

The UK's low-paid, insecure labour market is failing single parents, creating a welfare policy quandary

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The single parent employment rate has improved significantly over the past 20 years, but lately this progress has stalled. A new report finds the low wage economy means a job in itself is now not enough for single parents to maintain basic living standards. [Sumi Rabindrakumar](#) discusses the findings and argues the government must act now to tackle low pay and job insecurity if it wants to minimise welfare spending and to ensure equitable economic growth.



Great strides have been made in the single parent employment rate – from a low of below 40 per cent in the early 1990s, it stood at 60.2 per cent in 2013. However, these gains were largely made in the late 1990s and early 2000s. Since then, growth in single parent employment has slowed.

Gingerbread's new report, [The long road to recovery](#), examines single parents' recent labour market experiences and finds that work is failing to provide the income that single parent families need, at a time when state support has been cut. The majority (67 per cent) of working single parents now find managing household outgoings a constant struggle according to our online poll; the Money Advice Service found just 21 per cent of working people were in the same position nationally. Similarly, relative child poverty has increased in recent years in families where single parents work.

Low pay is evidently a problem facing single parents. In 2011/12, median employment income for single parent households was £110, compared with £390 for all UK households. A shocking 39 per cent of working single parents reported their wage fell below the low pay threshold in our poll; by comparison, 21 per cent of employees were low paid nationally in 2012.

The prevalence of low pay among single parents reflects a number of trends. Below-average qualification levels among single parents plays a part, as well as single parents 'bumping down' in the labour market to take work that offers flexible hours to manage childcare, but at a lower wage. However, low pay is also a result of the [sustained fall](#) in real wages; 25 per cent of working single parents surveyed had experienced a wage cut in the last six months alone.

The effect of low pay is compounded by under-employment – single parents increasingly cannot work the hours they would like and need. National statistics show that the proportion of single parents working part-time but wanting a full-time job has doubled since 2007. There are also signs that single parents are falling foul of the job insecurity that has emerged in the UK labour market. Nationally, there has been a 27 per cent increase in the numbers of single parents in temporary work. Our survey showed similar results – in the past two years, 12 per cent of working single parents said they had experienced a temporary or fixed-term contract for the first time, and 6 per cent said they had been on a 'zero hours' contract for the first time.

The long-term impact of these trends is concerning; [money matters](#) to child outcomes and interviews illustrate the significant emotional toll that financial difficulties take on single parents. But what this research most clearly shows is that a job alone is not enough to support a family. Yet much welfare reform has long been predicated on the idea that work is the best route out of poverty. For the majority of those [trapped in jobs that offer little pay or progression](#), this rationale is strongly called into question.

There are steps that the government can take to make work pay. In-work benefits are an effective way of [targeting the low paid](#), and reducing financial barriers to work. The government has committed to supporting 85 per cent of childcare costs under universal credit; single parents are a long way off from entering the universal credit system

and could benefit from this support now. The slower-than-anticipated roll-out of universal credit also provides an opportunity to pilot different mechanisms to allow single parents to keep more of their earnings as their working hours increase (for example, increasing the level at which universal credit starts to be withdrawn, or decreasing the rate at which the benefit is withdrawn).

The government can also take a more active role in working with employers to tackle barriers to adequate incomes. Extending flexible working should be one priority. Drawing on the example of 'Living Wage employers', the government can work towards ensuring public sector and contracted jobs are always advertised with a flexible working option. The government must also work with employers to tackle low pay and job insecurity. There is not enough strategic direction as to how the components of skills, pay and industry can be best combined to move away from the low wage economy; the Work Foundation's [recent call](#) for a comprehensive low pay strategy and support for strategic partnership between government and industry is a welcome one.

A review of self-employment for those on low incomes is urgently needed. Around a fifth of working single parents surveyed had a self-employed job, but over half of these single parents also said they were low paid. There is a concern that single parents are being inappropriately advised or encouraged into self-employment as a quick way to move off out-of-work benefits; there is also a worry that universal credit will assume a higher level of self-employment income than actually earned through the 'minimum income floor'. As more single parents turn to self-employment as a way to find work that fits around childcare, we need to know how best to support them into sustainable levels of pay.

And finally, employment support must move away from the 'work-first' approach of pushing claimants to take any job, which perpetuates cycling in and out of low-paid, insecure work. A fifth (22 per cent) of single parents who start a job are back on jobseeker's allowance within 12 months. Greater [investment in skills](#) is needed, and a move away from job search targets which reflect neither the local job market nor promote secure, sustainable work.

With further welfare cuts mooted earlier this year, there are real concerns that the positive progress made in single parent employment will be undone unless action is taken. As the economy continues to grow, now is the time to ensure any recovery is both sustainable and shared by all.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting. Featured image credit: [London Chow](#) CC BY 2.0

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The long road to recovery is the second report from Gingerbread's Paying the Price project; read the report at www.gingerbread.org.uk/payingtheprice.