

**Welfare to Work Interventions and the Health of  
Lone Parents and Their Children**

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## Executive summary

- Lone parents in high-income countries are at high risk of poverty, and have worse than average health and social outcomes.
- Policy responses from successive UK governments initially focused on tackling poverty by increasing employment. More recently, the policy approach has changed to include compulsory work requirements.
- This change in policy direction was underpinned by arguments that entering employment would improve both poverty and health, and by the apparent success of similar reforms in the United States.
- Under Lone Parent Obligations (LPO), lone parents of successively younger children have been required to seek work. Failure to adequately comply with work-related requirements can lead to financial sanctions.
- We systematically reviewed experimental studies and qualitative studies which reported data about the health impacts of welfare to work interventions for lone parents and their children.
- Experimental studies conducted in the USA in the 1990s indicated there was probably little to no effect on maternal or child physical or mental health, and small effects on employment and income. In many studies, lone parents found employment independently.
- Qualitative studies in a range of high income countries found that many lone parents struggled to combine child rearing and work requirements, and linked welfare to work with stress, anxiety and depression.
- A steep increase in employment for US lone parents after welfare reform was reversed when the economy crashed, and a large proportion of US lone parents are now 'disconnected', having no apparent source of income from work or cash benefits. More recent evidence from the US suggests that welfare reform has had negative impacts on lone parents' health.
- Research suggests that disconnection is now occurring in the UK, and qualitative research since the implementation of LPO suggests that lone parents are now experiencing negative health outcomes.
- Overall, the evidence indicates that many lone parents do find work when jobs are available and their personal circumstances permit, regardless of welfare to work programmes. Financial incentives such as Tax Credits appear to promote employment.
- New studies in the United States suggest that strategic cooperation with employers to identify skills shortages and provide high quality training in these areas can deliver good quality employment with career progression.

## **Introduction**

Employment rates among lone parents in high-income countries have historically been low. As a result, lone parent families have been at high risk of poverty, which has been linked to worse than average health and social outcomes for lone parents and their children.

In the UK, lone parent employment rose substantially beginning in the mid-1990s, concurrent with the implementation of policies which supported and incentivised voluntary return to work. UK policy responses to lone parent poverty have recently moved toward mandating availability for work for lone parents. This involves 'conditionality', including the use of financial sanctions for perceived failure to meet work-related requirements.

The efficacy of such approaches to tackling unemployment and poverty among lone parents is contested by researchers. Similarly, the potential for impacts on health is unclear. This policy brief summarises the findings of research conducted by this team, comprising rigorous reviews of the best quality evidence. These include a Cochrane systematic review of quantitative studies and a systematic review of qualitative evidence. It then draws on a wider range of evidence from other studies and from population level trends to contextualise the findings, before considering the policy implications of our research.

## **Background**

A quarter of all UK families with dependent children are headed by a lone parent. Lone parents and their children have considerably worse social and health outcomes than either the general population or mothers in couple families. Lone mothers report twice the level of poor self-rated health as partnered mothers (13% and 7% respectively), and the children of lone parents are more likely to have school behaviour problems, to be truant, to be punished at school, to be bullied, and to smoke or take drugs. [1] There are multiple potential reasons for this, including the increased stress of bringing up children alone, the stigma often encountered by lone parents, and lack of social support.

However, poverty linked to low levels of employment has been identified as the most important determinant of poor outcomes for these children and their parents. Lone parents have faced structural barriers to employment, including lack of childcare and low availability of jobs which fit with childcare responsibilities. Other factors such as low skills, the poor health of parents and/or children, and a desire to focus on bringing up children, have also contributed to low labour market participation in the UK.

## **Policy responses**

Policy responses from successive UK governments to these issues have focused on tackling poverty by increasing employment. From the mid-90s to the mid-00s, this was chiefly delivered through measures which supported and incentivised employment. Increases in the value of Working Tax Credits, investment in childcare, and the New Deal for Lone Parents assisted lone parents in combining work with bringing up children. During this period, many lone parents entered work voluntarily, and employment rates among lone parents rose from 44% in 1996 to 58% in 2008. While these measures were in place, poverty decreased and evidence suggests that employed lone parents' mental health improved substantially. [2]

In 2008 the policy approach changed to include compulsory work requirements; under Lone Parent Obligations (LPO), lone parents of children aged less than 12 were transferred from Income Support (IS) to Jobseeker's Allowance (JSA). Since then, lone parents of successively younger children have been subject to 'conditionality' which involves cessation of benefits if claimants are deemed not to be trying hard enough to find work. In 2012 the coalition government reduced the age threshold to five years, and since April 2017, lone parents in receipt of Universal Credit with a youngest child aged three have been subject to the full conditionality regime. Lone parents of children aged between one and three remain on IS, but are required to attend work focused interviews (from age 1) or start work preparation (from age 2) if directed to do so by a Work Coach.

