

Making decisions about work in one-earner couple households

By Sharon Collard and Adele Atkinson

This study was carried out by Sharon Collard and Adele Atkinson at the Personal Finance Research Centre, University of Bristol. It reports findings from a qualitative study carried out in 2008, which comprised face-to-face depth interviews with 50 non-working parents in low-income one-earner couple households, where neither partner was in receipt of out-of-work benefits.

Key findings

- As well as carrying out domestic chores, participants dedicated a considerable amount of time to activities with their children, including structured activities like homework supervision and unstructured play.
- Family was an important source of social contact and financial and practical support for some participants. A surprising number, however, had no real social network and no family support.
- It was not unusual for working partners to have jobs with early starts and long hours or shift work, which made it difficult for them to share school runs, childcare responsibilities or domestic chores.
- For the most part, participants were able to keep up with household bills and credit commitments by careful money management, but reported that it was a struggle. Only a few participants reported any arrears.
- Almost all the non-working participants had worked in the past, although in some cases not for ten years or more. The reasons why they were not working at the time of the interview included redundancy, health issues, a desire to look after their children and lack of suitable childcare.

- Most participants said they planned to return to work at some point, with financial reasons and personal benefit being the main drivers. Decisions about when they would move back into work were often linked to their children's key educational milestones.
- Most participants (mainly women) who planned to move into work wanted a job with part-time hours which involved minimal travel, to fit around family and childcare responsibilities. They generally talked about looking for jobs that would be relatively low paid.
- There was considerable interest in support services targeted at parents seeking work and tailored to their needs. The support needs identified by participants included: help to increase employability and confidence (e.g. CV writing, interview skills, basic computer training); help to find appropriate work (e.g. identifying family-friendly employers, careers advice); help to work out the financial implications of moving into work; and help to arrange childcare.

Background

There is evidence to suggest that child poverty in two-parent families could be reduced by encouraging potential second earners into work. This research was designed to improve understanding about two-parent families with children living in poverty where only one parent works, and focused particularly on the work decisions of the non-working parent.

It comprised 50 face-to-face depth interviews with non-working parents who had a working partner (40 women and ten men). Their self-reported household income was below 60 per cent of median income before housing costs. The interviews were conducted in North Somerset, West Yorkshire and London.

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Participants and their families

The participants described their typical day and their social networks. As well as carrying out domestic chores, they talked about dedicating a considerable amount of time to activities with their children including structured activities like homework supervision, and unstructured play. Family was important to some participants for social contact and financial and practical support. However, a surprisingly large number of participants had no real social contact, no family support and no network of friends.

Partners' employment and household income

The sample design for the study meant that most working partners worked full-time. They typically had jobs in manual occupations, such as in the building trade or as a driver. Among female working partners, cleaning and care work was common. It was not unusual for working partners to have jobs with early starts and long hours or shift work, which made it difficult for partners to share school runs, childcare responsibilities or domestic chores.

The working partner's earnings often varied from month to month depending on the availability of work, and on overtime and bonus payments. Some participants said they did not claim tax credits¹, either because they felt they did not deserve or need additional financial support from the Government, or because they did not like sharing personal information with HM Revenue and Customs. A further group were apparently unaware that they were entitled to any form of financial support (above and beyond Child Benefit).

For the most part, participants indicated that they were able to keep up with household bills and credit commitments, but it was a struggle. The general picture from the interview data was that these households tended to manage their

money fairly carefully, which perhaps explains why few said they had fallen into arrears.

Employment history of non-working partnered parents

Almost all the non-working parents who were interviewed had some history of work. While some had only stopped work very recently, others had not worked for ten years or more. There were a number of reasons why participants were not working at the time of the interview, including redundancy, health issues (either their own health problems or those of a family member), and wanting to be at home for their children.

A lack of suitable childcare was cited by several respondents as the reason for not currently working and some mentioned the prohibitive cost of childcare, particularly in school holidays or for more than one child. Other participants had negative views about the general notion of leaving children with other adults, and so for them childcare was not an option.

Why did some participants *not* want to work?

A number of participants in West Yorkshire and North Somerset had no intention of taking paid work in the foreseeable future. These were all women, ranging in age from 20s to 50s. Most had not worked for at least four years. The main reason they gave for not working and not looking for work was the desire to look after their children. Several recognised that there were potential benefits from working, including additional income and independence, but these did not change their decision.

Why did some participants *want* to work?

Most participants who were interviewed said they intended to return to work at some point, with financial reasons and personal benefits being the main drivers. Alongside the desire to work, however, was a concern to find the right balance between parenthood and employment.

¹ HMRC estimates that in 2005/06 about 75 per cent of in-work couples with children who were eligible for tax credits claimed them.

