

Spending cuts and single parents: how vulnerable families stand to lose the most under the coalition's public service cuts

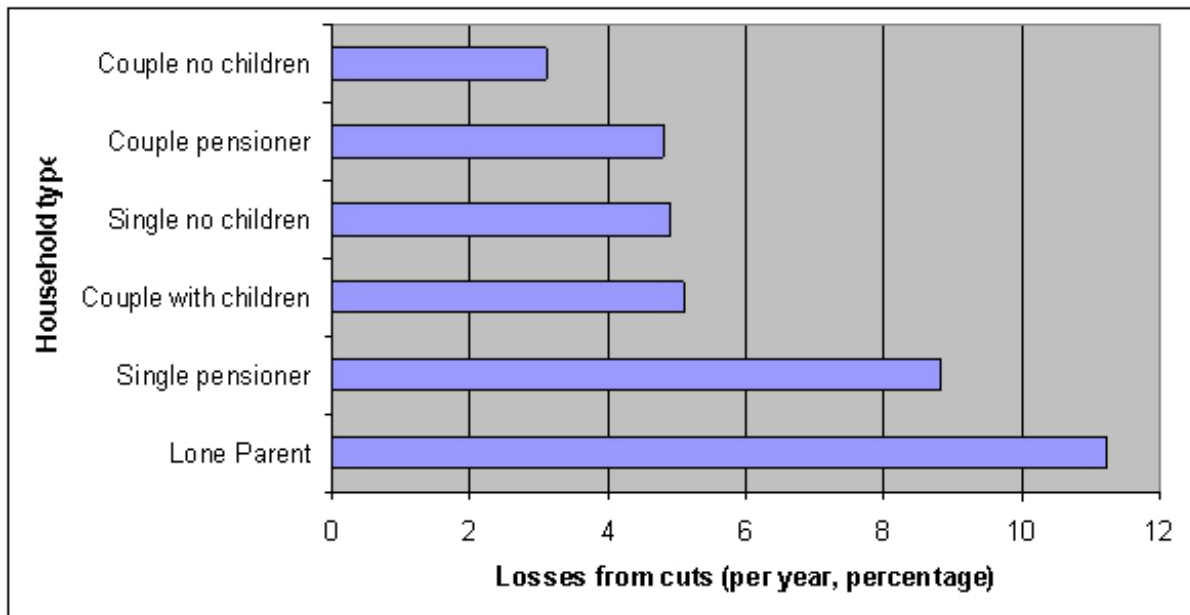
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The chancellor claimed that the public service cuts outlined in the Comprehensive Spending Review would be based on fairness and that cuts would be shared equally in an attempt to protect the most vulnerable in our society. Yet research finds that the single parent families will be one of the worst affected groups, facing services cuts equivalent to over 10 per cent of their household income. With 9 out of 10 single parent families headed by women, [Amy Mollett](#) examines how poor mothers stand to lose the most when services are cut.



Before the Comprehensive Spending Review was formally announced, the Trade Unions Congress found that the government's proposed £34 billion cuts to public service would hit the poorest in Britain ten times harder than the richest. By combining Treasury data on health, education, and transport spending with data from surveys such as the British Crime Survey and the Family Resources Survey, the [study](#) revealed that different types of households will experience losses to services at starkly varying degrees, as shown in Figure 1.

Figure 1: The distributional impact of Government's proposed spending cuts (excluding benefit cuts) by household type, 2012-2013