Three key arguments have been used by policy makers to justify the introduction and extension of LPO. Firstly, employment is deemed to be the best route out of poverty. Secondly, it was argued that encouraging employment would lead to improved health for lone mothers and their children. [3] Thirdly, similar reforms have been implemented elsewhere: successive UK governments took inspiration from the introduction of similar reforms in the United States, which were believed to have been very successful. [4]

In order to investigate whether these arguments were justified, we identified and synthesised evidence from different types of studies which evaluated the effects of work requirements for lone parents.

### **Evidence on welfare to work for lone parents**

We conducted a Cochrane systematic review (see Box 1) of quantitative studies of the health impacts of welfare to work programmes on lone parents and their children [5], and a linked systematic review of qualitative studies. [6] Our quantitative review considered only randomised controlled trials (RCTs), which are often seen as the best way of measuring the effectiveness of social interventions (see Box 2). The qualitative review included studies which investigated how lone parents experienced taking part in welfare to work interventions by conducting in-depth interviews with small samples of welfare to work participants.

#### *Applicability of the Cochrane review findings*

The majority of the RCTs were conducted in North America in the 1990s. We cannot be sure if the effects would be the same if the intervention were implemented somewhere else. However, there are certain factors that can increase our confidence about applicability to other settings, for example, the UK. These include the studies being conducted in a range of different contexts, and also evaluating interventions which differ in terms of the number and combination of services and requirements they

#### **BOX 1**

A systematic review is a method of research designed to locate and synthesise the available evidence from studies of a specific research question. The aim is to be as comprehensive and objective as possible. The quality of the evidence is also assessed. The Cochrane Collaboration are among the world's leading authorities on systematic reviews and review methods.

#### **BOX 2**

Randomised controlled trial (RCT): The effects of a new drug can be tested by randomly dividing study participants into two groups, and giving the drug to one group (the experimental group) and comparing outcomes with another group who do not receive the drug (the control group). Likewise, the effectiveness of a social intervention can be tested by providing the intervention to a randomly assigned experimental group and comparing their responses with those of a control group who don't receive the intervention.

include. If, despite these differences, the results of all the studies are relatively similar, it means that we can have a reasonable degree of confidence that the effects would be similar if the interventions were implemented in other contexts.

The North American studies were conducted in different states, with varying economic and political conditions. In addition, the US and Canada are high income countries with social welfare systems, which means they are similar in many ways to the UK and other European countries. Because of these factors, we can be fairly certain the findings from the systematic review are applicable in other settings, despite the majority of the studies being conducted in North America.

### *Results of the Cochrane review*

Twelve large RCTs were found, with the majority of studies coming from the USA and Canada, and one coming from the UK. The total sample size for all the studies was over 27000. The RCTs evaluated some interventions that were mandatory and some that were voluntary. These provided a number of different services, and the majority introduced new restrictions on receiving benefits. The intervention 'components' included case management, training, financial incentives, sanctions, workfare and life time limits on welfare receipt. Many of the studies provided financial incentives in addition to normal benefits. Each intervention included different combinations of these components, in varying numbers.

The US studies were designed and implemented as 'demonstration' projects, meaning that they were not identical to the policies implemented when welfare was reformed across the country. The interventions lasted for between two and three years, and the studies reported findings at a range of different times, up to eight years after the start of the intervention. We created three follow up periods, corresponding to short, medium and long-term 'follow ups'. The majority of the evidence was assessed as 'moderate' quality, although some of the evidence on economic impacts at the long-term follow up was 'low' quality. However, because the studies are RCTs with large sample sizes and long follow up times, this represents an unusually robust body of evidence on a social intervention of this kind.

We combined the results of the studies using meta-analysis (see Box 3). Almost all impacts on the mental or physical health of lone parents and their children were very small and probably had no tangible effects from the perspective of participants. However, rates of depression risk continued to be very high in both the experimental and the control groups. The studies suggest that effects on employment and income 2-4 years after participants joined the programme were probably small, and may largely have faded by 5-6 years. One possible reason for small effects on employment was that although employment did increase in the experimental groups, it increased by almost as much in the control groups. Although employment increased across the samples, effects on income were probably very small, and in almost all of the studies the majority of participants were still in poverty at every follow up. This suggests that gaining employment did not address the challenging economic and social conditions that cause lone parents to have much higher rates of depression and poverty than the general population.

#### **BOX 3**

Meta-analysis is a statistical technique used to combine the findings of more than one study. Because this creates larger sample sizes we can be more confident that the results from meta-analyses are robust.

