmes on TV...everyone’s on benefits. And you just think, I wish I was at work, I wish I could have a job, you don’t understand.”

Paying the Price panel member

5 **Where next – recovery or further austerity?**

For the UK to achieve a sustainable recovery, economic growth cannot be isolated from an equitable labour market for much longer. At the moment, too many single parents are struggling in low paid and insecure jobs. Those who are out of work are also at risk of being pushed towards similar jobs, resulting in a vicious circle. Without action now, we risk undoing the positive progress that has been made on single parent employment and child poverty over the past two decades.

Sustainable futures

GDP is still 0.6 per cent below its 2008 peak – we are yet in the early stages of economic recovery. This is an opportune time to take stock to ensure that all individuals benefit as much as the overall economy from growth. Single parents are already at risk of entering low-paid, insecure employment – over two-thirds (68 per cent) of single parents enter the three lowest paid occupational groups (Newis, 2012). At the moment, there is a risk that the labour market that is emerging in the UK – with increased income insecurity and a continued squeeze on real earnings – will exacerbate the poor labour market prospects facing many single parents, increasing inequality between single parents and other household types even as the economy continues to grow.

Single parents are doing all they can to mitigate these changes. They take on additional jobs and work extra hours. They sacrifice time with their children – despite being sole main carers – to gain extra income. Those out of work are resourceful and motivated in their search for employment. However, work in itself is not the only answer. The employment situation for many single parents has deteriorated against a background of higher living costs and cuts to tax credits and out-of-work benefits.

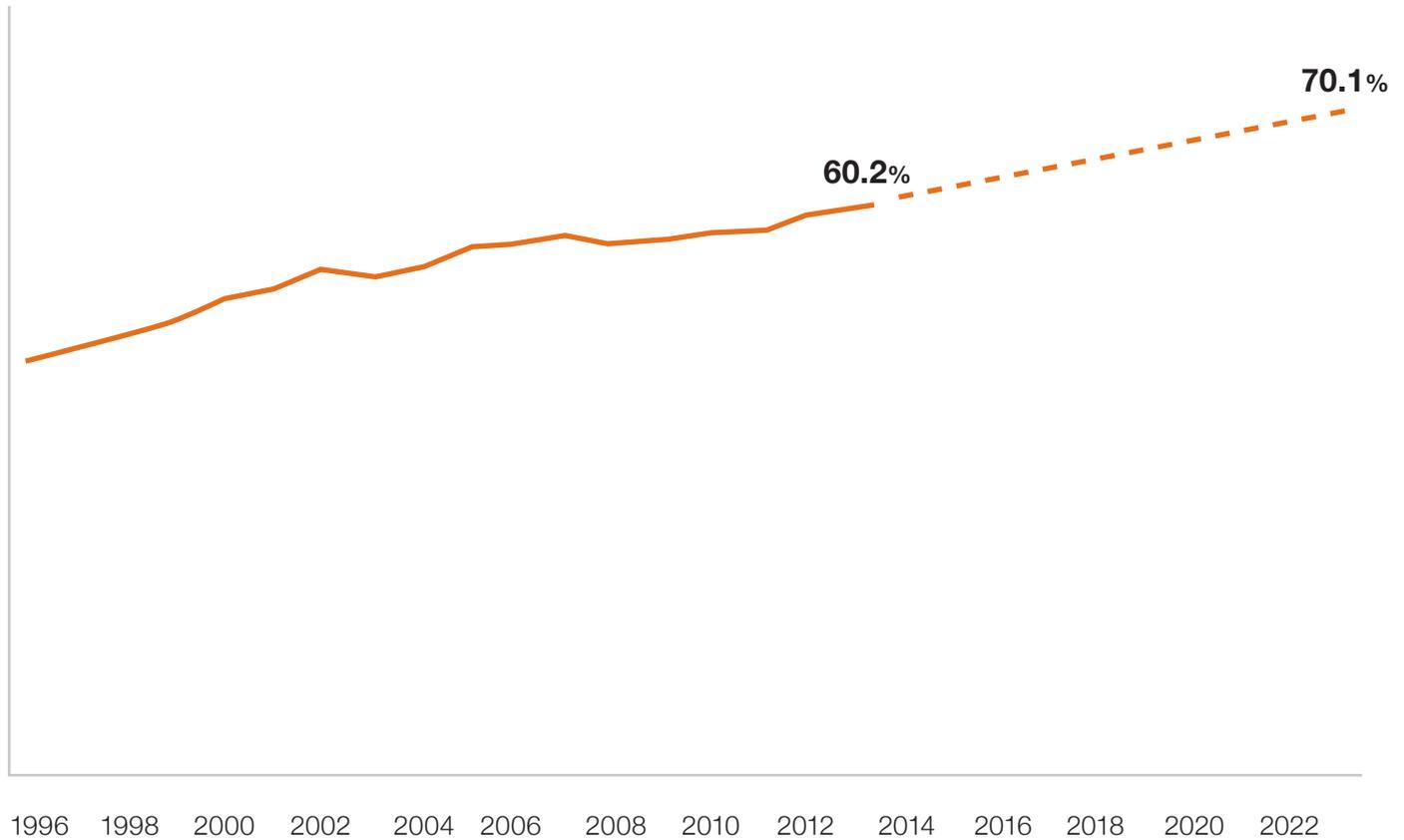
There is still a long way to go for the single parent employment rate: on the current trajectory, it will be at least another ten years before single parent employment catches up with couple mothers' employment (Figure 18).¹⁹ Worse still, if we do not address the challenges currently facing single parent employment, even the gains made to date may be lost, and equality in the labour market for single parents will remain a distant aspiration.

