

ENDING CHILD POVERTY

Ensuring Universal Credit supports working mums



Save the Children

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Cover photo: Sean, aged two, and Ayisha, aged one, live near Glasgow with their mum, Ashleigh. Ashleigh longs to get a job and has been doing a course to improve her prospects, but childcare costs are a big barrier. "I find it difficult to buy things for the children on my benefit. That makes me feel gutted," she says. (Photo: Laura Pannack/ Save the Children)

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INTRODUCTION

The design of Universal Credit should result in improved work incentives and boosts in income for many working families but lack of funding threatens to weaken its impact on child poverty and supporting women into work. New research compiled for Save the Children shows that single parents working longer hours (16 hours or more) on low pay and some second earners will be substantially worse off under the new system. This has serious consequences for children in these families. The impact on single parents alone could push 250,000 children deeper into poverty.¹ We are calling for extra funding for Universal Credit to help all parents maximise their income through work, so that they can lift themselves and their children out of poverty.

The government's own impact assessment concludes that 2.8 million households will have higher entitlements under Universal Credit, the new welfare system due to replace tax credits and most benefits from 2013. There will be no change for 2 million households, and 2 million households (including 1.1 million with children) will have lower entitlements.² We estimate that the proposals could push 150,000 working single parents already living below the poverty line deeper into poverty, affecting 250,000 children. A single parent with two children, working full-time on or around the minimum wage, could be as much as £2,500 a year worse off under the new system. Moreover, Universal Credit favours single-earner couples at the expense of couples where both parents work part-time on a low-income.³ A typical low-income couple with three children, where one parent works 24 hours a week and the other works a few hours, could lose as much as £1,800 a year (£35 a week). Some mothers wanting to move into work, from families where the father is the main breadwinner, will find their incentive to work reduced under the new system.

These changes come at a time when working mothers are already struggling. In April 2011, the amount of support low-income working parents could claim for

childcare costs fell from 80% to 70%, making half a million families worse off by more than £500 a year on average.⁴ Employment rates for women have fallen considerably since the recession began in 2008. Across the country, more than 1 million women are now unemployed, up from 700,000 in September 2008,⁵ with a further 1.3 million women classed as economically inactive (as opposed to counted as being unemployed) but wanting a job.⁶

Save the Children believes the welfare system should help all parents to work their way out of poverty. In developed nations, there are clear links between higher rates of women's employment and lower rates of child poverty. For example, in Sweden, the maternal employment rates are among the highest in the EU, and child poverty rates are among the lowest. The UK has much lower rates of maternal employment and a much higher rate of child poverty.⁷ With rising levels of child poverty, it is crucial that mothers are able to maximise their income through work. Universal Credit has the potential to ensure that work becomes a route out of poverty for more families, but only if mothers are given more help to find work and stay in work. We are calling on the government to:

- provide sufficient earnings disregards (this is the amount someone can earn before they start having their benefits or tax credits withdrawn) for working mothers so that second earners and single parents keep more of their earnings
- cover a minimum of 80% of childcare costs for all low-income working parents up to proposed monthly maximums
- commit to introducing a more generous taper rate (the rate at which the benefit is reduced as earnings increase: the current proposal is set at 65%). The taper rate should be reviewed, and if possible reduced annually to reach 55% within a clear timescale.

Failure to introduce these reforms will result in a major missed opportunity for government to boost the incomes of working families, drive down child poverty, and boost the employment prospects of hundreds of thousands of mothers who want to work.

ABOUT UNIVERSAL CREDIT

PROS AND CONS OF UNIVERSAL CREDIT

The impact of Universal Credit on family incomes will be complex and will vary by family type and size, and by housing and childcare costs. Many low-income working families will benefit from increased incomes and better work incentives, and we welcome this much-needed extra support. However, under this topline picture, there are worrying exceptions, with some hard-working parents – especially mothers – being hit hard by the proposals.

Universal Credit will combine the current benefits and tax credit systems into one system.⁸ The distinction between being in and out of work (and the Working Tax Credit hours rule) will be removed. People will start to move on to Universal Credit in 2013, but it will be a number of years (2017) before everyone is moved on to the new system. It is expected that Universal Credit will significantly increase take-up of benefits because it will be less complex and will automatically respond to changes in household income. This should require less reporting of changed circumstances by claimants and less administration, resulting in fewer errors.

