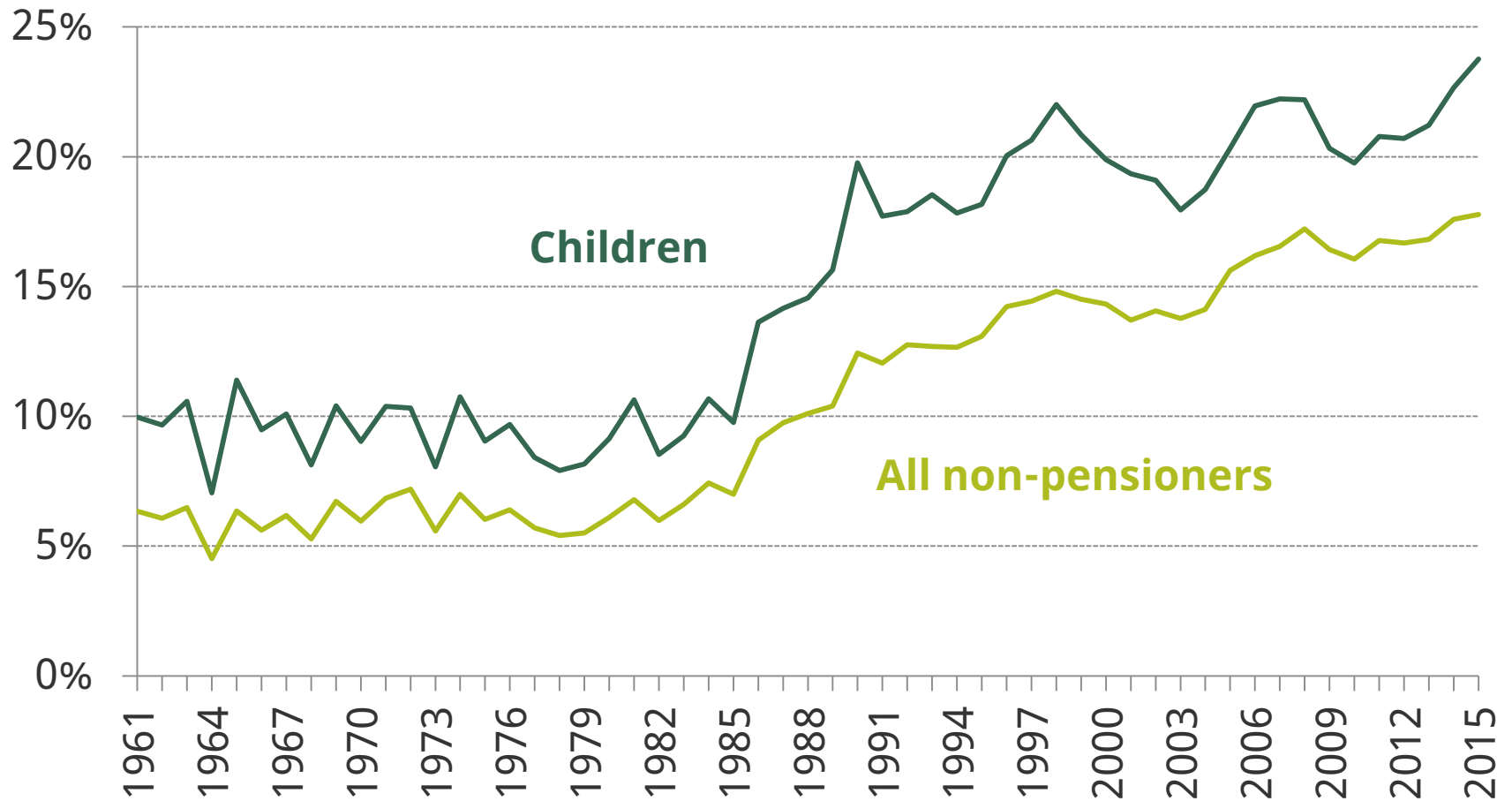


# **In-work poverty among families with children**

