

## WiSE and Save the Children

# Briefing Sheet

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## Child Poverty and Mothers Employment Patterns – Exploring Trends

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### Key Findings

**The data reveals that in Scotland women's employment increased over the period 1998-2008 and that child poverty reduced significantly, indicating a possible link between the two variables.**

**Consideration of the literature suggests that women are more likely than men to be the 'money-managers' in poor households and that children benefit from women's approach to household accounting and consumption decisions.**

**The recent economic recession has impacted negatively on women's employment, most markedly through the impact of 'austerity' measures on public sector employment and severe cuts in welfare spending. This has had a disproportionate impact on women's incomes.**

### Introduction

Women's unemployment is rising dramatically in Scotland. This situation gives cause for concern with respect to child poverty as data suggests that maternal unemployment has a negative effect on child poverty and, conversely, as women's employment rises, child poverty is reduced. There is also evidence to suggest that mothers are more likely to spend household income on children, and are more likely to defer their own consumption to that of their children, than are fathers (see for example Pahl, 1989;1995). Although child poverty statistics are based on total household income, giving no indication of how money is spent within the household, women's role as 'money managers' means that children in low income households are more likely to have their needs met where the mother is in work. Any efforts to reduce child poverty therefore must acknowledge the role of mothers as 'money managers' within the household and the likelihood that increasing the opportunities for mothers to access market work could be of more relevance to child poverty reduction goals, than concentrating on increasing employment of both male and female parents. This briefing note;

- presents relevant data on patterns of women's employment and child poverty since 1998/99,
- summarises the main factors contributing to the structural changes in women's employment,
- explores the evidence on women's role as 'money-managers' and the impact this has on spending decisions in the household, and
- discusses the possible link between trends in women's income and trends in child poverty in Scotland.

# Scottish Labour Market: A Gendered Picture

The demographic composition of the Scottish labour market has changed dramatically over the last few decades. Currently around 2/3 of women are in paid employment (ONS, 2012a) which is a significant increase from the 1970s where only around 42% of UK women worked outside the domestic realm (Hogarth et al, 2009). In contrast, male employment has continued to experience a gradual decline from 94.9% in 1970s to 76.1% at present (ONS, 2012a). Increases in female labour market participation have been facilitated mainly by economic restructuring and deindustrialisation, which has seen huge increases in the use of non-standard forms of employment such as part-time, temporary and casual employment contracts, as well as changing social attitudes to women's socio-economic role. However, women are still more likely than men to have primary caring responsibilities, thus they are more likely than men to work part-time or have some form of flexible working arrangement. This is in contrast to the employment patterns of men, the majority of whom (89%) still work in traditional full-time positions in the paid labour market (ibid).

Furthermore, the types of jobs undertaken by women are often distinctly different from that of men. This is a direct result of an array of different social pressures and burdens influencing the employment opportunities and decisions of both men and women, including most significantly stereotypical assumptions about their respective interests and capabilities. That is, female and male employment tends to be concentrated within occupations traditionally related to their gender, and views on their role within society. As a result female employment clusters around the 'softer' caring, teaching and cleaning sectors. These 'perceived' lower status and subsequently lower paid jobs tend to be viewed as 'feminine' work and not suitable for the greater part of male employment (Perrons, 2005) Thus occupational segregation features as a key characteristic of modern labour markets with an associated tendency for the market to consistently and persistently undervalue the jobs that women do.

Within a Scottish context, occupational segregation is a significant and persistent feature of the labour market. The actual distribution of workers by gender across sectors indicates the influence of gender-based stereotypes in informing occupational choices and career paths:

- 82% of those employed in personal services are female,
- 8% of those employed in skilled trades are female,
- 64% of those in managerial or senior positions are male despite the fact that 45% of those employed in professional occupations are women, and
- 79% of those employed in administrative and secretarial occupations are female. (Scottish Government, 2010:6)

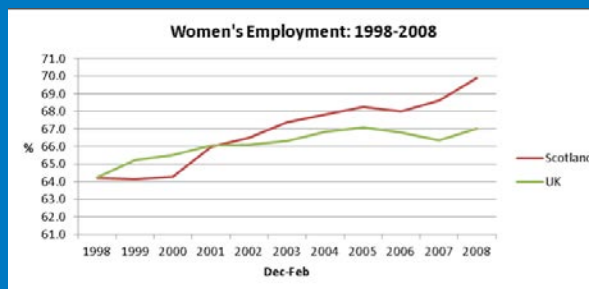
Given these patterns of occupational segregation and the types of work women find themselves clustered in, it is not surprising that women are around twice as likely as men to work within the public sector in Scotland. Four in every ten women works within the public sector in comparison to only two in every ten men (ONS, 2012b). Within the Scottish public sector workforce women are the majority in early year's education and childcare (98%); health care (80%) and local government (67%) (ONS, 2012b). As indicated from the data presented above occupational segregation occurs on two levels – horizontal and vertical. Horizontal describes how men and women dominate across particular occupations and vertical refers to the unequal distribution within occupations in that women are more likely to be in junior grades with men dominating in the board room. In considering the public sector in Scotland evidence of both forms of segregation exists. For instance, in spite of numerical dominance, women remain under-represented in managerial and leadership positions in the National Health Service and in teaching.

