

# **A Reversal of Misfortune: who are the poor relations now?**

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# The changing nature of family poverty

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**Elderly parents were poor, adult children helped**



**Adult children are poor, parents help**

**This presentation draws on previous research, specifically:**

- A review of the links between personal relationships and poverty: for the Joseph Rowntree Foundation (JRF).
- An evaluation of Relationship Support Interventions: Department for Education (DfE)



Families with a single parent are hardest hit by benefit cap  
40% of British families 'too poor to play a part in society'

Record poverty among working families

Milburn delivers broadside against parties on poverty

20/10/14

Parents under pressure as childcare costs soar, study finds  
Poverty isn't just something that happens to the jobless

19/2/2015

21/10/2014  
Government urged to spend £250m to help good parenting

Blame the feckless parents - as long as they're poor

Poorest hit hardest by coalition changes, says report

Families with under-fives identified as biggest losers

27/1/2015

# Counting who is poor

Most commonly used:

Relative low income: below 60% of median threshold. Before housing costs (BHC) or after housing costs (AHC)

Government figures for the UK for 2012/13 (published 2014)

- Pensioners:  
13% (1.6 m) in relative low income AHC
- Working-age adults:  
15% (5.5m) in relative low income BHC



# Smoke and mirrors

- For pensioners the government likes to use AHC because about 75% own their own home. For everyone else it's BHC. Here's why:

	Pensioners	Working-age	Children
<b>BHC</b>	16% 1.9m	15% 5.5m	17% 2.3m
<b>AHC</b>	13% 1.6m	21% 8.0m	27% 3.7m

Child poverty is increasingly a problem in families where at least one parent works.



# What happened?

- Why are younger family members on average more likely to be worse off than older ones? And what would help in respect of:
  1. Policy
  2. Children
  3. Parental relationships
  4. Divorce and separation
  5. The rescue mission?




# 1. Policy

## Previous (Labour) Government (1997-2010)

- 1.1 million children lifted out of poverty through tax credits, increased welfare benefits & tax allowances for their carers
- Retirement pensions protected

## Current Coalition Government (2010 - ??)

- Make work the route out of poverty. Welfare benefits not available for doing nothing
  - Promote strong and stable families
  - Stop intergenerational transmission of poverty
  - Look after pensioners even more.
- 



# What would help?

- Sufficient number of reasonably well-paid jobs
- No zero-hours contracts
- Universal credit working well and easing the transition between welfare support and employment
- Compassion: no harsh benefit sanctions for those depending on welfare support
- Parental leave and childcare: mothers able to have paid work if they wished.





## 2.Children

Certain loving relationships tend to produce children

Fathers work and mothers stay at home. Why?

- Preference
- The high cost (£115 pw for 25 hours) and variable quality of childcare
- The discrepancy between lengthy maternity leave and brief paternity leave. Fathers take two weeks, mothers around 40. A long time out of the labour market can affect women's future economic opportunities.



# What would help?

- A good supply of affordable high-quality childcare
- Different parental leave provision. Not shared and transferable (as due in April) – traditionally mothers take the lion's share + pay will be poor and for only 39 of the 52 weeks.
- Needs to be equal in length and payment and specific to each parent, weakening traditional emphasis on mother/carer and father/earner. Initial decisions on who works and who does childcare can affect present and future income.



# 3. Parental Relationships THE TAVISTOCK INSTITUTE

Government mantra is 'strong and stable' families. And preferably with married parents. Marriages – including re-marriages – increasing in last few years. For transferable tax allowances?

But marriage isn't always a bed of roses and it's NOT an anti-poverty strategy.

62% in Relate's 2014 *The State of the UK Relationships* thought money worries were one of the biggest strains on relationships.

Poverty can bring stress, increased conflict and an unhappy relationship.



# What would help?

More relationship support: couple counselling but also preventive relationship-strengthening attitudes and behaviours

Can overcome problems, avoid some relationships ending, better manage those that do.

Liked by couples (eventually) + potentially saves public money. But need to:

- remove the associated stigma
- support all relationships at all stages
- reach low-income families not just the traditionally help-seeking middle classes.



# 4. Un-loving Relationships

Divorce rates are higher among poorer families. But poverty can also be a consequence of divorce.

- Mothers (typically) have childcare. But reduced earning potential if previously out of the labour market + unreliable child maintenance payments.

Depression often contributory factor.

- Fathers slower to recover mentally + housing problems (restrictions of 'bedroom tax') + child-related benefits paid only to one parent.

- Re-marriage can solve financial problems but prone to break down.



# What would help?

- Holistic practical and emotional support for **mothers, fathers and children** in separating families. Can help alleviate poverty and adverse outcomes, especially for low-income families (as in Child Poverty Pilots).
- Leads to better relationships between parents – and regular child maintenance more likely to be paid. This helps lift lone mothers (resident parents) and their children out of poverty.
- No charge for using the Child Maintenance Service.



# 5. The Rescue Mission

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# The good fairies

- Many grandmothers (and grandfathers, but not usually by themselves) provide childcare so parents can work
- It's flexible, built on trust and shared values between generations, but – most important – it's free. So most common in lone parent and poorer families
- But at a cost to grandma: often gives up work or shortens her hours to provide it. And now she has to work longer before she can have her state pension.



# And money, too

- Pensioners no longer the poor relations
- Reasonably generous (or at least adequate) state retirement pensions mean adult working children don't have to support them
- Also promotes a steady flow of money downwards in families – pensioners don't keep their money to themselves
- And they give even more when the state provides essential services.



# What would help?

- More childcare so both mothers and grandmothers can be in paid employment if they want or need to be.
- Maintaining state pensions and pension credit at least at their current level – encourages the redistribution of resources, however low, within the wider family and reduces the degree of many parents' and children's financial hardship
- Stop grumbling about older people having everything.



Blaming baby boomers won't pay my rent  
Rhannon Lucy Cosslett

31/1/2015

# And finally

- Work isn't the route out of family poverty when employment policies and welfare benefits are uncoordinated, childcare is too expensive and families are unsupported
- Adult children and their children are frequently rescued from the extremes of poverty by the time and money of unselfish grandparents.

And that's a pretty loving relationship.