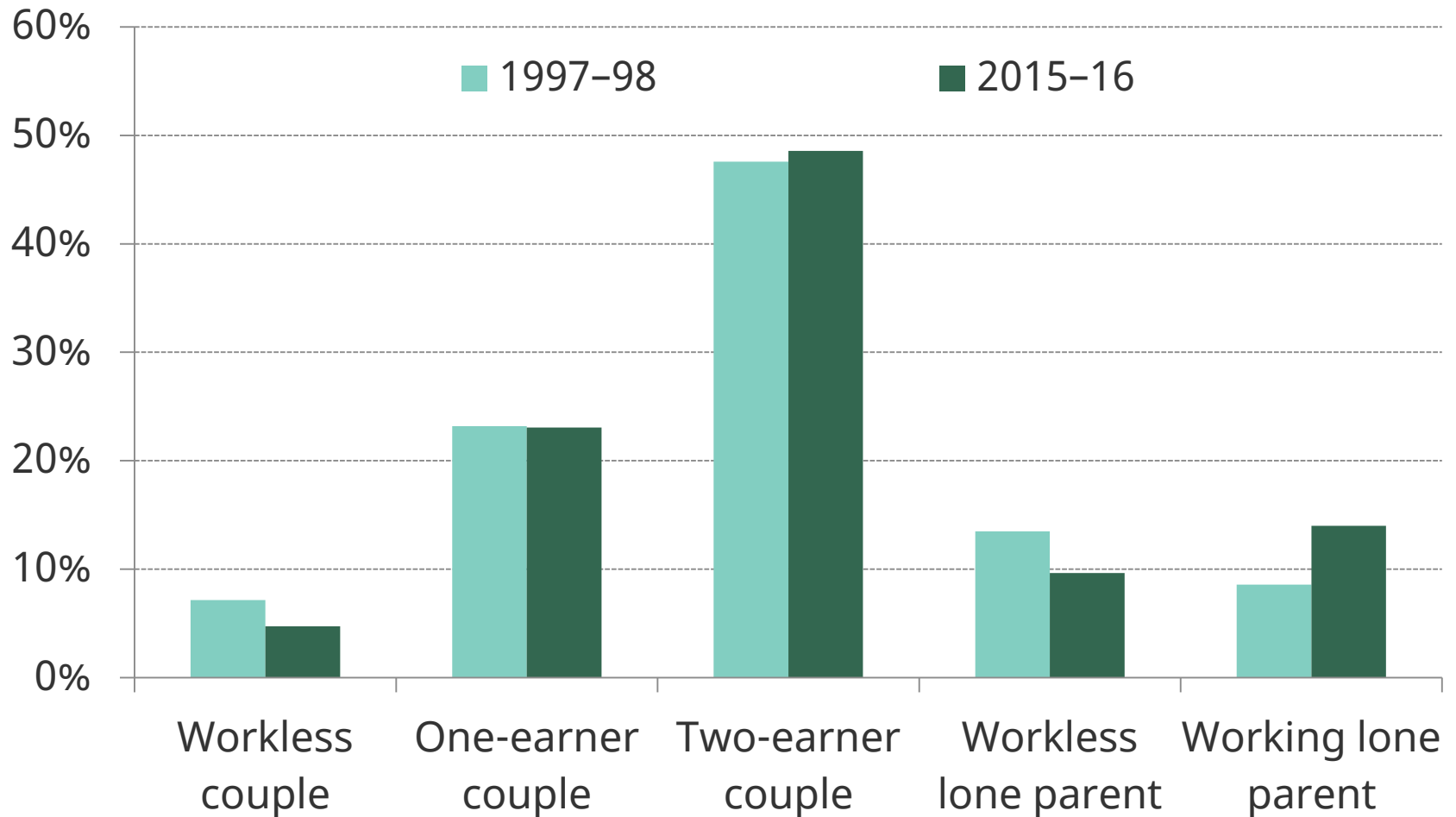
**Jonathan Cribb**

# Relative (AHC) poverty rates in working households