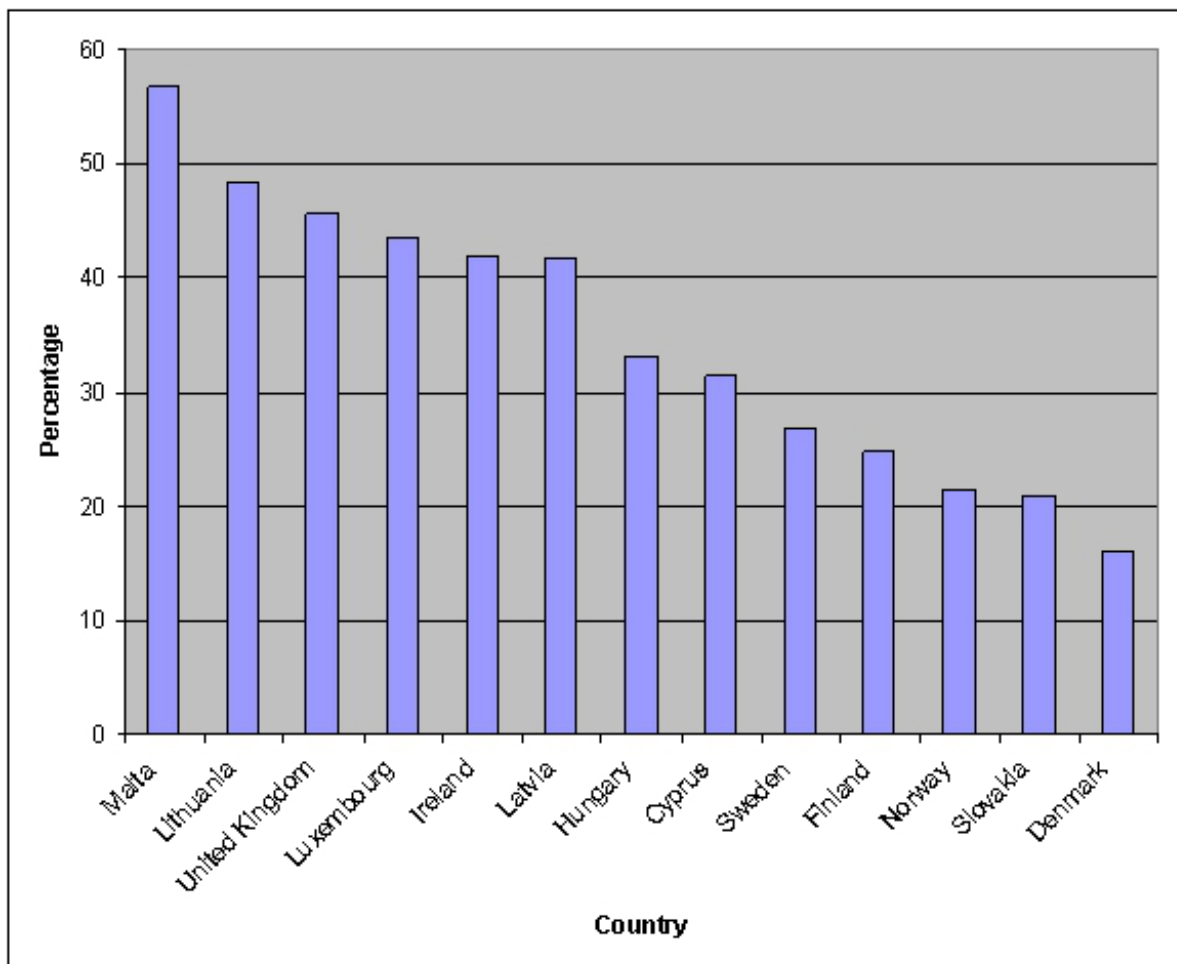


Source: adapted from *Where The Money Goes*, TUC (2010).

The figure shows that a couple with no children stands to lose the services equivalent to 3 per cent of their net household income, or approximately £817 a year, whilst couples with children look to lose services equivalent to 5.1 per cent, or approximately £1,012 a year. It is lone parents however who stand out as losing the most across all household groups, by missing out on services equivalent to 11.2 per cent of their net household income, which is more than double that of two parent families. In cash terms this means that single parent families may lose up to £1,900 worth of services per year, with the major losses being felt in education, housing and social care. So far the coalition has not outlined how it will ameliorate poverty for single parent families. Raising the income tax threshold by £1,000 will save basic rate tax payers little more than £170 a year, which will not cover even 10 per cent of the equivalent services lost.

Throughout Britain, a high proportion of single parent families are already in situations of severe financial vulnerability. [Figures](#) produced for the Department of Work & Pensions reveal that 51 per cent of people living in single parent families fall into the low-income bracket, which is defined as below 60 per cent of the national median income after deducting housing costs (approximately £195 per week for a single parent with children). In contrast, less than 5 per cent of two parent families fall into this category. Additionally, as Figure 2 demonstrates, single parent families in Britain experience some of the highest poverty rates across Europe.

Figure 2: 'At risk' rates for single parents with dependent children, across a selection of EU countries



