



Making decisions about work in low-income couple households

Final report to the Child Poverty Unit

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This qualitative study develops a deeper understanding of the attitudes and behaviours of non-working (or very part-time working) partnered parents living in low-income households, prior to the rollout of Universal Credit (UC). It builds on an earlier qualitative study conducted for the Department for Work and Pensions (DWP) which looked at work decisions in low-income couple households with one earner (Collard and Atkinson, 2009).

The focus of the study was partnered parents in low-income households who did not work or worked part-time (generally 16 hours per week or less), and whose partner worked as an employee or was self-employed. The interviews were conducted with the partner who was not working or worked part-time. Although respondents were asked about the views and work decisions of their partners, the study may underplay the perspective of the main earner. Respondents were recruited on the basis that their self-reported household income fell below approximately 60 per cent of median income before housing costs, taking into account the number of dependent children living in the household. The 50 depth interviews were carried out in May and June 2013 in North Somerset, West Yorkshire and the Greater London area

Family circumstances

The majority of households in the sample consisted of married or co-habiting partners living with all their children. Some older couples had adult children who had left home. The relationships were notably stable, and even younger couples in their 20s had generally been together for a number of years.

While families in the sample tended to have one or two children in the household, there was also a sizeable group of large households that comprised three or more children; the largest was a family of five. Households that only contained children under four years old were excluded from the study and most of the families did not have any children under four years old.

The study purposely included some households with an adult that had a long-standing illness, disability or impairment. In most cases, the respondent was the household member with a disability. Most respondents with a disability were not working, and were in receipt of disability-related benefits. Their disability often affected their partner's working hours, because they provided some or all of the care that respondents needed.

Patterns of work within households

Most of the one-earner households in the study comprised a full-time earner who, with a few exceptions, was the male partner in the couple. The most common working pattern in two-earner low-income households in the study was for one partner (usually the man) to work full-time and the other partner (usually the woman) to work 16 hours or less. The other common work pattern was for both partners to work part-time. Most of the households with two part-time workers lived in London.

Main earners' employment

The research design meant that most of the main earners worked full-time. This ranged from some who had a traditional 'nine to five' working day, to others (often self-employed) who worked long hours seven days a week.

Main earners either worked in skilled manual jobs (e.g. bus driver, teaching assistant, builder) or in lower managerial, administrative or professional jobs (e.g. office managers, financial advisers, health service workers). These types of job generally required some type of professional or vocational qualifications, such as NVQs. There was also a sizeable group of semi-skilled and unskilled manual workers (e.g. cleaners, supermarket workers, care workers), which would not require any specific vocational training or qualifications. In instances where women were the main earners in the household, they tended to work part-time in the care industry or in education or nursing. They had often become the main breadwinner when their partner lost their (full-time) job or had their hours cut.

The men in the study who worked part-time but were nonetheless the family's main earner tended to work in administrative jobs or in the retail sector. Men in this situation would usually have preferred to work full-time if they had the opportunity. The same was true of several self-employed men whose hours of work had fallen below full-time due to the adverse economic climate.

Household finances

Respondents were recruited on the basis of self-reported low household income and most of them were in receipt of Working Tax Credit and/or Child Tax Credit. For the most part, respondents said their households were managing satisfactorily financially, whether they had one or two earners. Most were able to keep up with bills and commitments, although it was a struggle from time to time. Where families reported a constant struggle to manage or had fallen into financial difficulty, reasons included only having a part-time earner in the household; variable earnings which meant spells with little or no earned income; drops in earnings from employment or self-employment; and loss of tax credits either because of a change in circumstances or changes to tax credit policy.

Although they had self-reported low incomes, respondents were generally fairly satisfied with their current standard of living. Those who were unhappy about their standard of living were either actively looking to increase their earned income or aspired to. Family holidays were the main thing that respondents said they went without or cut back on. There was little evidence that families had to cut back on essentials such as food or heating because of a lack of money. Financial help from parents or other family members undoubtedly helped some families to maintain a reasonable standard of day-to-day living. Regardless of their financial situation or their views about their own standard of living, respondents generally felt they were somewhere 'in the middle' relative to their social circle, or else in a similar position. 'Feeling poor' compared to others was, therefore, not a big influence on their work decisions.

Work decisions of second earners

Most of the respondents classified as second earners were women who had worked full-time before they started a family. Some had gone back to work (usually part-time) after their first child and had worked fairly continuously since then. Others had spent significant periods of time out of the labour market while they were bringing up their family.

The largest group of second earners worked in semi-skilled or unskilled manual jobs which required no particular qualifications, such as shop assistants, carers and cleaners. It was striking that almost all the respondents in manual work had previously been employed in administrative or professional occupations before they had children. Another group of second earners currently worked in administrative or professional occupations, typically as employees. They had mainly been in a similar type of work before they started a family, although not necessarily in the same job. There were also a few skilled manual workers among the second earners who had some type of vocational training or qualification.

