

Personal relationships and poverty

Policies and family relationships which help reconcile the tension between participation in the labour market and caring responsibilities can reduce the chances of individual and family poverty.

Key points

- The chances of family poverty are lessened when policies enable fathers' involvement in childcare and mothers' involvement in the labour market.
- The stress of living in poverty brings added risk of relationship problems and breakdown. Policies underpinning relationship support services are a more effective way to tackle family poverty than marriage subsidies. Relationship support services need to reach families in poverty or on low incomes, especially those with multiple problems.
- Separation can lead to poverty for both parents but the risk of persistent poverty is greater for resident parents. Regular child support payments reduce that risk. Step-families can provide a route out of poverty but are vulnerable to breakdown, leading to further spell(s) of poverty. Anti-poverty policies for separated families need to be holistic, address the needs of all family members and promote more involvement of non-resident parents.
- Paid employment can increase single mothers' income but risks being counterproductive without affordable childcare or childcare from other family members.
- Grandparents play a vital role in providing free and flexible childcare, frequently enabling low-income mothers to (re-)enter employment. However, caring responsibilities can increase poverty risks for grandmothers who disrupt their own employment. Also, many care for both grandchildren and older parents, at financial cost to themselves. Raising the state retirement pension age risks reducing the supply of grandparents able to provide childcare and in turn increases the poverty risks of low-income mothers without access to affordable alternatives.
- Intergenerational support most frequently goes downwards from parents to adult children and grandchildren and occurs more often in families which rely on welfare support for essential services.

The research

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BACKGROUND

Personal relationships may cause or contribute to poverty – through divorce/separation or unequal and gendered division of unpaid care responsibilities and household income/earning ability, or may alleviate it – through intergenerational support or (re)partnering and shared income.

The evidence on relationships and poverty

Working-age adults with children have higher poverty levels than those in similar households without children. Parental childcare may reduce the working time of one or both parents, thereby depressing household income, while paying for private childcare increases family costs and requires longer working hours. How parents share childcare and labour market participation can affect their present and future chances of being poor.

Rates of cohabitation are increasing while those of marriage are decreasing. Cohabitation itself is no more susceptible to breakdown than marriage, but cohabiting couples tend to be less well-off than those who marry. Being poor puts increased pressure on relationships and can contribute to their breakdown. Relationship breakdown can also give rise to, or increase, poverty for both parents. For non-resident parents (typically fathers) the risk is greater for those in low-paid or no employment. But, overall, economic recovery can be faster than for resident parents (typically mothers) who have a greater risk of extreme and longer lasting poverty. Children whose parents separate are affected by this socio-economic disadvantage and for a minority, where poverty is compounded by maternal ill-health or parental conflict, there can be long-term negative outcomes which can impact on their education, future employment and likelihood of low income in adulthood.

Parents in the older generation typically receive support from adult children but only when they reach an advanced age. Before that, income transfers and practical help are usually downwards and commensurate with the needs of adult children and grandchildren. Free and flexible childcare from grandparents is a feature of all socio-economic groups but most frequently used by parents with low incomes and usually provided by grandmothers who themselves are more likely to be in the lower socio-economic groups. Many give up employment or reduce their working hours to combine work and childcare. Thus, poorer parents' ability to take up paid employment often comes at the expense of grandparents, effectively distributing part of the disadvantage of low income across the generations.

The influence of policy on family relationships and poverty

The evidence points towards three crucial areas where policy impacts on the link between family relationships and poverty: reducing the division of paid and unpaid work between men and women; intergenerational help; and relationship support before, during and after marriage/cohabitation. Current UK policies designed to prevent poverty emphasise the importance of strong and stable relationships which give children a good start in life and of paid employment which not only improves the

financial status of families but also prevents intergenerational transmission of worklessness.

Fathers' involvement in care and mothers' labour market involvement:

reducing gender differences: international comparisons show that policies which reduce the gap between a couple's respective labour market participation after the birth of a child are instrumental in reducing family poverty in the short and longer term. One of the key elements in supporting mothers' employment and encouraging fathers' caring is parental leave which is non-transferable and paid at a high proportion of previous earnings: fathers are disinclined to take leave which is low-paid and are open to pressure from employers not to do so where it is transferable to the mother.