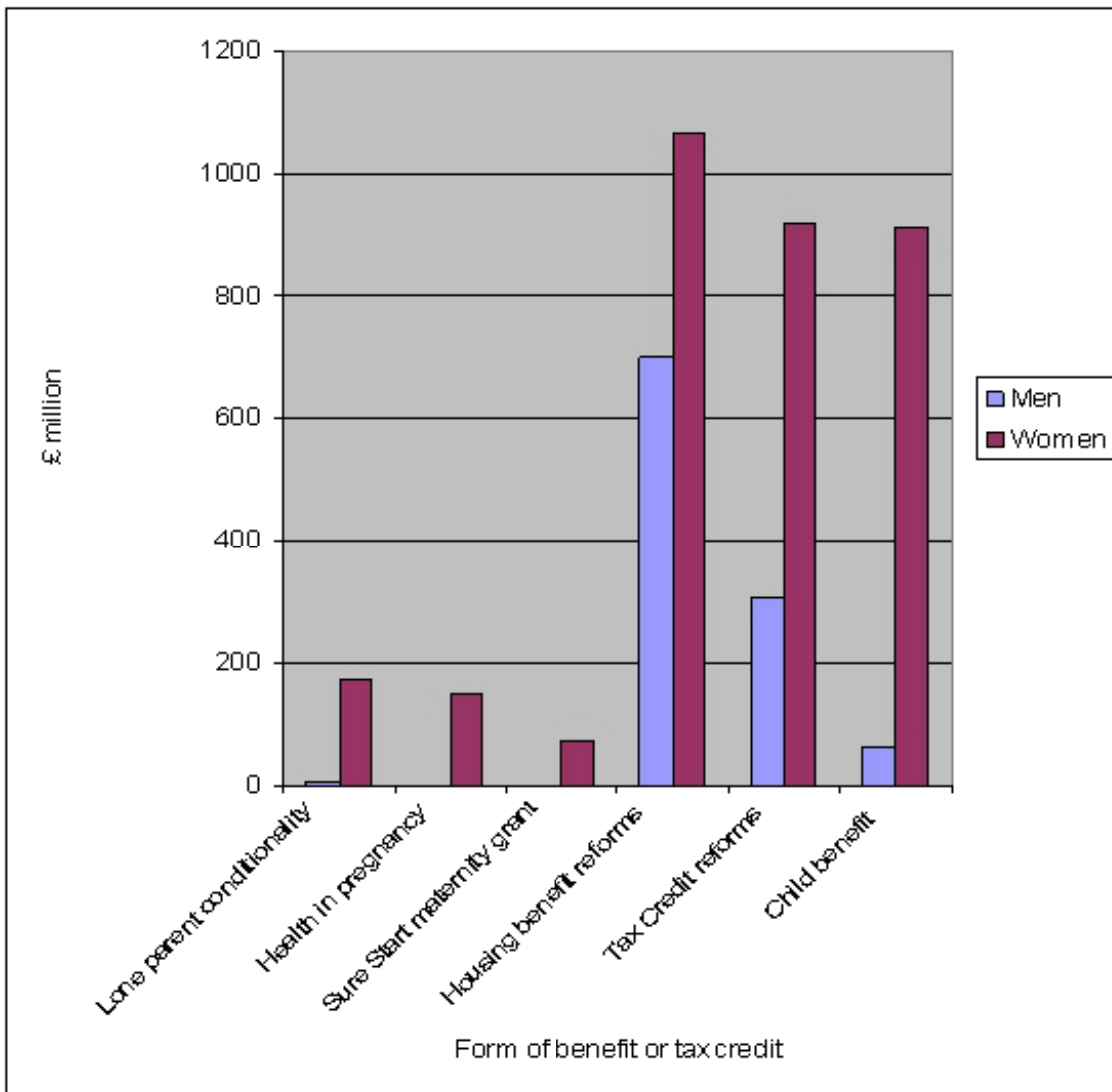
Source: Eurostat

Between 2006 and 2008, single parent families in Britain faced poverty 'risk rates' of 45.6 per cent, the third highest after Malta at 56.8 per cent and Lithuania at 48.3 per cent. The [Nordic states](#), famed for their values of equality, inclusion and universalism, observe the lowest levels of single parent poverty risk at between 16 per cent for Denmark and 26.8 per cent for Sweden. Rather than aiming to achieve similarly low levels of single-parent poverty in Britain, it appears the government's plans will force families to delve deeper into their pockets than other families to compensate for service losses.

There is a strong gender component to the impact of public services cuts. In Britain, [91 per cent of single parents are women](#), suggesting that single mothers experience poverty and deprivation at much higher rates than single fathers. Single mothers are also overwhelmingly employed in [part time](#), [low paid](#), or public sector employment, and will therefore also be affected badly by pay freezes and the massive public sector job losses.

Single parent families will suffer disproportionately not only under cuts to public services but also under tax increases and benefit changes. A [gender audit](#) of June's emergency budget undertaken by shadow welfare secretary Yvette Cooper found that of the £8bn net personal tax increases and benefit cuts expected to be made by the financial year 2014-2015, an estimated £5.8bn will be paid for by women, whereas £2.2bn will be paid for by men. Figure 3 breaks down the expected savings to be made on benefits and credits by the claimant's sex.

Figure 3: Amounts to be raised by 2014-2015 from a selection of benefits and tax credits, by sex of claimants



We see that the split falls 72.5 per cent on services which women use and fund, with 27.5 per cent of the savings to be made through services used and funded by men. Services used exclusively by low income and single mothers will be hit especially hard; cuts to the Sure Start maternity grant worth £75m or £500 per family, coupled with the abolition of the Health in Pregnancy grant worth £150m or £190 per family could contribute to higher rates of [maternal mortality and morbidity](#), which are already three times higher for single mothers than married women in the UK. Major reductions in child benefit and tax credits could also severely increase the financial burden for low income and single mothers.

It is clear that single parent families, especially those headed by women, are at risk of becoming even more vulnerable to poverty under the coalition's spending cuts and benefit reforms. It seems neither fair nor equal to cut services to vulnerable who will be hit the hardest, and from multiple directions.

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