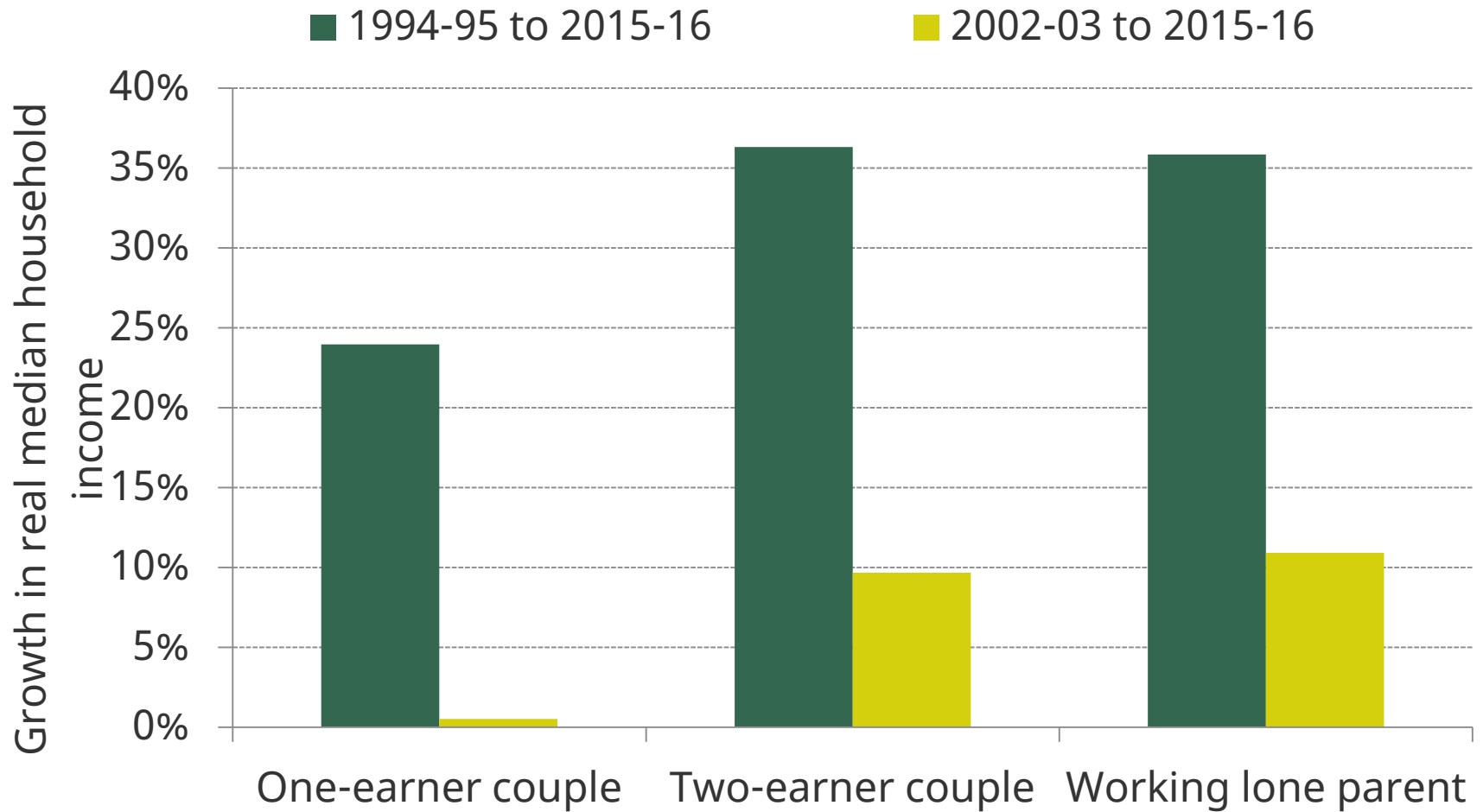
Source: Figure 4.7 of *Living Standards, Poverty and Inequality in the UK: 2017*