The traditional undervaluation of women's jobs and their under-representation in managerial and executive positions underpins Scotland's gender pay gap. The gender pay gap in Scotland is currently 11%, although, overall women's earnings increased in the period 1998/99 to 2008/09 (ONS, 2011). However, women's position within the labour market is more precarious primarily because they work flexibly, are more likely to be in temporary or part-time employment and/or are segregated in low-pay occupations (Rake, 2009). Women, therefore, are less likely to have built up any savings, resulting in less resilience to weather tough economic conditions and putting them, and their families, at greater risk of increased poverty (US Senate, 2008; Harding, 2009; Seguino, 2009).

# Women's Employment & Child Poverty: A Possible Link?

Pre-recession employment rates for women in Scotland were generally higher than UK rates and have experienced a sharper increase over the period 1998-2008 as Figure 1 shows. Women's employment in the UK dipped from 2005 and remained lower until 2007 when it experienced a slight increase. In contrast, Scottish women's employment also dipped in 2005 but has seen a steady increase at a much faster rate to 2008.

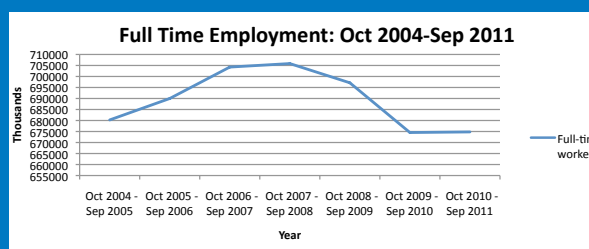
Figure 1: Women's Employment in Scotland 1998-2008



(Source: ONS,2012a,,2012c)

Analysis of this period in more detail (Figure 2) shows that women's full time employment initially increased steadily from 2004/05, but then declined sharply from the beginning of the economic recession in 2007/08.

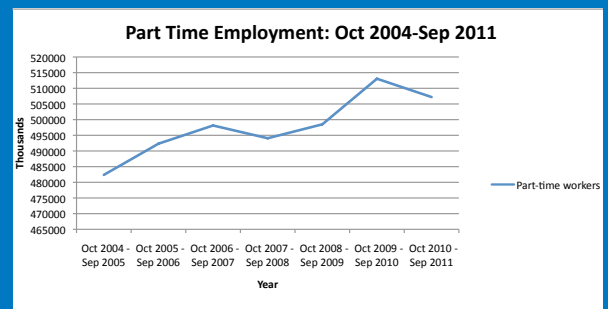
Figure 2: Women's full time employment in Scotland 2004 - 2011



(Source: ONS,2012a,)

Perhaps as a consequence of the loss of full time jobs for women, the trend in women's part time has been a steady overall increase from 2004 to 2011 (see Figure 3). A shift from full time to part time employment since the economic recession indicates less economic security for women and a potential loss of income.

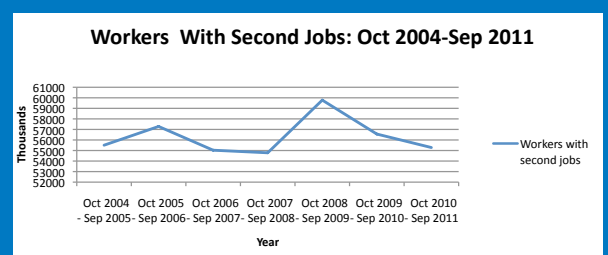
Figure 3: Women's part time employment in Scotland 2004 - 2011



(Source: ONS,2012a),

Figure 4 indicates a sharp 'spike' in the incidences of women with second jobs around the time of the economic crisis 2007/08 which settles to 2004 levels by 2011. This may be indicative of a move by women to secure two or more part time jobs to maintain income levels as full time employment is being lost in the wake of recession.

