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ESRC Research Seminars July 2015

The impact of child maintenance on poverty in households of single parents on benefits



Single parents in the UK



- There are around two million single parents raising 3.1 million children – they make up a quarter of families with dependent children
- 41 per cent of children in single parent families live in relative poverty, around twice the risk of poverty faced by children in couple families (24 per cent)
- The proportion of single parents in work increased from 54.1 per cent to 63.4 per cent over the past decade
- Since February 2013 the number of single parent JSA claimants has nearly halved
- The number of single parent Income Support claimants has been falling steadily. This accelerated after the introduction of Lone Parent Obligations in 2009, since when numbers have fallen by a third



Changes to Child Maintenance



- CSA case closure
- Parents encouraged to make private arrangements
- If still collected by CMS (after option of Direct Pay) charges for both:
 - 20% on top of calculated amount
 - 4% from calculated amount



The 'Kids aren't free' study



- Caroline Bryson, Amy Skipp, Janet Allbeson, Eloise Poole, Eleanor Ireland, & Vicky Marsh
- Funded by the Nuffield Foundation, 2013
- <http://www.gingerbread.org.uk/content/686/Research-reports>



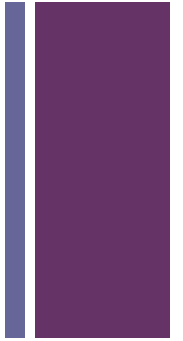
Study aims



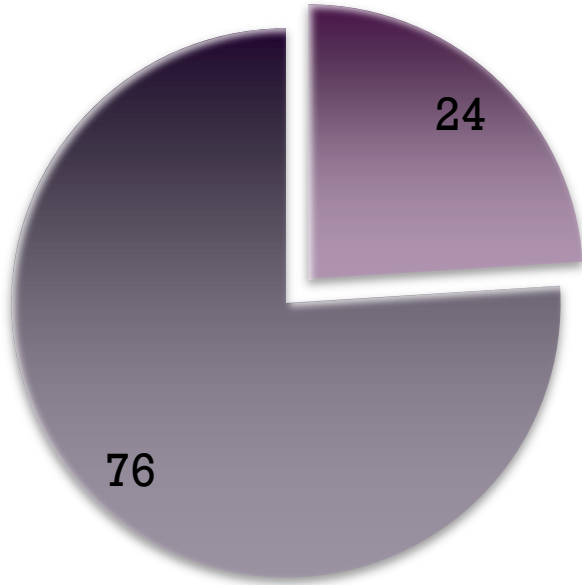
- To show 2012 child maintenance receipt amongst single parents in receipt of Benefits, compared to 2007
- Why?
 - Policy changes in 2008 and 2010 effected the rules about child maintenance receipt for Single parents on Benefits
 - 2007 study of relationship separation and child support
 - Before 2008 all compelled to use the CSA (statutory system)
 - After 2010 all maintenance payments were disregarded from Benefit calculations
 - Proposals to make all single parents 'Free to choose' and introduce charges for statutory use
- Data collected in 2012 (not a before and after study; quant and qual)



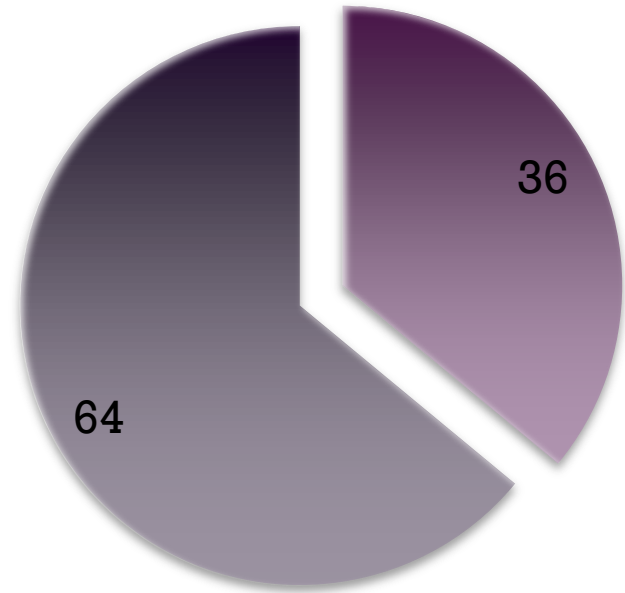
Receipt of child maintenance



2007



2012





Amount received

Average weekly amount of child maintenance, where it is received by single parents on benefit