# Proportion of children living in each family type



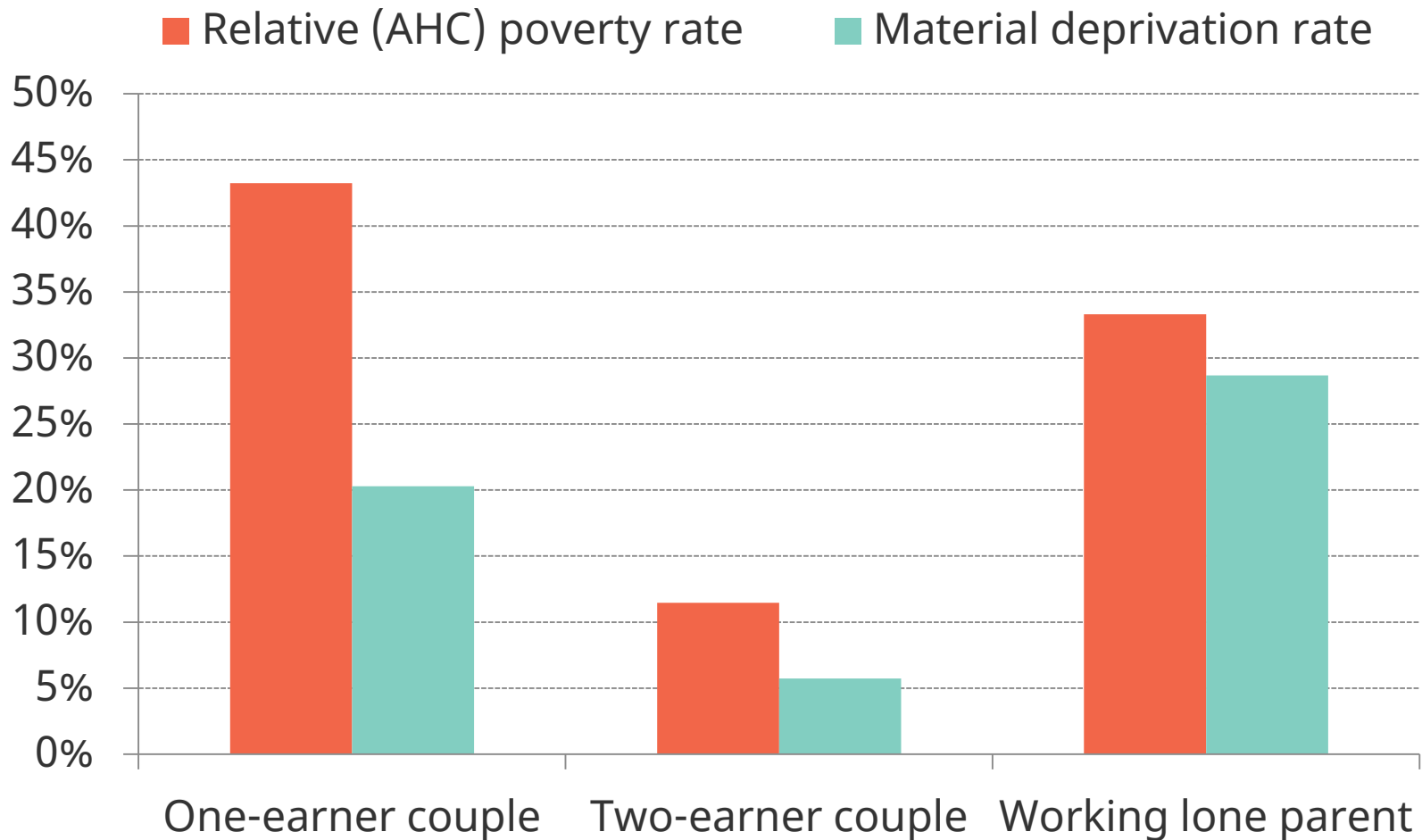
Source: Figure 5.1 of *Living Standards, Poverty and Inequality in the UK: 2017*

# Median income growth for working families with children



Source: Figure 5.4 of *Living Standards, Poverty and Inequality in the UK: 2017*

# Income poverty and deprivation for children in working families



Source: Figures 5.5 and 5.6 of *Living Standards, Poverty and Inequality in the UK: 2017*

# Characteristics of one earner couples with children

## One-earner couples with children are:

- More likely to have **3 or more children**
- More likely to have **a child aged under 5**
- More likely to contain a mother who **left school by 16** (though not compared to working lone parent families)
- More likely to contain at least one **non-white** parent (particularly Asian)
  - Explained by lower employment rates for non-white mothers
- More likely to have been **born abroad**