WORK INCENTIVES UNDER UNIVERSAL CREDIT

Under the present system, as people earn more, their benefit and tax credit payments are reduced (sometimes at very high rates). Under Universal Credit, this reduction in support will be smoother. In that sense, it should be easier for people to understand the amount they are entitled to if they move into work or increase the number of hours they work, and it means they are less likely to experience sharp and sudden drops in benefit payments. However, under the current proposals for Universal Credit, for some people working 16 hours a week or more, it will be less generous than the current system.

CASH PROTECTION

The government has said it will ensure that no one is worse off under the new system in cash terms (this is not inflation linked, so the amount received by families will reduce in real terms) by making extra payments to those whose entitlement under Universal Credit is lower than under the current system (it is assumed this includes help with childcare costs). However, this protection will only be provided to current claimants and for a time-limited period. Details of cash protection have yet to be fully set out. If claimants' circumstances change (and the government is yet to define what this means), then they may lose this protection. New claimants will not be entitled to cash protection.

IMPACT ON CHILD POVERTY

The government claims that Universal Credit will lift around 350,000 children out of poverty.⁹ This is largely because of expected increases in benefit take-up. Universal Credit is designed to be simpler to understand and require less reporting of information by claimants. It is therefore reasonable to expect increased levels of benefit take-up. However, this positive impact is more than outweighed by the negative impact of other government welfare reforms (in particular, the change in the way benefits are updated, ie, increased from the previous year's rates). As a result, it has been forecast that by 2020/21, a further 800,000 children will be living in poverty, despite the positive impact of Universal Credit.¹⁰ The government argues that Universal Credit will result in "behavioural change" and that, because it incentivises households to move into work and increase their earnings through work, it will actually lift many more than the estimated 350,000 children out of poverty. However, modelling work carried out on behalf of Save the Children shows that Universal Credit could have negative as well as positive impacts on work incentives for low-income families.

WHY SOME WORKING MOTHERS BELOW THE POVERTY LINE ARE LIKELY TO LOSE OUT

Lack of adequate funding for Universal Credit risks undermining the positive impact it could have on supporting parents into work and reducing child poverty. We have identified three key issues that need to be addressed if Universal Credit is to deliver on protecting incomes and boosting work incentives for parents, particularly mothers. Below, we describe these three issues and suggest possible solutions.

I. INSUFFICIENT EARNINGS DISREGARDS FOR WORKING MOTHERS

An earnings disregard is the amount someone can earn before they have their benefits withdrawn. One of the main criticisms of the current system is that people begin to lose benefits very quickly when they reach this point. Universal Credit offers more generous earnings disregards than the current system. However, the proposals as they stand will disadvantage single parents working 16 hours or more a week and second earners in low-income couple families.

a) Single parents working longer hours

Although Universal Credit should boost the incomes of single parents working less than 16 hours a week, many single parents working 16 hours or more a week will be worse off. This is largely the result of the higher earnings disregards in Working Tax Credit and Housing Benefit. For example, single parents working 30 hours a week or more currently have a higher personal allowance in the Working Tax Credit (£92.07) compared with Universal Credit (£74.16).

In some instances, single-parent families will be pushed into poverty by the new system. Single-parent families already in poverty will be pushed deeper into poverty. There are around 150,000 single parents working 16 hours or more a week who are already living in poverty.

What is the solution?

Increasing the earnings disregard for single parents by at least 20% could help ensure that full-time work remains an option for many. Raising the earnings disregard for single parents would specifically target working single-parent families and also boost work incentives for single parents who are out of work or working fewer hours. There are more than 1 million working single parents in the UK, many of whom would benefit directly from this reform. This includes an estimated 150,000 single parents working 16 hours or more a week who are already in poverty.

b) Second earners in low-income couple families

Under Universal Credit, couple households will have one shared earnings disregard. This will, in effect, be used up by the main earner, meaning that second earners will find their Universal Credit payments are reduced as soon as they start earning. This may act as a disincentive to second earners – usually women – moving into employment (particularly into part-time work), as shown in example 3. In some cases, it will mean those second earners already in work are worse off, as example 4 shows.

Research into Universal Credit has found that it is likely to weaken work incentives for some second earners in couples.¹¹ If it results in fewer women moving into work, then this has potential negative consequences for child poverty. Both parents being in work also reduces the risk of the family falling

EXAMPLE 1: FULL-TIME WORKING MUM EARNING MINIMUM WAGE¹²

Janine is a single parent with three children. She works full-time on the minimum wage. She has average housing costs. Under the current system, Janine and her family are well above the poverty line. Although full-time work doesn't suit all single parents, it works for Janine.