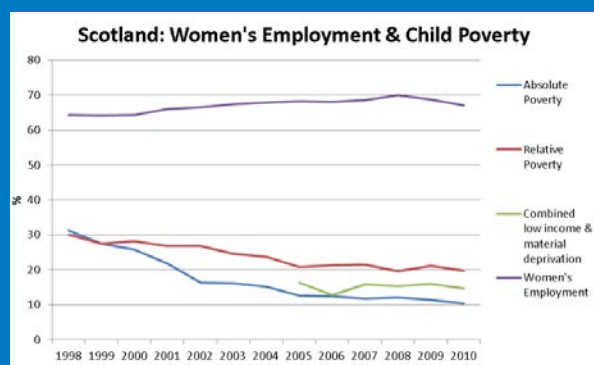
Figure 4: Female workers in Scotland with second jobs: 2004-2011



(Source: ONS,2012a)

Comparing women's employment levels for the decade 1998-2008 alongside various measures of child poverty shows an inverse relationship between the two variables i.e. they move in the opposite direction (see Figure 5) indicating a possible correlation. As women's employment continued on an upward trend to 2008, the incidence of child poverty across all tier 1 to 3 measurements reduced. However, entering the recessionary period of 2008/09, women's employment in Scotland starts to experience a gradual decline; whereas the proportion of children in absolute and relative poverty and those in material deprivation and low income combined remains fairly stable indicating that child poverty may not yet be affected by the reduction in women's employment.

Figure 5: Women's Employment in Scotland and Child Poverty 1998-2010



(Source: ONS, 2012a; Scottish Government, 2011)

However, there is sufficient existing evidence to indicate that women do respond in very different ways to men as a result of reductions in resources within low income households. These differences could impact on the lived experiences of children in those households and thus it is a crucial factor in any attempt to establish a link between women's employment patterns, and thus their access to a whole range of resources including time, money and child care, and child poverty. Therefore in considering possible links between labour market participation of mothers and child poverty, how money is managed within households is a key variable.

## Money Management – a women's role?

Decisions regarding what will be purchased, what will not be purchased and who will benefit from both personal and collective spend on a daily basis will ultimately determine the welfare of all members of the family unit, particularly children. Gender differences present as a key variable in influencing who makes such decisions and how they are managed within the household.

Managing household finances involves negotiating a range of competing demands for resources on a recurring basis. Questions regarding how resources within households are managed, who controls that management process and whose needs should be and/or are prioritised in the allocation and distribution process are determined by a host of complex socio-economic factors. Studies focused on exploring financial management amongst married couples have revealed a range of very diverse management systems influenced by both source and levels of income as well as cultural differences (see for example Pahl, 1989, 1995 and Wilson, 1987).

Within that literature there is evidence that women have very different spending preferences from that of men, for a variety of reasons. Of particular relevance in this context is that women as 'managers' of household budgets prioritise spending needs on a household rather than individual basis, particularly in low income households.

In practice, women are actually more family focused than men in their spending: they are more willing to make sacrifices when money is short, they claim less for their own spending, and they devote a higher proportion of their earnings to spending on children (Pahl, 1995:375).

Thus, overall levels of income and income source are prime influencing factors in determining roles and responsibilities with respect to patterns of household money management and women tend to assume the responsibility for 'making ends meet'. Why mothers unilaterally act as money managers when income is low can be in large part attributed to traditional values and beliefs about the role of women within the family unit;

**"...there is a greater need for close surveillance of spending where income is low, and as a result there is a high probability of unitary control. The woman's traditional association with the domestic sphere, and the priority commonly attached to food, fuel and accommodation, make her the most likely candidate."**  
(Morris, 1990:111).

**"That is, women acting as wives and mothers are viewed primarily as domestic managers, responsible for the care of dependants and the efficient functioning of the household on a daily basis. With respect to lone parent households, the majority of which are female, it is of course the case that women have sole responsibility for managing limited household resources. Thus, in households where money is scarce, prioritising needs and dealing with conflicts over competing demands is a feature of daily life. The pressure of which contributes to the situation whereby women often bear the burden of making the necessary individual sacrifices to ensure that the needs of the household are met."**

(Pahl, 1989:178; Parker, 1992, Payne, 1991).

If patterns of control over and, management of household resources, are complex processes, heavily influenced by gender relations, the perceived notion that accessing paid work will necessarily benefit all members of the household is brought into question. As Pahl argues;

**"Where wives control finances a higher proportion of household income is likely to be spent on food and day-to-day living expenses than is the case where husbands control finances; additional income brought into the household by the wife is more likely to be spent on food than additional money earned by the husband. These results have important implications for all who are concerned about the living standards of children, about the employment of women and about tax and social security policies which affect families."**  
(Pahl, 1989 :152)

If, as the reported research suggests, women living on low incomes demonstrate spending preferences that are family determined, then it is clear that any child poverty reduction strategy should support increasing access to paid work for mothers as this is likely to have the biggest impact of outcomes for children. This includes affordable and accessible childcare, particularly for those on low incomes (see Save the Children Scotland, 2011). However, the recent economic recession and 'recovery' measures have had a negative impact on Scottish women's access to employment. This will inevitably impact on child poverty in Scotland.