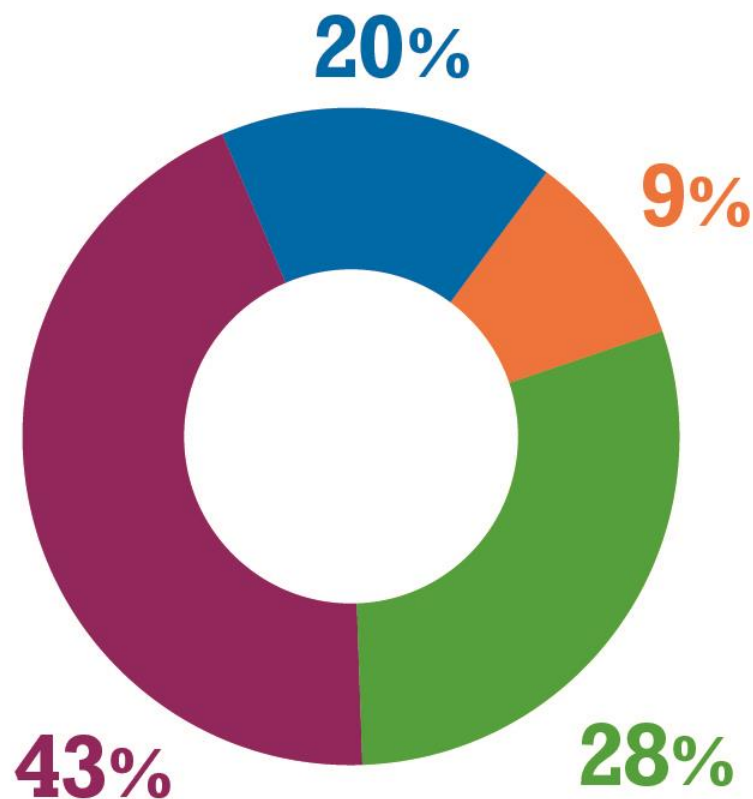
Base: Single
parents on benefit
who received
maintenance (2007
N=126, 2012 N=263)



Free to choose

Types of
maintenance
arrangement,
2012

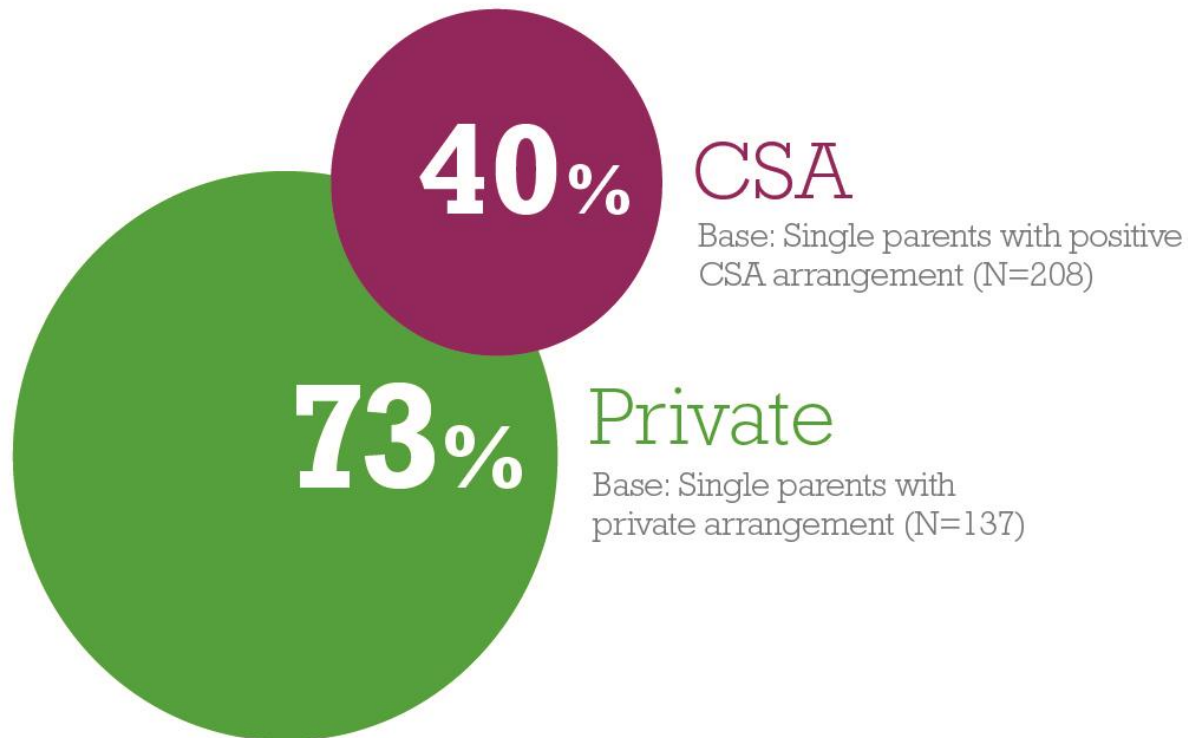
- No arrangement
- Private arrangement
- CSA positive assessment
- CSA nil assessment



