



Lone mothers moving in and out of benefit

Lone mothers' movements on and off Income Support and Family Credit were explored over a four-year period (1993-1997). In addition to studying the primary reason for such movements, the researchers investigated lone mothers' attitudes to and experience of work. They found:

- f** There was considerable movement on and off Income Support, with many lone mothers claiming for relatively short spells. Only 20 per cent of the sample had an uninterrupted claim for the whole period.
- f** Lone mothers under the age of 25 were the most likely to come off Income Support. The older the lone mother, the less likely it became that she would come off Income Support.
- f** The higher the number of dependent children, the greater the barrier to leaving Income Support.
- f** Owner occupiers were much more likely to leave Income Support than those living in other accommodation.
- f** Mothers who had their first child while still teenagers were not significantly different from their older counterparts in their chances of leaving Income Support and were no more likely to be long-term reliant on Income Support.
- f** For many lone mothers in low-paid work, Family Credit acted as a 'stepping stone' out of benefit altogether. However, there was a small number who were unable to sustain work even with the support of in work benefits. This group moved on to Income Support.
- f** Work-related factors constituted the main reasons for coming off Income Support, and in most cases this went with a successful claim for Family Credit.
- f** All groups of lone mothers expressed a strong orientation to work. However, younger mothers were more likely to want to work more than other groups. Older lone mothers predominated among those with a weaker orientation to work.

Background

When this study was undertaken, Family Credit was the main 'in work' benefit. The March 1998 Budget proposed the replacement of Family Credit with the Working Families Tax Credit. However, the conclusions and policy implications remain relevant.

The study examined the claiming patterns of lone mothers receiving means-tested benefits. It used four years of administrative data (1993-97) from a town in north west England to create a longitudinal data base which represented the entire population claiming Housing Benefit/Council Tax Benefit. Movements in and out of Income Support and Family Credit were charted. The study also explored the characteristics of those who move off these benefits and those who have a tendency to stay on benefit for long periods. The administrative data set was supplemented by information obtained from a postal questionnaire sent to a sample drawn from the administrative data.

The administrative data set

The administrative data set covers both those on Income Support and those making a direct claim for Housing Benefit/Council Tax Benefit as part of a package of 'in work' benefits. It includes the age and sex of the claimant, the number and age of dependent children, and housing tenure. It also contains limited information on hours worked, income sources and outgoings.

The administrative data set showed that:

- The mean age of lone mothers on Income Support at any time during the observation period was around 32 years. Less than 2 per cent were teenagers and 16 per cent were under 25.
- The mean number of children was approximately 1.9.
- The mean number of children under five was 1.2.
- The mean age of the eldest child was 9 years 5 months.
- 55 per cent were council tenants, 31 per cent private and housing association tenants and the remaining 14 per cent owner occupiers.

How much movement?

The results of the analysis showed that there was a significant amount of movement on and off benefits, and that lone mothers have a variety of claiming patterns.

- At any one time in the four-year observation period there were between 2,936 and 3,398 (mean 3,059) lone mothers claiming Income Support - yet over the four-year period a total of 6,767 different lone mothers used Income Support for some period. This suggests a high turnover rate, with many lone mothers claiming for relatively short spells.
- Lone mothers who were on Income Support in July 1993 were tracked for the subsequent four years. Only 20 per cent stayed on Income Support for the whole period. Eighty per cent had moved

off the benefit at some point. However, some of those who moved off were unable to stay off and moved back on to Income Support. When movements off and then back on were disregarded, 43 per cent of the lone mothers who were on Income Support at the beginning of the observation period were still there four years later.

An examination of lone mothers receiving Housing Benefit/Council Tax Benefit, but not on Income Support (most of whom were in low-paid work), revealed that only 32 per cent were still present on the data set as lone mothers four years on. Twenty-two per cent of these were still present as claimants of benefits other than Income Support, and 10 per cent had become Income Support claimants.

From these results three claiming patterns were identified: long-stay claimants, those who return to benefits more than once, and shorter stay claimants.

Who moves?