Under the current system, full-time work represents a genuine route out of poverty for Janine, but this won't be the case under Universal Credit. Her income will drop by £67 a week (£3,484 a year) once cash protection runs out, pushing her and her children into poverty. Janine will be worse off largely because the earnings disregard (the amount someone can earn before benefits start to be withdrawn) is more generous under the current Working Tax Credit than under the proposed Universal Credit.

into poverty if one parent loses their job or in the instance of family breakdown. Ensuring that women in low-income households have independent spending power increases the likelihood that money will be spent on their children.¹³

The government's approach to this issue appears to be largely driven by funding constraints. It has decided to reduce the number of workless households at the expense of giving parents a choice about who works what hours, for what income, and how they can balance this with childcare. This is explicitly recognised by the Department for Work and Pensions (DWP) in its *Welfare Reform Bill Universal Credit: Equality impact assessment* (2011):

“As the focus of Universal Credit is to help reduce workless households there is a risk of decreased work incentives for second earners in couples (primarily women).” (para 68, p 23)

Prioritising support for single earners to work full-time rather than part-time does not seem right, particularly at a time when there are a record 1.35 million people having to take part-time work because there are not enough full-time work opportunities available.¹⁴

EXAMPLE 2: SINGLE PARENT IN PART-TIME WORK AND ON LOW PAY

Emily is a working single parent with two children. She has childcare costs of more than £200 a week. She works 25 hours a week on the minimum wage, earning £160 a week. After housing costs, her current net weekly income is £307. Under Universal Credit, she will be £52 a week worse off once cash protection comes to an end (£2,704 a year), pushing her and her children below the poverty line.¹⁵

As with Janine, Emily will be worse off largely because the earnings disregard is more generous under Working Tax Credit than under Universal Credit. According to modelling work carried out on behalf of Save the Children, single parents in Emily's situation will be worse off under Universal Credit unless they earn £421 a week (equivalent of being paid more than £12 an hour on full-time hours) or more.

Boosting the earnings disregard for single parents could help overcome this problem. Increasing the earnings disregard for single parents by just 20% would boost Emily's income by £416 a year and lift her and her children back above the poverty line.

What is the solution?

Parents need to be able to choose how they divide work between them. Just having one main earner is not necessarily the best choice for all families. Ensuring that second earners can work has long-term implications for their careers and future earnings potential. To ensure strong work incentives for second earners, the government should introduce a separate earnings disregard for second earners. A second earner disregard of £2,000 would cost £600 million. Given current funding constraints the government may consider bringing in a smaller, more affordable disregard initially. A second earner disregard of £500 would cost the government £130m, a disregard of £1,000 would cost £280m, and a disregard of £1,500 would cost £430m.¹⁶ Example 4 shows the positive impact this reform could have on a typical low-income working family – in some cases, making the difference between living in poverty or not.

EXAMPLE 3: COUPLE FAMILY WITH ONE PARENT IN PART-TIME WORK¹⁷

Gareth and Pauline have three children. They are a low-income family living below the poverty line. Gareth works 24 hours a week on low pay. He'd like to increase the number of hours he works, but his company has recently made a lot of redundancies and he knows there isn't much extra work available.

Pauline has been offered a job paying just over £100 a week. This extra income would lift the family above the poverty line. Pauline knows that she will lose some of her income through reductions in benefit support, but the extra money will make a real difference to the family. She will lose 41p of every extra £1 earned if she takes the job. Under Universal Credit, the family would keep even less of Pauline's wages. In fact, according to our modelling, Pauline would lose 65p of every extra £1 earned. If she took the job now, the family would have a combined income of £390 a week. Under Universal Credit, they would only have £354 a week – making them £36 a week (£1,872 a year) worse off.

Many mothers in Pauline's situation, looking to move into work, will also have much less incentive to do so under Universal Credit.

EXAMPLE 4: COUPLE FAMILY WITH TWO PARENTS IN PART-TIME WORK²⁰

Julie and Tim have two children. Tim is the main earner, working 24 hours a week, and Julie works six hours a week to boost the family income. After housing costs, they are just below the poverty line. Under Universal Credit, their income will fall by £1,144 a year (£22 a week) once cash protection comes to an end. This will push the family deeper into poverty and significantly reduce Julie's incentive to work. Julie's Marginal Deduction Rate (the amount she loses in benefit withdrawal for every extra £1 earned) under Universal Credit will be 65%, rather than 41% under the current system.