Base: Single parents on benefit (N=752)

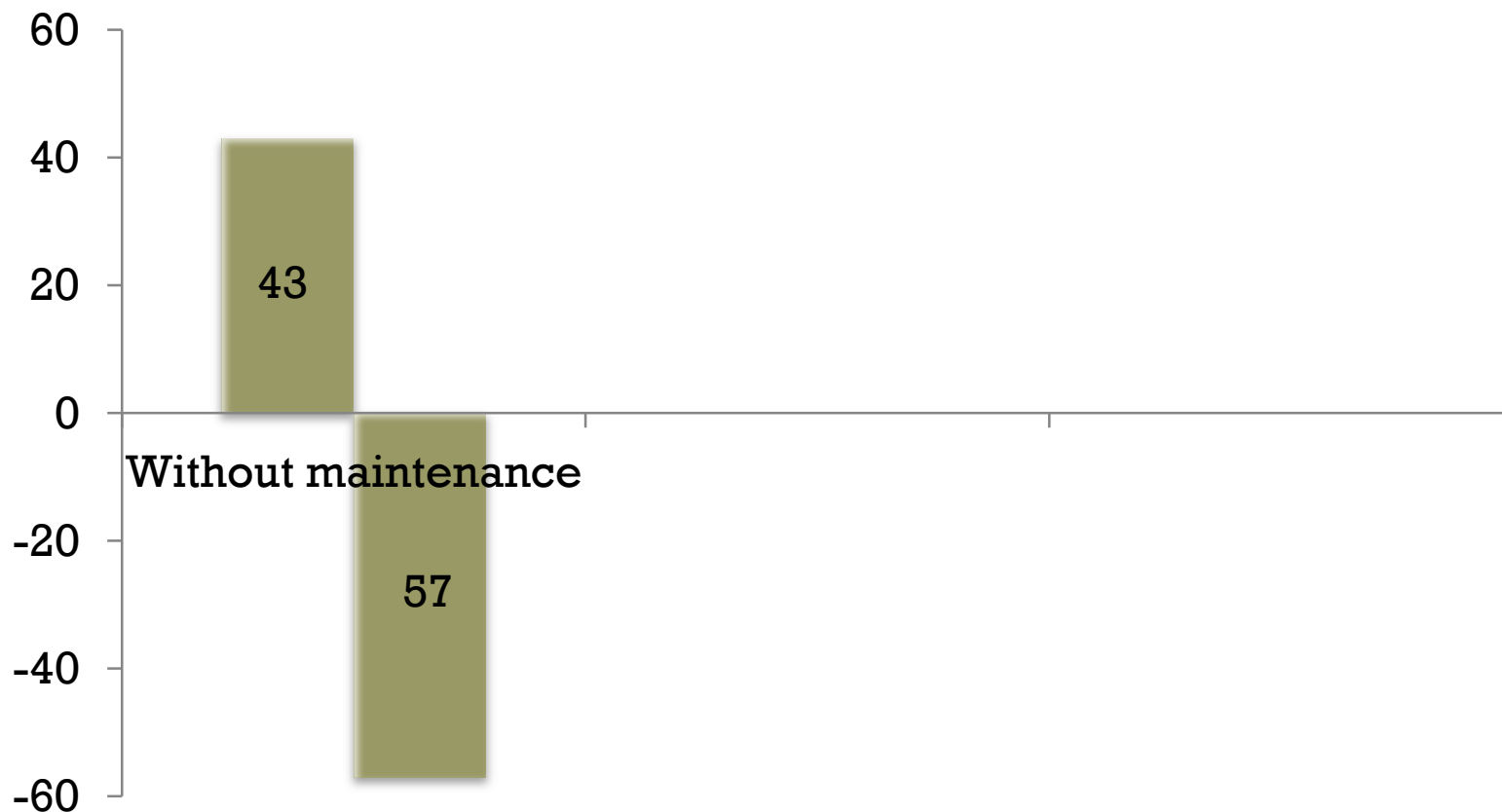
+ “Compliance”