Second earners took into account a range of different factors when deciding whether to work and the degree of work intensity. In reality, these factors were inter-dependent (such as working hours, travel to work and childcare) and decisions were often finely balanced.

While having sufficient income to provide a comfortable standard of living was undoubtedly important, respondents (both men and women) felt strongly that one or both parents should devote significant time to bringing up their children – even if it meant managing on a lower income. This was reflected in the work intensity of two-earner households. The idea of both parents working full-time was something that only a few families would consider at the present time.

Broadly speaking, second earners balanced family and work in one of two ways. They either continued in the same or similar work after they had children, but changed from full-time to part-time hours. Or they moved from working full-time to working part-time in a lower-paid, lower-skilled job that was often closer to home as well.

While families in this study benefited from free state-funded childcare provision, on the whole two-earner households had organised their working lives to deliberately avoid or minimise the use of formal childcare. While this was generally on financial grounds, some second earners were not keen for their children to be looked after by people outside their immediate social circle.

Tax credits played an important role in making work pay for second earners. Among second earners in London, the hours they worked were often directly shaped by Working Tax Credit eligibility rules. All of them said they worked no more than 16 hours per week; if they worked more, their tax credits would be reduced by the same amount. This reduction in Working Tax Credit meant that working more hours was not financially worthwhile.

Work decisions of potential second earners

Most potential second earners (i.e. the non-working partner in one-earner households) were women, but they also included six of the eight men who took part in the study. All but one of the women potential second earners had worked before they started a family.

By and large, the work histories of potential second earners and the factors that shaped their work decisions were very similar to the second earners. This was especially the case among women potential second earners, who were generally out of the labour market because they saw their primary responsibility as caring for (pre-school) children.

Many women potential second earners planned to return to the labour market sooner or later, usually timed to coincide with children entering full-time education or secondary school. In other words, they generally shared the same work trajectory as women second earners, but were simply at an earlier stage on that trajectory. Like second earners, women potential earners typically aspired to return to work part-time in jobs that provided a satisfactory balance between family and work.

Potential second earners comprised most of the large families in the interview sample, however, and most of these large families had at least one pre-school child. Compared with second earners, therefore, they were faced with the prospect of trying to find a way of arranging work around the varying needs of more children.

Potential second earners who were actively looking for work at the time of the study fell into two distinct camps: one where balancing family and work was a priority; the other where job-hunting was the result of recent or anticipated health-related drops in household income. Likewise, potential second earners who had no plans to return to work either wanted to care for their family full-time or were unable to work because of disability.

Among potential second earners, tax credits were not usually mentioned as a significant factor in making work decisions. Those actively looking for work were either motivated by non-financial reasons to return to work, or else they were men looking to become the household's main earner. For those who planned to return to work at some future time, their priority was balancing work and family. Had they been closer to returning to work, they might have given more weight to tax credits.

Policy implications

Previous DWP research showed that the desire for one parent to be the primary child-carer in a family was the main driver of work decisions in one-earner low-income couple households. Similarly, in this study both one and two-earner low-income households expressed a deep-seated preference for at least one parent to devote the majority of their time to bringing up their children. Compared with this, all other considerations were secondary. For these parents, the time invested in their children was far more valuable than the money they could earn from working (or working more) in paid employment.

On the whole, respondents said they would find it difficult to manage on any less money, particularly if they were already struggling or had experienced a recent drop in income. Making up acute shortfalls in household income was a strong motivation for increasing work intensity in both one- and two-earner low-income households. This was the case, for example, among under-employed self-employed partners; partners who had lost their job or experienced cuts to working hours; and those whose disability-related benefits had been or were due to be cut.

The idea of both parents working full-time was something that very few families in the study would consider at the present time. While second earners often talked about plans to increase their work intensity in the future, these plans were fairly modest and involved working a few more hours in the same or similar job rather than working full-time or finding higher-skilled work. While financial pressures were the main driver for a few, for others maximising the time they spent with children remained their major focus. The impact of clearer work incentives under UC also has to be viewed in this light.

Universal Credit is also one of the ways the Government aims to make childcare more affordable, particularly for 'mini-jobs'. The cost of childcare was undoubtedly a factor in low-income families' work decisions, and a number of mothers would welcome financial support for formal childcare. But the desire to be the main care-provider for children was also a very strong factor that determined mothers' work patterns. So while low-income families would certainly not rule out using more affordable childcare to help them move back to work or work more, there was a limit to how much formal childcare they would be prepared to use.

It was relatively uncommon for respondents to say they wanted or needed the other types of employment-related support that the government can provide, such as vocational training, general help finding work or careers advice. A small number of respondents talked about lack of confidence or deskilling as barriers to moving into work or into a higher-skilled job; on the whole these were not common concerns, however.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 910219 25 6. Research Report 869. June 2014).

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

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