Current UK policy stresses employment as the route out of poverty but women's participation in the labour force is frequently hampered by the discrepancy between lengthy maternity and brief paternity leave entitlement. Leave which is specific to and equal for both parents in terms of length and payment would serve to weaken the traditional emphasis on mother as carer and father as earner, and reinforce mothers' independence and career prospects and fathers' involvement in childcare in the short and longer term. The chances of family poverty would further be decreased by the presence of two earners and two carers.

Family help: beyond the leave period, a second element which allows mothers (as current main carers) to be in the labour market is good quality, affordable and available childcare. In the UK, state provision remains limited and private provision is of variable quality, expensive and typically available at fixed times not necessarily coinciding with mothers' working hours. Across the EU just over half of mothers with children below mandatory school age do not work or work part-time because of inadequate childcare services: in the UK this is the case for nearly three-quarters of mothers. Families, and especially those on low incomes and headed by a lone parent, are often dependent on informal (free) childcare and in particular that provided by relatively young and healthy grandmothers. Often these grandmothers are also providing care for their own parents or other relatives.

The current rise in the age at which women can retire with a state pension could result in many families rethinking their priorities. Further financial hardship will arise for poorer grandmothers who choose to leave employment before receiving the state pension. Alternatively, their care for older relatives will diminish and mothers' access to the labour market will be restricted, because of limitations of formal childcare. Grandparental childcare is appreciated by mothers for reasons beyond the purely financial, and policy which would enable this to continue as a personal choice without cost to grandparents should be given due consideration. However, direct remuneration of grandparents is difficult given the potential for fraudulent claims, and would be unlikely to reduce poverty risks since cash transfers for such care do not usually equate to labour market incomes. Recent years have seen a shift in the distribution of money between generations with the result that many adult children (and their children) receive financial support from parents. Maintaining the income level of this generation serves to promote a redistribution of resources, however low, within the family. Evidence from Europe suggests even more income transfers and

practical support in both directions would occur if the state provided essential services.

Relationship support: separation and divorce bring a substantially increased risk of poverty to mothers, especially where caring is seen as a 'woman's role', and their career prospects have suffered through policies which obstructed their continuing involvement in the labour force. Under current UK welfare policy mothers, other than those of very young children, must be available for employment, notwithstanding their often limited employment history and the shortage of suitable childcare. Low-quality childcare risks further damage to children already disadvantaged and/or adversely affected by the breakdown of the parental relationship.

Policy also ignores the economic vulnerability of non-resident fathers, concentrating instead on their potential, though frequently unrealised, ability to raise the income level of their children and former partner by regular and adequate child support payments. Formal arrangements made through the Child Support Agency are more likely to endure than informal ones, but imposing a cost for this service precludes its use by low-income families.

'Strong and stable' families are a touchstone of current family policy initiatives. However the promotion of marriage, as opposed to cohabitation or a co-operative relationship post-separation, is not an anti-poverty strategy. Supporting couple relationships of all types is much more likely to lead to beneficial outcomes – financial and emotional – for all family members. The recent evaluation of relationship support showed that interventions for couples at various stages in their relationship can improve emotional well-being and relationship quality. It also demonstrated how government investment in such interventions can be rewarded by substantial savings if subsequent public costs of relationship breakdown are avoided

When relationships do end, holistic practical and emotional support, especially when targeted at low-income families, can help alleviate adverse outcomes. These include financial hardship, couple conflict, mental ill-health and housing problems, as well as the negative consequences suffered by some children. Savings to the public purse could be made through the provision of interventions, such as the government-funded child poverty pilots, which help mitigate these problems for couples or individuals and thus avoid the costs associated with addressing them when they become entrenched.

The review found evidence lacking on: individual rather than household income; paternity and maternity leave take-up rates; lone fathers' caring responsibilities and labour market involvement; the financial impact of older couples' relationship breakdown; intra-generational financial exchanges, especially between adult siblings.

About the project

The review examined literature and policies, drawing predominantly on the UK situation but also on evidence from other countries where this was useful for comparative purposes. It was undertaken by a multidisciplinary team specialising in conducting studies on family relationships, particularly bringing perspectives from economics, sociology and feminist research.