Some of the characteristics of lone mothers associated with a greater propensity to stay on or move off benefit were identified. Several factors emerged as important:

- Lone mothers under the age of 25 were most likely to come off Income Support. The results indicated that the older the lone mother, the less likely it was that she would come off Income Support.
- The number of dependent children affected the likelihood of leaving Income Support. The more children a mother had, the less likely her exit from benefit became.
- In all analyses, owner occupiers were much more likely to leave Income Support than those living in other tenures. However, it was not possible to determine whether owner occupiers were simply better qualified or whether other factors, such as where they lived, influenced these outcomes.

The hypothesis that women who had their first child while still teenagers ('once teenage' mothers) were more likely to remain on Income Support for long periods was also tested. The findings clearly showed that:

- These mothers were not significantly different from their older counterparts in their chances of leaving Income Support and were no more likely to be reliant on Income Support in the long term.

The role of Family Credit

Charting the movements of lone mothers on Family Credit from July 1994 to July 1997 revealed that at the end of the period:

- 30 per cent of the original lone mothers were still claiming Family Credit.
- 16 per cent were claiming Income Support.

- 54 per cent had either left the data set altogether or moved into Housing Benefit/Council Tax Benefit-only claims, which suggests that they had moved into higher paid jobs not requiring the support of 'in work' benefits.

Thus although some lone mothers seemed to be reliant in the long term on a mixture of in work benefits and low-paid work, it was a route out of benefit altogether for an increasing number as time progressed. There was, however, a small number who were unable to sustain work even with the support of in work benefits, and by the end of the sample period they were on Income Support.

The sample survey

Though the administrative data can record gross movements in and out of benefit and help identify some of the characteristics of longer and shorter term claimants, it tells us little or nothing of the reasons why, at an individual level, lone mothers move in and out of benefit. For instance, the administrative data cannot tell us if lone mothers came on to benefit as a result of relationship breakdown, or whether they had always been 'single never married', and came on to benefit for other reasons such as the cost of bringing up a child alone. Similarly, the administrative data yield no information on the reasons why lone mothers were able to leave benefit altogether, such as a new relationship or a new job. The postal survey gave information which plugged some of these gaps in the administrative data.

The survey showed:

- Most lone parents were married (41 per cent) or living with a partner (21 per cent) when they first had children.
- 30 per cent described themselves as single never married at this point, but only 22 per cent consistently described themselves in this way both when they first had children and at the time of the survey.

Reasons for moving in and out of benefit

The single never married lone mothers were typically in their mid to late twenties and were most likely to have come on to Income Support as a result of the birth of a child or of difficulties combining work with childcare. Those who were divorced or separated were typically in their mid to late thirties and were much more likely to come on to Income Support as a result of relationship breakdown.

The younger lone mothers tended to be better qualified overall, but were still mainly at the lower end of the qualifications spectrum. Work-related factors constituted the main reasons for coming off Income Support, and in most cases this went with a successful claim for Family Credit.

Claiming patterns

The survey results confirm the variety of claiming patterns identified in the administrative data.

- Estimates of length of time on Income Support showed that the majority had quite short spells on Income Support, but there were a few very long-stay claimants. For about a quarter of the lone mothers surveyed their most recent spell on Income Support had ended. For 50 per cent of these lone mothers the length of this completed spell was two years or less. Long-stay claimants were no more likely to be single never married or once teenage mothers than other groups such as divorced or separated mothers. Those who had not worked at all at any point and those without qualifications were more likely to be long stayers.
- 37 per cent of lone mothers who had ever been claimants of Income Support had multiple spells on Income Support.

The overall pattern of results suggests that there are different groups of lone mothers with rather different family, work and benefit 'trajectories' - that is, patterns over time. The single never married group tended to claim their Income Support when younger (during their twenties) and when they first have young children; the divorced or separated mothers were typically in their mid to late thirties.

Attitude to work

All groups of lone mothers expressed a positive orientation to work. The majority had worked since they first had children. Although for many this was to 'make ends meet', there was a high positive endorsement of work for other reasons too. Only a very small number did not want to work more or at all.

Younger mothers were more likely to want to work than other groups (though they had worked less so far). Those who had not worked before or after the birth of their children and did not want to work more or at all, were predominantly older mothers, who had been married or in long-term relationships.

