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# Targeting lone parents by age of child

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Work in progress - not for quotation

# Outline

1. Context to welfare reform
2. Analysis questions
3. Methodology
4. The employment target
5. Targeting by age of child
6. Comparing different policy models
7. Summary and conclusions

# Welfare to work reform

- Currently IS eligibility until youngest child is 16
- Will have to be available for work, i.e. move from IS to JSA
  - Age 12 from November 2008
  - Age 9 from October 2009
  - Age 7 from October 2010
- First change of the age regulation of the National Assistance Act (1948)

# And in their own words...

‘It is reasonable that once children are older, lone parents claiming benefit who are able to work should move from being passive recipients of Income Support to active jobseekers on Jobseeker’s Allowance.’

‘Helping lone parents into work is good for their health, boosts self-esteem, promotes independence and lifts children out of poverty.’

(Cm 7290, 2007; 31)

# Aims of the reform

- To reach 70 per cent of employment target for lone parents by 2010
  - Employment rate currently at 57 per cent (Cm7290 2007)
- To help meet child poverty targets for 2010 and 2020
  - Currently half of all children in lone parent families live in poverty (Cm7290 2007)

# Broader context

- New contract of welfare
- General focus on activation, e.g. disabled people
- Investment in infrastructure support
  - National Childcare Strategy, Extended Schools, NMW, tax credits and New Deal for Lone Parents

# Analysis of target groups

1. Potential contribution to the target
2. Using concept of multiple disadvantages by Berthoud (2003) to estimate time to move into work
3. Compare to other targeting policies

# Secondary analysis

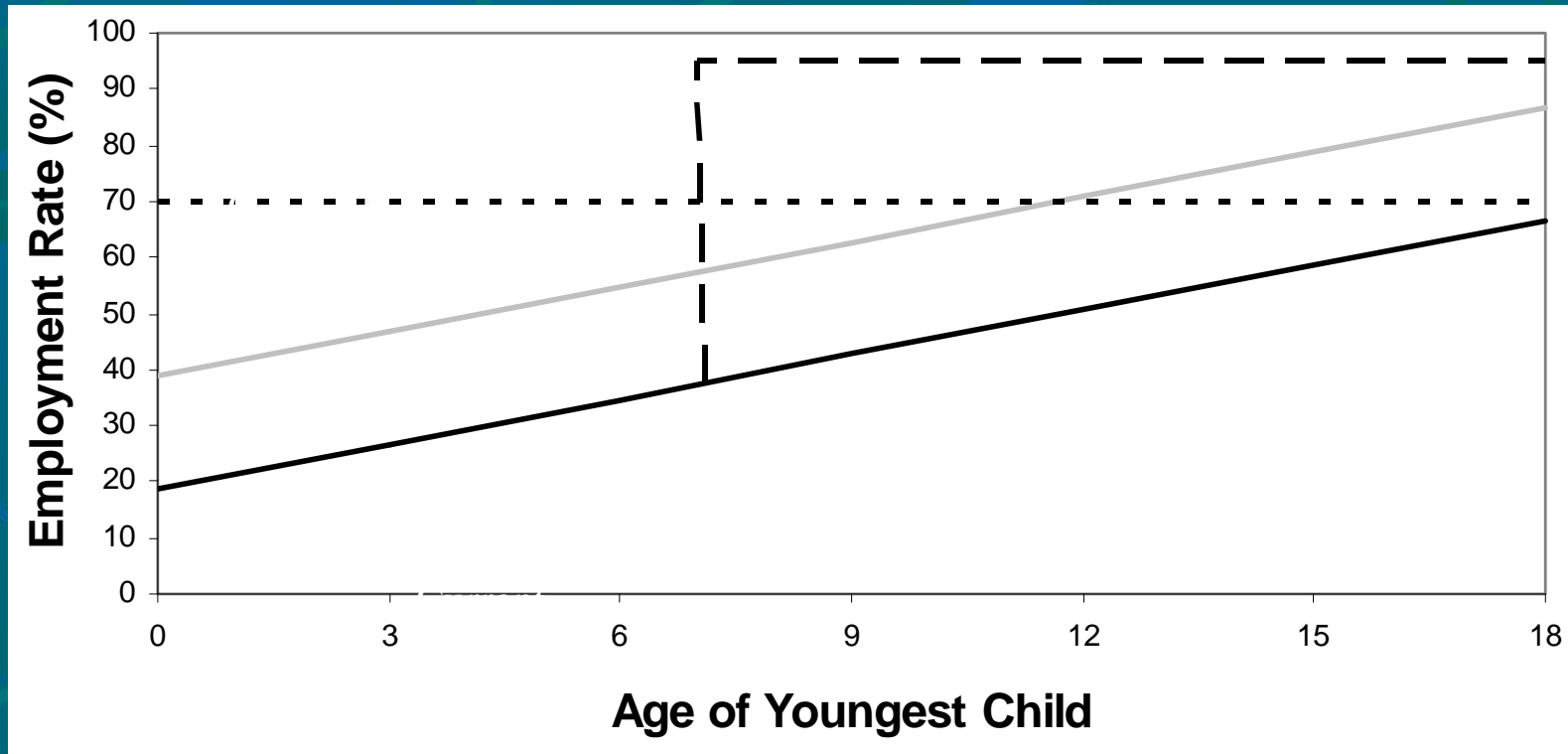
- Using 2005 data from the Families and Children Study
- Cross-sectional and longitudinal survey of families in Great Britain
  - Run by the Department for Work and Pensions with other government departments
  - Just under 7000 families of whom just under 2000 are lone parents
  - Fieldwork carried out by NatCen using CAPI
  - Response rate of eligible addresses is 84%
- (Hoxhallari, et al. 2007; 13)