# Explaining poor income growth for one-earner couples with children

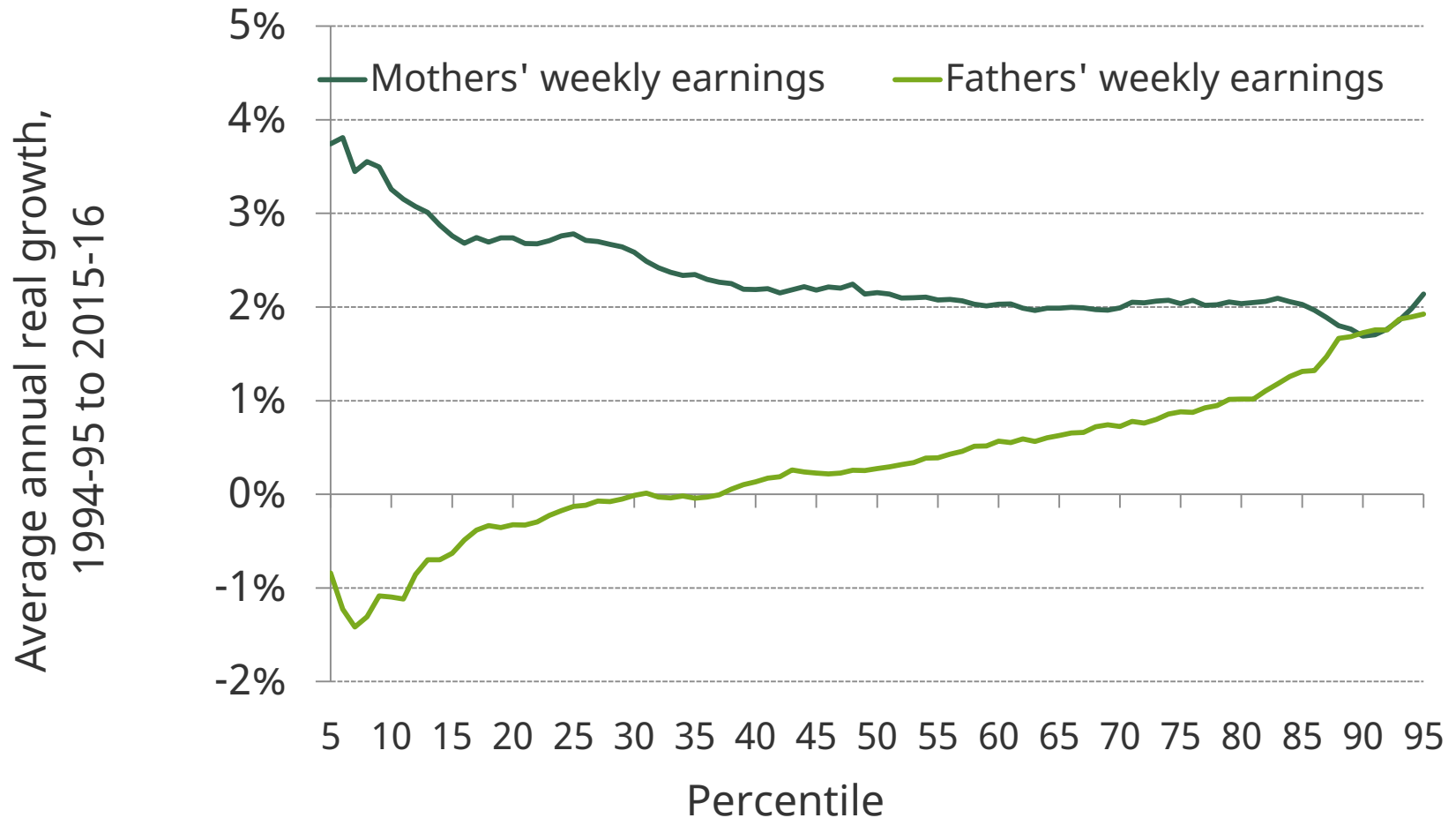
## Main reason for poor income growth for one-earner couples:

- Median pre-tax family earnings 11% lower than in 2015-16 than 1994-95

## Why have earnings for these families performed so poorly?

- 85% of the working partner in these families are male...
- ... and the earnings of men have grown very slowly compared to women over the last 20 years

