

## Press Release

# Parents' work entry, progression and retention, and child poverty

Recent policy has focused on facilitating employment for parents as a means of lifting families with children out of poverty.

New research published today by the Department for Work and Pensions and written by IFS researchers **James Browne** and **Gillian Paull** shows that a parent moving into work allows a large proportion of poor families (65 percent) initially to escape poverty. But a substantial fraction of families with children remain in poverty or fall into poverty during the three years following work entry, suggesting considerable scope for improvements in work progression and training to help lift and keep these families with working parents out of poverty.

Some 65 percent of families who are initially in poverty escape from poverty when a parent enters work:

- Families with fathers entering work are more likely to leave poverty than families with mothers entering work (see table 1).
- The poverty exit rate is considerably higher for parents entering full-time work (30+ weekly hours), but there is little difference between mini-jobs (less than 16 weekly hours) and part-time work (16-29 weekly hours) (see table 1).

**Table 1: Proportion of poor families leaving poverty when a parent enters work**

Percentage of those initially in poverty who leave	Mothers in couples	Lone mothers	Fathers
Parents entering:			
- mini-job (<16 hours)	50	51	27
- part-time (16-29 hours)	60	54	46
- full-time (30+ hours)	74	81	80
All	63	60	73

**Source: Authors' calculations using data from the Families and Children Survey for 2001-2006**

But a substantial fraction of families with children remain in poverty or fall into poverty during the three years following work entry:

- At the start of the work spell, 20 percent of parents are in poverty (11 percent of mothers in couples, 37 percent of lone mothers and 22 percent of fathers).
- Among those remaining in work for three years or more, there is a considerable decline in the likelihood of poverty for lone mothers (31 percent to 18 percent), but there is little change for mothers in couples (unchanged at 9 percent) and fathers (from 18 percent to 16 percent). (See figure 1).

### Embargo

Embargoed until  
**10.30 Thurs 21<sup>st</sup> January  
2010**

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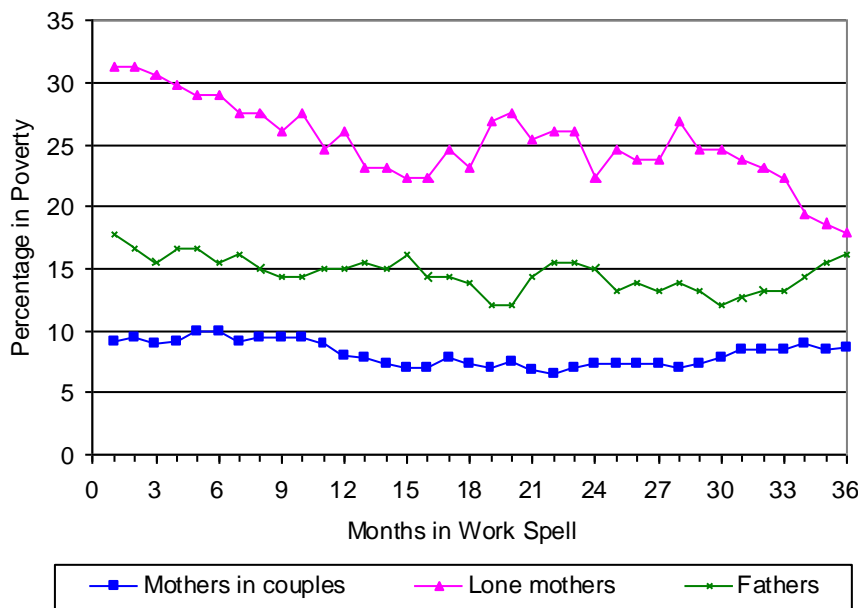
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- There is considerable turnover in the population in poverty with substantial proportions of parents entering as well as leaving poverty. Only 81 percent of mothers in couples, 41 percent of lone mothers and 66 percent of fathers remain out of poverty throughout the first three years of a work spell. On the other hand, just 3 percent of mothers in couples, 4 percent of lone mothers and 6 percent of fathers are in poverty continuously during this period.

**Figure 1: Percentage in poverty over the work spell for those remaining in work for 3 years or more**



**Source: Authors' calculations using data from the Families and Children Survey for 2001-2006**

Work progression and training play a limited role in lifting and keeping families out of poverty:

- Poverty exits and entries are associated with changes in hourly earnings and weekly hours which occur independently of other measures of work progression.
- There is some evidence that job-related training may guard against falling into poverty, but no conclusive evidence that training helps families escape from poverty.

Remaining in work is important for families to remain out of poverty:

- Some 39 percent of parents who were not poor when in work will enter poverty when leaving work (including 17 percent for mothers in couples, 66 percent for lone mothers and 67 percent for fathers).
- Substantial proportions of parents do not remain in work for very long: only 38 percent of mothers in couples, 26 percent of lone mothers and 39 percent of fathers will be continuously in work for three or more years after entering work.
- Work retention is significantly shorter for parents in mini-jobs of less than 16 hours each week than for parents working longer hours.
- Most measures of work progression are unrelated to work retention, but work retention is higher for those undertaking job-related training or two

or more educational/training courses. However, it is not possible to distinguish how much this association means that training and education lead to longer work retention or whether it shows that those who are likely to remain in work for longer are more likely to undertake training or further education.

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Notes to Editors:

1. “Parents’ Work Entry, Progression and Retention, and Child Poverty” by James Browne and Gillian Paull is published as the Department for Work and Pensions Research Report no. 626.
2. This work will be presented at a briefing at IFS in London, 10.30 – 11.30, Thursday 21<sup>st</sup> January 2010. To book your place please email [bonnie\\_b@ifs.org.uk](mailto:bonnie_b@ifs.org.uk)
3. James Browne is a Senior Research Economist at the Institute for Fiscal Studies. Dr. Gillian Paull is a Research Associate of the Institute for Fiscal Studies.
4. The study uses data from waves 3-8 of the Families and Children Survey (FACS) which is an annual panel of approximately 7,000 families with children in Great Britain.
5. The poverty definition is the official HBAI before housing costs poverty measure: families are in poverty if equivalised family income is below 60 percent of contemporary median income.
6. Work entry is defined as a movement from not working in one month to working in the following month and is not necessarily the first time the individual has ever entered work.
7. **For further information:** contact Bonnie Brimstone, IFS Press Office, on 020 7291 4800; Gillian Paull on 020 8241 2895 or 07794 710 258 (email: [gill\\_p@ifs.org.uk](mailto:gill_p@ifs.org.uk)); or James Browne on 020 7291 4800 (email: [james\\_browne@ifs.org.uk](mailto:james_browne@ifs.org.uk))