¹⁹ Of course, this rate of improvement assumes couple mothers' employment rate remains static. While this was true in the recent past – couple mothers' employment rate remained at around 71 per cent between 2000 and 2010 – the rate has since risen to 72.2 per cent (ONS, 2013b).

Figure 18 Projected timeline to reach 70 per cent single parent employment rate

% of 16-64 year olds in employment

ONS, 2013b and internal projection



Note: Quarterly LFS data (April-June), not seasonally adjusted. Crude straight-line projection based on latest three-year average of percentage-point growth in employment rate.

In the context of economic recovery, it is worth noting that the gains from single parents entering employment are not just for the individual. Previous Gingerbread research suggests that if just 5 per cent more single parents moved into work, the government would generate £436 million savings (Brewer and DeAgostini, 2013). The imperative to meet the single parent employment challenge is therefore not just about single parents' living standards and equality, but also about government value for money and benefits to the wider economy. And with the prospect of a welfare cap on annual managed expenditure, the need for action on single parent employment becomes all the more pressing.

Support into work

In the long-term, we would like to see reforms to universal credit that will allow greater financial incentives for working single parents to progress in employment, ideally by reducing the taper rate progressively from 65 to 55 per cent. Single parents already face lower incentives to work due to high childcare costs. Reducing the taper rate will allow households to keep more of any additional wages earned, which will be critical to improving household incomes and reducing child poverty for low income single parents (Reed and Portes, 2014).

In the short-term, support is urgently needed for single parents now, as they progress in work. While universal credit is meant to address these issues and ensure work pays for each additional hour worked, single parents are still a long way off from entering the system. In the meantime, pre-existing support mechanisms such as in-work credit have been withdrawn, leaving single parents currently without any transitional support into work. We recommend re-instating job grant and in-work credit provision while single parents wait for universal credit to be rolled out.

We also recommend that the 85 per cent of childcare costs to be provided to single parents under universal credit be introduced under the current tax credit system, in order to secure benefits for low income single parents now.