Overall, lone mothers held favourable attitudes to working for both positive (prefer to work) and negative reasons (have to work). When asked whether mothers with children under age 5 should have to work, younger mothers had a very much more work-oriented position than older mothers (especially those aged 45 plus). This may reflect an attitude shift between lone mothers born in the 1950s and those in the 1970s.

Younger mothers cited childcare reasons and financial consequences as the main reasons why they had not worked more. Older lone mothers were more likely to cite the need to stay at home to look after children or others in the family. Only a minority of lone mothers picked out personal reasons (e.g. qualifications) or structural reasons (lack of available jobs) for not working more, though these would feature in any more comprehensive explanation.

Much of the childcare used by lone mothers was informal, though full-time workers were more likely to use formal care than other groups. A high proportion of this informal care was provided by family and friends and was also paid for. The main reason for using informal as opposed to formal care was the irregular and unsocial hours of much of the work undertaken by lone mothers. Informal care was the only feasible low-cost solution. More of the lone mothers whose families lived locally and were prepared to help with childcare were likely to work part-time. However, when lone mothers referred to 'work' or their desire to work, they did not necessarily mean *full-time* work.

Conclusions and policy implications

The researchers conclude that there is no need to introduce any element of compulsion to the New Deal for Lone Parents. This survey indicates that the overwhelming majority of lone mothers want to work, and the analysis of the administrative data demonstrates that there is much movement into work. Although the New Deal for Lone Parents is voluntary, it is possible that some lone parents may interpret an 'invitation to participate' from authority as an 'obligation' to take part.

For many lone mothers, particularly those with younger children or in the aftermath of a relationship breakdown, work may not be their preferred choice. Many lone mothers felt they were the best judges of when and how much it is appropriate for them to work. The results of this study suggest that many are already exercising their judgement to combine paid work and bring up young children. Lone mothers would benefit most from flexible policies, designed to assist them in making the best choices.

Many mothers who get into work find it difficult to sustain, both through problems with childcare and because of the marginal nature of the work they undertake (short-term, low paid, with unsocial hours). The new Child Care Tax Credit will help but the researchers suspect it may not be flexible enough. It would not support the informal child care arrangements on which so many lone mothers depend.

Some mothers find it hard to leave Income Support even when they would like to. It is likely that these longer stay claimants would benefit most from the New Deal. The research shows that within the first year a large number of lone mothers will move off Income Support without help (though they may need help to stay off).

About the study

This study was based on two data sources. First, the administrative data consisted of twice yearly extracts of all cases in the Housing Benefit/Council Tax Benefit data base for the study area beginning in July 1993 and ending in July 1997. These were then linked together to produce a longitudinal data set. Overall there were around 9,500 different lone parents represented within the data set over the study period. Second, a postal survey of a random sample of lone mothers from the administrative data set was undertaken - to which just under 600 lone mothers responded.

The study has also looked at lone fathers and couple parents and these groups will be the subject of further reports.

How to get further information

A full report, Lone mothers moving in and out of benefits by Michael Noble, George Smith and Sin Yi Cheung, is published by YPS for the Joseph Rowntree Foundation. It is available from York Publishing Services, 64 Hallfield Road, Layerthorpe, York YO31 7ZQ, Tel: 01904 430033, Fax: 01904 430868 (ISBN 1 899987 74 6, £11.95 plus £1.50 p&p).

The following *Findings* look at related issues:

- Lone mothers and work, May 96 (*SP91*)
- Life on a low income, Jun 96 (*SP97*)
- Taxes and benefits for working families with children, Jun 97 (*PO*)
- Long-term unemployment and the threat of 'social exclusion', Aug 97 (*SP127*)
- Lone mothers, employment and well-being, Sep 97 (*SP129*)
- Bridges from benefit to work, Sep 97 (*SP130*)
- Combining work and welfare, Oct 97 (*SP132*)
- Social protection: European challenges for the UK, Nov 97 (*SP136*)
- The Working Families Tax Credit: Options and evaluation, March 98 (*F278*)

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