# Clarifications and qualifications

- Definition of employment
  - Defined here as working 16 hours or more per week
  - employment target based on definition of 1 or more hours per week
- FACS
  - Lower employment rate for lone parents than LFS
  - Employment figures likely to be underestimate

# Ways of hitting targets

Figure 1: Options for reaching the 70 per cent lone parent employment



Adapted from Berthoud (2003)

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# Targeting by age of child

- Based on child development theories
- Continuation of age based development of NDLP and IS
- Age based criteria part of almost all targeting policies
- Alternative ways of targeting lone parents:
  - Employability
  - Transition

# Potential contribution to the target

- What contribution can this group make?
  - Current employment rate
  - % of target group of all lone parents on IS
- What % needs to move into employment?
  - Overall employment rate if all lone parents in target group moved into work
  - % of lone parents in target group that would need to move into work to hit employment target

## Table 1: Contribution to employment target of lone parents with older children

Employment rates (in per cent)	7-15
Current employment rate	59
% of lone parents in target group of all lone parents on IS	38
Overall employment rate if all lone parents in target group moved into employment	64
What % of target group currently not in work would need to move into employment to reach overall employment target of 70 per cent?	100+

2005 FACS data all lone parents who are not retired or living with someone and whose youngest child is under 16 years old, weighted using Gsxw, own analysis.

# Targeting models compared

Four main models of targeting:

1. Age of child
2. Transition
3. Employability
4. Case worker

I am looking at :

- Older children - GB
- Older and younger children - Germany
- Transition - Norway and France
- Employability - Wisconsin Works

## Table 2: Contributions to employment target of lone parents with older children

	Older children	Older and younger children	Transition	W2
<b>Current employment rate</b>	<b>59</b>	<b>55</b>	<b>54</b>	<b>54</b>
<b>% of lone parents on IS</b>	<b>38</b>	<b>60</b>	<b>40</b>	<b>52</b>
<b>Overall employment rate if 100% of this group in employment</b>	<b>64</b>	<b>87</b>	<b>81</b>	<b>77</b>
<b>% to enter employment to meet employment target</b>	<b>100+</b>	<b>77</b>	<b>82</b>	<b>96</b>

\* fewer than 10 respondents

Base FACS 2004, weighted using cross-sectional weighting, excluding those married and living with partner and those retired, own analysis. Work in progress - not for quotation

# Multiple disadvantages

Concept developed by Berthoud (2003)

- Compares three disadvantaged groups with general population
- Index of five key disadvantages: age, family status, skill level, ethnic group and labour demand
- Argues that simple cumulative model good indicator
- Adapted for thesis – four disadvantages are:
  - Age of lone parent (45+)
  - Ill health in family
  - Not having any qualifications
  - Length of time on Income Support (8 years +)

## Table 3: Multiple disadvantages of lone parents with older children

<b>No. of disadvantages</b>	<b>In work</b>	<b>On IS</b>	<b>Other</b>	<b>All</b>
<b>None</b>	44	15	28	33
<b>One</b>	40	36	46	39
<b>Two</b>	15	31	19	21
<b>Three or four</b>	*	18	*	8
<b>All</b>	100	100	100	100
<b>Weighted Base</b>	468	273	54	795

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\* fewer than 10 respondents

Base FACS 2004, weighted using cross-sectional weighting, excluding those married and living with partner and those retired, own analysis.

## Table 4: Multiple disadvantages compared

	Older children	Older and younger children	Transition	Wisconsin works
% with no disadvantages	15	23	21	55
% with one disadvantage	36	39	38	38
% with two disadvantages	31	24	26	6
% with three or four disadvantages	18	14	15	*

\* fewer than 10 respondents

Base FACS 2004, weighted using cross-sectional weighting, excluding those married and living with partner and those retired, own analysis.

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# Summary

## Targeting lone parents with older children

- Based on child development theory
- Part of many targeting models
- Continuation from age elements in NDLP and IS
- Target missed even if 100 per cent move into employment
- Questions over whether it is targeting those able to work

## Other policies have:

- Lower % of lone parents high number of disadvantages
- Meeting target would not require whole target group to move into work, therefore more likely

# Conclusions

- Real intention of reform is to change in behaviour among lone parents with younger children
- Current reform may result in substantial group of essentially LTU lone parents
- Range of policies that could be introduced that could help move this group towards work such as lowering hours rule for tax credits or more stepwise approaches to activation

# References

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***Any questions?***



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