Julie wants to continue working as she knows that not working will reduce her ability to build a decent career in the future. A separate earnings disregard (of £51.92 in this example, so that it matches the first earner disregard) would help boost the family's income by £32 a week and lift them above the poverty line. For families in this situation, where the main earner's wages aren't enough to lift the family out of poverty, ensuring that the second earner can continue to work makes the difference between living in poverty or not.

Implementing this measure would benefit families where both parents are in low-paid work. This would include at least 342,000 children living in poverty¹⁸ where at least one parent works full-time and the other works (full-time or part-time), as well as families where a second earner moves into work as a direct result of this policy.

2. LACK OF SUPPORT FOR CHILDCARE COSTS

The ability of parents to find affordable childcare has a significant bearing on their ability to work, and the number of hours they are able to work. Until recently, low-income working parents could claim support for up to 80% of childcare costs through the childcare element of Working Tax Credit. This was cut to 70% from April 2011. This reduction in support for

childcare costs resulted in half a million families being more than £500 a year worse off (on average), with some losing as much as £1,500 a year.¹⁹

A survey of parents by Save the Children and Daycare Trust in 2011 found that this reduction in support would have a negative impact on their ability to work, particularly those on the lowest incomes (41% of parents in severe poverty said they would consider giving up work and 25% said they would consider reducing the number of hours they work).²¹ This cut in support has had a very real impact on families. Evidence from HM Revenue & Customs (HMRC) shows that the cut to childcare support through Working Tax Credit has resulted in 44,000 fewer families getting the childcare element compared with April 2011 – a fall of 10%. In December 2011, families were getting £59 a week on average through the childcare element – the lowest level since 2005, representing a fall of 15% in just one year.²²

Under Universal Credit, funding for childcare will be available to those parents who are currently eligible for the childcare element of Working Tax Credit and those working in 'short hours' jobs (less than 16 hours a week). Families will be able to recover childcare costs at 70% – up to £760 for one child or £1,300 for two or more children a month. While we welcome this support for families working in short hours jobs as well as those working longer hours, the difficulties created for families affected by the reduction in support from 80% to 70% still need to be addressed.

What is the solution?

Covering childcare costs for low-income working families at up to 80% would cost £300m.²³ Over half a million families would benefit directly from this change (see example 5 for the difference it could make).²⁴ Additionally, families moving into work in need of support with childcare costs would also benefit.

EXAMPLE 5: HOW EXTRA SUPPORT FOR CHILDCARE COSTS WILL LIFT FAMILIES OUT OF POVERTY SOONER²⁵

Jane is a single mother of three looking to move into work. She is concerned about balancing work and childcare commitments. If she does move into work, she can use informal childcare for some of the time, but knows she'll face childcare costs of £291 a week.

Under current Universal Credit proposals, someone in Jane's position would need to earn £268 a week (earnings of £7.66 an hour based on a 35-hour week) to escape poverty. Extra financial support for Jane so that 80% of her childcare costs are covered would mean that she would be above the poverty line once her earnings reach £147 a week.

With extra support for childcare costs, Jane would be able to work 24 hours a week on or above the minimum wage. She and her children would be free from poverty and she would have greater choice about the number of hours she needs to work to provide a decent family life. Extra support for childcare costs makes work a much more realistic route out of poverty for parents in Jane's situation.

3. UNIVERSAL CREDIT PAYMENTS WILL BE WITHDRAWN TOO QUICKLY

Universal Credit is based on proposals developed by the Centre for Social Justice in its report *Dynamic Benefits: Towards welfare that works*. This report recommended a 55% taper as providing the best balance between affordability and ensuring improved work incentives for all.²⁶ However, the government has said Universal Credit will have one taper rate²⁷ of 65% for all earnings.

For some benefit recipients (particularly those in receipt of Council Tax Benefit and Housing Benefit), this is likely to lead to an improvement to the Marginal Deduction Rate (the rate of deductions through reduced benefit payments and increased Income Tax and National Insurance for every extra £1 earned) they face under the current system. However, some low- to middle-income working families will find that they face a Marginal Deduction Rate of 76% as opposed to 73% (70% prior to April 2011) under the current system (largely because the taper rate for Working Tax Credit is 41%).

What is the solution?