Proportion of single parents receiving maintenance on every, or almost every occasion



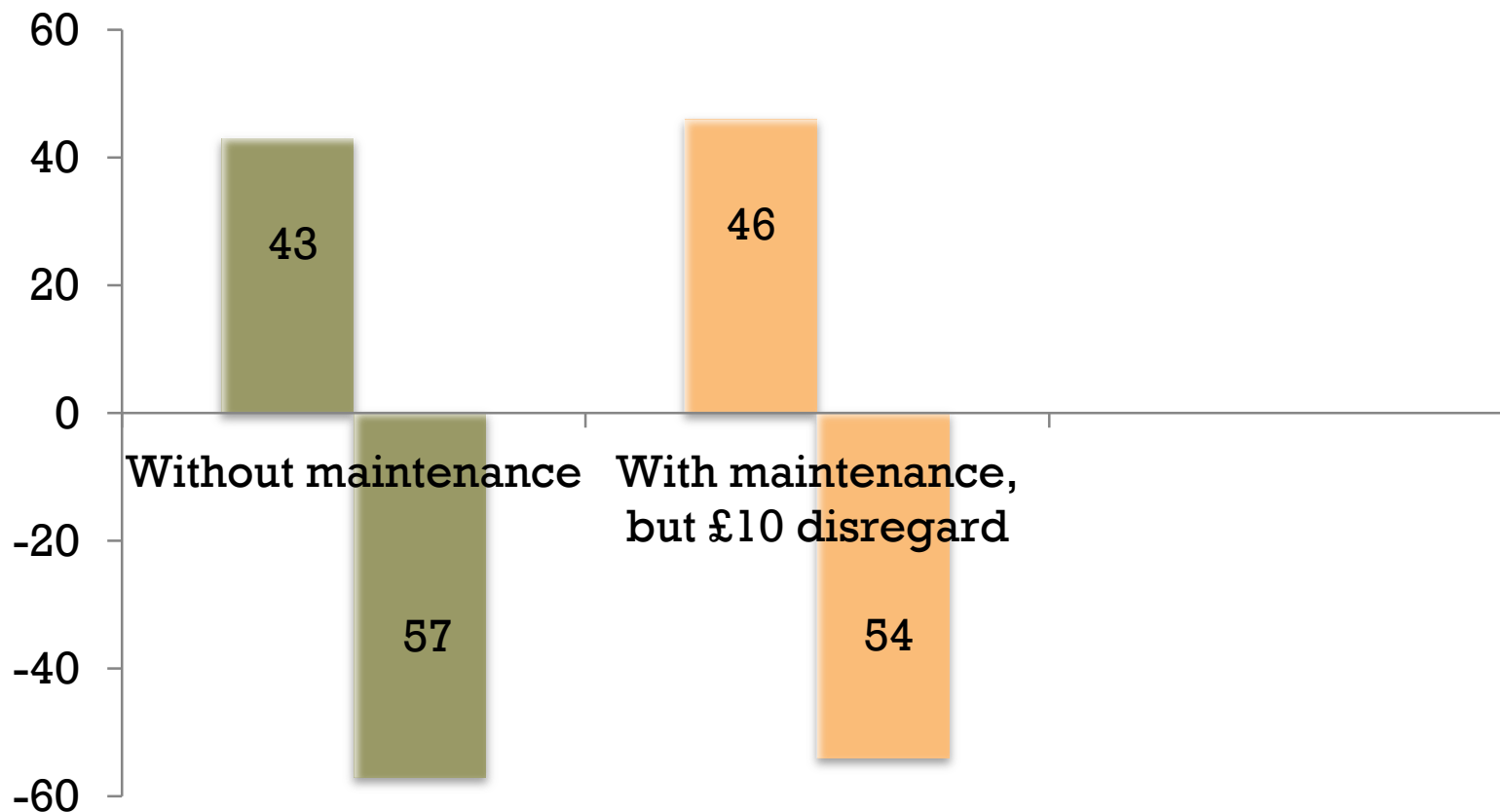


Effect of receipt on poverty levels



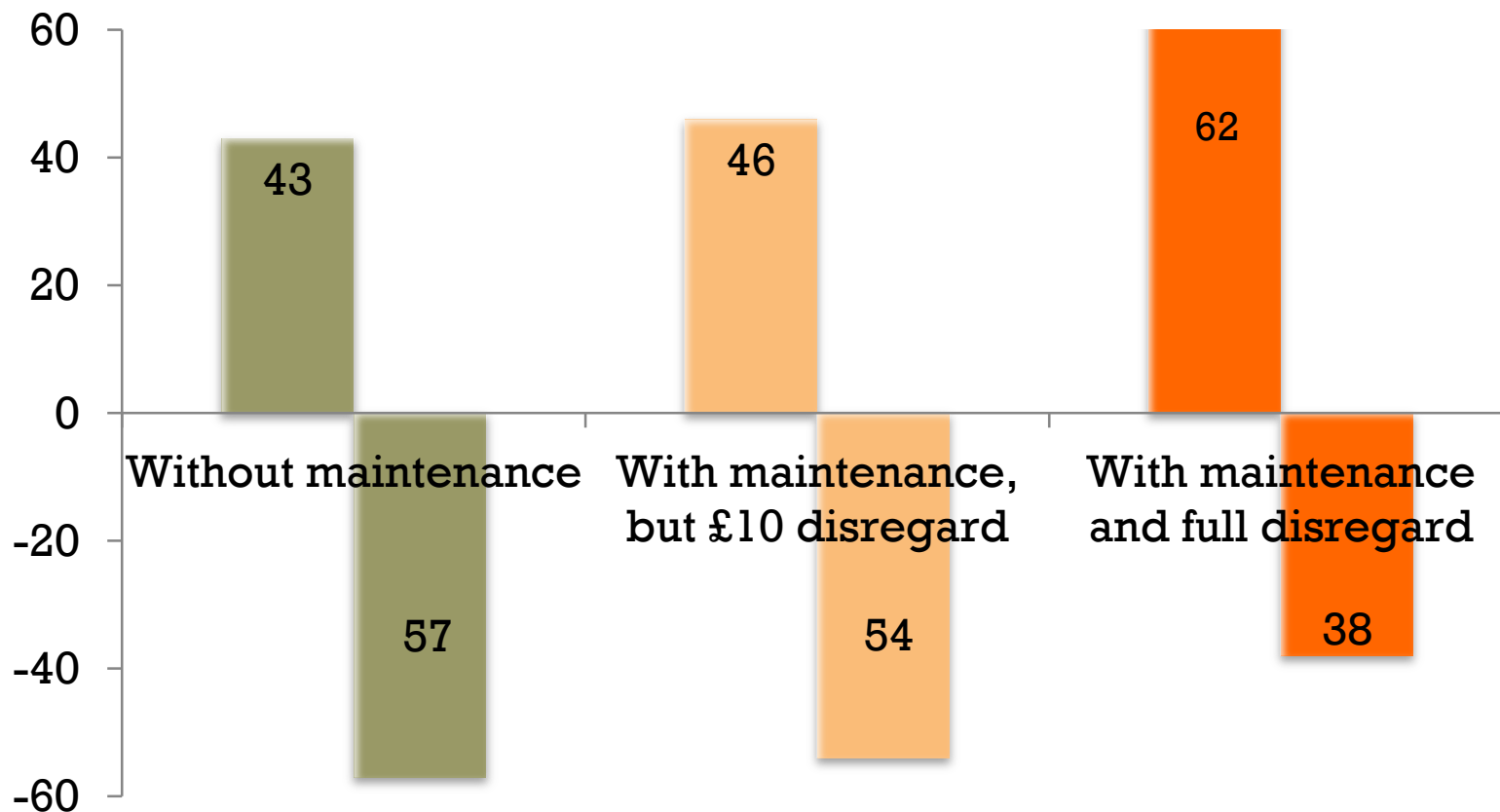


Effect of receipt on poverty levels

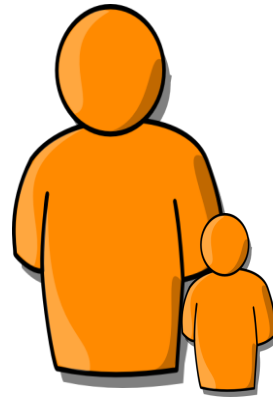
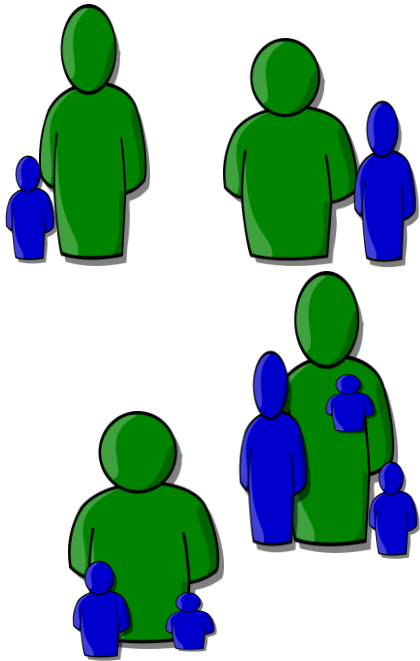




Effect of receipt on poverty levels



+ 1 in 5 lifted out of poverty



12% of household
income



Increases income even if not lifted out of poverty

Table 4.4 - Whether single parents on benefit who receive maintenance are or would be living below or above the poverty line with and without maintenance

Base: All single parents on benefit receiving maintenance who gave full income details and who were claiming housing benefit or support for mortgage interest

	Without maintenance	With maintenance	Percentage point difference
	%	%	
Below 50% of median equivalised income (ie under the poverty line)	34	14	20