# Recession and recovery: impact on women and children

The UK officially entered recession in the third quarter of 2008 triggered by the global financial crisis, with Scotland following later in the fourth quarter. First round impacts of the recession were felt mainly in male-dominated industries, such as construction, production and finance sectors. Previous recessions have seen women being relatively well protected from the impact of immediate job losses due to their dominance within particular sectors, such as education and health care, making them less vulnerable to the effects of the economic cycle. However this current recession has hit sectors across the whole economy (TUC, 2009). There was a marked decrease in Scottish women's employment between January-March 2008 (pre-recession levels) and January-March 2010 (recovery phase) of -3.1%; more than twice the decline experienced over the same period at a UK level (-1.4%). Following the recession, women's employment in Scotland started to progressively increase to near pre-recession levels up to July-September 2011. However following this date, women's employment in Scotland appears to have taken an alarming twist. More recently, the sharpest fall in women's employment from July – September 2011 to October – December 2011 saw a decline of 32,000 women's jobs, meaning women were losing their jobs at a rate of on average 352 per day. This has been the largest quarterly decline for women's employment throughout the whole recession and recovery period in Scotland.

Pre-recession, women's unemployment in Scotland was fairly stable at 4.2%, however following the effects of recession and recovery this has now doubled rising to 8.3% currently; the highest since late 1994 (ONS, 2012a). It is worth noting however that the largest increase in women's unemployment occurred more recently from July – September 2011 (6.4%) to October – December 2011 (8.4%), rather than immediately following the onset of the recession.

The reduction in availability of full-time jobs, following the downturn, has seen a steady increase in the number of men working part-time. Pre-recession to present, this has increased by 21% compared to a parallel rise of 0.2% in the number of women working part-time. This is reflected in the reasons given for working part-time, which have been increasingly due to lack of full time opportunities.

Many observers have reported that it is the recovery phase, and associated programmes of fiscal consolidation, which will have hugely disproportionate impacts upon women, making them and their families worse off. Indeed, the current UK coalition government have continued to express a commitment to imposing a period of austerity on public finances and the ramifications of these decisions are now being felt across Scotland through tax, welfare and funding cuts. Consequently, female dominance within the public sector puts women in an increasingly vulnerable position. Adding to tax and welfare changes; the very real prospect of mass public sector redundancies; rising inflation and rising food and fuel costs, there are likely to be long term devastating consequences on living standards and economic viability for a large number of families, in particular single lone parents.

Projections by the Institute for Fiscal Studies for 2012-13, although at a UK level, predict that as a result of welfare reform and spending cuts, measures of absolute and relative child poverty are likely to increase by between 1.7 and 2.2% as a direct result of changes to tax and benefit policy as well as a reduction in the entitlement for housing benefit (IFS, 2011). This analysis doesn't take account of maternal employment patterns and could therefore actually underestimate the impacts of recession on child poverty. This worrying prediction confirms the possible link between women's employment and reductions in child poverty but in reverse; as women's employment decreases, and their income is eroded through cuts in welfare spending, Scotland's children become more vulnerable to poverty.



## Concluding Remarks

This briefing note has aimed to explore the possible link between women's employment and reductions in child poverty over the period 1998/99 up until the recent economic recession which began at the end of 2008. The data reveals that in Scotland women's employment increased over the period and that child poverty reduced significantly, indicating a possible link between the two variables. This view is reinforced by consideration of the literature that suggests that women are more likely than men to be the 'money-managers' in poor households and that children benefit from women's approach to household accounting and consumption decisions. The effects of the recent economic recession has also impacted negatively on women's employment, most markedly through the impact of 'austerity' measures on public sector employment and severe cuts in welfare spending, which has a disproportionate impact on women's incomes.

The analysis presented in this briefing note indicates that any child poverty reduction strategy must take into account the potential link between women's employment and child poverty. However, more research needs to be undertaken to establish any causal link between the actual position and experience of women in the Scottish labour market and the extent and nature of child poverty in Scotland. Prioritising a policy goal of increasing women's access to paid work, in the current economic climate, will clearly resonate with an overall child poverty reduction strategy. Securing positive outcomes on both counts however requires further analysis into the relationship between the nature and extent of the resources/and or services available to promote access to the paid work and the dynamics of formal labour market participation for women as mothers, and in turn the impact this has on the experiences of children living in low income households.

## WiSE

The Women in Scotland's Economy (WiSE) Research Centre at Glasgow Caledonian University aims to promote and make visible women's contribution to Scotland's economy through high quality research, consultancy and knowledge transfer activities. Our work is of interest to everyone with an interest in women's position in, and contribution to, Scotland's economy including academics, policy makers, equality practitioners, the business community and gender equality activists. This briefing note has been produced in collaboration with Save the Children UK to explore the possible relationship between women's employment and child poverty. Supporting efforts to tackle child poverty is the key focus of Save the Children's work in Scotland.

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