A reduction in the taper rate to 55% would benefit all working households in receipt of Universal Credit. This would include around 342,000 children living in poverty in working single-parent households and 1,824,000 children living in poverty in working couple families.²⁸ It would ensure that around 1,350,000 households who currently face a Marginal Deduction Rate of 73% (70% prior to April 2011) would not be worse off under Universal Credit.²⁹

Lowering the taper rate would boost the income of low-income working families and improve work incentives. For example, our modelling shows that a low-income couple family with two children and earnings of £149 a week would be £520 a year better off if the taper rate was reduced to 55%. The same family would face a Marginal Deduction Rate of 60% rather than 69% if the taper was reduced to 55%.

While it would cost the government £2.8bn to move to a 55% taper, it would cost significantly less to reduce it incrementally (around £280m for each percentage point drop).³⁰ Additionally, the government would not face the full costs of a move to a 55% taper rate (or other reduction) until all claimants had been moved from the current system on to Universal Credit, which is not due to happen until 2017.

CHILD POVERTY AND HOUSEHOLD WORK STATUS³¹

Most children living in poverty are in households where at least one parent works. Far too many jobs offer low wages and short hours, which means that work is not always the route out of poverty that it should be. However, the ability of parents to bring in two wages – or for a single parent to work full-time – significantly reduces the risk of poverty, as the following figures show.

COUPLE FAMILIES

Among couple families, only 5% of children in families where both parents work full-time and 8% of children where one parent works full-time and one parent works part-time are in poverty, compared with 29% of children in households where one parent works full-time and the other parent does not work. Despite this, the government is prioritising support for main earners at the expense of second earners.

It is fair to say that supporting one parent into work where that parent is part of a couple reduces the risk of poverty, but not by nearly as much as where both parents are in paid employment. Clearly, it suits some families to have only one earner; but the government should not promote this option at the expense of couples who both need to bring in a wage. By prioritising support for single-earner couples, the government risks increasing child poverty.

SINGLE-PARENT FAMILIES

There are 1.95 million single parents in the UK (around 90% of single parents are women).³² Around 1.1 million (57%) of single parents are working, up from 51% a decade ago. A further 23% are not working but want to.³³ It is clear, therefore, that the vast majority of single parents are either in work or want to work. For other single parents, working may not be an option because of illness or the age of their children.

The risk of poverty is twice as high among single-parent families as couple families. Of the 3 million children living in single-parent families, 46% (1.38 million) are living in poverty. This compares with 24% of all children in couple families. Children in single-parent households make up 37% of all children living in poverty. When single parents are able to work full-time, the risk of poverty is significantly reduced. However, Universal Credit reforms appear to be restricting the choices available to single parents in terms of the numbers of hours they are able to work. While we recognise that many single parents prefer to work fewer hours so they can balance work and child caring responsibilities, we believe that all parents deserve a choice.

CONCLUSION

The government's intention is to incentivise work and reduce poverty through the introduction of Universal Credit. However, this briefing shows that although many low-income working families will benefit from the new system, some will have less incentive to work, and some working poor households will be significantly worse off.

It is crucial that Universal Credit provides sufficient incentives to parents to move into decent work that offers a sustainable route out of poverty. As the economy recovers, mothers must not be further disadvantaged in the labour market through the introduction of Universal Credit. Instead, it should offer them a means of re-establishing themselves in the labour market following a period of increasing female unemployment. The ability of mothers to

work – whether they are single parents or part of a couple – has a significant bearing on whether a family is poor or not.³⁴ As the figures in this report suggest, the ability of second earners (often mothers) in couple families to bring in a second wage, or the ability of single parents to secure full-time employment, can significantly reduce the risk of poverty.

We believe that Universal Credit, if funded and designed properly, could have a much more positive impact on child poverty and women's employment prospects. The policy recommendations set out in this report, if implemented, would enable government to overcome a number of significant challenges presented by the Universal Credit proposals as they currently stand.

NOTES

¹ Save the Children calculation.

² Department for Work and Pensions, *Welfare Reform Bill Universal Credit: Equality impact assessment, November 2011*, available at dwp.gov.uk/docs/eia-universal-credit-wr2011.pdf (accessed 28 February 2012).

³ The modelling in this briefing was carried out by IPPR Trading Ltd on behalf of Save the Children between December 2011 and February 2012.

⁴ Daycare Trust briefing, *The Impact of the Spending Review on Childcare*, October 2010.

⁵ Based on Office for National Statistics (ONS) data sourced by Save the Children on 16 February 2012.