50% to 59% of median equivalised income (ie under the poverty line)	23	24	1
60% or above of median equivalised income (ie above the poverty line)	43	62	19
<i>Unweighted base</i>	182	182	
<i>Weighted base</i>	181	181	



Maintenance makes a real difference



■ But not everyone gets it

- No arrangements
- No compliance
- Changes over time
- Impact of other parents employment status

+ Use of maintenance

- *“(I use it for) bills, – electric, gas. I put sometimes £40 a week in in gas”*
- *“It makes a big difference because it means I can buy [my daughter] clothes as and when she needs them, without having to pull it out of somewhere else, without having to rob Peter to pay Paul”*
- *“It means that the kids can go on school trips, whereas if he didn’t give it to me then there’s a possibility they wouldn’t be able to go”*



Lack of receipt



- *“It would help me out. It would take me from the breadline to just, sort of, comfortable. It would just mean I could take her out on a whim without thinking ‘well, I’ve got this, this and this, can I afford it?’”*
- *“I feel guilty that I can’t provide everything for my children. They’re great children and know that I’ve always been short of money and they’re not saying ‘I need this’. But they say ‘I need this for school mum, but it doesn’t have to be right now and it doesn’t have to be a brand name’”*

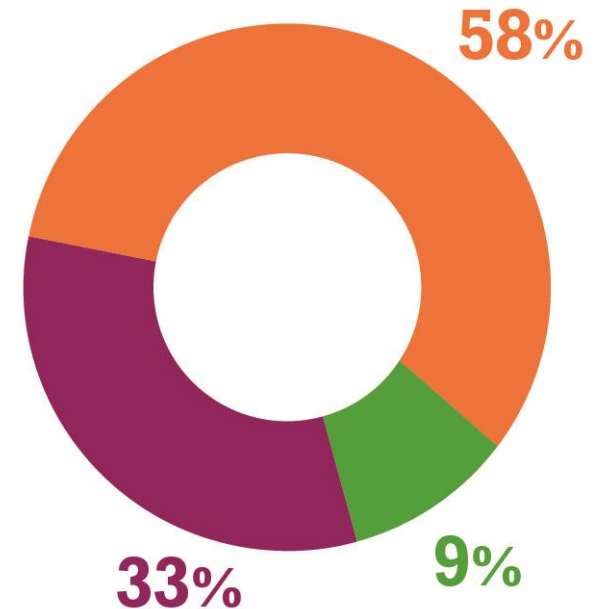


Only impacts on those who have an arrangement and receive payment

■ **43%** of single parents on benefit had no arrangement in place

Whether single parents on benefit with no arrangement would like one

- No - would not like an arrangement
- Yes - would like an arrangement
- Unsure



Base: Those who became single parents on benefit post 2008, who have no current maintenance arrangement (N=192)