A single parent-friendly labour market

Employment conditions do not just stop at basic contractual terms of pay and hours. Our single parent panel highlighted the impact that understanding – or the lack thereof – can have on single parents' ability to work effectively. Employers have a role to play in creating a job market that works for single parents juggling work and childcare responsibilities. With nearly 20 per cent of working single parents surveyed stating they would like some form of flexible working arrangement, but do not have any, there is much more that can be done to make workplaces family-friendly for all households.

Progression at work is another critical issue to address. Again, the 'work-first' approach taken by Jobcentre Plus does not promote sustainable employment outcomes. We know that over a fifth (22 per cent) of single parents who start a job are back on JSA within 12 months. We would like to see investment in skills and training for single parents out of work, which would yield returns for both single parents and the state (Newis, 2014). We would also like to see further work into how to enable low paid workers to move out of low paid jobs over time.

With tax and benefit cuts hitting both employed and unemployed single parents alike, on top of insecure jobs and low pay, these families have a lot of ground to cover before they experience a recovery. Moreover, for this to be meaningful, more systematic change needs to be in place. Cycling in and out of work cannot be a permanent feature of the UK labour market – there are no winners in this scenario, whether single parents, employers or the state. If we want to avoid growing inequality as the economy recovers, and we are committed to reducing the barriers to work for single parent families, these trends need to be reversed. While these structural problems with regard to the labour market may be more challenging to address, we cannot escape their importance in ensuring a sustainable recovery.

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Appendix 1 Methodology

Online survey

We conducted our survey online between 14 February 2014 and 14 March 2014, using SurveyMonkey survey software. We used convenience sampling to get our response base. The survey was promoted via Gingerbread's social media outlets and membership newsletter. The survey was also shared online by a number of other voluntary sector organisations.

We have excluded responses from those who are not single parents – we define single parents as those with at least one dependent child, who do not currently live with a partner and who are the main carers for their children (ie whose children stay with them for at least half the week). As a result, non-resident parents without equal shared care are not included in our sample of single parents.

We are conscious that our convenience sampling approach can introduce bias to the results. For example, single parents without internet or computer access or skills would be unable to complete the survey – we are likely to risk excluding those most vulnerable or 'hardest to reach' from our analysis. On the other hand, the self-selecting nature of completing online surveys risks over-representing those with strong opinions.

For reference, we have compared the demographic data we collected in our survey with that of the single parent population to provide context to our sample. Critically, the income profile of the sample broadly reflects the income profile of the wider single parent population. This is important, as it indicates that our survey sample does not over-represent single parents on low incomes – in other words, those most likely to be affected by difficulties in the labour market.

Sex	Survey sample	Population
Female	96%	90%
Male	4%	10%
Base	2,211	

National data: ONS (2013) Table KS107EW: Lone parent households with dependent children, local authorities in England and Wales. Available: http://www.nomisweb.co.uk/census/2011/data_finder

Age	Survey sample	Population
16-24 years	2%	11%
25-34 years	23%	26%
35-44 years	48%	38%
45-59 years	26%	23%
60 years or more	0%	1%
Base	2,197	

National data: ONS (2011) Age of lone parents with dependent children in the UK, 2009. Unpublished analysis of the Annual Population Survey.

Ethnic background	Survey sample	Population
White	90%	84%
Mixed	3%	3%
Asian	2%	4%
Black	5%	8%
Other	0%	1%
Base	2,147	

National data: ONS (2013) Table DC1201EW: Household composition by ethnic group of Household Reference Person (HRP). Available: www.nomisweb.co.uk/census/2011/data_finder

Income	Survey sample	Population
Less than £15,000	47%	51%
£15,001 - £20,000	19%	28%
£20,001 - £30,000	18%	17%
More than £30,001 - £50,000	12%	4%
Base	536	

Maplethorpe, N, et al. (2010) Families with children in Britain: Findings from the 2008 Families and Children Study (FACS). DWP. Available: www.gov.uk/government/uploads/system/uploads/attachment_data/file/214426/rrep656.pdf Annual figures are estimated from weekly income, assuming 50 working weeks.