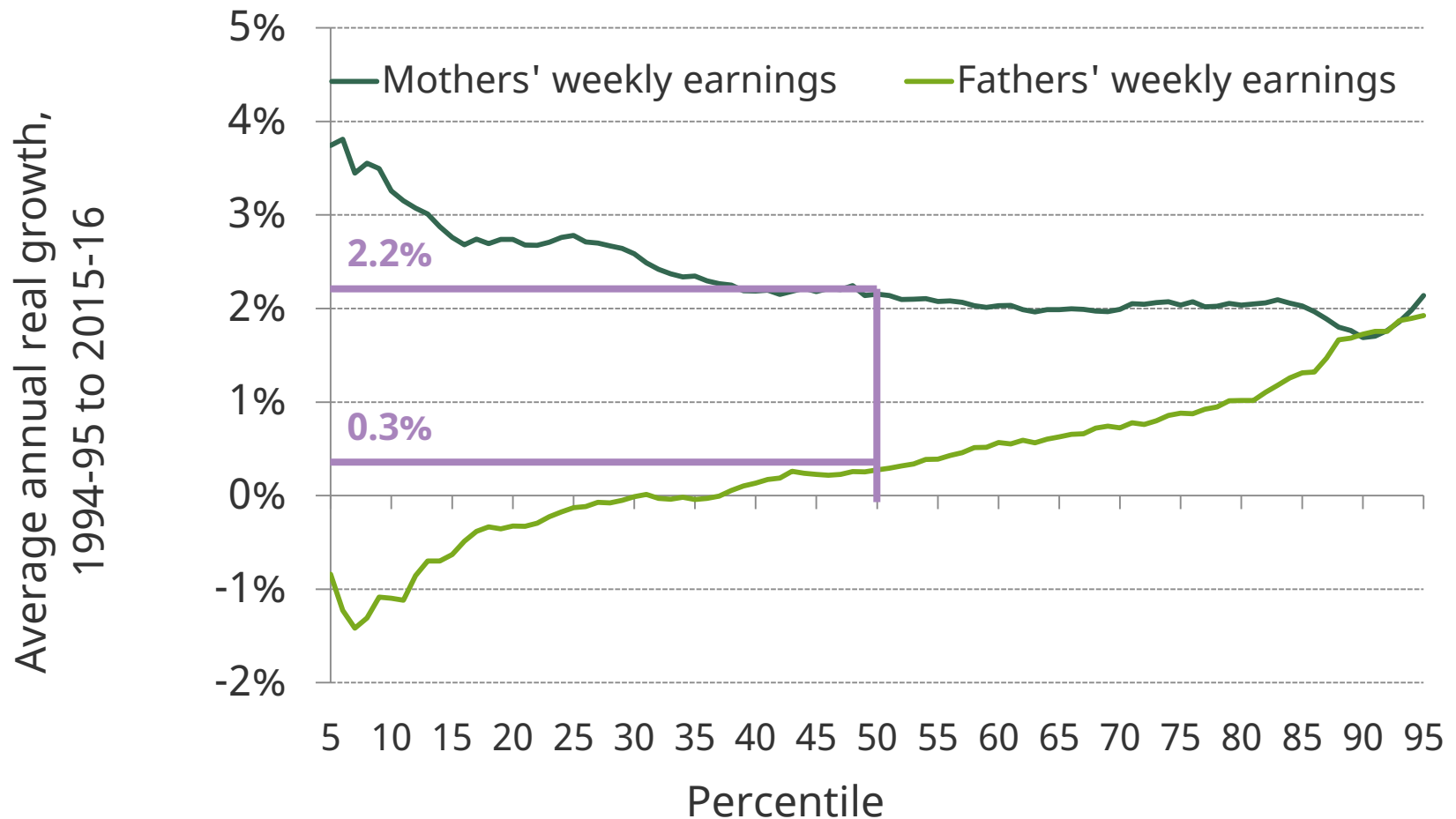
# Fathers' earnings growing very slowly compared to mothers' earnings



