

# Helping Parents on their journey out of poverty

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# What is poverty?

Poverty is the gap between resources and need

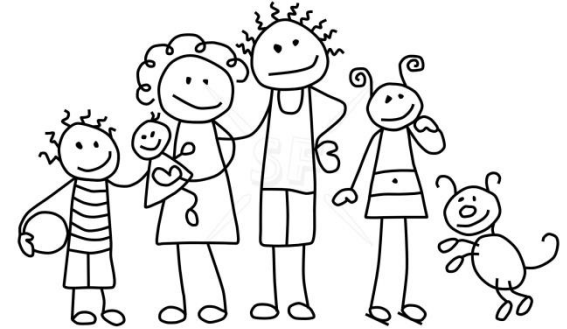
It's not being able to:

- Heat your home
- Pay your rent
- Buy essentials for your children

*“Nobody knows, til they’ve been in that person’s shoe, what life is like. A light could conk out, the gas could conk out, and they’ve got a choice – do I buy my kids breakfast tomorrow or do I put £5 in that gas meter?”*

Mother, Scotland

## Some of the characteristics of families in poverty



- More likely to have younger children
- Therefore less likely to be able to work longer hours with welfare benefits now too low to push them above poverty line
- More likely to have low skills and qualifications
- More likely to live in areas with low skilled, low paid local labour markets
- More likely to come from a black and minority ethnic and/or migrant background
- More likely to include a disabled family member

## Proportion of children living in poverty over time

Source: Households Below Average Income (HBAI), United Kingdom, Department for Work and Pensions, 2017



# Child poverty is rising – why?

## Increasingly children in poverty are living in households where 1 adult is in work than in homes where no one is working

- Number of children in homes where no one is in work has fallen to 1.4m – here 70% of children in workless households are in a lone parent family, 46% are in a home with at least 1 disabled adult
- In work poverty increasing - 55% of people in poverty are currently in a working family. This is a record high
- The benefit cap will mainly affect households with children. The lowering of the cap will increase the number of families affected from 20,000 to approximately 112,000.
- By 2021/22 there will 1.2million more children in poverty

# Drivers of poverty

- LOW PAY
    - Bangladeshi & Pakistani men are more likely to be paid below the living wage regardless of the sector they work in
    - Most people earning below the living wage live in London
  - HOUSING
    - number of people in poverty in private rented sector has doubled in a decade
    - Those in bottom fifth of income distribution pay more than a third of income on rent
    - Most common form of homelessness is end of shorthold tenancy or rent arrears
  - LACK OF WELFARE SAFETY NET
    - waiting times for universal credit increase risk of debt, eviction and destitution
    - Families making new claims will now receive £545 less per year pushing extra 200,000 children into poverty by 2020/21
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## Additional relevant issues

### Poverty is stressful

- Cognitive capacity is a finite resource – trying to do too much at once results in poor decision making and loss of concentration
- Poorer children have as high a risk of developing mental health issues as children of parents with mental health or substance misuse difficulties
- Poverty puts adults at greater risk of inter-parental conflict and relationship breakdown.
- Relationship breakdown can also exacerbate risk of poverty or failure to move out of poverty, particularly for resident parents

# Good Advice

## More evidence needed on impact of advice on poverty reduction

**Welfare advice:** benefit checks are a key way that welfare advice can improve income. Low take-up of some benefits stems from people not knowing – or misunderstanding – whether they are eligible, combined with the perceived cash value of the benefit, and transaction costs involved in claiming.<sup>640</sup> Evidence from specific projects found:

- welfare rights advice delivered in a healthcare setting increased incomes by £1,026 per year on average
- 57% of participants in a take-up campaign for attendance allowance successfully claimed benefit payments averaging £60.70 per week.

**Debt advice:** these services can improve income through benefit checks; help getting grants to clear arrears with essential service providers; and improved budgeting and lower repayments negotiated with creditors. Evidence from specific projects found:

- those that sought debt advice were 93% more likely to be out of unmanageable debt within a year than those not seeking advice
- a randomised control trial found debt advice services significantly increased the likelihood of improvement in financial circumstances.<sup>641</sup>



# Delivering advice to support low income families

- **Local Strategic commissioning of advice services**

**Local authorities and the voluntary/commercial advice sector should:**

- **Audit existing provision to identify gaps but also avoid duplication**
- **Identify those with greatest need locally**
- **Develop collective plan for local support**
- **Marshal others, such as NHS and housing associations to help deliver advice services**

## What else?

- **Delivery of advice & support through integrated hubs**
- Embedding advice in services that people in poverty already use ie GP surgeries, employment support providers, housing associations
- Bringing together services related to work and income which includes
  - employment support, childcare advice, careers advisors,
  - local welfare assistance schemes, debt advice
  - benefit checks

# What can we recommend?

## Early take up of free childcare for 2 year olds enabling development work in structured environments

Addressing the barriers affecting take up - only 58% of parents of disadvantaged children have taken up the free childcare offer. Awareness raising with specific BME groups also key

More importantly, tackling the broader drivers of poverty impacting upon families and children:

Improving family incomes through increasing access to decent, secure work and better pay

Aiding the balance between work & care to enable economic participation

Providing childcare, school teaching staff & leadership with experience of working with children in deprived areas

Improving routes from school to job market

# We can solve poverty in the UK

