**UNIVERSITY OF YORK**

**Social Policy Research Unit**

**HOW MANY WORKING POOR PARENTS MIGHT BE ABLE TO WORK MORE?**

Jonathan Bradshaw and Gill Main

19 March 2014

Paul Gregg has written an interesting blog on working poverty <https://smcpcommission.blog.gov.uk/2014/03/18/working-poverty-whats-going-on/>

in which he suggests that the Universal Credit rules might be used to identify the working poor who might be expected to work more. The expectation in UC is that:

* One adult in a couple is in full-time work.
* Lone parents, or the second adult in a couple:
  + Work full-time if the youngest child is aged 13+.
  + Work part-time if the youngest child is aged 5-12.
  + Are not expected to work if the youngest child is under 5 years old.

It is possible to estimate an approximate size of these groups using secondary analysis of the Households Below Average Income (HBAI) data for 2011/12.

In 2011/12 17.5% of children were in households in poverty (income less than 60% median BHC). Of these 20.0% were with lone parents not in employment and 14.3% were with couples not in employment. So the rest 65.7% were working poor. Of these, 4.3% had lone parents in full-time employment and 5.3% had couples both in full-time employment who could not be expected to work more. This leaves 90.4% of the working poor with children with a possible potential to work more.

The proportion of poor children with parents with working potential are as follows:

* With lone parents working part-time whose youngest child is 13+=3.9%
* With couples one adult working full-time and one part-time whose youngest child is 13+=2.1%
* With couples one adult working full-time and one not working whose youngest child is over 5=12.6%
* With couples both working part-time=16.7%

The self-employed present problems because the HBAI classification is “Couple with children; one or more full time self-employed”. It is possible to identify that 41.4% of these have two adults working full-time. The rest have one adult working part-time or not at all.

* With couple one adult full-time self-employed and one adult working part-time or not working with youngest child over 5= 6.5% (or 1.8% if youngest child 13+)

**That gives a total of 41.8% (or 37.1% if 13+ for the self-employed) of children in working poor households where the adults have some more working potential.**

This of course assumes the work is available. There may be other barriers to exploiting their work potential including disability or caring responsibilities. We found that 16.7% of those with work potential had an adult only with a disability, 6.8% had a disabled child only and 3.8% had a disabled adult and a disabled child. If these are deducted then the proportion with work potential would be 30.4% (or 27%).

It would be possible to obtain a more accurate assessment of the working potential using the Family Resources Survey.

The tables below provides a more detailed summary of the data.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Households with children in the sample | % | Children in the UK | % |
|  | 6364 | 100 | 13088001 | 100 |
| Equivalent income less than 60% median before housing costs | 1058 | 16.6 | 2293048 | 17.5 |
|  |  | 100 |  | 100 |
| No employment | 429 | 40.5 | 785871 | 34.3 |
| Lone parents unemployed | 283 | 26.7 | 458563 | 20.0 |
| Couples unemployed | 146 | 13.8 | 327308 | 14.3 |
| Some employment | 629 | 59.5 | 1507177 | 65.7 |
|  |  | 100 |  | 100 |
| **Lone parents** |  |  |  |  |
| Working fulltime | 39 | 6.2 | 6411 | 4.3 |
| Working part-time | 74 | 11.8 | 146247 | 9.7 |
| Of which youngest child 13+ | 29 | 4.6 | 58786 | 3.9 |
|  |  |  |  |  |
| **Couples** |  |  |  |  |
| Couples both full-time | 37 | 5.9 | 80937 | 5.3 |
| Couples full-time and part- time | 74 | 11.8 | 175293 | 11.6 |
| Of which youngest child 13+ | 16 | 2.5 | 32033 | 2.1 |
|  |  |  |  |  |
| Couples one working full-time one not working | 152 | 24.2 | 428705 | 28.4 |
| Of which youngest child 5+ | 78 | 12.4 | 191194 | 12.6 |
|  |  |  |  |  |
| Couples both part-time | 100 | 15.9 | 252671 | 16.7 |
|  |  |  |  |  |
| Self employed | 153 | 24.3 | 359216 | 23.8 |
| Couples both full-time | 66 | 10.5 | 148875 | 9.9 |
| One part-time/not working | 87 | 13.8 | 210341 | 14.0 |
| Of which youngest child 5+ | 43 | 6.8 | 97226 | 6.5 |
| Or 13+ | Or 12 | Or 1.9 | Or 26728 | Or 1.8 |
|  |  |  |  |  |
| Total with some work potential |  | 42.2 or 37.3 |  | 41.8 or 37.1 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Work intensity of household | | | Total |
| Not working | Some work potential | Fully working |
|  | No disabled members | 55.3% | 72.8% | 81.5% | 69.8% |
| Disabled adult(s) only | 29.5% | 16.7% | 8.7% | 18.3% |
| disabled child(ren) only | 6.2% | (6.8%) | 7.3% | 6.8% |
| Disabled adults and children | 9.1% | (3.8%) | (2.4%) | 5.1% |
| Total | | 100.0% | 100.0% | 100.0% | 100.0% |

Brackets indicate small numbers