### *Results of the qualitative review*

The qualitative systematic review found 16 studies which were conducted in a number of high income countries, including three from the UK. Many respondents in the qualitative studies reported that participating in welfare to work programmes led to increased stress, fatigue, and in some cases, depression. Health problems hindered participation in, and were exacerbated by, welfare to work programmes. Managing employment requirements and domestic life was extremely difficult, particularly when child care responsibilities were not recognised by welfare staff. Welfare systems were often experienced as arbitrary and impersonal, and income sources could be stopped or disrupted at short notice due to sanctions or changes in earnings.

Respondents described the training provided by welfare to work programmes as inappropriate to their needs. Available employment was predominantly low-skilled, poorly paid, and insecure. In some cases young children had to care for very young children while their mothers worked or attended work-related activity. Conflicts between the demands of working and parenting, and loss of control over both small and large decisions, were predominant themes which emerged from the studies. In order to regain some control over their lives, some respondents simply dropped out of the system. The authors of two studies were concerned that some lone parents were remaining in abusive relationships or turning to crime in order to survive. Some respondents did have positive experiences of training and employment, and they reported increased income and improved self-esteem.

In summary, the review of quantitative studies found that welfare to work programmes probably had little to no impact on employment or income in the medium to long term, and both poverty and mental health problems remained very high. Although employment increased for participants in all groups, mental health problems did not improve. The review of qualitative studies also found that there was little impact on employment, income or poverty, but suggested that there were negative impacts on health. This may be because the participants in the quantitative and qualitative studies took part in different kinds of programme, because the approach to sampling respondents was different, or because qualitative data are more in-depth and can detect issues that may not come to light in a survey questionnaire.

### *Contextualising the findings*

The effects of social interventions, such as welfare to work, can be influenced by the context in which they are implemented. It is important to take contextual factors into account when trying to understand what the findings of a study mean. Most of the large US studies were conducted during an economic boom, which meant that jobs were plentiful. In addition, there were large increases in in-work tax credits (known as EITC in the US) at the same time, which made working a more attractive option. Compared to before the intervention, increases in employment for both experimental and control groups were very large in almost all of the studies (up to 40 percentage points in some studies). This suggests that many lone parents do find work independently when jobs are available and economic circumstances permit.

A number of these studies were also conducted at the same time as the US welfare system for lone parents was reformed across the nation. Lifetime limits on welfare receipt were introduced, work requirements and benefit sanctions were increased, and parents of children as young as three months in some states were required to be available for work.

Between 1995 and 1999, employment among lone mothers with low educational qualifications rose from 56% to 76%, and welfare caseloads plummeted. [7] US Welfare reform was hailed as a great success, and this strongly influenced the direction of social security policy in the UK. However, a number of studies attribute most of the employment increase to the economic boom and more generous EITC payments. For instance, one robust study which analysed the increase suggested that time limits, reduced benefit rates, and work requirements were responsible for only 12% of the change, while economic conditions and higher EITC accounted for 55% of the employment increase. [8]

The importance of the influence of economic conditions on lone parent employment was underlined when the US economy moved into a downturn. From its 1999 peak of 76%, lone parent employment fell back down to 61% in 2010. [7] Although employment had increased rapidly following welfare reform, many US lone parents who left welfare did not move into work. By 2010, it was estimated that 25% of low-income lone parent families were 'disconnected', that is not in work or on welfare, and with no discernible source of cash income. [9] Evidence suggests that some of these disconnected lone parents have turned to crime and prostitution, or remained in abusive relationships, in order to survive. [10] For those who did move from welfare to employment, jobs obtained were often low quality and poorly paid. [11] Between 1996 and 2011, rates of 'extreme poverty' across all lone parent households increased by 68%<sup>1</sup>, and the incomes of the poorest lone mothers fell substantially. [12] More recent evidence from large, robust studies which include the entire period since welfare was reformed suggests that health has been negatively affected. Negative impacts on maternal mental health, self-reported health and disability, child maltreatment, child cognitive achievement, and health behaviours have been found in a number of studies using nationally representative data. [13-15] Contrary to the initial appearance of great success, it now seems that reform of the welfare benefit system in the USA has led to increased poverty and poorer health for a sizeable proportion of lone parents.

### **Reform in the United Kingdom**

It is now (2017) some nine years since reforms restricting lone parents' access to benefits in UK were introduced, and evidence is emerging which allows us to assess the early impacts of these changes. Since the implementation of LPO, lone parent employment has increased to 67.8% in 2017. [16] However, employment obtained has been predominantly low wage and insecure. [17] There is also evidence of disconnection occurring in the UK: the official evaluation of LPO reported that in 2011, up to 8% of the sample of lone parents removed from Income Support had no known source of income. [18]

Qualitative longitudinal research, which interviewed the same respondents at intervals before and after the implementation of LPO, has found that lone parents dealing with the current UK social security system are facing many issues similar to those identified in our qualitative review, including inflexibility around child care constraints, disruption of income due to sanctions, and inappropriate training and support. Where employment is obtained, it is often poor quality, low paid and unsustainable. Severe negative health impacts arising from the stress of benefits being stopped and resulting food insufficiency have been reported by many respondents. [19]

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<sup>1</sup> Extreme poverty is defined as living on \$2 or less cash income per day (Edin and Lein 2016).