Due to the non-random nature of the sample, we cannot assess how reliable our results are in relation to the whole single parent population. We therefore take efforts to ensure we only apply our findings to those single parents surveyed, and use these results to raise caution about the potential effects of a difficult labour market on the wider single parent population that are indicated by these findings.

Panel research

For this second Paying the Price report, our panel research included 23 out of 28 remaining panel members.

We originally recruited 31 panel members between April and July 2013. We used a purposive sampling approach to recruit members, applied to Gingerbread's 'online membership' population (those we can contact by email). We developed a list of sampling characteristics which would enable us to generate qualitative data that covers a range of circumstances for which austerity had implications, while broadly reflecting the characteristics of the single parent population. The factors we considered were: single parent demographics (age, sex, ethnic background and disability), number of children, age of children, employment status, formal childcare use and benefits received.

In order to provide a comprehensive yet coherent qualitative analysis of single parents' experience of austerity, we also decided to focus our panel membership on four areas. We hoped that this would provide sufficient geographic coverage, while allowing us to draw out any common themes that arose in each of the different areas. As current austerity reforms affect single

parent families in both England and Wales, our panel includes members from both countries. We knew single parents in London would be acutely affected by changes to housing benefit due to high house prices, and were the first to be affected by the benefit cap (the four pilot areas were all London boroughs). We therefore decided to weight our panel towards London, with around half of the 30 members to be recruited from the capital. We then chose two sub-regions in England, and one sub-region in Wales, with the largest proportion of families with children who were single parents. These areas were Birmingham, Liverpool, and the Central Valleys.

The sampling process involved a number of stages:

- Screening: A screening questionnaire was sent to all online members living in the four chosen case study areas (based on their home postcodes), to obtain the information required by our chosen sampling frame
- Filtering: Screening responses were assessed against the sampling frame to identify a smaller pool of potential candidates
- Selection: A pre-selection telephone interview was conducted with prospective members to explain the research in more detail and get a better sense of how well the families met our sampling criteria and the demands of the proposed research
- Consent: A process of informed consent was used, with consent discussed during pre-selection interviews, clear written information provided for prospective members, and written consent given by final panel members.

Panel members were offered a research 'incentive' in recognition of the time and commitment required. Incentives are staggered over the course of the project to take into account the longitudinal nature of the research.

A summary profile of our panel is presented in the tables below.

Panel members: Location	Number	%
London	15	54%
Birmingham	6	21%
Liverpool	2	7%
South Wales	5	18%
Base	28	

Panel members: Sex	Number	%
Female	26	86%
Male	4	14%
Base	28	

Panel members: Age	Number	%
18-24 years	2	7%
25-34 years	7	25%
35-44 years	15	54%
45 years or more	4	14%
Base	28	

Panel members: Miscellaneous	Number	%
From a Black or Minority Ethnic background	9	32%
With a self-reported disability	5	18%
Unemployed and looking for work	13	46%
Base	28	

Of course, our panel does not aim to be statistically representative of all single parents in the way we might with our online surveys. The purpose of qualitative research is not to draw statistical conclusions, but to understand different perspectives in more depth – often described as understanding the ‘how’ and the ‘why’ of circumstances, rather than just the ‘what’, ‘how many’, and ‘when’.

We do, however, seek to minimise the risk of relying heavily on atypical cases by ensuring a range of characteristics are incorporated in our panel and comparing the traits of the panel with what we know of the wider single parent population. This approach does mean, though, that single parents at either extreme of family circumstances – either the most vulnerable or the most comfortable – are not included in our panel. Not including those most comfortable is less critical given our research focus on the experience of financial vulnerability. We might, though, be more concerned that the ‘hardest to reach’ single parents may not be included in our panel. However, with two reports from the project now complete, we know we are hearing from single parents who are extremely financially and emotionally vulnerable. If these are not the most extreme cases, this only lends strength to our findings on the detrimental impact of austerity on single parents.

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