Source: Figure 5.9 of *Living Standards, Poverty and Inequality in the UK: 2017*



# Fathers' earnings growing very slowly compared to mothers' earnings



Source: Figure 5.9 of *Living Standards, Poverty and Inequality in the UK: 2017*

# Explaining poor income growth for one-earner couples with children

## Earnings of fathers in one-earner couples grown less quickly than other fathers since mid 90s

- 6% lower over 20 years, compared to 10% higher for other fathers

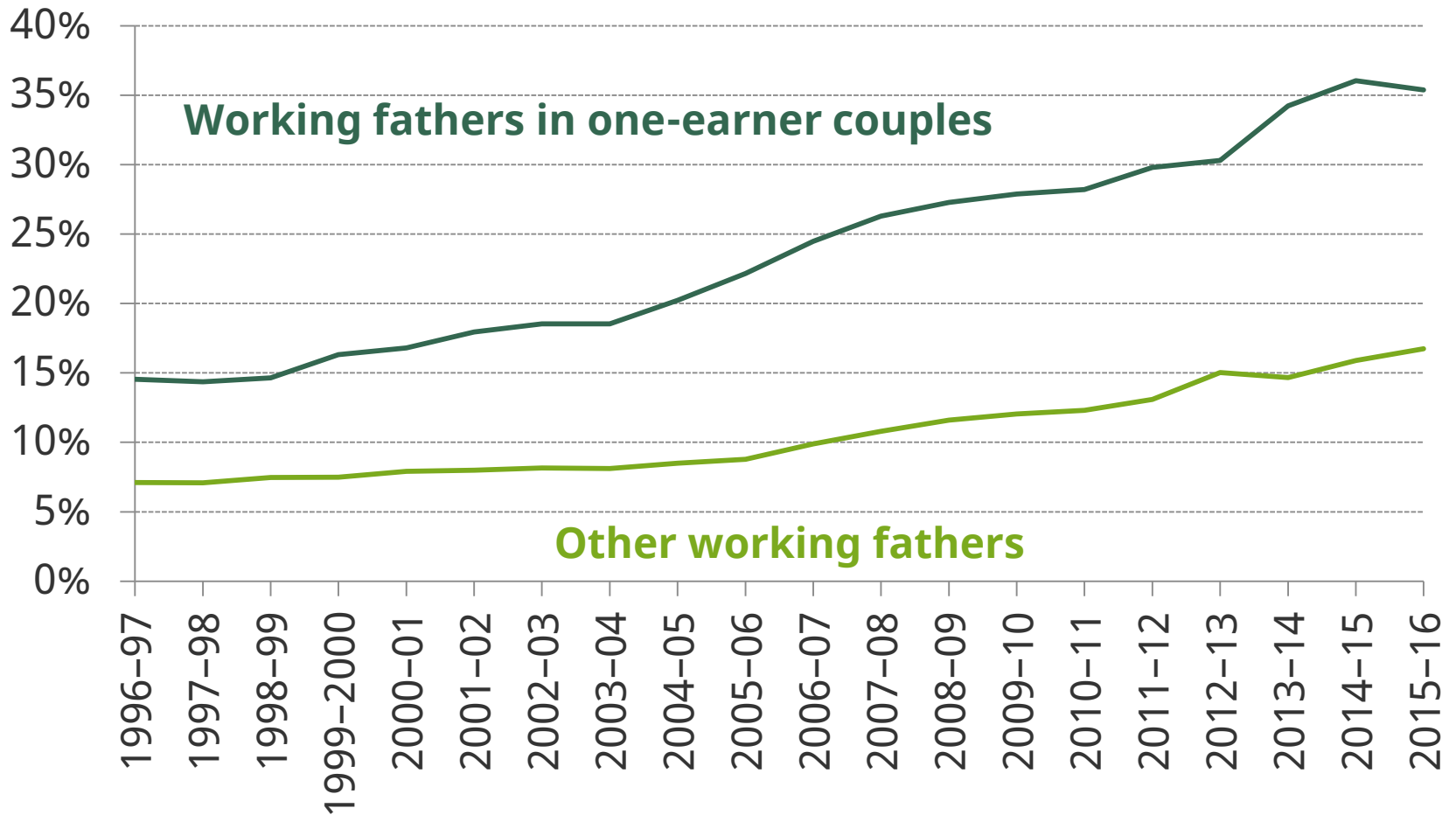
## Working fathers in one earner couples relatively less likely to have high occupational class job