⁶ People who lack but want paid work divide into two broad groups of roughly equal size, namely those who are officially unemployed and those who are considered to be economically inactive but nevertheless want paid work.

⁷ J Bradshaw, *A Review of the Comparative Evidence on Child Poverty*, Joseph Rowntree Foundation, 2006.

⁸ It will replace Income Support, income-based Jobseeker's Allowance, income-related Employment Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit.

⁹ Department for Work and Pensions, *Universal Credit: Welfare that works*, DWP, 2010, p 5.

¹⁰ M Brewer, J Browne, R Joyce, *Child and Working-Age Poverty from 2010 to 2020*, IFS Commentary C121, Institute for Fiscal Studies, 2011.

¹¹ M Brewer, J Browne, W Jin, *Universal Credit: A preliminary analysis*, Institute for Fiscal Studies (IFS) Briefing Note 116, January 2011; D Hirsch and J Beckhelling, *Tackling the Adequacy Trap: Earnings, incomes and work incentives under the Universal Credit*, Resolution Foundation, February 2011.

¹² The equivalised poverty line after housing costs for this family type is £308.

¹³ J Strelitz and R Lister (eds), *Why Money Matters: Family income, poverty and children's lives*, Save the Children, 2008.

¹⁴ ONS data sourced on 16 February 2012.

¹⁵ The equivalised poverty line after housing costs for this family type is £259.

¹⁶ House of Commons Written Answers, 28 February 2011.

¹⁷ The equivalised poverty line after housing costs for this family type is £388.

¹⁸ After housing costs.

¹⁹ See note 4.

²⁰ The equivalised poverty line after housing costs for this family type is £339.

²¹ Save the Children and Daycare Trust, *Making Work Pay – The childcare trap*, Save the Children and Daycare Trust, September 2011.

²² HMRC, *Child and Working Tax Credit Statistics*, December 2011.

²³ Based on Save the Children calculations.

²⁴ Based on 449,000 families who currently receive the childcare element of Working Tax Credit (HMRC, *Child and Working Tax Credit statistics*, December 2011) and the estimated 80,000 households who would benefit from the extension of support with childcare costs to families working less than 16 hours a week.

²⁵ The equivalised poverty line after housing costs for this family type is £308.

²⁶ Centre for Social Justice, *Dynamic Benefits: Towards welfare that works*, Report by the Centre for Social Justice Economic Dependency Working Group, 2009.

²⁷ This is the rate at which the benefit is reduced as earnings increase. For example, a taper rate of 65% would mean losing 65p of benefit for every £1 earned.

²⁸ Department for Work and Pensions, *Households Below Average Income: An analysis of the income distribution 1994/95 – 2009/10*, May 2011, Table 4.3db, page 86, available at: http://research.dwp.gov.uk/asd/hbai/hbai2010/pdf_files/full_hbai11.pdf (accessed 28 February 2012).

²⁹ Based on figures reported by Family Action, *Welfare that Works Better: 10 recommendations for improving the Universal Credit*. This group of households is made up of those receiving tax credits above the family element.

³⁰ Based on House of Commons Written Answers, 28 February 2011.

³¹ The figures in this section are taken from the Department for Work and Pensions *Households Below Average Income* full report (see note 30), principally from tables 4.3db (page 86) and 4.5db (page 88) unless otherwise stated.

³² Sourced from ONS on 17 February 2012.

³³ Sourced from The Poverty Site, 'Work and lone parents', poverty.org.uk/46/index.shtml?3 (accessed 28 February 2012).

³⁴ Women's Budget Group, *Women's and Children's Poverty: Making the links*, Women's Budget Group, 2005.

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Save the Children's UK programme believes that no child should be born without a chance. We want to see the UK free of child poverty by 2020, and to see the link between low attainment and deprivation broken once and for all. Through our campaigns, and our programme work on the ground, we bring robust, evidence-based solutions to the challenges the UK's poorest children and families face.

Our Mums United campaign is part of our ongoing call on the government to fulfil their pledge to make work a genuine route out of poverty for the UK's poorest families. It's crucial that the government's flagship new welfare system – Universal Credit – makes work pay for all families, and delivers for mums who want and need to work.

That's why we're calling on mums to show their solidarity with the poorest mums, to call on the government to do more to help them work their way out of poverty.

Together we can make sure the poorest families have the help they need to give their children the best chance of fulfilling their potential.

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