There are special protections built into the system to accommodate lone parents' childcare responsibilities. "Lone Parent Flexibilities" allow parents to restrict their availability for work to school opening times and to refuse a job offer if no appropriate childcare is available. However, the evidence from recent qualitative research, and the experiences being reported to advocacy organisations, show that the flexibilities are not implemented consistently. Helplines have received calls from lone parents who have been told they must work nightshifts, or that they must attend training despite having no child care. [20] Under Universal Credit, a new benefit that replaces a number of existing benefits (see Box 4), many of the Flexibilities have been downgraded from regulations to guidance. In addition, work incentives for many lone parents are considerably reduced compared to the previous tax credit system because withdrawal rates for UC are higher than those for the previous in-work benefit. Further, unlike the Tax Credit system, even lone parents who are in work will continue to be subject to full conditionality until their earnings reach a specified threshold. Thus, while the evidence indicates that higher incentives and lower conditionality are more effective strategies for encouraging lone parents to work, UK policy is moving in the opposite direction. Extending work requirements to lone parents of three year olds was in part justified by the proposed provision of 30 hours' free childcare to this age group. However, evidence indicates that nurseries are struggling to provide this. [21]

**BOX 4**

In 2013, the Coalition government began to implement a major reform of the UK social security system. Intended to simplify the system and increase work incentives, Universal Credit replaces six existing benefits, including IS, JSA, Housing Benefit and Tax Credits.

Under Universal Credit, people without children are able to earn money without losing all of their benefit entitlement. However, those in work will still be subject to conditionality until their earnings reach the equivalent of up to 35 hours at the National Living Wage. Implementation has been severely delayed and further changes have substantially reduced the value of work incentives.

**Conclusions**

There is evidence that strict policies which enforce job-seeking do not lead to increased income, reduced poverty, or improved health for lone parents or their children. The evidence also demonstrates the important influence of labour market conditions on lone parents' employment rates. Underpinned by the arguments that work is a both route out of poverty and health promoting, the focus of welfare to work interventions has been on moving people into any job, regardless of quality or fit with circumstances. But the research evidence suggests that employment *per se* is neither a route of poverty nor necessarily health promoting for lone parents.

The evidence suggests that many lone parents who move into work do so voluntarily when opportunities are available, it is financially rewarding, and their personal circumstances permit. Where they do not move into work, this is often due to their own or their child's health problems, or caring responsibilities for other family members. The available evidence also suggests that the training and support provided in many welfare to work programmes is too generic and does not support participants to improve marketable skills or to advance in the labour market. In such circumstances, pressuring lone parents to move into work is likely to lead to moves in and out of inappropriate and unsustainable employment, with little hope of advancement. There is a risk of pushing lone parents out of the benefit system

altogether, and there is accumulating evidence that such welfare to work policies can have negative impacts on adult and child health.

### **Policy implications**

If interventions that introduce strict work requirements and impose financial sanctions for failure to comply do not work, what kind of policies might help to improve outcomes for lone parent families?

Firstly, labour market programmes should take account of the economic context and the availability of secure jobs that provide financial stability and lead to increased income. Secondly, reductions in work incentives under Universal Credit should be reconsidered, as increases in tax credits have been shown in both the US and the UK to lead to increases in lone parent employment. Thirdly, individual circumstances, crucially including health problems, must also be considered: employment may not be the best solution for all lone parents. Fourth, financial incentives should be coupled with high quality skills training.

The United States may provide a lead on informing the development of new approaches to promoting employment for lone parents. Following their experience of less than satisfactory long-term results from traditional welfare to work programmes, there has been a recognition among policy-makers that requiring people to take any job available does not lead to improved outcomes over the longer term. A new generation of employment interventions focused on lone parents and other low-income adults, is now being developed and tested by the same teams who evaluated many of the studies included in our review. 'Career pathway' programmes involve providing high-level skills training in specific sectors where it is known that there are skills shortages, such as the allied health professions. The focus is on sectors which offer good quality, secure jobs with prospects for advancement. Evaluations of these interventions are still ongoing, but there is emerging evidence that this will be a more successful strategy. [22] This approach requires strategic co-operation with employers to identify existing or upcoming skills shortages, and the provision of high quality skills training. In the context of forecast skill shortages following Brexit, such an approach could provide an opportunity to create good quality, secure jobs that allow lone parents to escape poverty, with the added advantage of upskilling the UK's labour force.

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