Reasons for no arrangement



Avoid contact

Involved in parenting

NRP failure to pay

NRP cannot afford

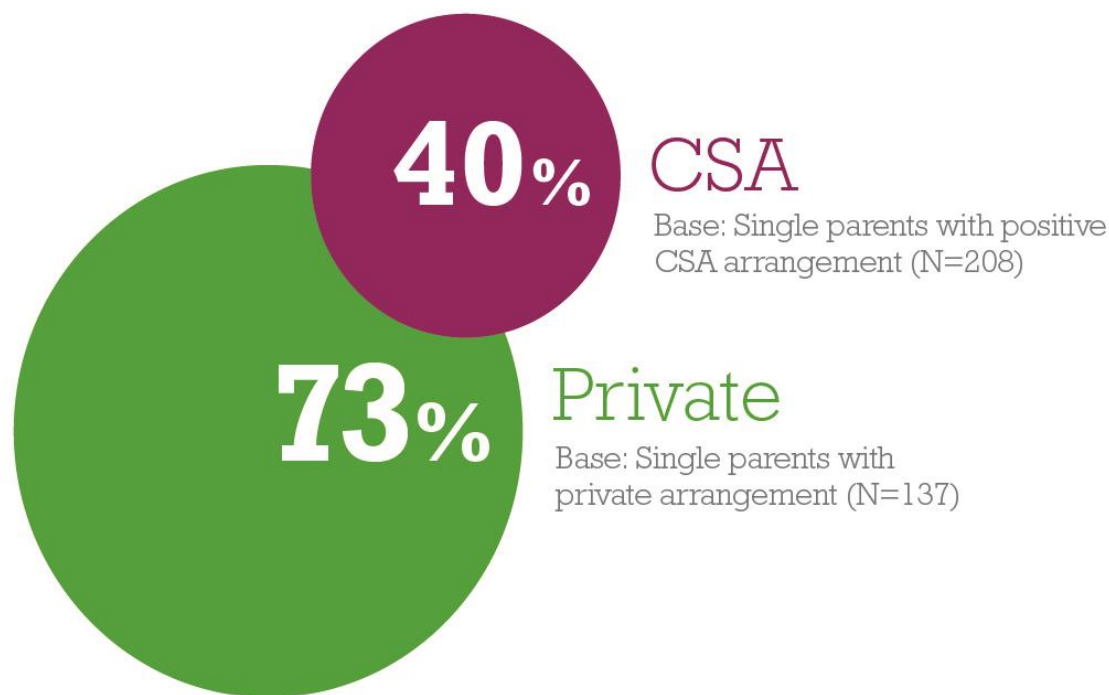
Previous breakdown

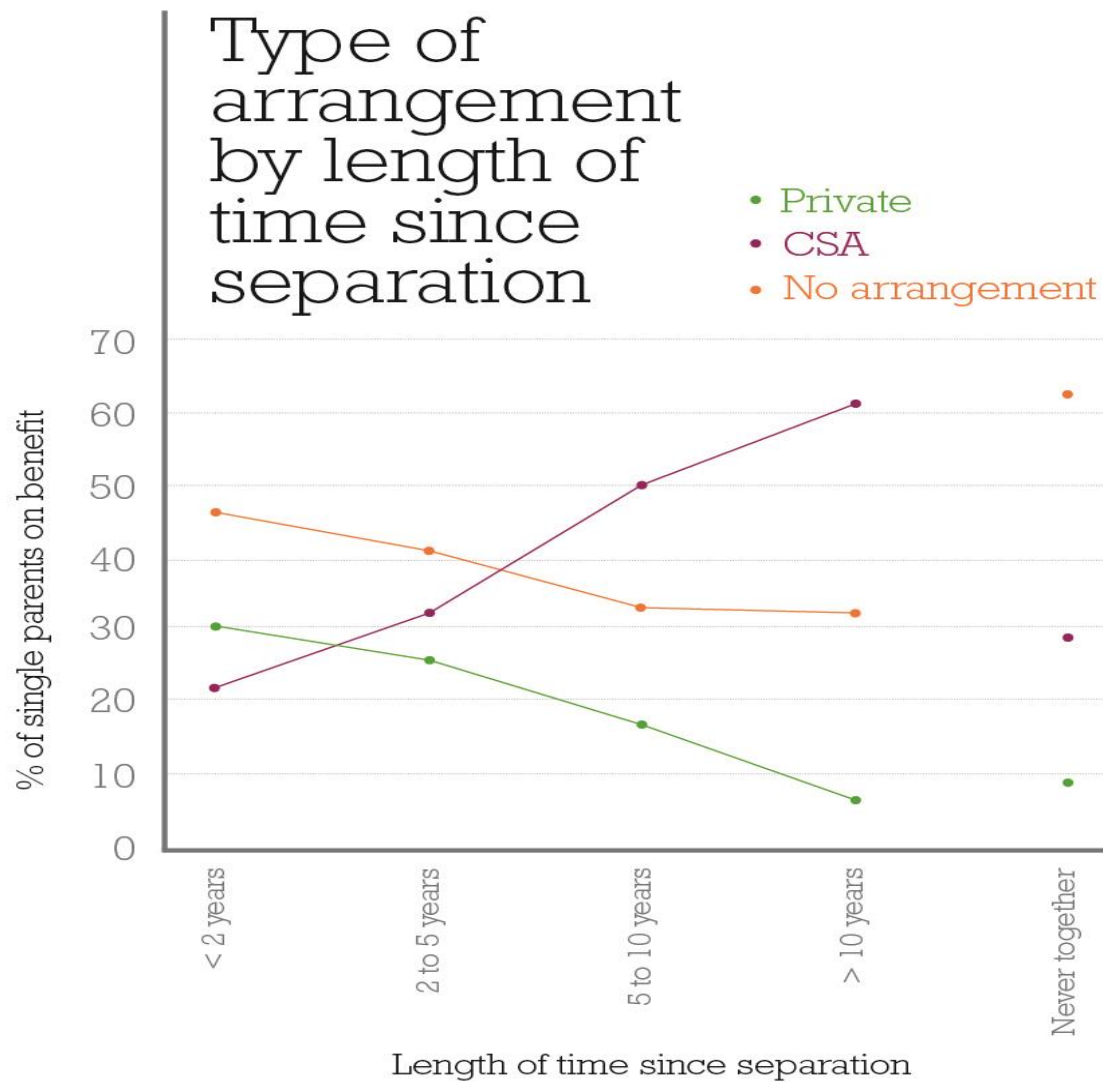
No obligation (no involvement)



Having an 'arrangement' is no guarantee

Proportion of single parents receiving maintenance on every, or almost every occasion





Base: Single parents on benefit, where relationship length known (N=698)



Table 4.2 - Amount of maintenance received per week¹⁰⁰, by type of maintenance arrangement and non-resident parent's work status

<i>Base: All single parents on benefit who received some maintenance</i>					
	CSA positive assessment, NRP working	CSA positive assessment, NRP not working/ unknown status	Private arrangement, NRP working	Private arrangement, NRP not working /unknown status	Total ¹⁰¹
Median	£33	£5	£30	[£25]	£23.01
					%
£0.01 to £5	17	68	4	[12]	27
£5.01 to £10	4	13	5	[8]	7
£10.01 to £20	11	8	19	[23]	14
£20.01 to £30	19	4	27	[17]	17
£30.01 to £40	17	2	12	[21]	11
£40.01 to £50	16	1	17	[12]	11
£50.01 to £60	12	2	8	[0]	6
£60+	5	3	9	[7]	6
<i>Unweighted base</i>	66	76	89	31	262
<i>Weighted base</i>	59	77	87	34	257



To maximise effect of maintenance



- Encourage parents to make arrangements
- Overcome barriers to no arrangement
- Have an effective statutory system
- Maximise other parent employment
- Every penny counts – pass it on