The main financial reason for wanting to work was to improve the family's overall financial situation and their standard of living. Some female participants aspired to earn their own money, while others wanted to ease the pressure on their working partner by making some contribution, however small, to the family finances. Most participants who wanted to improve their financial situation talked about finding it a constant struggle to make ends meet; some had fallen behind with bills.

The personal benefits of returning to work included independence and the relief from the boredom of being at home. The idea of being a positive role model for their children was also a consideration for some participants.

When did participants anticipate moving into work?

Participants who were actively looking for work at the time of the interview were mainly in their 30s and in most cases their youngest child was at school. They included most of the men who were interviewed. None of them had been out of work for more than two years and they had generally stopped work because of job loss.

Other participants wanted to work at some point, but not right away. They were largely women under 40, most with at least one pre-school aged child. They had typically not worked for at least three years. Some were planning to look for work in the next few months, but a much larger number did not intend to look for work for at least a year, and this was often linked to their children's key educational milestones.

What types of jobs were participants looking for?

The types of jobs that participants were considering included manual/service occupations (e.g. cleaner, security guard) and clerical intermediate occupations (e.g. care worker, teaching assistant).

While the type of work mattered to some, working hours were the most important factor,

by far, in looking for work. Most participants (mainly women) wanted to work part-time hours so they could do the school run and minimise the use of paid childcare. The desire to work locally and cut down on travel to work was the next most commonly mentioned factor. Level of earnings was a consideration for participants, but not mentioned nearly as often as the other two factors.

Participants' job search activities included looking in the employment pages of local papers, using internet-based job search facilities, signing on with employment agencies and using Jobcentre Plus facilities. Most of the participants who were actively seeking work had either applied for jobs or been offered jobs through an employment agency. Some had been turned down for jobs and a few had turned down job offers.

What support would participants welcome to move into work?

There was considerable interest in the provision of targeted support services for parents who want to move into work. Participants were uncertain about who should provide such support, but mentioned Government, local councils or employment agencies. There was a high level of awareness of Jobcentre Plus, and some mentioned it as the obvious provider of support services for parents like them who were looking to move back into work. Participants' views and experiences of Jobcentre Plus were mixed, however. Although some of the participants were positive about the role Jobcentre Plus might play in supporting them into work, some (particularly those who had no personal experience of Jobcentre Plus) were unlikely to want to access support from Jobcentre Plus offices.

Participants interested in moving into work identified several support needs:

- Increasing employability and confidence: Participants were interested in support to help them become job-ready, including writing a CV or a job application, job interview skills and training around basic computer skills.

- Finding appropriate work: This included help to find family-friendly employers and some form of careers advice, for example around finding suitable jobs.
- Working out the financial implications: This included help to work out whether or not their household would be better off if they went back to work, and advice about the financial assistance that might be available to help with childcare costs.
- Arranging childcare: Parents wanted help to find good quality, appropriate and affordable childcare provision.

Conclusions and policy considerations

For participants (and their partners), the desire for one parent to be the primary carer for their children was the overriding consideration in making decisions about work, even if this meant accepting a lower household income. This means that it may be challenging to move some potential second earners into work. It should also be remembered that while most participants planned to move into work at some time, this tended to be a longer-term plan that was several years off.

Participants mainly talked about moving into relatively low paid jobs, such as cleaning, security work or care work. The financial gains of moving from a one-earner to a two-earner household, therefore, were likely to be fairly small. For some participants, the perceived non-financial benefits of work (such as improved self-esteem) outweighed the financial gains.

Tax credit recipients who planned to move into work were concerned that their overall financial situation would not improve much (if at all) if they got a job, because of the impact of any additional earnings on their tax credit entitlement. This was particularly the case among participants who received relatively large amounts of tax credits. The idea of making work pay (or pay more),

which is the aim of the In Work Credit (IWC)², might be attractive to these participants. In Work Credit is something that is not currently available to non-working parents where their partner is in work.

There was a high level of interest in targeted support for parents. Confidence was a particular issue for women who had been out of the labour market for a long time. Although not mentioned by participants, employers may have a role to play in helping these participants and others like them, for example by offering a phased return to work that incorporates training to update skills.

² IWC is a payment of £40 per week (increased to £60 in London from July 2007), which was extended nationally in April 2008 to all lone parents who have been on benefits for at least a year, during their first year back to work. IWC has also been piloted among couple parents since April 2005, in all but one Jobcentre Plus districts in London. In July 2008, IWC was extended to couple parents in all 11 New Deal Plus for Lone Parent pilot areas, which includes the whole of London.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 84712 487 6. Research Report 560. February 2009).

You can download the full report free from: www.dwp.gov.uk/asd/asd5/rrs-index.asp

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