- Despite similar education levels

## Higher fraction of fathers in one-earner couples born abroad

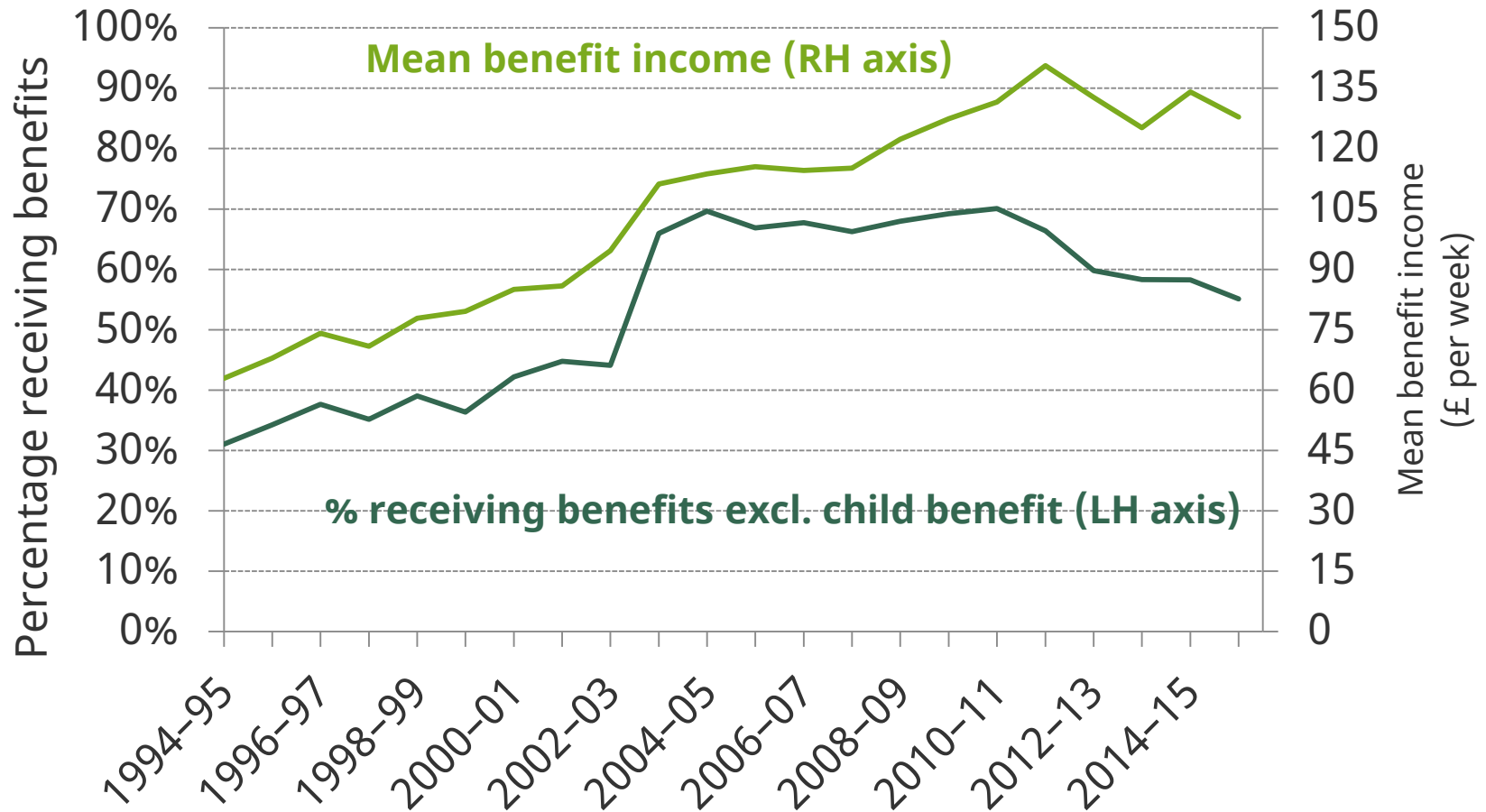
- Immigrants tend to have lower earnings than similarly qualified workers born in the UK
- This is only a partial explanation

# Large increase in % of fathers born abroad



Source: Figure 5.11 of *Living Standards, Poverty and Inequality in the UK: 2017*

# Increases in benefits and tax credits have supported the incomes of one earner families



Source: Figure 5.14 of *Living Standards, Poverty and Inequality in the UK: 2017*

# Conclusion

**Weak earnings growth for fathers means it is harder for one-earner couples with children to keep up with other families**

**One third of children in poverty live in a one-earner couple family**

**Scope for boosting the earnings of the working parent?**

- Very few part-time; higher hourly wages important

**Potential for the non-working spouse to move into work?**

- To some extent, though only 12% are actively seeking paid work

**Higher benefits /tax credits could boost incomes of these families**

- Would be likely to weaken incentives for non-worker to work